China New Higher Education Group Limited
中國新高教集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 2001)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 AUGUST 2024

The Board of Directors of China New Higher Education Group Limited is pleased to announce the annual results of the Group for the year ended 31 August 2024.

HIGHLIGHTS

- The Group has been determined to consistently implement the high-quality development strategy, with "enabling every student to achieve career success and life fulfillment" as its mission, "building the most student-oriented university with a century-long vision" as its vision, adhering to the values of "student-oriented, contributor-based and adherence to long-termism". Focusing on the core demands of "better learning outcomes, higher employment quality, better service experience and more beautiful campus environment", the Group has been continuously increasing educational investment, comprehensively improving the quality of education and teaching as well as cultivation of talents to support regional economic and social development, and contributing to the high-quality development of higher education in China.

- High-quality and full employment has been rising steadily. As of 31 December 2023, the overall employment rate of the Group's 2023 graduates was 96.97%, marking the fourth consecutive year with the overall employment rate of 95% or higher. As of 31 August 2024, the initial employment rate of the 2024 graduates reached 95.09%, representing an increase of 4.4 percentage points as compared to last year. The proportion of high-quality employment of the 2024 graduates reached 33.21%, with one out of every three graduates being employed in high-quality job, of which the number of students employed by famous companies increased by 62%.

- In the 2024/2025 academic year, the total number of students in the Group's schools was approximately 139,000. The proportion of undergraduate students has continued to increase, with the proportion of new undergraduate students among all newly enrolled students increased by 4 percentage points and the proportion of undergraduate students in the total number of students increased by 1 percentage point. In addition, the proportion of cross-provincial enrollment in the Group's schools has increased consistently. The admission scores have substantially increased, the brand competitiveness has been further enhanced, and the high-quality development strategy is steadily advancing.

- The Group's high-quality development strategy aligns perfectly with the direction of policy support. With the support of favorable policies, Guizhou School's application to be an undergraduate-level university has been formally included in the "14th Five-Year Plan" College Establishment Plan of Guizhou Province. At present, the third phase campus construction of Guizhou School is underway as planned. The Group will continue to solidly promote major construction project of upgrading Guizhou School to an undergraduate-level university to ensure the completion of the relevant preparatory work with high quality and efficiency.

- The Group's financial performance has maintained steady growth. For the year ended 31 August 2024, we achieved 13.8% year-on-year increase in the revenue from principal business of the Group to RMB2.41 billion, while 6.1% year-on-year increase in adjusted net profit to RMB0.77 billion.

- The Group will maintain its dividend payout for the FY2023/2024, which is proposed to be payable wholly in form of new fully paid shares of the Company (the "**Scrip Shares**") in lieu of cash (the "**Scrip Dividend Scheme**"). The Group is of the view that facing changes in social demographics such as declining birth rates and increasing demands from students for higher educational background, the future competition in the higher education market will further intensify. It is necessary to continuously enhance the level of school operation, improve teaching standards, and enhance service quality to address the impact of decreasing demand in the future. Therefore, the Group will continue to increase investment to seize the current opportunities for vocational schools to upgrade to undergraduate universities, as well as undergraduate universities to apply for the right to grant master's degrees, in order to achieve long-term sustainable high-quality development. The Group believes that this extraordinary Scrip Dividend Scheme is in the interest of the Group and its Shareholders as a whole. While protecting Shareholders' returns, it can conserve cash for the Group's business development and operational needs, and avoid the increase in the Group's gearing ratio. It is expected that the Scrip Dividend Scheme will enhance the trading liquidity of the Shares.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Business overview

The Group is a leading higher education group focusing on higher education for over 20 years which first put forward and constantly promoted the school operation model of application-oriented universities. The Group's schools covered various regions of China, cumulatively cultivating over 450,000 high-quality applied and technical talents for the society. As a leader of high-quality employment, the schools of the Group have been awarded the "Top 50 National Employment (全國就業工作50強)" by the Ministry of Education, and the employment rate of each school received top ranking from their provinces and regions respectively, with continuous improvement in high-quality employment rates.

Business Advantages

The Group has firmly implemented the strategy of high-quality development, with "enabling every student to achieve career success and life fulfillment" as its mission, "building the most student-oriented university with a century-long vision" as its vision, and increasing its investment in high-quality development, to enable students to achieve better learning outcomes, higher employment quality, better service experience and more beautiful campus environment, to enhance the Group's core competitiveness, and to build the foundation for the Group's long-term high-quality development.

Deepening the teaching reform to fully enhance students' learning effectiveness

(I) Continuously increasing the numbers of "double-high" teachers, building a highly qualified teaching workforce

The Group has continued to introduce external high-level talents, with the number of "double-high" (high academic qualifications and high professional titles) teachers increased by 73% year-on-year. At the same time, the Group has increased the salary for core teaching positions, strategically oriented to the core teaching staff, such as department heads and deans, and has increased the allocation of training resources to further empower teachers to enhance their professionalism and build a high-quality, high-level teaching workforce.

(II) Consistently focusing on the classroom as the main battlefield, the quality of teaching and learning in the classroom have been significantly enhanced

The Group has established a rewarding mechanism for outstanding lessons to constantly stimulate teaching enthusiasm and innovation. Such mechanism covers all 8 schools, with 40% of teachers having received the award. During the Reporting Period, the Group has established a cross-campus teaching and research department, where 101 key teachers from 8 schools collaborated to revise training programs, build curriculum systems, and integrate and optimize educational resources. The number of awards won by teachers in provincial teaching competitions and skills competitions have increased by nearly 170%, marking a historical breakthrough for the Group.

The “Wonderful Classroom” initiative has led to the construction of classrooms, significantly enhancing the quality of student learning. The Group has launched the “Wonderful Classroom” competition for 15 consecutive years. During the Reporting Period, the Group achieved 100% coverage of supervisory evaluation and student evaluation for the first time, and implemented the “Standards on Building OBE-oriented Wonderful Classrooms” to improve the quality of teaching and learning in the classroom. During the Reporting Period, the number of awards won by students in the National University Student Subject Competition increased by 180% year-on-year, among which 72 awards were of top tiers, marking a record high for the Group.

(III) “Exploring Enterprises and Enquiring Needs” leading to teaching reform and enhancement of connotative construction

The Group adhered to the student-oriented approach and launched the “student-oriented” teaching reform, which promoted the integration of the “student-oriented” teaching philosophy and methodology into the classrooms, curricula, professions, and the university-wide talent cultivation system. At the same time, the Group continued its research work on “Exploring Enterprises and Enquiring Needs”. More than 1,200 teachers and staff have stepped out of the campus and visited 1,994 enterprises to conduct research and identify key issues in various aspects of talent cultivation. This advanced the teaching reform in 9 key aspects, namely objectives cultivation, graduation requirements, curriculum system, teaching content, experimental training, internships and practical experience, teaching methods, activities and competitions, and teaching workforce.

In terms of curriculum construction, the Group has added 29 provincial first-class undergraduate courses, of which 7 curricula participated in the evaluation of national first-class courses. In terms of experimental training, the Group has constantly renovated and built new experimental and training laboratories, introducing industry-leading experimental and training equipment, systems and projects. In terms of internships and practical experience, new university-enterprise cooperation units and internships and practice bases have been added, which was in line with local industry development. Among them, 22 projects were approved for the Gansu School as the first batch of industry-academia cooperation and collaborative education projects in 2024, which was a record high, and a total of 127 projects were approved for the Gansu School, which is the highest among the universities in Gansu Province. In terms of talent cultivation objectives, the Group combined the societal needs with local industrial advantages to build strong professional clusters. For example, new majors introduced at Central China School in 2024, namely the major of dentistry (a national-controlled major) and major of pet medical technology (specialist major), were very popular among students. The minimum admission cut-off score for dentistry major significantly exceeded the provincial admission score, and the minimum admission score ranked first among similar colleges and universities, with a 100% registration rate. Central China School also plans to establish a major in veterinary medicine, further highlighting its characteristics in medical higher education. The Group’s connotative construction continues to reach higher level.

Strengthening employment services, "high-quality employment as the foundation of the school"

(I) Increasing high-quality investment to promote employment, promoting full and quality employment through "Four Focused Efforts"

The Group has adhered to the principle of "high-quality employment is the foundation of a school", continuously increasing its investment in employment.

Firstly, the Group conducted a series of "exploring enterprises, expanding placement opportunities and enquiring needs" to expand the employment channels for graduates. The Group organized a number of "exploring enterprises, expanding placement opportunities and enquiring needs" activities to gather suggestions from enterprises and employers during the "enquiring needs" process to promote teaching reforms and enhance the alignment of professional talent cultivation.

Secondly, the Group used the "Three Centers" as the guide to promote high-quality employment. Through continuous promotion from the three employment and entrepreneurship centers in the Yangtze River Delta, Pearl River Delta and Beijing-Tianjin-Hebei region (the "**Three Centers**"), more than 1,900 employers from renowned enterprises have been engaged, providing graduates with more than 27,000 internships, and more than 7,000 graduates from the class of 2024 have been employed by the enterprises in the "Three Centers".

Thirdly, the Group continuously strengthened the employment workforce to deploy a high-quality team with sufficient manpower. The Group continuously increased investment in employment funding, with a focus on supporting frontline staff in carrying out campus recruitment and other activities. At the same time, recognition of outstanding staff was also increased, along with training support for frontline staff.

Fourthly, the Group provided refined services and excelled in guiding graduates. Graduates' employment initiatives were launched in advance, ensuring that all graduates received employment training and guidance. Additionally, the Group held up to 22 employment training sessions over the past year, focusing on the needs of enterprises and students, providing employment services covering workplace etiquette, resume improvement, and interview skills.

(II) Continuous increasing in the proportion of high-quality employment, with "good employment" becoming a renowned signature

The Group has always regarded employment quality as the criterion for assessing its high-quality development. With the implementation of various measures, the Group has achieved remarkable results in high-quality employment, with continuous increase in its employment rate and high-quality employment ratio. As of 31 December 2023, the final employment rate for the 2023 graduates reached 96.97%, maintaining a high level of employment rate for four consecutive years. As of 31 August 2024, the initial employment rate for the 2024 graduates reached 95.09%, representing a significant increase of 4.4 percentage points as compared to last year, of which one out of every three graduates secured high-quality employment, and the number of students employed by famous enterprises such as the Fortune Global 500 companies, China's Top 100 companies and A-shares listed companies increased by 62% compared to the same period of last year.

The Group's schools have achieved fruitful employment-related awards. The Group's schools won a total of 444 employment awards over the past 3 years, including 41 awards from the Department of Education and the Department of Human Resources and Social Affairs, and 363 awards from employment-related competitions. Among them, Yunnan School and Guizhou School were approved as Provincial Demonstration Units of Employment and Entrepreneurship for Graduates, and were selected by Yunnan Province and Guizhou Province to participate in the assessment of the National Demonstration Units. Yunnan School's "Constructing an 'Iron Triangle' Working Mechanism to Enhance the Effectiveness of Employment Promotion for All Staff" was accredited as the Typical Case of Employment of 2024 Graduates in Yunnan Province, and was the only private university in Yunnan Province to be selected for three consecutive years.

The concept of service and education penetrates into the front line, and student satisfaction continues to rise

Since the establishment of Experience Management Department, the Group has continuously focused on "student-oriented", adhered to the principles of problem-orientation and highlight-building, and formed a closed-loop model of experience management by means of satisfaction surveys, student-teacher opinion platforms, the Principal's Reception Day, the Student Experience Committee, and peak-value experience activity design, i.e. "Demand Collection" to "Problem Analysis" to "Problem Handling" and finally "Effect Verification". The experience management module has been constructed to increase the high-quality of inputs, resulting in improved service quality and the achievement of education goals. Student satisfaction has increased for three consecutive years, with 86.4% of students reported high level of satisfaction.

The Group has continued to implement the concept of service and education, and enhanced the reputation of the schools and being recommended from students and parents. The Group has continued to enrich campus activities for students, focusing on the opening and graduation seasons and creating the "peak experience" branded series of activities to enhance students' sense of participation, exclusivity and belonging, which have continued to increase popularity among students. Meanwhile, in terms of campus life, which is of concern to students, we have continued to build 'five-star' student flats, added lifestyle services, shared kitchens, study rooms, and multifunctional spaces for students, and also introduced high-quality and well-known branded merchants to the campus, such as Luckin Coffee Master Shop, Starbucks Reserve Shop, Tmall Supermarket, McDonald's and KFC, etc., transforming and upgrading commercial spaces to continuously enhance students' living experience.

Aligning with the international high standards and high quality, continuously creating a more beautiful campus environment

The Group believes that a better campus environment is one of the important core competencies under the vision of "building the most student-oriented university with a century-long vision". A beautiful campus environment enables students to have a better learning outcomes and living experience, achieving a subtle educational effect through the environment. Therefore, the Group has continued to increase high-quality investment to create a first-class nurturing environment, comprehensively enhancing the visual experience, which has been greatly improved in various aspects such as campus planning, building upgrades, interior remodeling and landscape layout. In the future, the schools will continue to align with international standards and high quality to create a more beautiful campus environment and fully leverage the "environment nurturing" effect, thereby further supporting high-quality development.

Enrollment competitiveness continued to increase and the student structure continued to optimize

In the 2024/2025 academic year, the total number of students in the Group's schools was approximately 139,000. The proportion of undergraduate students has continued to increase, with the proportion of new undergraduate students among all newly enrolled students increased by 4 percentage points, and the proportion of undergraduate students in the total number of students increased by 1 percentage point. In addition, the Group's schools continued to expand their national enrollment, with the proportion of cross-provincial enrollment steadily increasing. Among them, the undergraduate program of the Northeast School out of the provinces increased by 35% year-on-year. The minimum admission cut-off scores for our schools far exceeded the provincial admission score. For example, in the first year of enrollment for the major of dentistry at Central China School, the minimum admission cut-off scores exceeded the provincial admission score by 44 points and the minimum admission score ranked first among similar schools, with the registration rate of students reaching 100%. Guizhou School ranked first in terms of the minimum admission cut-off score among similar schools in the province in 2024. The Group's enrollment competitiveness continues to strengthen, achieving high-quality development results.

Insisting on ESG-led, high-quality and long-term sustainable development

The Group is committed to the environmental, social and governance ("**ESG**") philosophy and uses ESG as a guide to promote sustainable development, which has been recognized by authorities and the capital market. Yunnan School was selected as a "Green and Beautiful Campus" and a "Water-saving University", while Guizhou School and Central China School were also selected as "Water-saving Universities". Sustainable development of the Group has also been recognized by the capital market. The Group received an ESG score of 36 for the first time from Standard & Poor's, one of the three major international rating agencies, ranked the seventh in the world and the first in China in the industry, and scored the highest in China's education sector. At the same time, the Group has been selected as a member of S&P Global's "2024 Sustainability Yearbook (China)", making the Group the first and the only enterprise in the diversified consumer industry to be included in the yearbook.

FUTURE OUTLOOK

The high-quality development of vocational education received prolonged support by the policy

The Group continues to be supported by favorable policies and vocational education has a bright future and great potential. In January 2024, the National Education Work Conference has deployed "boosting the adaptability and appeal of vocational education" as one of the key tasks. In March 2024, the Government Work Report of the Two Sessions mentioned "vigorously improving the quality of vocational education". Meanwhile, during the Two Sessions, General Secretary Xi Jinping emphasized that "we must improve vocational education in a real way, establish the spirit of the craftsman, and cultivate front-line craftsmen from the great power in batches." In July 2024, the Third Plenary Session of the 20th Central Committee of the Communist Party of China (CPC) passed the Resolution of the CPC Central Committee on Further Deepening Reform Comprehensively to Advance Chinese Modernization, which proposes to "accelerate the construction of a high-quality education system, and push forward reforms in other aspects of education including educational modes, the running of schools, the management system, and the safeguard mechanism". On 3 August 2024, the Opinions of the State Council on Promoting High-Quality Development of Service Consumption proposed "encouraging high-standard cooperation with internationally renowned institutions of higher education in China". On 15 September 2024, the Opinions of the State Council of the CPC Central Committee on Implementing the Strategy of Prioritizing Employment and Promoting High-Quality and Full Employment emphasized that "the employment situation as an important basis for the allocation of education resources, assessment of the quality of education, and the arrangement of enrollment plans".

The Group's high-quality development strategy aligns perfectly with the direction of policy support. With the support of favorable policies, Guizhou School's application to be an undergraduate-level university has been formally included in the "14th Five-Year Plan" College Establishment Plan of Guizhou Province. At present, construction of the third phase campus of Guizhou School is underway as planned. The Group will continue to solidly promote major construction project of upgrading Guizhou School to an undergraduate university to ensure the completion of the relevant preparatory work with high quality and efficiency. Yunnan School has successfully obtained provincial-level approval for the establishment of a new master's degree granting unit, becoming the first batch of private university in Yunnan Province being approved for the establishment of such a new master's degree granting unit at the provincial level.

Future development: "Three Sustainability"

(I) Continue to follow the path of high-quality development

The Group has always insisted on being a long-term runner in the higher education industry. The Group will continue to increase its investment and steadfastly follow the path of high-quality development supported by national policies to create and provide educational opportunities with high quality teaching, high quality employment and high-quality experience for students of all its schools.

(II) Sustained and stable value creation under the ESG approach

The Group is committed to the ESG philosophy and uses ESG as a guide to integrate financial indicators such as stable performance growth, steady investment returns and abundant cash flow with ESG, so as to create value in a sustained and steady manner, thereby realizing long-term benefits and sustainable development, and achieving a win-win situation for both investors and the Group in the long run.

(III) Building the most student-oriented university with a century-long vision and continuing to provide education that meets the satisfaction of the people

In the face of the new development stage, new development pattern and new development opportunities in higher education, with the mission of "enabling every student to achieve career success and life fulfillment", the Group is committed to building the "most student-oriented university with a century-long vision" and solidly execute the idea of "strengthening morality through education, teaching students in accordance with their aptitude and studying for the sake of application". The Group will continue to cultivate high-quality talents with applied and technical skills who have comprehensive development in morality, intelligence, physical fitness, aesthetics, and labor skills to meet the needs of local economic and social development, so as to assist in the strengthening of education to support our country and create greater values for the society, and to provide education that meets the satisfaction of the people.

FINANCIAL REVIEW

The financial results for the year ended 31 August 2024 and last year are as follows:

	Year ended		
	31 August 2024	31 August 2023	**Change**
	RMB million	*RMB million*	*(%)*
Total revenue^	**2,835.2**	2,526.9	12.2%
Revenue	**2,411.7**	2,119.1	13.8%
Cost of sales	**(1,535.6)**	(1,313.1)	16.9%
Gross profit	**876.1**	806.0	8.7%
Other income and gains	**423.5**	407.8	3.8%
Selling and distribution expenses	**(40.6)**	(35.8)	13.4%
Administrative expenses	**(113.4)**	(95.7)	18.5%
Other expenses	**(104.7)**	(92.8)	12.8%
Finance costs	**(127.9)**	(143.6)	-10.9%
PROFIT BEFORE TAX	**913.0**	845.9	7.9%
Income tax expense	**(157.0)**	(142.6)	10.1%
Net profit	**756.0**	703.3	7.5%
Adjusted net profit#	**772.0**	727.5	6.1%

^ Total revenue = revenue + other income and gains

Adjusted net profit = net profit of RMB756.0 million for the year ended 31 August 2024 plus fair value loss of a swap derivative product of RMB16.2 million, minus exchange gain of RMB0.2 million arising from the USD syndicated loans (FY2023: net profit of RMB703.3 million for the year ended 31 August 2023 plus exchange loss of RMB24.2 million arising from the USD syndicated loans)

Revenue

The Group's revenue reached RMB2,411.7 million for the year ended 31 August 2024, increased by 13.8% as compared to RMB2,119.1 million of last year, which was mainly attributable to steady growth of revenue from tuition fees and boarding fees driven by leveraging the advantages of centralized school operation and continuous high quality connotation development.

Cost of Sales

The Group's cost of sales was RMB1,535.6 million for the year ended 31 August 2024, increased by 16.9% as compared to RMB1,313.1 million of last year, which was primarily due to (1) an increase of 31.3% in teaching and learning related costs as compared to last year as the Group has increased its investment in teaching and learning to enhance the quality of teaching and learning for the sake of high-quality development; (2) an increase of 15.7% in depreciation and amortization costs as compared to last year as the Group continued to upgrade and renovate its campus and upgrade its laboratory training equipment; and (3) an increase of 12.1% in labor-related costs as compared to last year as the Group continued to optimize the cost structure of teachers, enhance the remuneration and benefits of core teaching positions, actively introduce double-high teachers and strengthen the construction of a high quality teaching team.

Gross Profit and Gross Profit Margin

The Group's gross profit was RMB876.1 million for the year ended 31 August 2024, which was increased by 8.7% as compared to RMB806.0 million of last year. The gross profit margin for the year ended 31 August 2024 was 36.3%, representing a decrease of 1.7 percentage point as compared to the gross profit margin of 38.0% of last year. The decrease was mainly due to the Group's adherence to a connotation development strategy and the increasing investment in talents and teaching. As such, the growth of revenue for current stage was temporarily lower than the growth of cost of sales. The development strategy, which is based on high quality, will lay a solid foundation for its future organic growth.

Other Income and Gains

The Group's other income and gains reached RMB423.5 million for the year ended 31 August 2024, increased by 3.8% as compared to RMB407.8 million of last year, which was mainly due to (1) the integration of the Group's training resources accumulated over the years, exploring best practices and actively providing training services in vocational skills enhancement to the community and students, leading to a 8.7% increase in service revenue year-on-year; and (2) leveraging on the advantages of its centralized school operation to actively expand the rentable area, resulting in a year-on-year increase of 7.9% in rental income.

Selling and Distribution Expenses

The Group's selling and distribution expenses were RMB40.6 million for the year ended 31 August 2024, which was increased by 13.4% as compared to RMB35.8 million of last year. This increase was primarily attributable to the Group's continuous efforts to strengthen brand building and enhance its schools' brand image. The expenses accounted for approximately 1.4% of the Group's total revenue for the Reporting Period, which was flat with the historical level.

Administrative Expenses

The Group's administrative expenses were RMB113.4 million for the year ended 31 August 2024, increased by 18.5% as compared to RMB95.7 million of last year, which was primarily due to (1) an increase in the provision for performance bonus as the Group's revenue growth exceeded expectations during the Reporting Period; (2) an increase in business hospitality expenses as a result of increasing efforts in exploring enterprises and enquiring about their needs to expand employment channels.

Other Expenses

The Group's other expenses were RMB104.7 million for the year ended 31 August 2024, which was increased by 12.8% as compared to RMB92.8 million of last year. The increase was mainly attributable to a fair value loss of RMB16.2 million incurred from a swap derivative product purchased by the Group during the Reporting Period to hedge its exposure to the risks of fluctuations in exchange rates and floating interest rates of USD loans, the fair value of which was affected by the fluctuations in the forward US dollar exchange rates and the SOFR interest rates, which affected the Group's profit or loss during the Reporting Period.

Finance Costs

The Group's finance costs were RMB127.9 million for the year ended 31 August 2024, decreased by 10.9% as compared to RMB143.6 million of last year, which was mainly due to the Group's continuous efforts to expand its diversified loan portfolio and control finance costs, resulting in a decrease in average interest rate.

Profit before Tax

Due to the combined influence of revenue, costs and expenses above, the Group recorded a profit before tax of RMB913.0 million for the Reporting Period, representing an increase of 7.9% as compared to RMB845.9 million of last year.

Net Profit

Due to the combined effects of revenue, costs and expenses above, the net profit of the Group was RMB756.0 million for the year ended 31 August 2024, representing an increase of 7.5% as compared to RMB703.3 million of last year.

Non-HKFRS Measures

To supplement our consolidated financial statements presented under HKFRS, we also use adjusted net profit as additional financial measures. The Company considers that these non-HKFRS measures can eliminate the potential impact of items that management believes are not reflective of the Group's operating performance and thus facilitate comparisons of operating performance from period to period.

The use of non-HKFRS measures has limitations as an analytical tool as these measures do not include all items that affect our results in the related period. In view of the limitations of the non-HKFRS measures above, readers should not read the non-HKFRS measures in isolation or as an alternative to our profit for the year, or any other measure of operating performance calculated in accordance with HKFRSs, in assessing our operating and financial performance. In addition, as these non-HKFRS measures may be calculated differently by different companies, they should not be compared with similarly named measures used by other companies.

The calculation of adjusted net profit is as follows:

	Year ended	
	31 August 2024	31 August 2023
	RMB million	*RMB million*
Net profit	**756.0**	703.3
Adjusted items: Fair value loss of a swap derivative product	**16.2**	–
Exchange (gain)/loss arising from the USD syndicated loans	**(0.2)**	24.2
Adjusted net profit	**772.0**	727.5

Total Capital

The total capital of the Group was RMB2,321.7 million as of 31 August 2024 (31 August 2023: RMB1,148.6 million), which equals to the aggregate of cash and cash equivalents, pledged and restricted deposits and time deposits.

Financial Resources and Gearing Ratio

The Group's interest-bearing bank loans and other borrowings primarily consisted of short-term working capital loans and long-term project loans for its school buildings and facilities. The interest-bearing bank loans and other borrowings as well as lease liabilities amounted to RMB3,504.8 million as of 31 August 2024 (31 August 2023: RMB2,718.3 million), among which US$80.0 million was denominated in United States dollar, while the remaining was denominated in Renminbi.

Interest-bearing debt equals to the total amount of interest-bearing bank loans and other borrowings and lease liabilities as of 31 August 2024. The Group's interest-bearing debt/total assets increased from 29.4% as of 31 August 2023 to 31.8% as of 31 August 2024, which was mainly because the Group has retained sufficient available funds to satisfy the need for continuous increase in investment in high-quality development and has not repaid bank borrowings in advance.

Net interest-bearing debt equals to the total interest-bearing bank loans and other borrowings and lease liabilities net of total capital as of 31 August 2024. The Group's net interest-bearing debt/total equity decreased from 44.4% as of 31 August 2023 to 28.8% as of 31 August 2024, which was primarily attributable to the combined effects of the decrease in the size of the Group's net interest-bearing liabilities and the increase in the amount of total equity.

Gearing ratio equals to the ratio of interest-bearing debt divided by total equity as of 31 August 2024. The Group's gearing ratio increased from 76.9% as of 31 August 2023 to 85.2% as of 31 August 2024, primarily due to the increase in the scale of the Group's interest-bearing liabilities.

Capital Expenditures

For the year ended 31 August 2024, the Group's capital expenditures were RMB920.8 million, which was primarily used for the construction of upgrading Guizhou School to an undergraduate university, the construction of other schools' buildings and facilities, land acquisition and purchase of furniture and equipment.

Capital Commitments

The Group's capital commitments were primarily used in the payment of construction and maintenance of school buildings and purchase of facilities. The following table sets out a summary of our capital commitments as of the dates indicated:

	Year ended 31 August 2024 *RMB million*	Year ended 31 August 2023 *RMB million*
Contracted but not provided for:		
Property, plant and equipment		
Within one year	**214.5**	231.4
Over one year	**353.4**	86.6
	567.9	318.0

As of 31 August 2024, the Group had no significant capital commitment authorized but not contracted for.

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this announcement, the Group did not have any other plans for material investments and capital assets since the end of the Reporting Period and up to the date of this announcement.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

No other significant investments and acquisitions or disposals of subsidiaries, associates or joint ventures were made by the Group during the Reporting Period.

FOREIGN EXCHANGE RISK MANAGEMENT

The functional currency of the Group is RMB and HKD. The majority of the Group's revenue and expenditures are denominated in RMB. As at 31 August 2024, certain bank loans and bank balances were denominated in USD and HKD. The Group had purchased call options with an underlying value of US$11 million in the year ended 31 August 2023, which have been exercised during the year ended 31 August 2024 and it has purchased a swap derivative product during the year ended 31 August 2024 to hedge its exposure to the risks of fluctuations in exchange rates and floating interest rates of USD loans. In future, the management will continue to pay attention on the Group's foreign exchange risk exposure and consider adopting prudent measures as appropriate.

PLEDGE OF ASSETS

The pledged assets of the Group as at 31 August 2024 are as follows:

(i) equity interests of the Group's certain subsidiaries; and

(ii) deposits of the Group with an amount of RMB928,105,000 as at 31 August 2024 (31 August 2023: RMB196,726,000).

Contingent Liabilities

As of 31 August 2024, the Group did not have any material contingent liabilities, guarantee or any litigation or claims of material importance, pending or threatened against any member of the Group.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the date of this announcement, the Group had not entered into any off-balance sheet transactions.

FAVOURABLE POLICIES TO FACILITATE THE DEVELOPMENT OF PRIVATE HIGHER VOCATIONAL EDUCATION

On 12 October 2021, the General Office of the Chinese Communist Party Central Committee and the General Office of the State Council issued the Opinions on Promoting the High-quality Development of Modern Vocational Education (《關於推動現代職業教育高質量發展的意見》) (the "**Opinions**"), and issued a notice requiring serious implementation. The Opinions put forward that (1) speeding up the establishment of the "vocational education college entrance examination" system, to promote the vertical connection of vocational education at different levels, and strengthen the penetration and integration of general education and vocational education at all levels; (2) adherence to major national strategies, to encourage schools setting up more scarce and market-oriented majors; (3) improving the diversified school operation pattern, encouraging listed companies and industry leading enterprises to establish vocational education, and encouraging all kinds of enterprises to participate in the establishment of vocational education according to law, to enrich the school operation forms of vocational schools; (4) governments at all levels should coordinate the scale, structure and level of vocational education and human resources development, and include the integration of production and education into the economic and social development plan. Local governments should take the promotion of enterprises' participation in school-enterprise cooperation and the cultivation of technical and skilled talents as the important contents of industrial development plans, industrial incentive policies and rural revitalization plans, provide "financial + fiscal + land + credit" incentives to industry-education integrated enterprises, and implement the relevant tax and fee policies in accordance with the regulations; (5) realizing the innovation of school-enterprise cooperation mechanism, deepening the reform of education and teaching, building the brand of vocational education with Chinese characteristics, and exploring the international development mode of "Chinese + vocational skills".

In December 2021, the Opinions on the Authorization and Awarding of Bachelor's Degrees in Vocational Schools at the Undergraduate Level (《關於做好本科層次職業學校學士學位授權與授予工作的意見》) was issued by the Academic Degree Office of the State Council, which makes it clear that the authorization, awarding and management of bachelor's degrees in vocational education at the undergraduate level will be subject to the same rules as those for general undergraduates, while highlighting the characteristics of vocational education. The undergraduate-level vocational education degree certificate will thus be given the same status as the general undergraduate degree in terms of effectiveness and application value. The Group's development direction has been in line with the Group's commitment to strengthen the educational characteristics of vocational education, emphasize vocational competence and qualification, and promote its high-quality development.

In January 2022, four departments including the Ministry of Education issued the "14th Five-Year Plan" for Vocational Skills Training which was the first "Five-Year Plan" of vocational training of the Central Government, aiming to improve the capability of workers and relieve the pressure of employment. Such policy sets up key goals for the year of 2021 to 2025: (1) conducting subsidized vocational training with no less than 75 million persons, in which no less than 30 million persons for farmers; (2) no less than 40 million persons for newly obtained vocational qualification certificates or vocational skill level certificates; (3) no less than 200 of newly built public training bases. The higher education industry will continue to benefit from the favorable policy on vocational education.

In February 2022, the Ministry of Education announced the work focus of vocational education in 2022, proposed to promote fuller and higher quality employment for college graduates, support and regulate the healthy development of private education and accelerated the digital transformation and smart upgrade of education. It is expected that the Group will continue to benefit from the favorable policies of vocational education.

The Vocational Education Law promulgated by the Standing Committee of the National People's Congress in April 2022, which became effective on 1 May, clarifies that vocational education and general education have the same important status, supports the social forces to extensively participate in vocational education, fosters, guides and backs up enterprises and other social forces to sponsor vocational schools and vocational training institutions in accordance with the law, and encourages enterprises to participate deeply in the integration of industry and education, as well as school-enterprise cooperation. The new law also makes it clear that when government, public institutions, state-owned enterprises are in the recruitment of technical skills positions, the level of technical skills should be an important criteria and public institutions can appropriately lower educational requirements when publicly recruit positions with vocational skills level requirements. From which we can observe that the new law continues the consistent policy direction of the state to support the development of vocational education. And through the improvement of the protection mechanism and measures of vocational education, it focuses on improving the recognition of vocational education and the quality of technical skills personnel training. The new law will definitely promote the high-quality development of vocational education, and the higher vocational education groups will also welcome a new round of development opportunities in a more sound and friendly legal environment.

In October 2022, Xi Jinping, General Secretary of the Communist Party of China ("**CPC**") Central Committee, pointed out in the report to the 20th National Congress of the Communist Party of China that China will continue to give high priority to the development of education, build a strong educational system, and move faster to build a high-quality educational system. It is clear that the focus of vocational education, higher education, and continuing education is collaborative innovation. China will promote integration between vocational education and general education, between industry and education, and between science and education. China will also better establish vocational education as a category in the educational system, setting out the direction for the future development of higher vocational education.

In December 2022, the General Office of the Chinese Communist Party Central Committee and the General Office of the State Council issued the Opinions on Deepening the Reform of the Construction of Modern Vocational Education System, which put forward the strategic tasks of exploring a new model for the construction of a modern vocational education system at the provincial level, building a municipal industry-education consortium and creating a community of industry-education fusion. It also specifies the key tasks of enhancing the key school-running capacity of vocational schools, strengthening the construction of "dual-teacher" teams, building an open regional practice centre for integration of industry and education, broadening the channels for students to grow up and become successful, and innovating the mechanism of international exchanges and cooperation.

In March 2023, Premier Li Keqiang, on behalf of the State Council, made a Report on the Work of the Government at the First Session of the Fourteenth National People's Congress, in which he proposed that over the past five years, the development of vocational education has achieved remarkable results, the adaptability of vocational education has been enhanced, and the conditions of operation of vocational schools have continued to improve, and proposed, among the priorities of this year's work, to promote the high-quality and balanced development of compulsory education and the integration of urban and rural areas, to develop vocational education vigorously and to promote the innovation of higher education.

In June 2023, the National Development and Reform Commission, the Ministry of Education, the Ministry of Industry and Information Technology, the Ministry of Finance, the Ministry of Human Resources and Social Security, the Ministry of Natural Resources, the People's Bank of China and the State-owned Assets Supervision and Administration Commission of the State Council issued the Implementation Plan for the Enhancement of Empowerment Initiatives for Industry-education Integration in Vocational Education (2023–2025) (《職業教育產教融合賦能提升行動實施方案 (2023–2025年)》), with the aim of integrating and promoting the coordinated development of education and industry, innovating and building platforms and carriers for industry-education integration, successively advancing the pilot projects for the construction of industry-education integration, and perfecting and implementing the combined incentives and empowerment policy system, so as to further lead industry-education integration to make deepen reforms. The implementation plan expects that by 2025, there are about 50 pilot cities for industry-education integration in the PRC. With giving full play to the breakthrough and leading role of pilot cities, more than 10,000 enterprises for industry-education integration will be established and cultivated nationwide. A development pattern of coordinated integration and benign interaction between education and industry will be gradually formed after improving and perfecting the system of enterprises for industry-education integration and the combined incentive policy system, a steady increase in investment in vocational education from various funding channels, and better integrating industrial needs into the entire cultivation process of talent development.

In July 2023, the General Office of the Ministry of Education issued the Notice on Accelerating the Reform of the Construction of Modern Vocational Education System, deploying 11 key tasks for the reform of the construction of modern vocational education system, accelerating the construction of a new mechanism for the high-quality development of vocational education that involves interaction between the central government and the local government, regional linkage, and collaboration between government, industry, enterprises, and schools, so as to promote the reform of the construction of modern vocational education system in an orderly and effective manner.

In March 2024, Premier Li Qiang, on behalf of the State Council, made a Report on the Work of the Government at the Second Session of the Fourteenth National People's Congress. The report proposed to guide and regulate the development of private education, vigorously improve the quality of vocational education, implement pilot comprehensive reforms of higher education, optimise the structural layout of disciplines, majors and resources, accelerate the construction of world-class universities with Chinese characteristics and advantageous disciplines, strengthen applied undergraduate colleges and enhance operating capabilities of colleges in the central western region.

RECENT DEVELOPMENTS OF REGULATORY FRAMEWORK

(I) Classified Registration

According to the Several Opinions of the State Council on Encouraging Social Powers to Set up Education to Promote the Healthy Development of Private Education (29 December 2016), a classified registration and management system shall be applicable to private schools, and private school sponsors can choose to run non-profit or for-profit private schools. The revised Laws for Promoting Private Education of the PRC (implemented on 1 September 2017) also promulgated the same provisions.

According to the Implemental Rules on Private School Classified Registration (30 December 2016), if an existing private school chooses to register as a non-profit private school, it should modify its articles of association, continue to run the school and complete new registration procedures in accordance with relevant laws. If it chooses to register as a for-profit private school, it should conduct financial settlement, clarify the ownership of school land, school premises, school accumulation, and pay related taxes and fees, obtain a new permit in running a school, re-register and continue the operations for education.

In order to further implement the above requirements, government and relevant competent departments in the region where the Group runs schools have successively issued supporting measures, including (1) Implementation Opinions Issued by the People's Government of Yunnan Province on Encouraging Social Powers to Set up Education to Promote the Healthy Development of Private Education (18 December 2017), Notice of the Five Departments including Education Department of Yunnan Province on Steady and Orderly Promotion of Classified Registration and Management of Private Schools (12 June 2019); (2) Implementation Opinions Issued by the People's Government of Guizhou Province on Supporting and Regulating Social Forces to Set up Education to Promote the Healthy Development of Private Education (3 August 2018), Measures for the Implementation of Classified Examination and Approval of Registration and Supervision and Management of Private Schools in Guizhou Province (Trial) (11 June 2019), Measures for Changing the Type of Legal Person Registration of Existing Private Schools in Guizhou Province (22 August 2022); (3) Implementation Opinions Issued by Heilongjiang Province on Encouraging Social Powers to Set up Education to Promote the Healthy Development of Private Education, Measures for the Implementation of Classified Registration of Private Schools in Heilongjiang Province, and Measures for the Supervision and Administration of For-profit Private Schools in Heilongjiang Province (26 February 2019); (4) Implementation Opinions of the People's Government of Gansu Province on Further Promoting the Healthy Development of Private Education (8 November 2017), Measures for the Implementation of Classified Registration of Private Schools in Gansu Province (15 November 2018); (5) Implementation Opinions Issued by the People's Government of Guangxi Zhuang Autonomous Region on Encouraging Social Powers to Set up Education to Promote the Healthy Development of Private Education (2 July 2018), Measures for the Implementation of Classified Registration of Private Schools in Guangxi Zhuang Autonomous Region (10 October 2018), Measures for the Implementation of Supervision and Administration of

For-profit Private Schools in Guangxi Zhuang Autonomous Region (16 October 2018), Measures for the Implementation of Classified Registration of Existing Private Schools in Guangxi Zhuang Autonomous Region (19 April 2022); (6) Implementation Opinions Issued by the People's Government of Hubei Province on Encouraging Social Powers to Set up Education to Promote the Healthy Development of Private Education (20 December 2017); (7) Implementation Opinions Issued by the People's Government of Henan Province on Encouraging Social Powers to Set up Education to Further Promote the Healthy Development of Private Education (2 February 2018).

The above local regulations only provide a procedural framework for the classified registration of existing private schools in relevant provinces as for-profit private schools or non-profit private schools, but do not further specify the various preferential taxes and land use policies that can be enjoyed by for-profit and non-profit schools.

As of the date of this announcement, except that the Northeast School, Guangxi Schools, Yunnan School and Guizhou School are currently in the process of classified registration according to the guidance of the relevant provincial authorities, the Company has not commenced the process of classified registration for other schools under the Group. However, due to the uncertainties in the interpretation and application of the above requirements, there are uncertainties as to when the private schools under the Group can complete the classified registration, whether the relevant taxes and fees will need to be paid in accordance with local supporting rules in the process of classified registration in the future, and what kind of tax and land use policies and other aspects of government supports such schools will enjoy in the future. The Group will continue to pay close attention to any further development on the application of the above requirements.

(II) The 2021 Implementation Rules

On 14 May 2021, the State Council promulgated the Implementation Rules for the Laws for Promoting Private Education of the PRC (the "**2021 Implementation Rules**"), which has been implemented since 1 September 2021. The 2021 Implementation Rules stipulate that: (1) private schools may enjoy the preferential tax policies stipulated by the State, among which non-profit private schools may enjoy the same preferential tax policies as public schools; (2) for the construction or expansion of non-profit private schools, the local people's governments shall grant preferential treatments in terms of land use by means of allocation in accordance with the principle of treating nonprofit private schools equally as public schools. For the land use of private schools that implement preschool education and education for academic credentials, the governments may provide lands by means of agreement, bidding, auction and etc. according to the laws. Lands may also be supplied by long-term lease, lease and assignment, and combination of sale and rental. Charges for the assignment or rental of land may be paid in instalments within the specified time limit as agreed in the contract.

The 2021 Implementation Rules do not involve specific provisions on preferential taxation and land use policies. Therefore, there are still uncertainties as to what kind of tax and land use policies and other aspects of government supports the private schools under the Group will enjoy in the future.

The 2021 Implementation Rules further stipulate that: (1) the State encourages enterprises to establish or participate in the establishment of private schools that implement vocational education in various forms, such as sole proprietorship, joint venture or cooperation according to law; institutions that implement nationally recognized educational examinations, vocational qualification examinations and vocational skill level examinations shall comply with the relevant provisions of the State in the establishment or participation in the establishment of private schools related to the examination implemented by them; (2) private schools that provide compulsory education are not allowed to enter into transactions with their interested parties, and other private schools shall conduct transactions with their interested parties in a manner that is open, justified and fair, shall price such transactions reasonably, shall establish standardized decision-making for such transactions and shall not harm the interests of the State, schools and teachers and students. Private schools shall set up an information disclosure mechanism for dealing with their interested parties. The relevant governmental authorities, such as the education department, the human resources and social security departments and the financial departments, shall strengthen the supervision of the agreements entered into between non-profit private schools and their interested parties, and shall review the connected transactions annually; (3) if the sponsor is a legal person, its controlling shareholder and the actual controller must meet the requirements stipulated by laws and administrative regulations for the establishment of a private school, and any change of the controlling shareholder or the actual controller must be reported to the competent department for record-filing and publicity. Any social organizations and individuals shall not control private schools which provide compulsory education or non-profit private schools which implement preschool education through mergers and acquisitions or contractual agreements; and (4) the start-up capital and registered capital of a private school shall be compatible with the type, level and scale of the school and shall be paid in full when it is formally established.

Pursuant to the 2021 Implementation Rules, the Group is not prohibited from acquiring non-profit private schools providing higher education services or controlling them through structured contracts. As the Group has no plans to acquire private schools providing compulsory education or non-profit private schools providing preschool education, we do not consider that the 2021 Implementation Rules will have any adverse impact on the Group's future acquisitions.

The Structured Contracts may be considered as transactions with interested parties of private schools under the Group, and we may incur significant compliance costs due to the establishment of a disclosure mechanism. If the private school under the Group chooses to register as a non-profit private school, the competent government department shall review its relevant transactions annually. These processes may not be under our control and may be very complex and cumbersome, and may divert management attention. During the review process, government departments may require us to modify or terminate the Structured Contracts, which may lead to penalties, resulting in a material adverse impact on the operation of the Structured Contracts.

As at the date of this announcement, the Company's operations have not been affected by the 2021 Implementation Rules.

(III) Foreign Investment Law

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**Foreign Investment Law**") approved by the National People's Congress on 15 March 2019 has been implemented since 1 January 2020, and has become the basic law for foreign investment in China. According to this law, existing foreign-invested enterprises may maintain their existing organization structure within five years from the effective date of the Foreign Investment Law.

On 26 December 2019, the State Council issued the Implementation Regulations of the Foreign Investment Law of the PRC (the "**Implementation Regulations**"), which also came into effect on 1 January 2020, aiming to implement the legislative principles and purposes of the Foreign Investment Law.

The Foreign Investment Law clearly specifies three forms of foreign investment, but neither the Foreign Investment Law nor the Implementation Regulations explicitly stipulate contractual agreements as a form of foreign investment. As confirmed by our PRC Legal Advisors, as the Foreign Investment Law and the Implementation Regulations do not define contractual agreements as a form of foreign investment, if future laws, administrative regulations, and regulations of the State Council do not include contractual agreements as a form of foreign investment, the Structured Contracts as a whole and the agreements constituting the Structured Contracts will not be affected, and will continue to be legally valid, effective and binding on the parties. However, if future laws, administrative regulations, and regulations of the State Council stipulate contractual agreements as one of the ways of foreign investment, the Group may need to take relevant measures in accordance with the requirements of the laws, regulations and regulations of the State Council at that time. There will be uncertainty as to whether we can complete these measures in a timely manner or at all. Failure to take appropriate measures in a timely manner to address any of the compliance requirements in the above provisions may have a significant effect on our current group structure, corporate governance and business operations.

As at the date of this announcement, the Company's operations have not been affected by the Foreign Investment Law.

The Board will continue to monitor any updates regarding the Foreign Investment Law and seek guidance from our PRC Legal Advisors to ensure that the Company meets all relevant laws and regulations in China.

(IV) The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies

On 17 February 2023, the China Securities Regulatory Commission (the "**CSRC**") released five supporting guidelines including the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**"), which came into effect on 31 March 2023. The Overseas Listing Trial Measures will regulate both direct and indirect overseas offering and listing of PRC domestic companies' securities by adopting a filing-based regulatory regime. On the same day, the CSRC also held a press conference for the release of the Overseas Listing Trial Measures and issued the Notice on Administration for the Filing of Overseas Offering and Listing by Domestic Companies (《關於境內企業境外發行上市備案管理安排的通知》), which, among others, clarified that the domestic companies that have already been listed overseas on or before the effective date of the Overseas Listing Trial Measures (i.e. 31 March 2023) shall be deemed as existing applicants (存量企業), or the Existing Applicants. Existing Applicants are not required to complete the filling procedures immediately, and they shall be required to file with the CSRC when subsequent matters such as refinancing are involved. The Overseas Listing Trial Measures also requires subsequent reports to be filed with the CSRC on material events, such as change of control or voluntary or forced delisting of the issuer(s) who have completed overseas offerings and listings.

As at the date of this announcement, the Company's operations have not been affected by the Overseas Listing Trial Measures.

PAYMENT OF FINAL DIVIDEND

The Board has resolved to recommend the payment of a final dividend of RMB0.233 per Share for the year ended 31 August 2024 (for the year ended 31 August 2023: RMB0.096 per Share).

The proposed final dividend will be payable wholly in form of Scrip Shares. The Group is of the view that facing changes in social demographics such as declining birth rates and increasing demands from students for higher educational background, the future competition in the higher education market will further intensify. It is necessary to continuously enhance the level of school operation, improve teaching standards, and enhance service quality to address the impact of decreasing demand in the future. Therefore, the Group will continue to increase investment to seize the current opportunities for vocational schools to upgrade to undergraduate universities, as well as undergraduate universities to apply for the right to grant master's degrees, in order to achieve long-term sustainable high-quality development. The Group believes that this extraordinary Scrip Dividend Scheme is in the interests of the Group and the Shareholders as a whole. While protecting Shareholders' returns, it can conserve cash for the Group's business development and operational needs, and avoid the increase in the Group's gearing ratio. It is expected that the Scrip Dividend Scheme will enhance the trading liquidity of the Shares.

The proposed final dividend will be declared in Renminbi and calculated in Hong Kong dollars. The exchange rate adopted for conversion was the average middle exchange rate published by the People's Bank of China of the five business days prior to the declaration of the final dividend (i.e. 21 November 2024 to 27 November 2024) (RMB1.0 to HK$1.08182). Accordingly, the amount of the final dividend calculated in Hong Kong dollars will be HK$0.25206 per Share.

	Year ended 31 August 2024	Year ended 31 August 2023
Interim dividend *(RMB)*	**N/A**	0.119
Proposed final dividend *(RMB)*	**0.233**	0.096

The Scrip Dividend Scheme is conditional upon (i) the approval of the final dividend by the Shareholders at the forthcoming annual general meeting of the Company to be held on Thursday, 13 February 2025; and (ii) The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Scrip Shares to be issued pursuant to the Scrip Dividend Scheme.

A circular giving full details of the Scrip Dividend Scheme is expected to be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.xingaojiao.com) in March 2025. It is expected that the final dividend share certificates for the Scrip Shares will be despatched on or around 17 April 2025 to the eligible Shareholders whose names appear on the Register of Members of the Company on 17 March 2025.

CLOSURE OF THE REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting to be held on Thursday, 13 February 2025, the register of members of the Company will be closed from Monday, 10 February 2025 to Thursday, 13 February 2025, both days inclusive, during which period no transfer of Shares will be registered. In order to be qualified for attending and voting at the annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 7 February 2025.

In order to ascertain the shareholders' entitlement to the final dividend (except the holder of treasury shares (if any)), the register of members of the Company will be closed from Wednesday, 12 March 2025 to Monday, 17 March 2025, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to be qualified for the final dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Group's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 11 March 2025.

HUMAN RESOURCES AND REMUNERATION POLICY

As of 31 August 2024, the Group had a total of 10,080 employees (9,755 as of 31 August 2023). The increase was mainly due to the Group's insistence on high-quality development and continues to introduce high-quality talents. As required by the PRC laws and regulations, the Group participates in various employee social security plans for our employees that are administered by local governments, including housing, pension, medical insurance, maternity insurance, work injury insurance, and unemployment insurance. The Group maintains a good working relationship with employees, and the Group did not experience any material labor disputes during the Reporting Period.

The Group follows the remuneration policy of "contribution-driven, fair and competitive in the market" for employees. The remuneration policy is designed according to the different position sequences of the Group and its schools, and the salary is determined with reference to the capability, job responsibilities and contribution of its employees. At the same time, the Group has been actively cultivating the capabilities of its employees and has been providing external and internal training programs for employees to build a quality team to meet the development requirements of the Group.

CORPORATE GOVERNANCE

Corporate Governance Code

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

During the Reporting Period, the Group has complied with all applicable code provisions set out in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

As of 31 August 2024, the Group has two executive Directors (including Mr. Li) and three independent non-executive Directors, who have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning as well as a fairly strong independence element in the composition of the Board.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has also adopted the Model Code as its code of conduct regarding securities transactions by the Directors.

Having made specific enquiries of all Directors, all of them have confirmed that they have complied with the Model Code throughout the Reporting Period.

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

During the Reporting Period, the Company repurchased a total of 10,964,000 Shares on the Stock Exchange for an aggregate consideration of HK$19,703,437 before expenses, of which 5,628,000 Shares were cancelled on 22 August 2024 and 5,336,000 Shares were subsequently cancelled on 4 November 2024.

Details of the Share repurchased during the Reporting Period and up to the date of this announcement are as follows:

Month of repurchase	No. of Shares repurchased	Highest price paid per Share *(HK$)*	Lowest price paid per Share *(HK$)*	Aggregate consideration paid *(HK$)*
July 2024	1,032,000	1.98	1.85	1,952,630
August 2024	9,932,000	1.98	1.51	17,750,807
Total	**10,964,000**			**19,703,437**
September 2024	1,552,000	1.78	1.52	2,507,030

The Directors believe that such Shares repurchased will increase the net asset value per Share and/or earnings per Share and increase the long-term value to the Shareholders, which is in the interest of the Company and its Shareholders as a whole.

As at 31 August 2024, the Company did not hold any treasury shares.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange (including selling treasury shares) during the Reporting Period.

EVENTS AFTER THE REPORTING PERIOD

There were no significant events affecting the Group which have occurred since the end of the Reporting Period up to the date of this announcement.

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

The audit committee of the Company (the "**Audit Committee**") has reviewed and discussed with the management in relation to the accounting principles and practices adopted by the Company, the internal controls and financial report matters, and the Company's policies and practices on corporate governance. The annual results of the Group have been reviewed by the Audit Committee. There is no disagreement by the Audit Committee with the accounting treatment adopted by the Company.

SCOPE OF WORK FOR ANNUAL RESULTS ANNOUNCEMENT BY AUDITOR

The financial information of the Group for the year ended 31 August 2024 set out in this announcement does not constitute the Group's audited accounts for the year ended 31 August 2024, but represents an extract from the consolidated financial statements for the year ended 31 August 2024 which have been audited by the auditor of the Company, Ernst & Young, in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. The financial information of the Group for the year ended 31 August 2024 has been reviewed by the Audit Committee and approved by the Board.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.xingaojiao.com). The annual report for the Reporting Period containing all the information required by Appendix D2 to the Listing Rules is expected to be available on the same websites in December 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

YEAR ENDED 31 AUGUST 2024

	Notes	**2024** **RMB'000**	2023 RMB'000
REVENUE	4	**2,411,710**	2,119,140
Cost of sales		**(1,535,575)**	(1,313,136)
Gross profit		**876,135**	806,004
Other income and gains	4	**423,447**	407,778
Selling and distribution expenses		**(40,613)**	(35,828)
Administrative expenses		**(113,365)**	(95,712)
Other expenses		**(104,676)**	(92,823)
Finance costs	5	**(127,868)**	(143,576)
PROFIT BEFORE TAX	6	**913,060**	845,843
Income tax expense	7	**(156,986)**	(142,554)
PROFIT FOR THE YEAR		**756,074**	703,289
Attributable to:			
Owners of the parent		**756,074**	703,289
		756,074	703,289
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic and diluted *(RMB)*			
– For profit for the year		**0.49**	0.45

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 AUGUST 2024

	2024	2023
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**756,074**	703,289
OTHER COMPREHENSIVE INCOME		
OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS:		
Exchange differences on translation of financial statements	**(9,702)**	3,234
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**(9,702)**	3,234
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**(9,702)**	3,234
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**746,372**	706,523
Attributable to:		
Owners of the parent	**746,372**	706,523
	746,372	706,523

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 AUGUST 2024

	Notes	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**5,949,729**	5,440,611
Investment properties		**393,364**	402,447
Right-of-use assets		**1,100,718**	1,078,491
Goodwill		**751,505**	752,021
Other intangible assets		**88,771**	83,346
Pledged and restricted deposits		**100,000**	101,000
Other non-current assets	*10*	**293,244**	192,164
Total non-current assets		**8,677,331**	8,050,080
CURRENT ASSETS			
Trade receivables, prepayments, other receivables and other assets	*11*	**118,244**	142,513
Financial assets at fair value through profit or loss		**–**	48,789
Pledged and restricted deposits		**831,389**	146,557
Time deposits		**10,669**	–
Cash and cash equivalents		**1,379,606**	855,060
Total current assets		**2,339,908**	1,192,919
CURRENT LIABILITIES			
Contract liabilities	*12*	**1,690,074**	1,356,250
Other payables and accruals	*13*	**953,483**	976,314
Derivative financial instruments		**16,169**	–
Interest-bearing bank and other borrowings		**1,486,108**	1,153,554
Lease liabilities		**4,100**	6,414
Deferred income		**15,003**	14,632
Tax payable		**168,298**	149,304
Total current liabilities		**4,333,235**	3,656,468
NET CURRENT LIABILITIES		**(1,993,327)**	(2,463,549)
TOTAL ASSETS LESS CURRENT LIABILITIES		**6,684,004**	5,586,531

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

31 AUGUST 2024

	2024	2023
	RMB'000	*RMB'000*
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	**2,013,331**	1,554,954
Lease liabilities	**1,297**	3,331
Deferred income	**362,856**	310,118
Deferred tax liabilities	**194,759**	185,317
Total non-current liabilities	**2,572,243**	2,053,720
Net assets	**4,111,761**	3,532,811
EQUITY		
Equity attributable to owners of the parent		
Share capital	**1,063**	1,067
Treasury shares	**(8,050)**	–
Reserves	**4,118,748**	3,531,744
Total equity	**4,111,761**	3,532,811

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2024

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated as an exempted company with limited liability under the Companies Law of the Cayman Islands on 8 July 2016. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 19 April 2017.

The Company is an investment holding company. During the year, the Company and its subsidiaries (collectively referred to as the "**Group**") were principally engaged in rendering private education services in the People's Republic of China (the "**PRC**").

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and derivative financial instruments which have been measured at fair value. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

The Group recorded net current liabilities of RMB1,993,327,000 as at 31 August 2024 (2023: RMB2,463,549,000), included in which were contract liabilities of RMB1,690,074,000 as at 31 August 2024 (2023: RMB1,356,250,000).

In view of the net current liabilities position, the directors have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern.

Having considered the cash inflow from operations, the directors are satisfied that the Group is able to meet in full its financial obligations as they fall due for the foreseeable future. To mitigate any liquidity issues that might be faced by the Group, the Group has obtained adequate banking facilities from reputable financial institutions to meet its obligations as and when they fall due.

Accordingly, the directors are of the opinion that it is appropriate to prepare the financial statements on a going concern basis. Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, and to provide for any further liabilities which might arise. The effect of these adjustments has not been reflected in the financial statements.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 17	*Insurance Contracts*
Amendment to HKAS 1 and HKFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to HKAS 8	*Definition of Accounting Estimates*
Amendments to HKAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to HKAS 12	*International Tax Reform – Pillar Two Model Rules*

The nature and the impact of the new and revised HKFRSs that are applicable to the Group are described below:

(a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 Making Materiality Judgements provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has disclosed the material accounting policy information to the financial statements. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group's financial statements.

(b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.

(c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The Group has applied the amendments on temporary differences related to leases as at 1 January 2022, and the amendments did not have any impact on the balance of retained profits or other component of equity as appropriate at that date. In addition, the Group has applied the amendments prospectively to transactions other than leases that occurred on or after 1 January 2022, if any.

(d) Amendments to HKAS 12 International Tax Reform – Pillar Two Model Rules introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the provision of education services in the PRC.

HKFRS 8 *Operating Segments* requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to segments and to assess their performance. The information reported to the directors of the Company, who are the chief operating decision-makers, for the purposes of resource allocation and assessment of performance, does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Geographical information

During the year, the Group operated within one geographical location because all of its revenues were generated in the PRC and all of its long-term assets/capital expenditures were located/incurred in the PRC. Accordingly, no geographical information is presented.

Information about major customers

No revenue from sales to a single customer amounted to 10% or more of the total revenue of the Group during the year.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Tuition fees	**2,147,778**	1,897,582
Boarding fees	**263,932**	221,558
Total revenue	**2,411,710**	2,119,140

Revenue from contracts with customers

(i) Disaggregated revenue information

	2024	2023
	RMB'000	*RMB'000*
Type of services		
Education services	**2,411,710**	2,119,140
Geographical market		
Mainland China	**2,411,710**	2,119,140
Timing of revenue recognition		
Services transferred over time	**2,411,710**	2,119,140

The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period:

	2024	2023
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Education services	**1,356,250**	973,335

(ii) Performance obligations

The performance obligation is satisfied over time as services are rendered and tuition and boarding fees are generally received in advance prior to the beginning of each academic year.

At 31 August 2024, all amounts of transaction prices related to performance obligations are expected to be recognised as revenue within one year and as permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts (or partially unsatisfied) is not disclosed.

	2024	2023
	RMB'000	*RMB'000*
Other income and gains		
Service income	**177,153**	162,957
Rental income	**135,124**	125,164
Donation income *(Note (a))*	**49,827**	57,982
Government grants	**30,871**	22,479
Bank interest income	**20,590**	21,612
Fair value gains, net:		
Financial assets at fair value through profit or loss	**–**	1,142
Foreign exchange gain	**1,040**	–
Gain on wealth investment products	**637**	677
Others	**8,205**	15,765
Total other income and gains	**423,447**	407,778

Note (a): The amount primarily consists of external donations of electronic devices and software related to teaching activities to promote integration between industry and education and cooperation between enterprises and colleges.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2024	2023
	RMB'000	*RMB'000*
Interest on bank loans and other loans	**159,489**	177,140
Interest on lease liabilities	**289**	565
Total interest expense on financial liabilities not at fair value through profit or loss	**159,778**	177,705
Less: Interest capitalised	**(31,910)**	(34,129)
Total	**127,868**	143,576

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2024 *RMB'000*	2023 *RMB'000*
Cost of services provided	**1,535,575**	1,313,136
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Wages and salaries	**871,680**	767,560
Equity-settled share option expense	**–**	1,697
Pension scheme contributions (defined contribution scheme)*	**66,828**	58,314
Total	**938,508**	827,571
Depreciation of property, plant and equipment	**236,774**	200,583
Depreciation of investment properties	**9,083**	9,860
Depreciation of right-of-use assets	**36,566**	34,111
Amortisation of other intangible assets	**27,888**	25,680
Research costs	**2,311**	3,869
Rental income	**(135,124)**	(125,164)
Government grants	**(30,871)**	(22,479)
Lease payments not included in the measurement of lease liabilities	**199**	167
Auditor's remuneration	**4,500**	4,500
Bank interest income	**(20,590)**	(21,612)
Foreign exchange differences, net	**(1,040)**	24,951
Impairment allowance for trade receivables, prepayments, other receivables and other assets	**1,027**	942
Impairment of goodwill	**516**	-
Fair value (gains)/losses, net:		
Financial assets at fair value through profit or loss	**888**	(1,142)
Derivative instruments – transactions not qualifying as hedges	**16,169**	-
Loss on disposal of items of property, plant and equipment	**1,159**	2,991

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

7. INCOME TAX

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly is not subject to income tax.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the year.

According to the Decision of the Standing Committee of the National People's Congress on Amending the Private Schools Promotion Law, which was promulgated on 7 November 2016 (the "**2016 Decision**"), and came into force on 1 September 2017, private schools are no longer being classified as either schools for which the school sponsor(s) require reasonable returns or schools for which the school sponsor(s) do not require reasonable returns. Instead, the school sponsor(s) of a private school may choose for the school to be a for-profit private school or a non-profit private school, with the exception that schools providing nine-year compulsory education must be non-profit.

On 14 May 2021, the State Council released the Implementation Rules for the Law for Promoting Private Education of the PRC with an effective date of 1 September 2021 (the "**2021 Implementation Rules**"). The 2021 Implementation Rules are the detailed implementation rules of the Law for Promoting Private Education of the PRC. Pursuant to the 2016 Decision and the 2021 Implementation Rules, a private school may enjoy the preferential tax policies, which are not defined under the 2016 Decision nor the 2021 Implementation Rules, as stipulated by the related government authorities and a non-profit school may enjoy the same tax policies as enjoyed by a public school.

As at the date of approval of these financial statements, the Group's schools in the People's Republic of China are still in the process of classification registrations.

According to the Circular on Issues Concerning Tax Policies for the In-depth Implementation of Western Development Strategies, certain qualifying entities/schools of the Group that are located in Yunnan, Guizhou, Guangxi, Gansu, Hubei Province and the Tibet Autonomous Region engaged in the encouraged business are entitled to a preferential corporate income tax rate of 15%. Huihuang Company was subject to the PRC income tax at 9% under the Tibet Autonomous Region's preferential investment policies for the year ended 31 August 2024. According to the Preferential Policies for Key Pilot Zone of Development and Opening Up ("重點開發開放試驗區") in Ruili City, Yunnan Province, certain subsidiaries located in Ruili are entitled to a preferential corporate income tax rate of 9%. Other entities/schools of the Group established in Mainland China are subject to corporate income tax at a rate of 25% on their respective taxable income.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2024	2023
	RMB'000	*RMB'000*
Current		
Charge for the year	**147,544**	179,015
Deferred	**9,442**	(36,461)
Total tax charge for the year	**156,986**	142,554

8. DIVIDENDS

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting and will be payable in form of new fully paid scrip shares of the Company in lieu of cash.

The interim and final dividend for 2023 was settled in cash.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,554,250,963 (2023: 1,557,025,630) in issue during the year.

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent where applicable (see below). The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	2024	2023
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**756,074**	703,289

	Number of shares	
	2024	2023
	RMB'000	*RMB'000*
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation*	**1,554,250,963**	1,557,025,630
Effect of dilution – weighted average number of ordinary shares: Share options**	**–**	–
Total	**1,554,250,963**	1,557,025,630

* The weighted average number of shares was after taking into account the effect of treasury shares held.

** The effect of share options on the basic earnings per share for the year ended 31 August 2024 and year ended 31 August 2023 were ignored in the calculation of diluted earnings per share as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings per share amounts presented.

10. OTHER NON-CURRENT ASSETS

	2024	2023
	RMB'000	*RMB'000*
Prepayment for land use rights	**262,318**	185,176
Prepayment for property, plant and equipment	**30,926**	6,988
Total	**293,244**	192,164

11. TRADE RECEIVABLES, PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**5,439**	19,503
Less: allowance for credit losses	**(1,387)**	(4,924)
Net carrying amount	**4,052**	14,579
Advance and other receivables	**75,220**	75,861
Prepaid expenses	**7,716**	11,962
Deposits and other miscellaneous receivables	**24,767**	30,401
Staff advances	**6,489**	9,710
	118,244	142,513

An impairment analysis for trade receivables is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

31 August 2024

	Current	Past due: Less than 1 year	Past due: 1 to 2 years	Past due: 2 to 3 years	Past due: 3 to 4 years	Past due: Over 4 years	Total
Expected credit loss rate	**–**	**0.29%**	**0.98%**	**42.66%**	**60.72%**	**100.00%**	**25.50%**
Gross carrying amount *(RMB'000)*	**–**	**2,380**	**915**	**661**	**1,003**	**480**	**5,439**
Expected credit losses *(RMB'000)*	**–**	**7**	**9**	**282**	**609**	**480**	**1,387**

31 August 2023

	Current	Past due: Less than 1 year	Past due: 1 to 2 years	Past due: 2 to 3 years	Past due: 3 to 4 years	Past due: Over 4 years	Total
Expected credit loss rate	–	0.78%	2.50%	43.52%	75.63%	100.00%	25.25%
Gross carrying amount *(RMB'000)*	–	9,115	4,365	1,783	1,116	3,124	19,503
Expected credit losses *(RMB'000)*	–	71	109	776	844	3,124	4,924

An ageing analysis of the trade receivables as at the end of the reporting period, based on the transaction date and net of loss allowance, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**2,373**	9,044
1 to 2 years	**906**	4,256
2 to 3 years	**379**	1,007
Over 3 years	**394**	272
Total	**4,052**	14,579

The movements in the allowance for credit losses in respect of trade receivables are as follows:

	Trade receivables
	RMB'000
At 1 September 2022	7,327
Impairment loss recognised during the year	942
Write-off during the year	(3,345)
At 31 August 2023 and 1 September 2023	**4,924**
Impairment loss recognised during the year	**1,027**
Write-off during the year	**(4,564)**
At 31 August 2024	**1,387**

12. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

	31 August 2024 *RMB'000*	31 August 2023 *RMB'000*	1 September 2022 *RMB'000*
Tuition fees	**1,479,013**	1,169,514	855,857
Boarding fees	**211,061**	186,736	117,478
Total contract liabilities	**1,690,074**	1,356,250	973,335

Contract liabilities include short-term advances received from students in relation to the proportionate services not yet provided. The Group receives tuition and boarding fees from students in advance prior to the beginning of each academic year. Tuition and boarding fees are recognised proportionately over the relevant period of the applicable programme. Students are entitled to a refund of the payment in relation to the proportionate services not yet provided.

The increase in contract liabilities as at 31 August 2024 and 2023 was mainly due to the increase of advances of tuition and boarding fees from students.

13. OTHER PAYABLES AND ACCRUALS

	2024 *RMB'000*	2023 *RMB'000*
Payables for purchase of property, plant and equipment	**212,204**	207,010
Dividends payable	**149,304**	185,820
Other payables	**137,443**	147,471
Accrued bonuses and social insurance	**121,850**	88,463
Miscellaneous expenses received from students *(Note (a))*	**109,526**	109,916
Government subsidies payable to students and teachers	**87,090**	98,480
Deposits	**66,563**	72,087
Advance from lessees	**53,943**	54,025
Accrued expenses	**11,332**	9,311
Payables to cooperative schools	**4,228**	3,731
Total	**953,483**	976,314

The above balances are unsecured and non-interest-bearing. The carrying amount of other payables and accruals at the end of the year approximated to their fair value due to their short-term maturity.

Note (a): The amount represents the miscellaneous expenses received from students which will be paid on behalf of the students.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Bei Ai Company"	Beijing Aiyinsheng Education Investment Co., Ltd.* (北京愛因生教育投資有限責任公司), a limited liability company established under the laws of the PRC on 16 October 2012, and wholly owned by Yun Ai Group. Bei Ai Company is the sole sponsor of Gansu School
"Beijing Daai Gaoxue"	Beijing Daai Gaoxue Education Technology Co., Ltd.* (北京大愛高學教育科技有限公司), a limited liability company established in the PRC on 23 March 2018. It is wholly owned by Yun Ai Group
"Board" or "Board of Directors"	the board of Directors of the Company
"Business Cooperation Agreement (2019)"	the business cooperation agreement entered into by and among Huihuang Company, the PRC Consolidated Affiliated Entities and the Registered Shareholders
"Central China School"	Hubei Enshi College* (湖北恩施學院), formerly known as Science and Technology College of Hubei Minzu University* (湖北民族大學科技學院), an institution of higher education established under the laws of the PRC in 2003. Central China School is a consolidated affiliated entity of the Company
"China" or "PRC"	the People's Republic of China excluding for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan
"Company"	China New Higher Education Group Limited (中國新高教集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 8 July 2016
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the directors of the Company
"Directors' Powers of Attorney (2019)"	the school directors' power of attorney to be executed by each of the directors of each PRC Operating Schools

"Enchang Company"	Enshi Autonomous Prefecture Changqing Education Development Co., Ltd.* (恩施自治州常青教育發展有限責任公司), a limited liability company established under the laws of the PRC on 13 November 2014. It is wholly owned by Yun Ai Group. Enchang Company is the sole sponsor of Central China School
"Equity Pledge Agreement (2019)"	the equity pledge agreement entered into by and among the Registered Shareholders, Yun Ai Group, Huihuang Company and other parties
"Exclusive Call Option Agreement (2019)"	the exclusive call option agreement entered into by and among Huihuang Company, the PRC Consolidated Affiliated Entities and the Registered Shareholders
"Exclusive Technical Service and Management Consultancy Agreement (2019)"	the exclusive technical service and management consultancy agreement entered into by and among Huihuang Company and the PRC Consolidated Affiliated Entities
"Gansu School"	Lanzhou College of Information Science and Technology* (蘭州信息科技學院), formerly known as College of Technology and Engineering of Lanzhou University of Technology* (蘭州理工大學技術工程學院), an institution of higher education established under the laws of the PRC in 2004. Gansu School is a consolidated affiliated entity of the Company
"Group", "we" or "us"	the Company, its subsidiaries, the PRC Operating Schools and the consolidated affiliated entities from time to time, or, where the context so requires in respect of the period before the Company became the holding company of the present subsidiaries, the entities which carried on the business of the present Group at the relevant time
"Guangxi Schools"	collectively refers to Guangxi Yinghua International Occupation College* (廣西英華國際職業學院), Guangxi Qinzhou Yinghua International Occupation and Technology School* (廣西欽州英華國際職業技術學校) and Guangxi Yinghua International Occupation Middle School* (廣西英華國際職業學院附屬中學). Guangxi Schools are consolidated affiliated entities of the Company
"Guizhou School"	Guizhou Technology and Business Institute* (貴州工商職業學院), a private institution of formal higher education established under the laws of the PRC on 3 July 2012 and a consolidated affiliated entity of the Company

"Haxuan Company"	Harbin Xuande Technology Co., Ltd.* (哈爾濱軒德科技有限公司), a limited liability company established under the laws of the PRC on 19 April 2016. Haxuan Company is the sole sponsor of the Northeast School
"Henan Rongyu"	Henan Rongyu Education Consulting Co., Ltd.* (河南榮豫教育諮詢有限公司), a limited liability company established in the PRC on 2 March 2017, and wholly-owned by Beijing Daai Gaoxue. Henan Rongyu is the sole sponsor of the Luoyang School
"HK$", "Hong Kong dollar(s)", "HKD" or "cents"	Hong Kong dollars and cents respectively, the lawful currency for the time being of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Huihuang Company"	Tibet Daai Huihuang Information and Technology Co., Ltd.* (西藏大愛輝煌信息科技有限公司), a limited liability company established under the laws of the PRC on 5 August 2016, which is a wholly owned subsidiary of the Group
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
"Loan Agreement (2019)"	a loan agreement entered into by and among Huihuang Company, the PRC Operating Schools and Yun Ai Group
"Luoyang School"	Luoyang Science and Technology Vocational College* (洛陽科技職業學院), a private institution of formal higher education established under the laws of the PRC in June 2013. Luoyang School is a consolidated affiliated entity of the Company
"Ministry of Education"	the Ministry of Education of the PRC
"Model Code"	the model code for securities transactions by directors of listed issuers as set out in Appendix C3 to the Listing Rules
"Mr. Li"	Mr. Li Xiaoxuan (李孝軒), the founder, one of the Controlling Shareholders, chairman of the Board and an executive Director of the Company
"Northeast School"	Harbin Huade University* (哈爾濱華德學院), a private institute of higher education established under the laws of the PRC in 2004. Northeast School is a consolidated affiliated entity of the Company

"PRC Consolidated Affiliated Entities"	namely, the School Sponsors and the PRC Operating Schools, each a consolidated affiliated entity of the Company and other investment holding companies which were consolidated to the Group by virtue of the Structured Contracts, as amended from time to time
"PRC Legal Advisors"	Commerce & Finance Law Offices, the Company's legal advisors as to PRC Laws
"PRC Operating Schools"	the consolidated affiliated entities, namely, Yunnan School, Guizhou School, Gansu School, Luoyang School, Northeast School, Guangxi Schools, Central China School and Zhengzhou School and other schools which were consolidated to the Group by virtue of the Structured Contracts
"Qinzhou Yinghua"	Qinzhou Yinghua Datang Education Investment Company Limited* (欽州英華大唐教育投資有限公司), a limited liability company established under the laws of the PRC on 25 August 2017 and wholly owned by Songming Xinju. Qinzhou Yinghua is the sole sponsor of the Guangxi Schools
"Registered Shareholders"	Kunming Paiduipai Economic Information Consultancy Co., Ltd., Kunming Bamupu Technology Co., Ltd., Songming Dexue and Songming Zhongyi Enterprise Management and Consulting Services Co., Ltd.
"Reporting Period"	the year ended 31 August 2024
"RMB" or "Renminbi"	Renminbi, the lawful currency for the time being of the PRC
"School Sponsors"	the current school sponsors, Yun Ai Group, Henan Rongyu, Haxuan Company, Qinzhou Yinghua, Enchang Company, Zhengzhou New Higher Education, Bei Ai Company, and other school sponsors which were consolidated to the Group by virtue of the Structured Contracts
"School Sponsors' and Directors' Rights Entrustment Agreement (2019)"	the school sponsors' and directors' rights entrustment agreement entered into by and among School Sponsors, the PRC Operating Schools, the relevant directors appointed by the School Sponsors and Huihuang Company
"School Sponsors' Powers of Attorney (2019)"	the school sponsors' power of attorney executed by the School Sponsors in favor of Huihuang Company
"Share(s)"	ordinary share(s) of US$0.0001 each in the share capital of the Company

"Shareholder(s)"	holder(s) of the Share(s)
"Shareholders' Powers of Attorney (2019)"	the shareholders' power of attorney executed by the Registered Shareholders and Yun Ai Group and other shareholders which were consolidated to the Group by virtue of the Structured Contracts in favor of Huihuang Company
"Shareholders' Rights Entrustment Agreement (2019)"	the shareholders' rights entrustment agreement entered into by and among the Registered Shareholders, the School Sponsors and Huihuang Company
"Songming Dexue"	Songming Dexue Education Development Co., Ltd.* (嵩明德學教育發展有限公司), a limited liability company established under the laws of the PRC on 17 April 2019 and wholly owned by Mr. Li. Songming Dexue is one of the Registered Shareholders and owns 70.8305% equity interest of Yun Ai Group
"Spouse's Undertakings (2019)"	the spouse undertakings executed by Ms. Yang Xuqing, the spouse of Mr. Li
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Structured Contracts"	collectively refers to, the Business Cooperation Agreement (2019), the Exclusive Technical Service and Management Consultancy Agreement (2019), the Exclusive Call Option Agreement (2019), the Equity Pledge Agreement (2019), the Shareholders' Rights Entrustment Agreement (2019), the School Sponsors' and Directors' Rights Entrustment Agreement (2019), the School Sponsors' Powers of Attorney (2019), the Directors' Powers of Attorney (2019), the Shareholders' Powers of Attorney (2019), the Loan Agreement (2019) and the Spouse's Undertakings (2019), and the various agreements entered into their connection, further details of which are set out in the announcements of the Company dated 26 August 2019, 6 December 2019, 8 May 2020, 29 July 2020, 27 August 2020, 4 February 2021, 20 April 2021, 25 May 2021, 28 September 2021 and 19 November 2021, respectively
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"USD" or "US$"	United States dollars, the lawful currency of the United States

"Yun Ai Group"	Yunnan Einsun Education Investment Group Co., Ltd.* (雲南愛因森教育投資集團有限公司), a limited liability company established under the laws of the PRC on 19 September 2005, which is owned as to 20.0568% by Kunming Paiduipai Economic Information Consultancy Co., Ltd., 5.7305% by Kunming Bamupu Technology Co., Ltd., 70.8305% by Songming Dexue and 3.3822% by Songming Zhongyi Enterprise Management and Consulting Services Co., Ltd. and the sole sponsor of Yunnan School and Guizhou School
"Yunnan School"	Yunnan Technology and Business University* (雲南工商學院) (formerly known as Yunnan Einsun Software Vocational College* (雲南愛因森軟件職業學院) ("**Software College**")), a private institution of formal higher education established under the laws of the PRC in 2005, and a consolidated affiliated entity of the Company
"Zhengzhou New Higher Education"	Zhengzhou New Higher Education Technology Limited* (鄭州新高教教育科技有限公司), a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of Yun Ai Group and the sole sponsor of Zhengzhou School
"Zhengzhou School"	Zhengzhou City Vocational College* (鄭州城市職業學院), a private higher vocational college located in Zhengzhou, Henan Province, the PRC and a consolidated affiliated entity of the Company
"%"	percent

If there is any inconsistency between the Chinese names of entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail. The English translations of company or entity names in Chinese marked with "*" are for identification purposes only.

By order of the Board of
China New Higher Education Group Limited
Li Xiaoxuan
Chairman

Hong Kong, 28 November 2024

As at the date of this announcement, the executive Directors are Mr. Li Xiaoxuan and Mr. Zhao Shuai; and the independent non-executive Directors are Mr. Kwong Wai Sun Wilson, Mr. Chan Tung Hoi and Dr. Pang Tsz Kit Peter.