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XJ International Holdings Co., Ltd.

希教國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1765)

**INTERIM RESULTS ANNOUNCEMENT FOR
THE SIX MONTHS ENDED 28 FEBRUARY 2025**

The Board of the Company is pleased to announce the interim results and the unaudited condensed consolidated financial statements of the Group for the six months ended 28 February 2025, together with the comparative figures for the six months ended 29 February 2024.

HIGHLIGHTS

1. Expanding practical training capacity and new majors, and strengthening teaching conditions of practical trainings

We continue to increase investment in developing practical training resources for our institutions, comprehensively enhancing the conditions for practical teaching. During the Reporting Period, the Company invested nearly RMB100 million in the expansion of training facilities, upgrades of software and hardware equipment, and renovations of the teaching environment, with more than 40 new training units built; we targeted the demand for talents in the development of new quality productivity in this period, with over 30 majors reported by our institutions in fields such as drone technology, industrial robotics, artificial intelligence applications, and new energy applications.

2. Enhancing the quality and efficiency of talent recruitment with significant achievements in teaching practices

We focus on precise talent recruitment and long-term talent cultivation, and steadily advancing the work of talent introduction and training. During the Reporting Period, we welcomed more than 393 teachers, among which, the proportion of our talents with advanced levels had reached the proportion of 18.6%; 1,558 training sessions of various kinds for teachers were conducted; our school teachers had participated in competitions which earned us a total of 800 awards, including 56 national awards and 398 provincial awards.

3. Strengthening the employment service system and improving the quality of student employment

We adhere to an employment-first strategy by optimizing the curriculum system with a focus on employment, enhancing the provision of skills required for various positions, and simultaneously promoting talent cultivation through school-enterprise collaboration. We have established partnerships with nearly 1,000 enterprises and engaged in deep cooperation with leading industry companies such as CALB, Chery Automobile, and FAW-Volkswagen. Throughout the period, we held a total of 343 job fairs, offering more than 120,000 positions, and the rate of graduates from our colleges being employed for the first time has steadily increased.

4. Enhancing the quality of international education and promoting the collaborative development of domestic and overseas institutions

We continuously improve the talent cultivation quality of three universities operating abroad. INTI International University in Malaysia ranked 516th in the QS World University Rankings 2025; Shinawatra University was listed between 151st to 200th of the QS World University Rankings by Subject for Art and Design. We actively fuelled the sharing of quality educational resources among overseas and domestic institutions organized by the Company, and nine of our Sino-Foreign cooperation projects were proceeding smoothly, achieving new milestones in the work of joint talent cultivation.

MANAGEMENT DISCUSSION AND ANALYSIS

Review on Industry Policies

On 20 January 2025, the 2024–2035 Master Plan on Building China into a Leading Country in Education (《教育強國建設規劃綱要(2024–2035)》) jointly issued by the CPC Central Committee and the State Council proposed for the first time that China aims to become a leading country in education by 2035. This document is China’s first national-level action plan themed “leading country in education” aiming at promoting the integrated development of education, technology, and talent through systematic deployment, serving the modernization construction with Chinese characteristics, and enhancing the efficiency of the national innovation system comprehensively.

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

Our Business Development Achievements by Schools

1. Implementing the connotative development strategy and adhering to the central position of teaching

Anchoring their goals in building a leading country in education, our schools firmly uphold the central position of teaching, and actively promoted qualified assessments of undergraduate colleges, the conversion of independent colleges and the construction projects meeting the standard operating conditions of vocational schools following the requirements of education authorities. Guided by high-quality employment and based on the construction of characteristic schools, the Company’s schools adjusted and optimized the structure majors to concentrate on academic research, advanced teaching and research work, and enhanced the core competitiveness of its institutions. During the Reporting Period, all colleges together had up to 23 first-class undergraduate major construction sites at the provincial level, with 41 key construction projects initiated for the cultivation of characteristic majors at the school level, 46 newly added “1 + X” certificate pilot majors; 396 professional construction plans formulated, altogether they continued to deepen the construction of majors.

2. *Actively integrating teaching and research resources, achieving remarkable academic and research results*

Our institutions attach great importance to research work, actively creating a strong research atmosphere. We vigorously integrated research resources, and made every effort to promote research and innovation. During the Reporting Period, 16 domestic colleges established a total of 388 projects at various levels and of various categories, including 152 provincial-level projects, 38 municipal-level projects, and 199 school-level projects; they published 894 papers, of which 69 were in core journals (including 13 indexed by SCI, 9 indexed by EI, and 47 in Chinese core journals); they were granted 56 patents; they developed 14 self-published textbooks (including 1 national planned textbook and 2 provincial planned textbooks); and they published 14 monographs. The INTI International University in Malaysia has published 993 papers in international journals, representing an increase of 71.2% as compared to the previous period. Shinawatra University added 259 Scopus papers, representing an increase of 72.7% as compared to the previous period.

3. *Strengthening the integration of industry and education in talent cultivation, and optimizing the talent training model*

We actively explore new approaches for collaborative talent cultivation and build a community for the development of industry and education. Our schools have established close partnerships with over 70 enterprises, jointly creating multiple talent training models such as apprenticeship systems, order form classes, and modern industry colleges. This enables the sharing of resources between institutions and enterprises in areas such as human resources and practical training venues, comprehensively enhancing students' hands-on skills, problem-solving abilities, and employability.

Significant Events during the Reporting Period

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

2. With effect from 27 September 2024, Mr. Tang Jianyuan has resigned as a non-executive Director and a member of the Audit Committee of the Company in order to devote more time for his personal matters; Mr. Xu Changjun has been re-designated from the position of an executive Director to a non-executive Director, ceased to be a member of the Strategy and Development Committee of the Company and has been appointed as a member of the Audit Committee of the Board; and Mr. Deng Yi has been appointed as an executive Director and a member of the Strategy and Development Committee. For details, please refer to the announcement of the Company dated 27 September 2024.
3. On 29 November 2024, Sichuan Hope Education and Chengdu Jinyuhua Enterprise Management Co., Ltd.* (成都瑾育華企業管理有限公司) entered into a transfer agreement with Laike Holdings Co., Ltd.* (萊克控股有限公司) and Nanfeng Zhiwoyi (Beijing) Education Technology Co., Ltd.* (南風知我意(北京)教育科技有限公司). As the highest applicable percentage ratio in respect of the disposal exceeds 25% but is less than 75%, the disposal is subject to approval of the shareholders of the company pursuant to Rule 14.06(3) of the Listing Rules. Upon completion of relevant approval procedures and the transaction, the financial results of Weixian Giant Education Technology Co., Ltd.* (威縣巨人教育科技有限公司) and its affiliated entities and Hebei Wuhu Property Development Co., Ltd.* (河北五湖房地產開發有限公司) will cease to be incorporated into the consolidated financial accounts of the Group. Since additional time is needed to prepare for and implement the content, the dispatch of the relevant circular will be delayed to 31 May 2025 or before. For details, please refer to the announcements of the Company dated 29 November 2024, 19 December 2024, 28 January 2025, 28 February 2025, 31 March 2025 and 30 April 2025.
4. With effect from 29 November 2024, Ms. Lou Qunwei has resigned as an executive Director and a member of the Strategy and Development Committee of the Company due to change in work arrangement. Ms. Wang Xiu has been appointed as an executive Director and a member of the Strategy and Development Committee. For details, please refer to the announcement of the Company dated 29 November 2024.
5. With effect from 4 December 2024, Mr. Yang Wen has been appointed as our chief investment officer of the Company. For details, please refer to the announcement of the Company dated 4 December 2024.

6. On 23 January 2025, Mr. Li Tao has resigned as a non-executive Director, a member of the Audit Committee, a member of the Strategy and Development Committee and an authorized representative of the Company due to change in work arrangement. Mr. Wang Xiaowu has been appointed as a non-executive Director, a member of the Audit Committee and a member of the Strategy and Development Committee of the Company. Mr. Yuan Junmin has resigned as the chief financial officer of the Company due to change in work arrangement, and Mr. Yang Wen has been appointed as the chief financial officer of the Company. Mr. Yang Wen has resigned as the chief investment officer of the Company due to change in work arrangement, and Mr. Tan Li has been appointed as the chief investment officer of the Company. Mr. He Di has resigned as a joint company secretary of the Company due to personal reasons. Mr. Wang Huiwu has been appointed to replace Mr. Li Tao as the authorized representative of the Company. For details, please refer to the announcement of the Company dated 23 January 2025.
7. On 13 February 2025, Mr. Tan Li has been appointed as the joint company secretary of the Company with effect from 13 February 2025. For details, please refer to the announcement of the Company dated 13 February 2025.
8. On 13 February 2025, Sichuan Hope Education and Lanzhou Hengwen Middle School New Campus Co., Ltd.* (蘭州衡文中學新校區有限責任公司) entered into the equity transfer agreement, pursuant to which, Sichuan Hope Education has agreed to dispose and Lanzhou Hengwen Middle School New Campus Co., Ltd. has agreed to acquire 100% equity interest and the affiliated entity of Baiyin Mingde Education Co., Ltd.* (白銀明德教育有限責任公司). For details, please refer to the announcements of the Company dated 13 February 2025 and 10 April 2025.

Our Students

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

	Student Enrollment	
	As at 28 February 2025¹	As at 29 February 2024²
Schools		
Undergraduate colleges	138,739	142,455
Junior colleges	143,819	136,772
Technical education	8,706	11,700
Total	<u>291,264</u>	<u>290,927</u>

Notes:

1. The student information is based on the official records of the relevant education authorities in China or the internal records of the Group's schools.
2. The student information is based on the official records of the relevant education authorities in China or the internal records of the Group's schools, including the students of Gongqing College which was disposed of in April 2024.

Outlook

1. Fully embarking on a new journey of sustainable development

In the context of the national efforts to promote the construction of a leading country in education, the Company has always regarded improving the quality of education and teaching, as well as strengthening the level of talent cultivation, as the core tasks of operating schools. In the fields of practical training and majors development, we continuously optimize the conditions for the teaching of practical training, focus on strengthening the development of interdisciplinary majors, and strive to cultivate versatile talents that meet the demands of the times. We have built a more well-established teacher training system, which strengthens the cultivation of teachers' practical abilities and international exchange and cooperation, making every effort to create a high-quality teaching team. At the same time, we actively promote the transformation and application of scientific research achievements, drive deep integration of industry, academia, and research, and effectively enhance the research and innovation capabilities of our schools as well as their level of social service.

2. Promoting the leap in the influence of international education

The Company will continue to explore in the overseas education sector and strive to advance internationalized education to a higher level. Several overseas institutions centered around INTI International University in Malaysia has aligned with global top-tier educational standards. Leveraging a cross-border educational resource sharing platform, they break geographical and cultural boundaries, deepen collaborations among domestic and overseas institutions, and contribute to the cultivation of versatile talents with both global perspectives and professional competencies.

3. Making every effort to safeguard the stable development of the Company and our schools

The Company strictly complies with national laws and regulations, fully utilizes market-oriented approaches to steadily and orderly promotes the resolution of debt risks; and continuously optimizes asset allocation, comprehensively implements a lean management model, and safeguards the sustainable, stable, and healthy development of the Company and its schools.

FINANCIAL REVIEW

Non-IFRS Accounting Standards Measurement

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

The financial results for the six months ended 28 February 2025 and 29 February 2024 are as follows:

Items	For the six months ended 28 February 2025 (in millions of RMB) (Unaudited)	For the six months ended 29 February 2024 (in millions of RMB) (Unaudited)
Revenue	2,116.70	2,042.17
Less: Cost of sales	1,192.69	1,143.21
Gross profit	924.01	898.96
Add: Other income and gains	142.26	252.86
Less: Selling expenses	159.52	146.91
Administrative expenses	287.67	295.76
Finance costs	112.51	154.02
Other expenses	33.99	101.36
Fair value loss on convertible bonds	103.92	146.51
Add: Share of profit of a joint venture	—	26.96
Profit before tax	368.66	334.22
Income tax expense	60.72	94.51
Profit for the period	307.94	239.71
Adjusted gross profit	950.26	923.13
Adjusted net profit	479.42	429.16

Calculation of adjusted gross profit

Items	For the six months ended 28 February 2025 (in millions of RMB) (Unaudited)	For the six months ended 29 February 2024 (in millions of RMB) (Unaudited)
Gross profit	924.01	898.96
Add:		
Depreciation and amortisation arising from valuation appreciation	26.25	24.17
Adjusted gross profit	950.26	923.13

Description:

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

Calculation of adjusted net profit

Items	For the six months ended 28 February 2025 (in millions of RMB) (Unaudited)	For the six months ended 29 February 2024 (in millions of RMB) (Unaudited)
Net profit	307.94	239.71
Add:		
1. Depreciation and amortisation arising from valuation appreciation	25.24	25.45
2. Conversion fees	11.10	12.52
3. Finance cost accrued at amortised cost because of deferred payment for purchase of equity interest	10.53	9.92
4. Equity-settled share option expense	2.74	12.63
5. Fair value loss on convertible bonds	103.92	146.51
6. Impairment losses	(2.96)	94.02
Less:		
1. Foreign exchange (loss)/gain, net	(20.91)	18.35
2. Gain on disposal of equity interests	—	93.25
Adjusted net profit	479.42	429.16

Note:

Adjusted net profit is calculated after eliminating (i) additional depreciation and amortisation resulting from the temporary fair value adjustment of the identifiable assets acquired; (ii) conversion fees of independent colleges; (iii) finance cost accrued at amortised cost because of a payment due over one year for the acquisition of equity interest under the agreement; (iv) equity-settled share option expense; (v) fair value loss on convertible bonds; (vi) impairment losses; (vii) foreign exchange (loss)/gain, net; and (viii) gain on disposal of equity interests.

Overview

For the six months ended 28 February 2025, we recorded revenue of RMB2,116.70 million, adjusted gross profit of RMB950.26 million and gross profit of RMB924.01 million.

For the six months ended 28 February 2025, adjusted net profit of the Group was RMB479.42 million and net profit was RMB307.94 million.

Revenue

For the six months ended 28 February 2025, revenue of the Group reached RMB2,116.70 million, representing an increase of RMB74.53 million or 3.65% from RMB2,042.17 million for the corresponding period of last year. Such increase was mainly due to the significant increase in the number of students enrolled and the adjustment of the charging standard.

Cost of Sales

For the six months ended 28 February 2025, the cost of sales of the Group was RMB1,192.69 million, representing an increase of RMB49.48 million or 4.33% from RMB1,143.21 million for the corresponding period of last year. Such increase was mainly due to regulatory requirements such as schools conversion and teaching evaluations, enhancement of teaching quality as well as the increased investment in terms of personnel and resources.

Gross Profit

For the six months ended 28 February 2025, gross profit of the Group was RMB924.01 million, representing an increase of RMB25.05 million or 2.79% from RMB898.96 million for the corresponding period of last year.

For the six months ended 28 February 2025, adjusted gross profit of the Group was RMB950.26 million, representing an increase of RMB27.13 million or 2.94% from RMB923.13 million for the corresponding period of last year.

Selling Expenses

For the six months ended 28 February 2025, selling expenses of the Group amounted to RMB159.52 million, representing an increase of RMB12.61 million or 8.58% from RMB146.91 million for the corresponding period of last year. Such increase was mainly due to the increased efforts to enhance the recruitment of international students. Selling expenses accounted for 7.5% of the revenue for the period, representing an increase from 7.2% for the corresponding period of last year.

Administrative Expenses

For the six months ended 28 February 2025, administrative expenses of the Group amounted to RMB287.67 million, representing a decrease of RMB8.09 million or 2.74% from RMB295.76 million for the corresponding period of last year. Such decrease was mainly due to the completion of amortization of equity-settled share option expense on 26 September 2024 and that the amortization period is less than one month, as well as the restructuring and optimization of the employment structure (where some administrative employees were transferred to teaching position).

Finance Costs

For the six months ended 28 February 2025, finance costs of the Group amounted to RMB112.51 million, representing a decrease of RMB41.51 million or 26.95% from RMB154.02 million for the corresponding period of last year, which was mainly due to the change in loan scale and structure of the Group.

Profits for the Reporting Period

For the six months ended 28 February 2025, adjusted net profit of the Group amounted to RMB479.42 million, representing an increase of RMB50.26 million or 11.71% from RMB429.16 million for the corresponding period of last year.

For the six months ended 28 February 2025, adjusted net profit margin of the Group was 22.65%, representing an increase of 1.64% from 21.01% for the corresponding period of last year. The increase in adjusted net profit was mainly attributed to the significant growth in the number of students enrolled and the adjustment of the charging standard.

For the six months ended 28 February 2025, net profit of the Group amounted to RMB307.94 million, representing an increase of RMB68.23 million or 28.46% from RMB239.71 million for the corresponding period of last year.

Capital Commitments

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

	As at 28 February 2025 <i>(in millions of RMB)</i> (Unaudited)	As at 31 August 2024 <i>(in millions of RMB)</i>
Contracted, but not provided for:		
Property, plant and equipment	310.75	600.24
Prepaid land lease payments	37.73	37.73
Acquisition of equity interests	—	66.78
	<u>348.48</u>	<u>704.75</u>

Liquidity and Financial Resources

As at 28 February 2025, the Group had total cash and bank balances of RMB1,681.05 million (31 August 2024: RMB3,100.75 million), among which: (i) cash and cash equivalents amounted to RMB1,616.38 million (31 August 2024: RMB2,549.30 million); and (ii) pledged and restricted deposits amounted to RMB64.67 million (31 August 2024: RMB551.45 million).

Indebtedness

Bank Loans and Other Borrowings

The Group's bank loans and other borrowings primarily consist of short-term working capital loans and long-term loans for constructing school buildings and facilities. The Group supplements its working capital and finances its expenditure primarily through borrowings obtained from banks. As at 28 February 2025, the aggregate loan balance amounted to RMB2,129.14 million (31 August 2024: RMB3,237.36 million), mostly denominated in RMB. As of 28 February 2025, the Group's bank loans and other borrowings bore effective interest rates ranging from 2.50% to 10.03% per annum (31 August 2024: 3.80% to 10.67%).

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

Current Ratio

As at 28 February 2025, current assets of the Group amounted to RMB2,610.46 million, consisting of cash and cash equivalents and pledged and restricted deposits of RMB1,668.32 million, prepayments, deposits and other receivables of RMB500.10 million, assets classified as held for sale of RMB296.59 million, trade receivables of RMB51.27 million, contract cost assets of RMB50.30 million, amount due from related parties of RMB6.66 million, and properties under development of RMB37.22 million. Current liabilities of the Group amounted to RMB8,237.07 million, including other payables and accruals of RMB2,816.37 million, convertible bonds of RMB2,098.11 million, contract liabilities of RMB1,741.12 million, interest-bearing bank and other borrowings of RMB1,130.03 million, liabilities directly associated with the assets classified as held for sale of RMB95.41 million, and other current liabilities of RMB356.03 million. As at 28 February 2025, current ratio (current assets divided by current liabilities) of the Group was 0.32 (31 August 2024: 0.43).

Contingent Liabilities

As at 28 February 2025, the Group did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of the Group.

Net Debt to Equity Ratio

Net debt to equity ratio equals to total interest-bearing bank and other borrowings of RMB2,129.14 million, net of cash and cash equivalents of RMB1,616.38 million, pledged and restricted deposits of RMB64.67 million divided by total equity of RMB9,451.69 million at the end of the Reporting Period. The Group's net debt to equity ratio increased from 1.5% as at 31 August 2024 to 4.7% as at 28 February 2025, primarily because the Group repaid much more bank and other borrowings during the Reporting Period.

Debt to Equity Ratio

As at 28 February 2025, debt to equity ratio of the Group (calculated by dividing total interest-bearing bank and other borrowings by total equity) was approximately 22.5% (31 August 2024: 35.4%).

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

As at 28 February 2025, we did not have any significant investments, material acquisitions and disposals or any future plans in relation to material investments or capital assets. Each of the investments held by us as a percentage of the Group's total assets as at 28 February 2025 did not amount to 5% or more.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

Save as disclosed in this announcement, during the Reporting Period, we did not have material acquisitions or disposals of subsidiaries, associates and joint ventures.

Events after the Reporting Period

1. On 7 March 2025, upon the approval of the Board of the Company, a special work group for the convertible bonds has been formed with Mr. Yang Wen, the chief financial officer, as the group leader, Mr. Tan Li, the joint company secretary and chief investment officer and Mr. Zhou Xing, the head of legal department, as members. As authorized by the Board, the special work group has engaged financial advisors and legal counsel. For details, please refer to the announcement of the Company dated 7 March 2025.
2. On 17 April 2025, the High Court of Hong Kong held the hearing of the appeal for the dismissal of winding-up petition with judgment reserved. For details, please refer to the announcement of the Company dated 17 April 2025.
3. On 24 April 2025, Sichuan Shurui Enterprise Management Service Co., Ltd.* (四川署瑞企業管理服務有限公司) and Hunan Zhongxie Education Management Group Co., Ltd.* (湖南中協教育管理集團有限公司) entered into an equity transfer agreement, pursuant to which Sichuan Shurui Enterprise Management Service Co., Ltd.* has conditionally agreed to transfer and Hunan Zhongxie Education Management Group Co., Ltd.* has conditionally agreed to acquire 80% equity interests in Nanchang Dongmei Education Technology Co., Ltd.* (南昌東美教育科技有限公司) and interests in its subsidiary entities at the total valuation of RMB236.5 million. For details, please refer to the announcement of the Company dated 24 April 2025.

INTERIM DIVIDEND

The Board resolved not to pay any interim dividend to the Shareholders for the Reporting Period (six months ended 29 February 2024: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this announcement, the Group did not have other plans for material investments and capital assets.

CORPORATE GOVERNANCE CODE

The Company 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 Company. The Company believes that effective corporate governance is the foundation to create more value for the 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 Shareholders.

Throughout the six months ended 28 February 2025, the Company has complied with the code provisions contained in the Corporate Governance Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has also adopted the Model Code set out in Appendix C3 of the Listing Rules as its code of conduct regarding securities transactions by the Directors during the six months ended 28 February 2025.

Having made specific enquiry with all Directors of the Company, it is confirmed that all Directors have complied with the required standard set out in the Model Code regarding securities transactions by the Directors throughout the six months ended 28 February 2025.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares) during the six months ended 28 February 2025. The Company holds no treasury shares as of the end of the Reporting Period.

AUDIT COMMITTEE AND REVIEW OF INTERIM FINANCIAL INFORMATION

The audit committee of the Company has reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to internal control and financial reporting. The audit committee of the Company has reviewed the Group's interim results and unaudited condensed consolidated financial statements for the six months ended 28 February 2025.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement has been published on the websites of the HKEXnews (www.hkexnews.hk) and the Company (www.hopeedu.com). The interim report of the Company for the six months ended 28 February 2025 will be dispatched to the Shareholders in due course and available on the above websites.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

For the six months ended 28 February 2025

		For the six months ended	
		28 February 2025	29 February 2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Unaudited)
REVENUE	3	2,116,704	2,042,168
Cost of sales		(1,192,690)	(1,143,210)
Gross profit		924,014	898,958
Other income and gains		142,264	252,856
Selling expenses		(159,520)	(146,910)
Administrative expenses		(287,669)	(295,762)
Fair value loss on convertible bonds		(103,916)	(146,511)
Other expenses		(34,005)	(101,351)
Finance costs		(112,514)	(154,023)
Share of profit of a joint venture		—	26,958
PROFIT BEFORE TAX	4	368,654	334,215
Income tax expense	5	(60,716)	(94,505)
PROFIT FOR THE PERIOD		307,938	239,710
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(13,482)	(56,505)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		294,456	183,205

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (continued)**

For the six months ended 28 February 2025

		For the six months ended	
		28 February	29 February
		2025	2024
	<i>Notes</i>	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Profit attributable to:			
Owners of the Company		307,498	223,866
Non-controlling interests		440	15,844
		<u>307,938</u>	<u>239,710</u>
Total comprehensive income attributable to:			
Owners of the Company		293,984	166,060
Non-controlling interests		472	17,145
		<u>294,456</u>	<u>183,205</u>
Earnings per share attributable to ordinary equity holders of the Company:	<i>6</i>		
Basic		<u>RMB0.037</u>	<u>RMB0.027</u>
Diluted		<u>RMB0.037</u>	<u>RMB0.027</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
28 February 2025

		28 February 2025	31 August 2024
	<i>Notes</i>	RMB'000	RMB'000
		(Unaudited)	(Restated)
NON-CURRENT ASSETS			
Property, plant and equipment		11,255,816	11,603,331
Right-of-use assets		1,893,142	1,926,672
Interests in land held for property development		650,982	681,556
Other intangible assets		1,237,533	1,250,705
Investment properties		257,206	260,414
Goodwill	7	2,047,200	2,051,684
Prepayments, deposits and other receivables	9	607,998	430,281
Pledged and restricted deposits		12,733	7,520
Deferred tax assets		18,476	33,168
Financial assets at fair value through profit and loss		74,041	—
Contract costs		51,740	17,014
Total non-current assets		18,106,867	18,262,345
CURRENT ASSETS			
Trade receivables	8	51,271	83,683
Prepayments, deposits and other receivables	9	500,103	814,059
Amounts due from related parties		6,658	4,817
Contract costs		50,295	23,373
Properties under development		37,220	—
Pledged and restricted deposits		51,942	543,935
Cash and cash equivalents		1,616,376	2,549,299
Assets classified as held for sale		296,593	—
Total current assets		2,610,458	4,019,166
CURRENT LIABILITIES			
Contract liabilities		1,741,124	2,267,792
Trade payables	10	19,861	57,286
Other payables and accruals	11	2,816,374	2,662,982
Deferred income		66,798	78,752
Lease liabilities		36,517	37,271
Convertible bonds		2,098,107	1,976,664
Interest-bearing bank and other borrowings		1,130,034	2,054,779
Amounts due to related parties		20,586	67,175
Dividends payable		154	550
Tax payable		212,108	204,409
Liabilities directly associated with the assets classified as held for sale		95,409	—
Total current liabilities		8,237,072	9,407,660
NET CURRENT LIABILITIES	1	(5,626,614)	(5,388,494)
TOTAL ASSETS LESS CURRENT LIABILITIES		12,480,253	12,873,851

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(continued)

28 February 2025

		28 February 2025	31 August 2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Restated)
NON-CURRENT LIABILITIES			
Other payables	11	388,942	809,818
Deferred income		1,433,134	1,511,201
Lease liabilities		85,722	96,553
Interest-bearing bank and other borrowings		999,109	1,182,582
Deferred tax liabilities		112,045	114,648
Contract liabilities		9,607	4,559
		<hr/>	<hr/>
Total non-current liabilities		3,028,559	3,719,361
		<hr/>	<hr/>
NET ASSETS		9,451,694	9,154,490
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to owners of the Company			
Issued capital		559	559
Reserves		9,447,706	9,150,974
		<hr/>	<hr/>
		9,448,265	9,151,533
Non-controlling interests		3,429	2,957
		<hr/>	<hr/>
Total equity		9,451,694	9,154,490
		<hr/> <hr/>	<hr/> <hr/>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 28 February 2025

	Attributable to owners of the Company									
	Issued capital	Share premium*	Capital reserve*	Statutory surplus reserve*	Share option reserve*	Retained profits*	Exchange fluctuation reserve*	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 September 2024	559	5,131,685	598,468	796,971	171,768	2,422,490	29,592	9,151,533	2,957	9,154,490
Profit for the period	—	—	—	—	—	307,498	—	307,498	440	307,938
Other comprehensive income for the period:										
Exchange differences on translation of foreign operations	—	—	—	—	—	—	(13,514)	(13,514)	32	(13,482)
Total comprehensive income for the period	—	—	—	—	—	307,498	(13,514)	293,984	472	294,456
Equity-settled share option arrangements	—	—	—	—	2,748	—	—	2,748	—	2,748
Transfer from retained profits	—	—	—	65,310	—	(65,310)	—	—	—	—
Transfer of share option reserve upon the forfeiture of share options	—	—	—	—	(6,767)	6,767	—	—	—	—
As at 28 February 2025 (unaudited)	559	5,131,685	598,468	862,281	167,749	2,671,445	16,078	9,448,265	3,429	9,451,694
As at 1 September 2023	559	5,131,685	598,468	666,496	136,986	1,937,186	(31,915)	8,439,465	269	8,439,734
Profit for the period	—	—	—	—	—	223,866	—	223,866	15,844	239,710
Other comprehensive income for the period:										
Exchange differences on translation of foreign operations	—	—	—	—	—	—	(57,806)	(57,806)	1,301	(56,505)
Total comprehensive income for the period	—	—	—	—	—	223,866	(57,806)	166,060	17,145	183,205
Equity-settled share option arrangements	—	—	—	—	12,630	—	—	12,630	—	12,630
Transfer from retained profits	—	—	—	41,904	—	(41,904)	—	—	—	—
As at 29 February 2024 (unaudited)	559	5,131,685	598,468	708,400	149,616	2,119,148	(89,721)	8,618,155	17,414	8,635,569

* These reserve accounts comprise the consolidated reserves of RMB9,447,706,000 in the consolidated statement of financial position as at 28 February 2025 (31 August 2024: RMB9,150,974,000).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 28 February 2025

	For the six months ended	
	28 February 2025	29 February 2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	368,654	334,215
Adjustments for:		
Depreciation of items of property, plant and equipment	231,200	224,646
Depreciation of right-of-use assets	36,769	35,632
Depreciation of land held for property development	4,523	6,548
Depreciation of investment properties	2,446	2,766
Amortisation of other intangible assets	21,412	21,876
Amortisation of contract costs	27,055	9,018
Deferred income released to profit or loss	(48,102)	(37,619)
Interest income	(22,196)	(14,691)
Finance costs	112,514	154,023
Losses/(gains) on disposal of items of property, plant and equipment and right-of-use assets, net	3,274	(10,024)
Gains on termination of leases	(228)	—
Loss/(gain) on disposal of subsidiaries	1,957	(93,253)
Provision for/(reversal of) impairment losses on financial assets	(2,960)	6,663
Share of profit of a joint venture	—	(26,958)
Fair value loss on convertible bonds	103,916	146,511
Foreign exchange loss/(gain), net	20,909	(18,724)
Equity-settled share option expense	2,748	12,630
Impairment losses on assets classified as held for sale	—	86,261
	863,891	839,520

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(continued)

For the six months ended 28 February 2025

	For the six months ended	
	28 February	29 February
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Decrease in prepayments, deposits and other receivables	124,640	20,836
Decrease in trade receivables	31,095	37,521
Increase in contract costs	(90,271)	(18,506)
Increase in properties under development	(11,169)	—
Decrease/(increase) in amounts due from related parties	(1,841)	13,415
Decrease in contract liabilities	(494,401)	(544,174)
Increase/(decrease) in trade payables	(36,927)	9,004
Increase in amounts due to related parties	1,963	15,684
Withdrawal/(placement) of restricted cash	23,545	(37,387)
Decrease in other payables and accruals	(129,187)	(341,569)
Receipt of government grants related to expense items	5,111	1,945
	<hr/>	<hr/>
Cash generated from/(used in) operations	286,449	(3,711)
Bank interest received	17,175	12,909
Income tax paid	(32,408)	(61,289)
	<hr/>	<hr/>
Net cash flows from/(used in) operating activities	271,216	(52,091)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(continued)

For the six months ended 28 February 2025

	For the six months ended	
	28 February	29 February
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	(639,117)	(606,176)
Prepaid land lease payments	—	(34,900)
Additions to other intangible assets	(8,221)	(43,475)
Proceeds from disposal of items of property, plant and equipment, other intangible assets and right-of-use assets	1,821	123,288
Equity investments:		
Payments for acquisition of subsidiaries in prior years	—	(822)
Disposal of subsidiaries	—	(12,270)
Amounts received from the acquirer of the disposed subsidiaries	—	98,039
Advance received from disposal of subsidiaries	110,000	—
Proceeds from disposal of a subsidiary in the prior year	56,043	—
Proceeds from disposal of investment in a joint venture	—	50,000
Purchase of equity investment measured at fair value through profit or loss	(66,781)	—
Decrease/(increase) in amounts due from related parties:		
Loans repaid by a joint venture	—	13,575
Interest income received from a joint venture	—	361
Loans provided to an independent third party	—	(15,000)
Receipt of government grants for property, plant and equipment	148	12,963
Repayment of prepaid land lease payment	—	6,654
Loans and interest repaid by third parties	75,880	25,992
Net cash flows used in investing activities	<u>(470,227)</u>	<u>(381,771)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(continued)

For the six months ended 28 February 2025

	For the six months ended	
	28 February 2025	29 February 2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Proceeds from bank and other borrowings	440,035	2,029,148
Repayment of bank and other borrowings	(1,504,855)	(1,740,540)
Interest paid	(111,882)	(95,194)
Principal portion of lease payments	(14,913)	(13,470)
Interest portion of the lease liabilities	(4,053)	(4,793)
Receipts of loan deposits	52,400	1,300
Security deposits paid for other borrowings	—	(13,270)
Repayment to related parties	—	(514)
Loans from third parties	15,390	—
Repayment of other loans recorded in other payables	(45,733)	(14,654)
Dividends paid	(396)	—
Withdrawal/(placement) of restricted deposits	463,259	(11,806)
	<u>(710,748)</u>	<u>136,207</u>
Net cash flows from/(used in) financing activities	<u>(710,748)</u>	<u>136,207</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at beginning of the period	2,549,299	2,878,114
Effect of foreign exchange rate changes, net	(10,002)	(15,191)
	<u>1,629,538</u>	<u>2,565,268</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
	<u>1,629,538</u>	<u>2,565,268</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS:		
Cash and cash equivalents as stated in the interim condensed consolidated statement of financial position	1,616,376	2,565,233
Cash attributable to the subsidiaries classified as held for sale	<u>13,162</u>	<u>35</u>
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows	<u>1,629,538</u>	<u>2,565,268</u>

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 FEBRUARY 2025

1. BASIS OF PREPARATION

The interim condensed financial information for the six months ended 28 February 2025 (the “Period”) has been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*. The interim condensed financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 August 2024.

Going concern

As at 28 February 2025, (i) the Group recorded net current liabilities of approximately RMB5,626,614,000; (ii) the Group’s total interest-bearing bank and other borrowings amounted to RMB2,129,143,000, out of which RMB1,130,034,000 will be due for repayment within the next twelve months; (iii) the Group’s convertible bonds (the “Bonds”), which were measured at fair value through profit or loss, amounting to RMB2,098,107,000 will be due on 2 March 2026, and the Group needs to redeem the convertible bonds at 105.11 per cent of the principal amount once due, with a remaining outstanding amount of US\$331,202,000 (equivalent to approximately RMB2,375,974,000); while (iv) the Group’s cash and cash equivalents amounted to RMB1,616,376,000.

The above conditions indicate the existence of material uncertainties which cast significant doubt on the Group’s ability to continue as a going concern. In view of such circumstances, the Directors have undertaken a number of plans and measures to improve the Group’s liquidity and financial position, including the following:

- (i) The Group will continue to explore a restructuring of the Bonds to secure the sustainable operations of the Group for the benefit of all of its stakeholders;
- (ii) The Group will continue to satisfy the requirements and negotiate with the guarantor of the medium term notes, which was issued by INTI Universal Holdings Sdn Bhd, a wholly-owned subsidiary of the Group, with aggregate principal amount of RM\$165,000,000 (equivalent to approximately RMB266,947,000) with a maturity date on 2 November 2028, to avoid the acceleration of repayment;
- (iii) The Group will continue to seek suitable opportunities to dispose of its equity interests in certain subsidiaries in order to generate additional cash inflows;
- (iv) The Group has been actively seeking other alternative financing and borrowings to finance the settlement of the existing financial obligations and future operating and capital expenditures; and
- (v) The Group will continue to take active measures to control administrative costs and capital expenditures and negotiate with the vendors to manage payment schedules.

The Directors have reviewed the Group’s cash flow projections prepared by management which cover a period of eighteen months from 28 February 2025. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the foreseeable future. Accordingly, the Directors are satisfied that it is appropriate to prepare the interim condensed financial information of the Group for the period ended 28 February 2025 on a going concern basis.

1. BASIS OF PREPARATION (continued)

Notwithstanding the above, significant uncertainties exist as to whether the Group will be able to implement the aforementioned plans and measures. Whether the Group will be able to continue as a going concern will depend upon the following:

- (i) successfully complete the holistic restructuring of the Bonds before the maturity date on 2 March 2026;
- (ii) successfully satisfy the requirements of the guarantor of the medium term notes;
- (iii) successfully dispose of the Group's equity interests in certain subsidiaries when suitable; and
- (iv) successfully obtain additional new sources of financing as and when needed.

Should the Group be unable to achieve the above-mentioned plans and measures and operate as a going concern, adjustments may have to be made to write down the carrying values of assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the interim condensed financial information.

2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 August 2024, except for the adoption of the following revised IFRS Accounting Standards for the first time for the current period's financial information.

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

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

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

2. CHANGES IN ACCOUNTING POLICIES (continued)

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

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

	Increase/(decrease)	
	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000
CURRENT LIABILITIES		
Convertible bonds	<u>2,098,107</u>	<u>1,976,664</u>
Total current liabilities	<u>2,098,107</u>	<u>1,976,664</u>
NET CURRENT LIABILITIES	<u>2,098,107</u>	<u>1,976,664</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>(2,098,107)</u>	<u>(1,976,664)</u>
NON-CURRENT LIABILITIES		
Convertible bonds	<u>(2,098,107)</u>	<u>(1,976,664)</u>
Total non-current liabilities	<u>(2,098,107)</u>	<u>(1,976,664)</u>

The adoption of the amendments did not have any impact on the basic and diluted earnings per share attributable to ordinary equity holders of the parent, profit or loss, other comprehensive income and the interim consolidated statements of cash flows for the six months ended 28 February 2025 and 29 February 2024.

2. CHANGES IN ACCOUNTING POLICIES (continued)

- (c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

3. REVENUE

Revenue

An analysis of revenue is as follows:

	For the six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
Revenue from contracts with customers	<u>2,116,704</u>	<u>2,042,168</u>

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 28 February 2025

Segments	Domestic education RMB'000 (Unaudited)	Global education RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Types of goods or services			
Tuition fees	1,639,743	250,138	1,889,881
Boarding fees	156,321	6,448	162,769
Sales of books and daily necessities	29,489	—	29,489
Others	<u>28,960</u>	<u>5,605</u>	<u>34,565</u>
Total	<u>1,854,513</u>	<u>262,191</u>	<u>2,116,704</u>
Timing of revenue recognition			
Services transferred over time	1,825,024	262,191	2,087,215
Goods transferred at a point in time	<u>29,489</u>	<u>—</u>	<u>29,489</u>
Total	<u>1,854,513</u>	<u>262,191</u>	<u>2,116,704</u>

3. REVENUE (continued)

Revenue (continued)

Disaggregated revenue information for revenue from contracts with customers (continued)

For the six months ended 29 February 2024

Segments	Domestic education RMB'000 (Unaudited)	Global education RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Types of goods or services			
Tuition fees	1,601,108	174,385	1,775,493
Boarding fees	146,052	5,069	151,121
Sales of books and daily necessities	45,109	—	45,109
Others	51,405	19,040	70,445
Total	<u>1,843,674</u>	<u>198,494</u>	<u>2,042,168</u>
Timing of revenue recognition			
Services transferred over time	1,798,565	198,494	1,997,059
Goods transferred at a point in time	45,109	—	45,109
Total	<u>1,843,674</u>	<u>198,494</u>	<u>2,042,168</u>

4. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	For the six months ended	
	28 February 2025 RMB'000 (Unaudited)	29 February 2024 RMB'000 (Unaudited)
Cost of services provided	<u>1,192,690</u>	<u>1,143,210</u>
Management fees	69,228	63,227
Equity-settled share option expense	2,748	12,630
Provision/(reversal) of impairment losses on financial assets	(2,960)	6,663
Impairment losses on assets classified as held for sale	—	86,261
Fair value loss on convertible bonds	<u>103,916</u>	<u>146,511</u>

5. INCOME TAX

The major components of income tax expense of the Group for the Period and for the six months ended 29 February 2024 are as follows:

	For the six months ended	
	28 February 2025	29 February 2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current — Chinese Mainland	33,579	94,955
Current — Elsewhere	13,287	5,009
Deferred	13,850	(5,459)
	<u>60,716</u>	<u>94,505</u>
Total tax charged for the period	<u>60,716</u>	<u>94,505</u>

6. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculations of the basic and diluted earnings per share attributable to ordinary equity holders of the Company are based on the following data:

	For the six months ended	
	28 February 2025	29 February 2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic and diluted earnings per share calculation	<u>307,498</u>	<u>223,866</u>
Number of shares		

	For the six months ended	
	28 February 2025	29 February 2024
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares used in the basic and diluted earnings per share calculation	<u>8,224,974,706</u>	<u>8,224,974,706</u>

7. GOODWILL AND INTANGIBLE ASSET WITH AN INDEFINITE USEFUL LIFE

	Intangible asset with an indefinite useful life <i>RMB'000</i> (Unaudited)	Goodwill <i>RMB'000</i> (Unaudited)
Cost and net carrying amount at 1 September 2024	158,078	2,051,684
Exchange realignment	<u>(3,087)</u>	<u>(4,484)</u>
Cost and net carrying amount at 28 February 2025	<u><u>154,991</u></u>	<u><u>2,047,200</u></u>

8. TRADE RECEIVABLES

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

	28 February 2025 <i>RMB'000</i> (Unaudited)	31 August 2024 <i>RMB'000</i>
Within 3 months	22,173	44,426
Over 3 months	<u>29,098</u>	<u>39,257</u>
Total	<u><u>51,271</u></u>	<u><u>83,683</u></u>

9. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000
Current portion:		
Loans to third parties, interest receivables included	382,149	458,029
Cash in transit	1,414	96,198
Deferred operating expenses	65,220	90,560
Deposits	47,259	114,227
Staff advances	29,673	22,657
Loans to the government	23,641	18,641
Rental receivables from third parties	20,840	21,296
Receivables arising from the disposal of subsidiaries	113,158	160,633
Receivables arising from the disposal of items of property, plant and equipment and right-of-use assets	20,000	20,000
Other receivables	47,683	65,712
	<hr/>	<hr/>
	751,037	1,067,953
Impairment allowance	(250,934)	(253,894)
	<hr/>	<hr/>
Subtotal	500,103	814,059
	<hr/>	<hr/>
Non-current portion:		
Prepayments for property, plant and equipment	317,824	108,945
Prepayments for intangible assets	1,478	2,840
Deferred operating expenses	21,848	37,057
Prepayments for land lease payments	36,419	36,419
Prepayment for an equity investment	—	7,260
Deposits	14,685	16,511
Receivables arising from the disposal of subsidiaries	215,744	221,249
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Subtotal	607,998	430,281
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Total	1,108,101	1,244,340
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10. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the Period, based on the invoice date, is as follows:

	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000
Within 3 months	10,928	26,252
Over 3 months	8,933	31,034
Total	19,861	57,286

The trade payables are non-interest-bearing and are normally settled on terms of one to ten months.

11. OTHER PAYABLES AND ACCRUALS

	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000
Current portion:		
Payables for purchase of property, plant and equipment	445,619	664,118
Payables for acquisitions of equity interests	471,332	471,332
Miscellaneous advances received from students	155,178	228,221
Accrued bonuses and other employee benefits	195,025	194,382
Government scholarship	135,420	236,173
Payables for purchase of teaching materials and operating expenditure	46,693	28,590
Payables for management fees	82,663	43,496
Rental payable	47,099	47,133
Deposits payable	60,339	61,589
Other taxes payable	66,648	77,025
Other payables and accrued expenses	296,737	290,102
Loans from third parties	89,975	124,387
Construction loan from the Mianzhu Education Bureau	75,832	75,832
Payables for conversion of certain independent colleges into fully private colleges	134,760	80,682
Liability of a put option granted to a shareholder	363,134	—
Advances received for disposal of subsidiaries	110,000	—
Payable for land lease payments	39,920	39,920
Subtotal	2,816,374	2,662,982
Non-current portion:		
Payables for conversion of certain independent colleges into fully private colleges	381,308	449,283
Liability of a put option granted to a non-controlling shareholder	—	352,605
Other payables	7,634	7,930
Subtotal	388,942	809,818
Total	3,205,316	3,472,800

12. DIVIDENDS

At the meeting of the board of directors held on 30 April 2025, the Directors did not recommend any payment of interim dividend (six months ended 29 February 2024: Nil).

DEFINITIONS

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

“Board” or “Board of Directors”	the board of Directors of the Company
“China” or “PRC”	the People’s Republic of China
“Company” or “our Company”	XJ International Holdings Co., Ltd. (希教國際控股有限公司) (formerly known as Hope Education Group Co., Ltd. (希望教育集團有限公司)), an exempted company incorporated in the Cayman Islands with limited liability on 13 March 2017
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“Director(s)”	the director(s) of our Company
“Gongqing College”	Gongqing College of Nanchang University (南昌大學共青學院)
“Group”, “our Group”, “we” or “us”	our Company, its subsidiaries and the consolidated affiliated entities from time to time, or, where the context so requires in respect of the period before our Company became the holding company of our present subsidiaries, the entities which carried on the business of the present Group at the relevant time
“IFRS Accounting Standards”	the International Financial Reporting Standard(s)
“Listing”	the listing of the Company’s Shares on the Main Board on 3 August 2018
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“Reporting Period”	the six months ended 28 February 2025

“RMB”	Renminbi, the lawful currency for the time being of the PRC
“Share(s)”	ordinary share(s) of a nominal value of US\$0.00001 each in the share capital of our Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shinawatra University”	Faith Star (Thailand) Company Limited and its subsidiary Shinawatra University
“Sichuan Hope Education”	Sichuan Hope Education Industry Group Limited (四川希望教育產業集團有限公司), one of the consolidated affiliated entities of the Company
“State”	the central government of the PRC, including all governmental sub-divisions (such as provincial, municipal and other regional or local government entities)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	has the meaning ascribed to it in the Listing Rules
“United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$” or “USD”	United States dollars, the lawful currency for the time being of the United States
“%”	percent

By Order of the Board
XJ International Holdings Co., Ltd.
Zhang Bing
Chairman and non-executive Director

Hong Kong, 30 April 2025

As at the date of this announcement, the executive Directors of the Company are Mr. Deng Yi, Mr. Wang Huiwu and Ms. Wang Xiu; the non-executive Directors of the Company are Mr. Zhang Bing, Mr. Xu Changjun and Mr. Wang Xiaowu; and the independent non-executive Directors of the Company are Mr. Xiang Chuan, Mr. Liu Zhonghui and Mr. Zhang Jin.