



BOJUN EDUCATION COMPANY LIMITED
博駿教育有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code : 1758

博學致遠 駿馳天下

**A knowledgeable Man Wins
The Whole World**

2025
ANNUAL REPORT

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COMPANY PROFILE

We are one of the leading private education service groups in Sichuan Province, the PRC, with a proven record of more than 24 years in the private education services sector. We operate our own kindergartens and high school and entered the vocational education sector through acquisitions. We also provide education management services to education institutions, including kindergarten management services and schools with a 12-year well-established system management services, etc.. As at 1 September 2025, we operated two vocational schools, one high school and one kindergarten in Chengdu and Suining, Sichuan Province. As at 1 September 2025, we had an enrolment of 28,932 students supported by 2,265 employees, including over 1,620 full-time teachers.



Since 2001, we have built the foundation of our business upon private preschool education and expanded our footprints to the private primary, middle school and high school education industry. In June 2001, we established Youshi Kindergarten, our first kindergarten cooperated with Chengdu Preschool Normal School, then Lidu Kindergarten, Riverside Kindergarten, Longquan Kindergarten, Qingyang Kindergarten and Peninsula Kindergarten. We established Jinjiang School in April 2012, followed by Longquan School and Tianfu School in successful replications of our business model for school management. In March 2021, we launched the Tianfu High School. Since September 2019, we established four Bojun Schools successively in Sichuan Province with a new brand “Bojun School” (博駿公學). As Regulations for the Implementation of the Private Education Promotion Law of the PRC (《中華人民共和國民辦教育促進法實施條例》) (the “Implementation Regulations”) have been issued, with effect from 1 September 2021, we deconsolidated the Affected Entities as at 31 August 2021. We have completed the acquisition of Winshare Vocational

College and Zhengzhuo Vocational School as at 31 August 2023, thereby allowing us to enter into the private vocational education sector. Uptill now, our business principally involves operation of for-profit high schools and kindergartens, operation of vocational schools, and provision of education management services to educational institutions.

We focus on providing quality education services with a strong emphasis on the all-round development of students, while keeping up with the national education strategic development plan and restructuring our business in a timely manner. We have made significant progress since opening our first school back in 2001. With the experience gained over the years and the dedication of our management team, we have built a strong reputation for quality in the industry. With increasing demand for quality private education from parents in the PRC, this will allow us to attract talented students and outstanding teachers and seize more opportunities to enhance and cement our market position in the private education sector in Sichuan Province.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director

Mr. Wang Jinglei (*Chairman of the Board*)

Mr. Lin Juncheng (*Chief executive officer*)

Ms. Tang Hui

Non-executive Director

Mr. Wu Jiwei

Independent Non-executive Directors

Mr. Cheng Tai Kwan Sunny

Mr. Tao Qizhi

Mr. Yang Yuchuan

AUDIT COMMITTEE

Mr. Cheng Tai Kwan Sunny (*Chairman*)

Mr. Tao Qizhi

Mr. Yang Yuchuan

NOMINATION COMMITTEE

Mr. Wang Jinglei (*Chairman*)

Ms. Tang Hui

Mr. Tao Qizhi

Mr. Yang Yuchuan

Mr. Cheng Tai Kwan Sunny

REMUNERATION COMMITTEE

Mr. Tao Qizhi (*Chairman*)

Mr. Yang Yuchuan

Mr. Cheng Tai Kwan Sunny

COMPANY SECRETARY

Mr. Lam Wai Kei

AUTHORISED REPRESENTATIVES

Mr. Wu Jiwei

Mr. Lam Wai Kei

AUDITOR

ZHONGHUI ANDA CPA Limited

LEGAL ADVISORS

As to Hong Kong law:

Loeb & Loeb LLP

As to PRC law:

DeHeng Law Offices (Chengdu)

PRINCIPAL BANKERS

Agricultural Bank of China, Hong Kong branch

Agricultural Bank of China, Chengdu Shahebao branch

Bank of China (Hong Kong) Limited

Bank of China Sichuan Branch Business Division

REGISTERED OFFICE

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 239 Sanse Road, Jinjiang District

Chengdu, Sichuan Province

The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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1 Connaught Place

Central

Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

STOCK CODE

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COMPANY'S WEBSITE

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INVESTOR RELATIONS

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FINANCIAL HIGHLIGHTS

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from published audited financial statements, is set out below:

FIVE-YEAR COMPARISON OF KEY FINANCIAL FIGURES

Result of operation	For the year ended 31 August				2025
	2021	2022	2023	2024	
	RMB'000 ⁽¹⁾	RMB'000 ⁽¹⁾	RMB'000 ⁽¹⁾	RMB'000 ⁽¹⁾	RMB'000 ⁽¹⁾
Revenue	–	33,604	81,305	429,763	378,792
Gross profit	(23,699)	16,766	11,919	204,899	144,678
(Loss)/profit for the year	(629,017)	(9,403)	51,047	(40,308)	(197,034)
(Loss)/profit for the year attributable to owners of the Company	(629,017)	(9,403)	51,047	(39,566)	(129,615)
Basic (loss)/earnings per share (RMB cents)	(76.54)	(1.14)	6.21	(4.38)	(14.35)

Financial ratio	For the year ended 31 August				2025
	2021	2022	2023	2024	
Gross profit margin	N/A	49.9%	14.7%	47.7%	38.2%
Net (loss)/profit margin	N/A	(28.0%)	62.8%	(9.4%)	(52.0%)

Notes:

(1) Financial results for continuing operations.

FINANCIAL HIGHLIGHTS

Assets and liabilities	As at 31 August				
	2021	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets	886,787	877,072	3,417,455	3,605,518	3,514,525
Current assets	308,974	292,034	645,949	410,168	387,630
Current liabilities	227,601	115,666	1,598,415	1,230,246	1,302,333
Net current (liabilities)/assets	81,373	176,368	(952,466)	(820,078)	(914,703)
Total assets less current liabilities	968,160	1,053,440	2,464,989	2,785,440	2,599,822
Non-current liabilities	884,136	874,175	1,919,714	2,270,381	2,281,797
Capital and reserves	84,024	179,265	237,680	198,406	68,791
Property, plant and equipment	658,889	665,775	2,671,943	2,761,043	2,724,753
Bank balances and cash	93,214	155,072	346,553	225,803	140,599
Contract liabilities	7,296	36,810	277,041	293,360	171,284
Borrowings	179,000	160,120	1,507,273	1,496,779	1,949,431

Financial ratio	As at 31 August				
	2021	2022	2023	2024	2025
Current ratio	1.36	2.52	0.40	0.33	0.30
Gearing ratio ^(Note)	213.0%	89.3%	276.4%	290.6%	613.0%

Note: Gearing ratio is calculated by dividing total debts (which equal interest-bearing borrowings and obligation under finance leases) by total equity of the Company as of the respective year end date.

Cash flows	For the year ended 31 August				
	2021	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Net cash from operating activities	127,681	25,855	13,117	175,255	5,222

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present the annual report of the Company, covering the consolidated results of the Group for the year ended 31 August 2025.

RESULTS OVERVIEW

Compared with the corresponding period in the previous year, the Group's total revenue for the year ended 31 August 2025 amounted to approximately RMB378.8 million. Loss for the year amounted to approximately RMB197.0 million, representing an increase of RMB156.7 million as compared to the loss of approximately RMB40.3 million for the year ended 31 August 2024.

SUMMARY OF BUSINESS

We have been running private schools in Sichuan Province, China for more than 24 years and have built a strong reputation in the region. The overwhelming number of applications for enrolment received, outstanding examination results achieved by our graduates and the positive responses and supports made to our school network expansion on the part of local governments, all bear vivid testimonies to the Group's sufficient influence in the field of private education in Sichuan Province. We provide academic education at higher vocational education, secondary vocational school and high school levels, as well as kindergarten education services, while also offering education management services to other schools. As at 31 August 2023, the Group completed the acquisition of 51% equity interest in School Sponsors of two vocational schools, and has control over and would derive economic benefits from such entities and their subsidiaries. As at 1 September 2025, we had a student enrolment of 28,932. The main structures of our Suining Campus of Winshare Vocational College have been completed and are gradually being put into use. With the continuous improvement of educational facilities, coupled with the excellent employment performance of our graduates, the college's enrolment will steadily increase.

"Provide quality education with philanthropism" (以博愛情懷·辦品質教育) is the instructional goal for kindergartens. For high schools, we adhere to the concepts of "Fusion of Chinese and Western, Combination of Arts and Science" (融貫中西·文理並蓄) and "Learn Intently in Pursuit of Knowledge and Caring for the World" (靜學問道·天下關懷). We strengthen the study of basic subjects according to the education rules and the law of growth of people. Meanwhile, we provide high-quality and comprehensive education services to our students through customised courses. We follow the development trend of education and create teaching methodology that adapts to the development of students. We believe the success of our education services not only facilitates the development of our students' skills in communication, creativity and collaboration, but also helps them obtain academic excellence and other achievements. In the past, our students have achieved excellent results in various academic competitions.

Winshare Vocational College is committed to "innovating talent training models and highlighting the characteristics of higher vocational education" by reforming the traditional school operating models and optimising professional offerings that are in line with regional industrial policies, to better adapt to the market demands for talents. It values cooperative relationships between schools and enterprises and has cooperated with dozens of new partners to promote coordinated talent cultivation through production and education as well as professional school-enterprise cooperation. Its graduates have been widely accepted by cooperative enterprises. It plans to continue to improve the overall operating conditions and expand the enrolment scale, in the aim of establishing itself as a national level demonstrative vocational college. Zhengzhuo Vocational School provides full-time secondary vocational education services which is oriented to cover both fields of employment and further studies. It not only formulates professional training programs according to market demands, but also allows students to pursue higher education in Winshare Vocational College or vocational undergraduate schools upon graduation, to ultimately enhance their vocational school.

CHAIRMAN'S STATEMENT

DEVELOPMENT PLANS

Looking forward, the PRC government's vigorous promotion on and regulated development of private education creates both opportunities and challenges, offering us the possibility to further enhance our market position as a high quality private education operator in the southwest region. On one hand, the Group ceased to have control over the Affected Entities to comply with the PRC laws and regulations, as a result of the Implementation Regulations effective from 1 September 2021. On the other hand, the Group leverages its experience accumulated from school operation over the years as a starting point to actively and rapidly develop new businesses, particularly in independent high schools and private vocational education institutes, subject to the compliance with the PRC laws and regulations. The Group will continue to focus on the expansion of high schools and vocational education in Sichuan Province and proactively seek more opportunities to continuously expand our educational services.

Based on our years of experience in school management, we will be looking for opportunities to cooperate with more schools in Sichuan province, providing education management services including but not limited to brand output, management output and teachers recruitment and training. Currently, we have signed management service agreements with one kindergarten and provided education management services to two schools with a 12-year well-established system.

In recent years, the market economy and economic restructuring in the PRC are accelerating, and the demand for technically skilled personnel in various industries has become increasingly pressing. Vocational education, as a development project supported by the government, is considered an important development opportunity for private education. The government issued a number of documents providing comprehensive and specific guidelines, aiming to deepen the construction of the vocational education system and cultivate more high-quality technicians and skilled talents to support the overall development of the nation's economy and society.

With the gradual completion of the construction of our Suining Campus of vocational college and the continuous improvement of the operating conditions, the college will expand its enrolment scale year by year. Winshare Vocational College has conducted exchanges and cooperation with various universities in China and abroad, and has established good school-enterprise cooperation relationships with more than 1,000 large and medium-sized enterprises and institutions. It endeavours to keep raising the college-running standards, and promote itself as the number one in the southwest region and one of the most influential vocational education institutions in the country.

Looking forward, we will strengthen our investment in our vocational school business. On one hand, we will optimise our professional offerings and facilitate integration of education with key industries in the region to foster high-quality talent cultivation and promote the development of our existing vocational schools. On the other hand, we will strive to expand our enrollment and actively seek opportunities to cooperate with other institutions to increase our student enrollment scale and further improve the revenue of vocational schools.

APPRECIATION

On behalf of the Board, I would like to extend heartfelt gratitude to all shareholders and stakeholders of the Company for their ongoing trust and confidence in us. Sincere appreciation is also due to the management and staff for the professionalism, loyalty and dedication demonstrated in the execution of the Group's development strategy. The Group will step up with its strategic business plans with full diligence and concentrate on increasing shareholders' return.

Bojun Education Company Limited

Wang Jinglei

Chairman

Chengdu, the PRC, 17 December 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Our Schools

We are a leading private education service group in Sichuan Province, the PRC, with established operational experience of more than 24 years in the private education services sector. We independently operate our own kindergartens and high schools segments and has completed the acquisition of Winshare Vocational College and Zhengzhuo Vocational School on 31 August 2023 to have control over and derive economic benefits from such entities and their subsidiaries. This initiative has successfully facilitated the Group to enter into the vocational education.

As at the date of this report, the Group comprises two vocational schools, one high school and one kindergarten. The following sets out the types of education provided by each of our schools as at 31 August 2025:

	Kindergarten(s)	High school(s)	Vocational school(s)
Winshare Vocational College			✓
Zhengzhuo Vocational School			✓
Tianfu High School		✓	
Riverside Kindergarten	✓		

Winshare Vocational College is a full-time common higher education institute approved by the Provincial Government of Sichuan Province and has registered with the Ministry of Education. It was established in March 2013 and is mainly engaged in the provision of higher vocational education. As one of the first provincial civilized campuses and modern apprenticeship pilot colleges in Sichuan Province, the college operates two campuses in Chengdu and Suining, covering an area of over 2,580 acres. The college comprises six secondary colleges including education, nursing, information, management, intelligent manufacturing and international cooperation. And 47 courses are offered including intelligent construction technology, NEVs technology, early childhood education, nursing, numerical control technology and industrial robot technology, with a current enrolment of over 24,000 students.

Zhengzhuo Vocational School is dedicated to providing full-time secondary vocational education and offering opportunities to enter full-time higher vocational education. It has established a talent development system that integrates junior college and undergraduate college as well as study abroad. The college has a long history dated from 1993, and has over 30 years of rich experience in education, having cultivated a large number of technical and skilled professionals for society. The school locates in the same area as the Chengdu campus of Winshare Vocational College, and shares all its teaching staff, equipment and other resources.

Tianfu High School, established in 2021, is located in the Tianfu New Area, with current enrolment of over a thousand students and over 150 teaching staff. Leveraging on the experience of the Group, the vitality of the school, the cultural heritage of Chengdu and the good reputation of Shiyi (“師一”) Brand, Tianfu High School consistently positions itself as a practitioner, guardian and explorer of a high-quality high school oriented towards the future. It has a high starting point and will strive to make it a first-class high school in the area, a well-known one in the province and gaining national reputation in a short period. The school has currently achieved remarkable results in various examinations, consistently ranking among the top performers in the Chengdu exams, the Rongcheng joint exams for the renowned schools and the Tianfu New Area exams.

MANAGEMENT DISCUSSION AND ANALYSIS

Our Students

As at 1 September 2025, we had an enrolment of 28,932 students, including 27,881 vocational school students, 1,007 high school students and 44 kindergarten students.

Number of students by school sections	Student Enrolment		Change	Change in percentage
	As at 1 September 2025	2024		
Vocational school	27,881	30,286	(2,405)	(7.9%)
High school	1,007	1,076	(69)	(6.4%)
Kindergarten ⁽ⁱ⁾	44	65	(21)	(32%)

Note(s):

- (i) The student enrolment information was based on the internal records of our school. The decrease in the number of kindergarten enrolment is attributable to the closure of Lidu Kindergarten in September 2024, with deregistration completed in March 2025 due to the significant decrease in birth rates and the number of school-age children.

School utilisation rate

The utilisation rate of our schools is affected by a number of factors, such as enrolment scale, the availability of our facilities, the promotion strategies of our student enrolment and competition from public and private schools in Chengdu. The following table sets forth information relating to student capacity and school utilisation rates of our schools by type as at the dates indicated.

Type of school	Students capacity ⁽ⁱ⁾		School utilisation rate ⁽ⁱⁱ⁾	
	2025	2024	2025	2024
Vocational school	42,270	42,270	65.9%	71.6%
High school	1,500	1,500	67.1%	71.7%
Kindergarten	100	100	44.0%	65.0%
Total	43,870	43,870	65.9%	71.6%

Notes:

- (i) For vocational schools, the student capacity is calculated based on the number of classrooms (excluding special-purpose classrooms) in each school and the number of students that each classroom can accommodate. For high schools, the student capacity is calculated based on the number of classrooms (excluding special-purpose classrooms) in each school and the number of students that each classroom can accommodate or the capacity of the student dormitories. For kindergartens, the student capacity is calculated based on the number of classrooms (excluding special-purpose classrooms) of each kindergarten and the class size determined by our Group with reference to the maximum number of students to be accommodated by each classroom for first-tier kindergartens as stipulated by education authorities in Chengdu.
- (ii) The school utilisation rate is calculated by dividing the number of students enrolled at a school by the capacity for students of the school.

MANAGEMENT DISCUSSION AND ANALYSIS

Tuition and boarding fees

For vocational schools, the tuition fees for the 2024/2025 school year charged by Winshare Vocational College ranged from RMB13,500 to RMB14,800, while boarding fees ranging from RMB1,400 to RMB3,300 per school year was charged. The tuition fees increased slightly as compared to the 2023/2024 school year. The tuition fees charged by Zhengzhuo Vocational School ranged from RMB4,150 to RMB4,250, while boarding fees amounted to RMB1,000 per school year was charged. The fees charged remained unchanged as compared to the 2023/2024 school year.

For high schools, our annual tuition fees for the 2024/2025 school year was RMB42,000 per student, while boarding fees of RMB1,200 per school year was charged for each boarding student. The fees charged remained unchanged when compared to the 2023/2024 school year. For kindergartens, our annual tuition fees for the 2024/2025 school year ranged from RMB45,360 to RMB46,560 per student. The fees charged were a slight adjustment when compared to the 2023/2024 school year (previous school year's tuition fees: RMB44,160 to RMB46,560).

In general, our high school has an increase in tuition fees every three years to reflect increase in our operating costs. Meanwhile, there has been an increase in the operating costs of our kindergartens and we have made slight upward adjustment to the tuition fees, so that we can maintain our competitiveness in the preschool market. The tuition fees of the newly acquired vocational schools are also adjusted in accordance with market conditions. On 15 May 2020, the Education Department of Sichuan Province* (四川省教育廳) and two other departments jointly issued the "Notice on Improving the Price Management of Private Colleges and Universities in and Strengthening Post-operational Oversight in our Province" (《關於完善我省民辦高校價格管理方式加強事後監督的通知》), which stated that non-profit private colleges and universities should, in principle, adjust their tuition fees for degree education at intervals of not less than three full school year. Our vocational schools will adjust the tuition fees in a timely manner in accordance with the requirements stated in the said notice, taking into account other relevant factors.

OUR OBJECTIVES IN EDUCATION

Our basic education schools adhere to the concepts of "respecting the individualities of our students, encouraging their individual development, and valuing both their present and future" (尊重幼兒主體地位、激勵幼兒個性發展、重視幼兒現實未來), "Fusion of Chinese and Western, Combination of Arts and Science" (融貫中西·文理並蓄) and "Learn Intently in Pursuit of Knowledge and Caring for the World" (靜學問道·天下關懷). We build a solid foundation in the study of basic subjects according to the essence of education and the law of individual growth. Meanwhile, we provide comprehensive and high-quality education services to our students through customised course system. We follow the trend of education and are committed to creating an educational environment that adapts to students' growth. We believe our high-quality education services facilitate the development of our students' skills in communication, creativity and collaboration, and thereby help them achieve outstanding results in academic fields and beyond. Looking ahead, we will continue to enhance our educational practices and refine our services on an ongoing basis. We aim not only to empower students' present growth but also to equip them with the enduring momentum needed to adapt to future societies and achieve long-term development. Our goal is to enable every student to steadily progress on their path of growth, unleash their unique value, and continuously shape new educational paths for the future.

MANAGEMENT DISCUSSION AND ANALYSIS

Our vocational schools adhere to the philosophy of “cultivating talents with morality first and skills as the foundation” (立德樹人·技能為本) and “Governing the School According to the Law, Establishing the School with Morality; Establishing the School based on Market Demand, and Developing the School with Characteristics; Strengthening the School with Quality, and Promoting the School with Culture” (依法治校·以德譽校·市場立校·特色興校·品質強校·文化弘校), and establishes modern schools with modern educational ideas and concepts. We cultivate modern people who are fully adapted to the development and competition of modern society, follow the rules of education, and follow the laws of economics to achieve the perfect combination of social and economic benefits. With the goal of “creating innovative talent training model and highlighting the characteristics of higher vocational education” (創新人才培養模式·突出高職辦學特色), we actively reform the traditional school-management practice. Through our innovative approach to talents development, we have met to the market demand for talents, and our graduates have gained widespread recognition from society. Looking ahead, we will regard quality as our lifeline, continuously broaden our distinctive educational pathways, cultivate more high-quality technical and skilled talents, and serve the development of the social economy.

EDUCATION MANAGEMENT SERVICES

Since 2001, Sichuan Boai and Chengdu Youshi have successfully established six kindergartens in Chengdu, Sichuan Province with a high starting point, high level and high standards by combining modern preschool education philosophy, strong teams of experts and abundant teaching resources. After decades of development, “Youshi Kindergarten” has become a professional kindergarten brand. Its school quality has been highly recognised by education authorities, parents and kindergarten peers, and has won many awards for teaching achievements at national, provincial and municipal levels, sustaining a high media exposure and market appeal in the province.

Shiyi (師一) School Jinjiang campus commenced operations in 2009. In light of the outstanding achievements in its early stages, we subsequently launched the Longquan and Tianfu campuses in 2015 and 2016, respectively. We currently operate four schools under the Shiyi (師一) brand. All four campuses inherit the founding philosophy of “Pursuing Truth and Pragmatism” (求真務實), with their educational achievements recognised by educational authorities and society. From a single school to a collaboration of four schools, the Shiyi (師一) brand has developed an educational system covering all stages of primary, junior and high school education, balancing academic quality and distinctive development. The schools consistently achieve a high rate of success in the high school entrance examinations, with over 90% of students gaining admission and over 85% of graduates achieving top-tier university enrolment in the national college entrance examinations. The schools have received numerous honours, including “National Advanced Private School” (全國民辦先進學校) and “National Demonstration School for Youth Science Activities” (國青少年科學活動示範校), and enjoy considerable influence in the Sichuan Province’s education sector.

The Group is generally entrusted with providing educational services and teaching resources, including curriculum design and consultation, relevant training to teaching staff and management, campus maintenance, and administrative services, etc. With affiliated kindergartens, the Group is also entrusted with provision of kindergarten teaching staff. In terms of external collaborations, the Group has established partnerships with one private kindergarten and two private schools with a 12-year well-established system. Through educational brand and leading school operations, the Group provides corresponding teaching staff and delivers high-quality educational services. During the reporting period, the Group provides education management services to two kindergartens and two private schools with a 12-year well-established system.

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK

Development Trends in the Private Education Industry in the PRC

Amidst the transformation of the national economic development model and the upgrading of the industrial structure, as well as ongoing demographic adjustments, structural differentiation of the private education sector has become increasingly pronounced, showing an overall development trend of “optimised scale and upgraded structure”. According to the Statistical Bulletin on National Education Development 2024 (《2024年全國教育事業發展統計公報》) issued by the Ministry of Education, there were 152,800 private schools of all types and levels nationwide in 2024, accounting for 32.52% of the total number of schools nationwide, representing a further decrease as compared to 2023. The proportion of total student enrolment also adjusted accordingly, which indicates that the sector has entered a stage of deeper standardisation.

Analysis by educational stage reveals more significant structural disparities: In preschool education, driven by the ongoing advancement of inclusive policies, the proportion of inclusive kindergartens reached 87.26% in 2024, while the number of private kindergartens is expected to continue to decrease, with their focus on meeting customised education demand. In the compulsory education, private schools maintain a downward trend in scale. Guided by policy, their contribute to public interest is further strengthened, and their scale proportion remain stable with a slight downward trend. In contrast, the private high school and vocational education segment continue to expand. In 2024, there were 4,819 private high schools, accounting for 30.59% of the total number of high schools nationwide, and there were 2,100 private secondary vocational schools, accounting for 30.6% of the total number of secondary vocational schools nationwide. The proportion of students enrolled in private common and vocational junior college and undergraduate college reached 27.04%, with a clear growth trend.

At the policy level, the support system for vocational education and higher education continues to deepen. In 2024, the Ministry of Education issued the Notice on Strengthening the Development of City-based Industry-Education Consortiums (《關於加強市域產教聯合體建設的通知》), which promotes the close integration of vocational education elements such as majors and teaching staff with industrial demands. Meanwhile, the “New Double High Plan” (Construction Plan of High-level Vocational Colleges and Majors with Chinese Characteristics (2025–2029)) focuses on the “Five Golden Initiatives” (golden majors that match industry needs, golden courses that align with post standards, golden teaching materials that integrate new technologies, golden teachers with exquisite skills, and golden open and integrated practice bases) to further improve the quality of vocational education. In 2025, the Ministry of Education clearly proposed the establishment of a discipline setting adjustment mechanism led by scientific and technological development and national strategic needs. At the same time, the enrolment target for vocational undergraduate education reached 550,000 students, further highlighting the policy opportunities for private colleges and universities in training technical and skilled talents.

In summary, the private education sector in 2025 shows a trend towards “quality improvement and standardisation in basic education, and accelerated upgrading in vocational education” (基礎教育提質規範、職業教育加速升級). Driven by precise policy support and market demand, private vocational education and higher education are expected to become the core growth pole of the sector leveraging their advantages in the integration of vocational education with industry and offering flexible school operation, with continuously positive market prospects. For the Group, the key to seizing future development opportunities lies in aligning closely with policy direction, focusing on market demand and strengthening connotative development.

MANAGEMENT DISCUSSION AND ANALYSIS

Government Support for Development of Vocational Education

Against the backdrop of China's industrial structure upgrading and economic transformation, the demand for high-quality technical and skilled talents have surged. Vocational education is a crucial component of talent development, and it continues to be strongly supported by national policies and strategic guidance.

Since 2021, the government has established a vocational education policy framework comprising “legal amendments — top-level design — implementation rules”: In October 2021, the General Office of the Central Committee of the Communist Party of China 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實施意見》). In April 2022, the newly amended Vocational Education Law of the PRC* (《中華人民共和國職業教育法》) was passed. In December 2022, the Opinions on Deepening the Reform of the Construction of the Modern Vocational Education System* (《關於深化現代職業教育體系建設改革的意見》) was issued. In July 2023, the Ministry of Education issued the Notice on Key Tasks to Accelerate the Construction Reform of the Modern Vocational Education System* (《關於加快推進現代職業教育體系建設改革重點任務的通知》). Policies were further improved in 2024 to 2025: In June 2024, the Ministry of Education issued the Notice on Strengthening the Development of City-based Industry-Education Consortiums (《關於加強市域產教聯合體建設的通知》) which clearly stated that about 500 city-based industry-education consortiums would be established by 2025. In September 2025, the Ministry of Education and the Ministry of Finance launched the second phase of the “Construction Plan of High-level Vocational Colleges and Majors with Chinese Characteristics (2025–2029)” (《中國特色高水平高職學校和專業建設計劃(2025–2029年)》) with focus on the development of “golden majors, golden courses, golden teaching materials, golden teachers and golden bases” (金專業、金課程、金教材、金教師、金基地) to solidify the foundation for high-quality vocational education development.

The upgrading of industries and the digital transformation have driven structural growth in the demand for skilled talents. According to the Report on the Development of Chinese Skilled Talent (2024)* (《2024年中國技能人才發展報告》), the shortage of high-skilled talents in China exceeds 30 million, with over 60% of the gap concentrated in fields such as the digital economy. The total number of skilled workers is 230 million, high-skilled talents account for only 31.8%, which is significantly lower than the levels in developed countries. There is an urgent need for enterprises to recruit highly skilled technical talent.

Policy support has shifted from “Framework Guidance” to “Resource Implementation”. Financially, vocational education fiscal expenditure reached RMB386.7 billion in 2024, a year-on-year increase of 8.2%, to support training bases and the development of “dual-certificate” teachers. Institutionally, the “vocational college entrance exam” accounts for 60% of enrolment at vocational colleges, with the vocational undergraduate education enrolment target set at 550,000 students in 2025 (according to the supporting notice of the Ministry of Education’s Vocational Majors Directory (2025)), representing an 18% increase as compared to 2024. In terms of the integration of vocational education with industry, 320 city-based industry-education consortiums had been established by the end of 2024, with enterprises in running education over 75% of vocational programmes, thereby removing the barriers between “education, talent, and industry”.

Vocational education has transitioned from scale expansion to quality-driven development, with the government establishing a high-quality system through various measures. Looking ahead, vocational education will focus on “cultivating technical talents and supporting industrial upgrading”. It is necessary for institutions to deepen “Technology Empowerment + School-Enterprise Collaboration” (科技賦能 + 校企協同), optimise key disciplinary fields, and build collaborative ecosystem. Driven by both policy and market forces, the vocational education sector will enter a transformational period of “Quality Enhancement,” providing talent support for industrial transformation and high-quality economic development.

MANAGEMENT DISCUSSION AND ANALYSIS

OUR BUSINESS DEVELOPMENT STRATEGIES AND PLANS

Increase Investments in the Operation of Vocational Education Schools

With the deepening implementation of the national “15th Five-Year Plan” and the implementation of the Outline for the Construction Plan for Strengthening the Country with Education (2024–2035) (《教育強國建設規劃綱要(2024–2035年)》), vocational education is positioned as a core pillar supporting the modern industrial system, exhibiting significant dual-driven characteristics by both policy and market. Currently, the shortage of high-skilled talents in China remains severe, with urgent demand in advanced manufacturing and the digital economy within the Chengdu-Chongqing Economic Circle. Building on the foundation of our institutional acquisitions in 2023 and the development of an educational system in 2024, the Group will improve educational quality and efficiency by capitalizing on the core development opportunities in vocational education “system upgrading, deepened industry-education integration, and digital transformation”.

The current vocational education system has established a clear framework with “secondary vocational school as the foundation, higher vocational school as the main body, and vocational undergraduate school as the leading force”. Sichuan Province has accelerated the development of city-based industry-education consortiums, and the enrolment proportion target for the “vocational college entrance exam” has been explicitly increased. These policy directions provide clear guidance on the development of the Group’s vocational education business. Leveraging Winshare Vocational College and Zhengzhuo Vocational School as core assets, the Group will drive its business transition from “scale expansion” to “quality enhancement”. We will support Winshare’s development into a national model higher vocational college and expand Zhengzhuo’s regional service capabilities. We will implement continuous optimisation of the vertical articulation mechanism spanning the integration of “secondary vocational school — higher vocational school — vocational undergraduate school” to guarantee student progression pathways and stable quality of education.

The period from 2025 to 2028 represents a critical time of development for Winshare Vocational College. The new Suining Campus is now fully operational, significantly enhancing the college’s facilities and capacity: Enrolment is planned to reach 14,000 students in 2026, with a target of 40,000 students in 2028. Meanwhile, the college is committed to connotative development and aims to become a national level demonstrative vocational college. The goal is to be ranked among the top tier in Sichuan Province for the integration of education and industries, to become a provincial leader, and to achieve national prominence. During the “15th Five-Year Plan” period, the college will upgrade its facilities to meet undergraduate education standards. During this period, key initiatives include establishing training centers for various emerging industries, collaborating with regional enterprises to optimise talent cultivation programmes, and building a provincial-level industry-education integration demonstration base. The college will strengthen its “dual-certificate” teaching faculty and actively promote the commercialisation of relevant scientific research achievements.

As a provider of secondary vocational education, Zhengzhuo Vocational School will keep up to date with Winshare’s development by introducing professional offerings in emerging fields and phasing out those with weakening market demand. This will ensure that the school’s professional offerings continue to match regional industrial demands. It will strengthen the “secondary-to-higher vocational articulation” with Winshare, work with local businesses to provide practical training and internships, and aim to ensure that graduates’ initial salaries and job prospects are in line with or better than regional averages. In implementation of the “whole-cycle student support” requirement outlined in the Outline for the Construction Plan for Strengthening the Country with Education (《教育強國建設規劃綱要》), the school will continuously improve both living and educational facilities to enhance students’ academic and campus life experience.

MANAGEMENT DISCUSSION AND ANALYSIS

Looking ahead, the Group's core objective remains "building a leading vocational education group in Southwest China with nationwide influence". Through a "three-pronged approach", empowering Winshare Vocational College to pursue vocational undergraduate status, reinforcing Zhengzhuo Vocational School's foundation in secondary vocational education and expanding resources at the group level, the Group intends to enhance the quality and efficiency of its vocational education offerings. On the one hand, it will ensure the steady expansion of its educational provision. On the other hand, it will significantly improve the standard of education through the development of vocational undergraduate courses and the establishment of a national higher vocational education model. Ultimately, these changes will foster a vocational education ecosystem with "integration of secondary, higher, and undergraduate vocational education, deep industry-education integration and regional collaborative development", which not only supplies high-quality skilled talent for the national modern industrial system but also generates stable educational income for the Group, thereby achieving a synergistic unification of social and economic benefits.

The Group will continue to seek high-quality resources in the vocational education sector, maintaining its acquisition strategy of "prioritising high-quality targets". Our focus will remain on existing vocational schools within the Chengdu-Chongqing Economic Circle, particularly those with full operating licences, a strong background in industry-education integration and sufficient scale. This approach aims to strengthen the Group's position in the regional vocational education sector. As of the date of this report, a preliminary review of certain potential targets has been conducted, though no specific candidates for collaboration have yet been identified. We will advance follow-up cooperation negotiations based on further research.

School-running with characteristics and high-standards and improves campus utilisation rate

The Group is committed to developing a distinctive education system and competitive academic disciplines to attract prospective students. The Group establishes internship and practical training platforms by leveraging its school-enterprise cooperation platform, while developing a curriculum that meets market demands. These measures achieve deep integration between education and employment needs. Furthermore, the improvement of educational quality remains a core priority. Specific measures include the implementation of modern teaching methodologies to optimise classroom effectiveness, the development of faculty to enhance professional competence, the upgrading of campus infrastructure to improve teaching and living environments, and the provision of comprehensive student support services to strongly promote students' academic and personal growth. The Group also prioritises brand building and external communication. The Group aims to elevate public perception and awareness of its schools through diversified channels such as social media promotion and open-day events, in order to gradually establish a highly recognisable brand image. Finally, the Group has established a continuous mechanism to evaluate and optimise its education services in order to adapt to dynamic changes in the education sector and market environment, ensuring the ongoing market competitiveness of our curriculum content and teaching quality. These coordinated initiatives enhance the Group's educational offering and competitiveness, utilise educational resources effectively, and provide students with a valuable, practical educational experience. In light of these distinctive, high-quality educational practices, the Group believes that it will achieve steady growth in student enrolment in the coming years.

MANAGEMENT DISCUSSION AND ANALYSIS

Further engagement in the business of provision of education management

The Group has been highly engaged in the education sector for decades, and has spared no effort in establishing the “Shi Yi (師一)” (formerly known as No. 1 High School Attached to Sichuan Normal University (師大一中)) and “Bojun School” (博駿公學) education brand and “Youshi Kindergarten” nursery education brand. The Group has also achieved notable teaching accomplishments. The Group currently operates four schools⁽ⁱ⁾ under the “Shi Yi” education brand in Chengdu, with a total of nearly 10,000 students and more than 1,000 teaching staff. The brand is recognised as one of the “Top Five Brands (五朵私花)” of private schools in Chengdu. In response to demand for personalised, distinctive, high-quality basic education in Chengdu, the Group has integrated and upgraded its educational offerings to establish three “Bojun School” (博駿公學)⁽ⁱⁱ⁾. Since their establishment, the school has won numerous local educational awards and its student achievements consistently rank among the top in the city and county, recognising the widespread approval of parents and students.

Leveraging on its quality education resources and brand influence in nursery education and compulsory education, the Group has cooperated with two kindergartens and two private schools with a 12-year well-established system to offer its quality education management content and experience.

In July 2021, we entered into a collaboration with Weiyuan Jingli Bilingual School involving the promotion of the “博駿教育 BOJUN EDU” brand and the provision of educational management services. We authorised the school to change its name to Weiyuan Bojun Bilingual School and Weiyuan Bojun Kindergarten, and helped it to set up teaching and curriculum systems, recruit and train teachers, and designate partner alliance schools, among other tasks. In return, we received corresponding brand usage fees and educational management fees. In December 2024, Jinjiang Shiyi (錦江師一) entered into a collaborative partnership with Chengdu Meishi School for the “Chinese Curriculum” project. Leveraging our teaching management system and educational resources, the collaboration involves jointly organising teaching operations at Meishi School’s premises, achieving resource sharing and complementary development for mutual benefit. During our partnership, we authorised the use of the “Shiyi” (師一) brand and helped to change the name of Meishi School to Chengdu Meishi International School. In accordance with the signed cooperation agreement, we will provide educational management services such as formulating and implementing teaching plans, supplying high-quality teaching staff, establishing teaching management systems and coordinating all curriculum design and teaching arrangements.

Based on our previous collaborations, we will continue to seek out schools with full accreditation, adequate hardware facilities and requirements for educational quality improvement as potential partners. We will focus on targets offering compulsory education and high school courses within the Chengdu-Chongqing Economic Circle. We will gradually expand the scope of our educational management services by aligning with regional education policy directions and capitalising on institutional restructuring opportunities. Through a combination of standardised management systems and customised services, we intend to deliver high-quality educational support to more schools.

Notes:

- (i) The schools are Chengdu Jinjiang Shiyi School (成都市錦江區師一學校), Chengdu Longquanyi Shiyi Secondary School (成都市龍泉驛區師一中學校), Sichuan New Tianfu District Shiyi School (四川天府新區師一學校) and Tianfu High School respectively. The Group has lost control over the first three schools due to the Private Education Promotion Law. For details, please refer to the 2022 annual report of the Company.
- (ii) The schools are Wangcang Bojun School* (旺蒼博駿公學), Nanjiang Bojun School, Lezhi Bojun School* (樂至博駿公學學校) respectively. The Group has lost control over the three schools due to the Private Education Promotion Law. For details, please refer to the 2022 annual report of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Environment, Health and Safety

The Group is dedicated to protecting the health and safety of the students. The Group has on-site professional medical staff to provide daily health monitoring, treatment for common illnesses and health education. For certain serious emergency medical situations, the Group will promptly activate its emergency medical referral protocol to send students to local hospitals for professional medical treatment. Regarding security at the schools, the Group employed qualified property management service providers to provide systematic and professional security management and services for school premises.

The Board and the management of the Group have verified and confirmed that the Group is in compliance with the relevant laws and regulations that have a significant impact on the Group's businesses and operations in all material aspects. There was no material violation of or non-compliance with applicable laws and regulations by the Group during the year ended 31 August 2025.

LATEST REGULATORY DEVELOPMENTS

Regulations for the Implementation of the Private Education Promotion Law of the PRC* (《中華人民共和國民辦教育促進法實施條例》) (the "Implementation Regulations")

On 14 May 2021, the State Council promulgated the Implementation Regulations, which became effective from 1 September 2021, mainly including: (1) no social organisation or individual shall control private schools that implement compulsory education or non-profit private schools that implement preschool education through merger and acquisition or control agreement; and (2) private schools that implement compulsory education shall not enter into transactions with stakeholders. Other private schools shall follow the principles of openness, fairness, equity, reasonable pricing, and standardised decision making, and shall not harm the interests of the state, the interest of our schools and the rights of our teachers and students when conducting transactions with stakeholders. Private schools shall establish an information disclosure system for transactions with stakeholders. Education, human resources and social security as well as financial departments shall strengthen the supervision of agreements between non-profit private schools and stakeholders, and conduct annual reviews of related transactions.

According to the latest regulatory guidelines for 2025, the introduction of the Implementation Regulations has established standardised procedures: Related-party transactions are required to submit an annual audit report and pricing compliance is subject to the arm's length principle. The control structures of private schools offering compulsory education require look-through verification, which prevents the use of nominee holdings, trusts or similar arrangements to avoid supervision. Furthermore, the registration of private schools has entered the implementation phase, with matters such as asset disposal and tax incentives being subject to compliance with local guidelines. As of the date of this report, the Group has completed adjustments to its control structure in accordance with the Implementation Regulations and relevant guidelines, and has discontinued the consolidation of affected operations. The Group will continue to monitor policy developments to ensure compliant operations.

The Group will closely follow up the development of the Implementation Regulations and continuously assess the possible impact on the Group after its implementation. Meanwhile, the Group will continue to monitor developments of the above and other related laws and regulations, and will make further announcements in respect thereof in accordance with the Listing Rules as and when appropriate.

MANAGEMENT DISCUSSION AND ANALYSIS

Foreign Investment Law of the PRC* (《中華人民共和國外商投資法》)

On 15 March 2019, the National People's Congress of the PRC has passed and promulgated the Foreign Investment Law of the PRC (the "Foreign Investment Law"), which was effective on 1 January 2020. The Foreign Investment Law defines "foreign investment" as investment activities directly or indirectly carried out by foreign investors in the PRC, and has listed the four situations that should be recognised as foreign investment. The Foreign Investment Law did not explicitly mention "actual control" and "contractual arrangement". According to the latest 2025 policy, although the law has not been amended directly, regulatory practices have incorporated contractual arrangement structures into an implicit regulatory framework through industry access, due diligence, filing management and information disclosure requirements. For example, enterprises with VIE structures are required to meet industry access requirements and complete filings with the China Securities Regulatory Commission (CSRC), as well as data security assessments and provide detailed disclosures of structural risks in their prospectuses. Furthermore, dynamic adjustments to the Negative List may affect the legal basis of variable interest entities (VIEs), thereby requiring enterprises to regularly review the compliance of their structures. As of the date of this report, the Company's operations have not been materially affected by the foreign investment law or related regulatory policy adjustments. The Company will continue to monitor changes to industry access policies and optimise its equity structure promptly to ensure compliance.

Private Education Promotion Law of the PRC* (《中華人民共和國民辦教育促進法》)

The newly revised Private Education Promotion Law of the PRC that was implemented on 29 December 2018 states that the State encourages all sectors of society to establish private schools in accordance with the law, and has issued a series of documents to further regulate and support the development of private education. The main point of the regulations is that private schools can choose to register as non-profit or for-profit, and it stipulates the procedural framework that different types of schools should follow. In order to further implement the above regulations, the government and relevant competent authorities where the Group operates its schools have issued the Implementation Measures for Classification and Registration of Private Schools in Sichuan Province* (《四川省民辦學校分類登記實施辦法》) on 2 May 2018, which became effective on 1 June 2018 and is valid for 5 years. The Implementation Measures are mainly to follow the Central Government's decision, actively promote the reform of private education classification, and actively and steadily advance the classification and registration management work of private schools across the province, to support and encourage different social entities to establish education institutions, and promote and standardise the healthy development of private education. As of the date of this report, the Group's kindergartens and high schools have completed the classification and registration, and the remaining schools under the Group have not yet started the classification and registration procedures. Due to certain uncertainties in the interpretation and application of the above regulations and the fact that the Implementation Measures are no longer effective the remaining private schools under the Group will continue to pay attention to the abovementioned as well as changes in other relevant laws and regulations and policies, and will complete the classification and registration at the appropriate time.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

We derive revenue from tuition fees and boarding fees charged by our schools as well as fees charged for education consultancy and management service. The following table sets forth the breakdown of major components of the revenue for the years indicated:

	For the year ended 31 August					
	2025		2024			
	Percentage of total revenue		Percentage of total revenue			
	RMB'000	%	RMB'000	%	Decrease	%
Tuition fees and boarding fees	377,188	99.6%	413,259	96.2%	(36,071)	(8.7%)
Education consultancy and management service fees	1,604	0.4%	16,504	3.8%	(14,900)	(90.3%)
Total	378,792	100.0%	429,763	100.0%	(50,971)	(11.9%)

Revenue decreased by approximately RMB51.0 million (or 11.9%) from approximately RMB429.8 million for the year ended 31 August 2024 to approximately RMB378.8 million for the year ended 31 August 2025. The decrease in revenue was primarily attributable to a decrease of approximately RMB34.5 million in revenue from the vocational education segment. In particular, the revenue from secondary vocational education decreased by approximately RMB17.7 million, primarily due to the structural reduction in student enrolment resulting from the continuous expansion of high school recruitment nationwide, leading to a decrease of approximately 1,246 in student numbers at Zhengzhuo Vocational School as at 31 August 2025 as compared to 31 August 2024. The revenue from higher vocational education decreased by approximately RMB16.8 million. While the number of registered students for the current year remained stable as compared with that for the year ended 31 August 2024, the decline in revenue was primarily due to the routine reduction of the base for universal subsidies allocated by local public finance to higher vocational institutions, influenced by structural adjustments in national vocational education funding.

Costs of Services

Our costs of services primarily consist of staff costs, depreciation, office expenses, rental expenses and other costs. For the year ended 31 August 2024 and 2025, costs of services represented approximately 52.3% and 61.8% of our total revenue, respectively. The following table sets forth a breakdown of the major components of our costs of services for the years indicated:

		For the year ended 31 August			
		2025	2024	Increase/	Change in
		RMB'000	RMB'000	(Decrease)	percentage
Staff costs	(i)	79,147	83,861	(4,714)	(5.6%)
Cost of student learning activities	(ii)	11,850	10,315	1,535	14.9%
Amortisation and depreciation	(iii)	107,254	90,048	17,206	19.1%
Office expenses		376	129	247	191.5%
Repair and maintenance		2,282	3,841	(1,559)	(40.6%)
Utilities expenses		10,904	9,646	1,258	13.0%
Training expenses		150	335	(185)	(55.2%)
Leasing		198	3,433	(3,235)	(94.2%)
Others		21,953	23,256	(1,303)	(5.6%)
Total		234,114	224,864	9,250	4.1%

MANAGEMENT DISCUSSION AND ANALYSIS

The cost of services increased by approximately RMB9.3 million (or 4.1%) from approximately RMB224.9 million for the year ended 31 August 2024 to approximately RMB234.1 million for the year ended 31 August 2025. Operating costs remained relatively stable over the two years.

- (i) Staff costs decreased by approximately RMB4.7 million (or 5.6%) from approximately RMB83.9 million for the year ended 31 August 2024 to approximately RMB79.1 million for the year ended 31 August 2025. Staff costs remained relatively stable over the two years, which was in line with the student numbers served by the Group's basic education segment and vocational education segment during the corresponding periods.
- (ii) Cost of student learning activities increased by approximately RMB1.5 million (or 14.9%) from approximately RMB10.3 million for the year ended 31 August 2024 to approximately RMB11.9 million for the year ended 31 August 2025. Cost of student learning activities mainly includes costs of practical social trainings arranged by vocational institutions for their students.
- (iii) Amortisation and depreciation increased by approximately RMB17.2 million (or 19.1%) from approximately RMB90.0 million for the year ended 31 August 2024 to approximately RMB107.3 million for the year ended 31 August 2025. Fixed assets for the year mainly comprise the school premises of the three Bojun Schools, as well as the Daying and Dayi campuses of vocational education. Winshare Vocational College currently owns two campuses, with area of more than 2,580 acres. The gross floor area is more than 700,000 square metres.

Gross profit and gross profit margin

The following table sets forth the breakdown of the gross profits and gross profit margins for the years indicated:

	For the year ended 31 August					
	2025			2024		
	Segment revenue RMB'000	Gross profit RMB'000	Gross profit margin %	Segment revenue RMB'000	Gross profit RMB'000	Gross profit margin %
Tuition fees and boarding fees	377,188	143,426	38.0%	413,259	201,897	48.9%
Education consultancy and management service fees	1,604	1,252	78.0%	16,504	3,002	18.2%
Total	378,792	144,678	38.2%	429,763	204,899	47.7%

Our gross profit margin decreased by approximately 9.5 percentage points from approximately 47.7% for the year ended 31 August 2024 to 38.2% for the year ended 31 August 2025. Among which, the gross profit margin for tuition fees and boarding fees decreased by approximately 10.9% from approximately 48.9% for the year ended 31 August 2024 to approximately 38.0% for the year ended 31 August 2025. As mentioned above, the vocational education segment experienced a decline in revenue during the current year due to headwinds across the industry. However, as the enrolment scale of the vocational education segment remained stable, the management did not reduce current staffing levels and corresponding service expenditures. Consequently, the gross profit margin for the current year decreased. The management has currently implemented a series of measures to enhance revenue for the next financial year and optimise costs, with the aim of restoring the gross profit margin to its previous level.

The gross profit margin of education advisory and management service fees increased by approximately 59.8% from approximately 18.2% for the year ended 31 August 2024 to approximately 78.0% for the year ended 31 August 2025 mainly due to the enhancement of operating efficiency of the segment.

MANAGEMENT DISCUSSION AND ANALYSIS

Other income

Other income increased by approximately RMB4.2 million (or 26.5%) from approximately RMB16.0 million for the year ended 31 August 2024 to approximately RMB20.2 million for the year ended 31 August 2025. Other income mainly consisted of amortisation of government grants related to land use rights.

Other (losses)/gains, net

Other net gains decreased by approximately RMB60.1 million (or 4,863.4%) from approximately RMB1.2 million gains for the year ended 31 August 2024 to approximately losses of RMB58.8 million for the year ended 31 August 2025. It was primarily due to the inclusion of a gain of approximately RMB19.2 million from the waiver of amount due to Pengzhou in the previous year, and in light of the decline in the operating performance of the vocational education segment for the year ended 31 August 2025, the management conducted impairment testing on the asset groups within this segment. Consequently, the Group recognised an impairment for goodwill, as well as for property, plant and equipment and right-of-use assets approximately RMB29.8 million.

Administrative expenses

Administrative expenses mainly consist of administrative staff costs, depreciation of administrative related properties and right-of-use assets, office expenses, business expenses, motor vehicle expenses, greening and environmental costs, attorney fees, audit and assessment fees, handling charges and certain other administrative expenses. Other administrative expenses generally include staff travel expenses, management meetings expenses and welfare expenses.

Our administrative expenses increased by approximately RMB28.3 million (or 23.2%) from approximately RMB122.1 million for the year ended 31 August 2024 to approximately RMB150.4 million for the year ended 31 August 2025. The increase was primarily attributable to the strategic investments made by the Group to facilitate better integration between the vocational education segment and the basic education segment following the acquisition of Winshare Vocational College and Zhengzhuo Vocational School as at 31 August 2023. The management expects that enhanced integration between the two segments to be achieved in the next financial year, with a corresponding reduction in administrative expenses.

Selling expenses

Selling expenses for the year ended 31 August 2025 mainly represented the costs related to the promotion of the vocational schools including branding, recruiting students and advertisement etc.

Finance costs

Finance costs primarily consist of bank borrowings, interest expenses of finance leases and unwinding of discount on amounts due to a related company.

Finance costs increased by approximately RMB7.7 million (or 7.1%) from approximately RMB107.7 million for the year ended 31 August 2024 to approximately RMB115.4 million for the year ended 31 August 2025, with the amount remaining relatively stable over the two years. Finance costs during the period mainly included cost of bank borrowings of RMB70.9 million, cost of other borrowings of RMB38.7 million, and unwinding of discount on amounts due to a related company of RMB5.6 million. As at 31 August 2025, our bank and other borrowings amounted to RMB1,949.4 million. Among which, balance of bank borrowings amounted to RMB1,362.0 million, balance of finance leases amounted to RMB587.4 million. Debt financing was mainly used for construction of the Daying campus of the vocational education segment. At present, the Company is actively adjusting its capital structure, with potential measures including, but not limited to (i) selling certain assets for cash withdrawal; (ii) enhancing working capital management to reduce the need for external financing; and (iii) exploring debt financing options at a lower cost to reduce its finance costs.

MANAGEMENT DISCUSSION AND ANALYSIS

Taxation

Income tax expense increased by approximately RMB4.1 million (or 173.0%) from approximately RMB2.4 million for the year ended 31 August 2024 to approximately RMB6.5 million for the year ended 31 August 2025. The increase was primarily attributable to the income tax expense of Winshare Vocational College.

Loss for the year

The Group recorded a loss of approximately RMB197.0 million for the year ended 31 August 2025, representing an increase of approximately RMB156.7 million or 388.8% as compared to the loss of approximately RMB40.3 million for the year ended 31 August 2024.

The further increase in loss for the current year is primarily attributable to the decrease in revenue from the vocational education segment and the impairment of asset groups within the vocational education segment. For the year ended 31 August 2025, the revenue amounted to approximately RMB378.8 million, representing a decrease of approximately RMB51.0 million as compared with that for the year ended 31 August 2024, of which the revenue from the vocational education segment decreased by approximately RMB34.5 million. In particular, the revenue from secondary vocational education decreased by approximately RMB17.7 million, primarily due to the structural reduction in student enrolment resulting from the continuous expansion of high school recruitment nationwide. The revenue from higher vocational education decreased by approximately RMB16.8 million. While the number of registered students for the current year remained stable as compared with that for the year ended 31 August 2024, the decline in revenue was primarily due to the routine reduction of the base for universal subsidies allocated by local public finance to higher vocational institutions, influenced by structural adjustments in national vocational education funding. On the other hand, in light of the decline in the operating performance of the vocational education segment for the current year, the management conducted impairment testing on the asset groups within this segment. Consequently, the Group recognised an impairment for goodwill, as well as for fixed assets and land use rights.

As discussed below in Contract liabilities, based on the enrolment situation for the 25/26 school year, revenue will only decline a little as compared to this year. And, the management has implemented a series of measures to enhance the appeal of both the vocational education and basic education segment to students in response to intense market competition.

Contract liabilities

We have initially recorded the tuition fees and boarding fees received as a liability under contract liabilities and recognised such amounts as revenues on a pro rata basis over the relevant period of the applicable courses. Contract liabilities decreased by approximately RMB122.1 million (or 41.6%) from approximately RMB293.4 million on 31 August 2024 to approximately RMB171.3 million on 31 August 2025. The collection progress for the 25/26 school year was slower than in the same period last year, primarily due to the later commencement of the autumn semester and registration period at Winshare Vocational College in 2025 compared with the same period last year, resulting in a delay in collections. Contract liabilities as at 31 October 2025 amounted to approximately RMB340.5 million. The student enrolment as at 1 September 2025 is 28,932, which decrease by 2,495 (or 7.9%) as compared to that of 31,427 as at 1 September 2024. Among which, student enrolment of the secondary vocational school declined by 1,246. Furthermore, the revenue of secondary school only accounts for 5.5% of total revenue for the year ended 31 August 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND CAPITAL RESOURCES

During the year ended 31 August 2025, we have principally financed our operations through a combination of internally generated cash flows from our operations, proceeds from the Global Offering and bank and other borrowings. The Group regularly reviews and monitors the borrowings. As at 31 August 2025, the Group's total borrowings amounted to approximately RMB1,949.4 million, representing an increase of approximately RMB452.6 million as compared with that of approximately RMB1,496.8 million as at 31 August 2024. Out of the total borrowings, borrowings repayable (i) on demand or within a period not exceeding one year amounted to approximately RMB676.5 million, (ii) within a period of more than one year but not exceeding two years amounted to approximately RMB375.4 million, (iii) within a period of more than two years but not exceeding five years amounted to approximately RMB230.3 million, and (iv) within a period of more than five years amounted to approximately RMB667.2 million. The borrowings were charged with interest rates ranging from 4.2% to 10.2% and borrowings of fixed interest accounted for approximately 67.9% of the total borrowings of the Group as at 31 August 2025. Bank and other borrowings of the Group were primarily used in construction of the Daying campus of the vocational education segment. Borrowings of the Group are mainly made in RMB.

There is no seasonality in the borrowing needs of the Group. The Group's cash and bank balances are mainly denominated in RMB or HK\$. The Group's cash and cash equivalents amounted to approximately RMB225.8 million and RMB140.6 million as at 31 August 2024 and 2025, respectively. We generally deposit our excess cash in interest bearing bank accounts. Our cash have been principally used for funding working capital, purchase of property, campus buildings and equipment and other recurring expenses to support the expansion of our operations. Going forward, we believe our liquidity requirements will be satisfied by combination of internally generated cash, external borrowings and other funds raised from the capital markets from time to time. We regularly monitor our liquidity requirements to ensure that we maintain sufficient cash resources for working capital and capital expenditure needs. For the year ended 31 August 2025, we had not experienced any difficulties in settling our obligations in the normal course of business, which would have had a material impact on our business, financial condition or results of operations.

The following table sets forth a summary of our cash flows for the years indicated:

	For the year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Net cash generated from operating activities	5,222	175,255
Net cash used in investing activities	(326,823)	(385,810)
Net cash generated from financing activities	236,397	89,905
Net decrease in cash and cash equivalents	(85,204)	(120,650)
Cash and cash equivalents at the beginning of the year	225,803	346,553
Effect of foreign exchange rate changes	–	(100)
Cash and cash equivalents at the end of the year	140,599	225,803

For the year ended 31 August 2025, our cash and cash equivalents decreased by approximately RMB85.2 million, of which the net cash generated from operating activities amounted to approximately RMB5.2 million, the net cash used in investing activities amounted to approximately RMB326.8 million, and the net cash generated from financing activities amounted to approximately RMB236.4 million. As compared to the year ended 31 August 2024, net cash generated from operating activities of the Group decreased, while net cash generated from financing activities increased. This was primarily due to the delay in fees charged for the 25/26 school year in the vocational education segment, with approximately RMB169.2 million in tuition fees being recognised in September and October 2025. Concurrently, the Group increased its bank financing during the year to address liquidity requirements in the education industry.

MANAGEMENT DISCUSSION AND ANALYSIS

FUNDING AND TREASURY POLICIES

Funding requirements are monitored by the Group and liquidity review is performed from time to time. This approach takes into account the maturity of the Group's financial instruments, financial assets and liabilities, projected cash flows from operations and the general working capital requirements. The Group aims to consider both continuity of funding and flexibility through the effective use of its internal financial resources, bank and other borrowings and trade finance banking facilities.

CAPITAL EXPENDITURES

Our capital expenditures were primarily related to (i) construction and acquisition of new schools; (ii) purchase of leasehold land and buildings for our schools; (iii) maintenance, renovation, expansion and upgrade of our existing schools; and (iv) purchase of education facilities and equipment. The following table sets forth our additions of property, plant and equipment and leasehold land, for the years indicated:

	For the year ended 31 August	
	2025 RMB'000	2024 RMB'000
Payment for property, plant and equipment	(277,293)	(176,481)
Payment for leasehold lands	–	(168,003)
Payment for share of equity investment at fair value through profit or loss	(48,965)	–
Payment for deferred consideration in relation to the acquisition of subsidiaries	–	(177,988)
Dividend income received	882	–
Partial proceeds from disposal of an associate	–	11,000
Net cash inflow from disposal of a subsidiary	–	400
Increase of amounts due from related companies	(2,499)	(34,559)
Proceeds from disposal of property, plant and equipment	45	1,840
Receipt of government subsidies related to acquisition of leasehold lands	1,007	157,981

We plan to satisfy such capital expenditures with a combination of our existing cash, cash generated from our operations, proceeds from the listing of the Shares on the Stock Exchange (the "Listing") and/or bank and other borrowing and other funds raised from the capital markets from time to time.

MANAGEMENT DISCUSSION AND ANALYSIS

GEARING RATIO

Gearing ratio is calculated by dividing total debts (which equal to interest-bearing bank borrowings and other borrowing) by total equity as of the respective year end date.

Our gearing ratio increased from approximately 290.6% as at 31 August 2024 to approximately 613.0% as at 31 August 2025. As at the date of this report, the Company is actively adjusting its capital structure, with potential measures including but not limited to (i) selling certain assets for cash withdrawal; (ii) enhancing working capital management to reduce the need for external financing; and (iii) exploring debt financing options at a lower cost to further optimise its gearing ratio.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to cash flow interest rate risk on the variable rate of interest earned on the bank balances and incurred on bank and other borrowings. The Group is also exposed to fair value interest rate risk in relation to fixed rate borrowing. The Group currently does not have an interest rate hedging policy. However, the management of the Group monitors interest rate risk and will consider hedging significant interest rate exposure should the need arise.

If interest rate of variable-rate bank balances and bank and other borrowings had been 10 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 August 2025 would have decreased/increased by approximately RMB365,000 (2024: decreased/increased by approximately RMB395,000). The analysis is prepared assuming the financial instruments outstanding as at the end of period were outstanding for the whole year.

FOREIGN EXCHANGE EXPOSURE

The majority of the Group's revenue and expenditures are denominated in RMB. The functional currency of the Company is RMB, except that certain expenditures are denominated in HK dollars.

As at 31 August 2024 and 2025, the book value of the monetary asset of the Group denominated in foreign currency was as follows:

	As at 31 August	
	2025	2024
	RMB'000	RMB'000
Bank balances and cash — HK\$	6,452	6,878

The following shows the Group's sensitivity to 5% appreciation of HK\$ against RMB which represents the management's assessment of reasonable possible change in HK\$-RMB exchange rate. The sensitivity analysis of the Group includes the outstanding HK\$ denominated balances as adjusted for 5% appreciation of HK\$ as at 31 August 2024 and 2025. The analysis is prepared assuming the financial instruments outstanding as at 31 August 2024 and 2025 were outstanding for the whole financial year of 2024 and 2025, respectively.

	For the year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Bank balances and cash — HK\$	323	344

There would be an equal and opposite impact on the above post-tax results, should the HK\$ be weakened against RMB in the above sensitivity analysis.

MANAGEMENT DISCUSSION AND ANALYSIS

In the Directors' opinion, the sensitivity analysis above is unrepresentative for the currency risk as the exposure as at the end of reporting period does not reflect the exposure during the year. The Group has not used any financial instrument to hedge the foreign exchange risk that it is exposed to currently. However, the management of the Group monitors our foreign exchange exposure and will consider hedging significant foreign exchange risk should the need arise.

The Group currently does not use any financial instruments for hedging purposes.

CHARGES ON THE GROUP'S ASSETS

There were no other material charges on the Group's assets as at 31 August 2025.

CAPITAL COMMITMENT

As at 31 August 2025, capital commitment of the Group based on property, plant and equipment amounted to approximately RMB19.8 million (31 August 2024: approximately RMB15.1 million).

CONTINGENT LIABILITIES

As at 31 August 2025, the Group did not have any material contingent liabilities (31 August 2024: nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

For the year ended 31 August 2025, the Group did not have any material acquisitions and disposals of subsidiaries, associates or joint ventures.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As of 31 August 2025, the Group has no future plans for material investments and capital assets.

USE OF PROCEEDS

Net proceeds (the "Net Proceeds") from the Listing (including the partial exercise of overallotment option) amounted to approximately HK\$494.0 million (equivalent to approximately RMB428.9 million), after deducting the underwriting fees, commissions and expenses payable by us in connection with the Listing. Since the Listing Date and up to the date of this report, the Company has utilised approximately RMB428.9 million, being the entire amount of the Net Proceeds.

The utilisation of the Net Proceeds as at the date of this report is set out below:

Use of proceeds		% of the net proceeds	Proceeds allocated (RMB million)	Amount utilised (RMB million)	Unutilised balance (RMB million)
I.	Establishing Nanjiang School	28%	120.1	120.1	—
II.	Establishing Wangcang School	28%	120.1	120.1	—
III.	Establishing the high school section of Tianfu School	22%	94.4	94.4	—
IV.	Establishing the Chengdu School	9%	38.6	38.6	—
V.	Establishing Lezhi School	5%	21.4	21.4	—
VI.	Financing the acquisition of vocational education schools	3%	12.9	12.9	—
VII.	As working capital and for general corporate purpose	5%	21.4	21.4	—
Total		100%	428.9	428.9	—

MANAGEMENT DISCUSSION AND ANALYSIS

SIGNIFICANT INVESTMENT HELD

The Group did not hold any significant investment as at 31 August 2025.

SIGNIFICANT LEGAL PROCEEDINGS

For the year ended 31 August 2025, the Group had not been involved in any significant legal proceedings or arbitration. To the best of the knowledge and belief of the Directors, there are no significant legal proceedings or claims pending or threatened against the Group.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report, there were no significant events which had material effect on the Group subsequent to the end of the reporting period of the Company and up to the date of this report.

EMPLOYEE BENEFITS

As at 31 August 2025, the Group had 2,265 employees (as at 31 August 2024: 2,240). The Group participates in various employee benefit plans, including provident fund, pension, medical insurance and unemployment insurance. The Company has also provided a share option scheme for its employees and other eligible persons. Salaries and other benefits of the Groups' employees are generally reviewed on a regular basis in accordance with individual qualifications and performance, result performance of the Group and other relevant market conditions. The Group also provides internal and external training programs to its employees. For the year ended 31 August 2025, the staff costs (including directors' fees) amounted to approximately RMB142.0 million (2024: RMB132.1 million).

SHARE OPTION SCHEME

On 12 July 2018, a share option scheme (the "Share Option Scheme") was conditionally approved and adopted pursuant to a written resolution passed by the shareholders of the Company (the "Shareholders"). The Share Option Scheme will remain in force for a period of ten years from the date of its adoption. On 13 May 2021, the Company granted 1,000,000 share options at an exercise price of HK\$0.598 per share. The share options shall be valid for a period of ten years commencing from the date of grant to 12 May 2031 (both days inclusive). On 17 August 2023, the Company granted 5,000,000 share options at an exercise price of HK\$0.130 per share. The share options shall be valid for a period of ten years commencing from the date of grant to 16 August 2033 (both days inclusive). As at 31 August 2025, 6,000,000 share options remained outstanding under the Share Option Scheme.

FINAL DIVIDENDS

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

REPORT OF DIRECTORS

GLOBAL OFFERING

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 14 June 2016. The Shares of the Company were listed on the Main Board of the Stock Exchange on 31 July 2018.

PRINCIPAL ACTIVITIES AND CONSOLIDATED AFFILIATED ENTITIES

The Company is one of the leading providers of private education services in Chengdu, Sichuan Province, China. Analysis of the principal activities of the Group and particulars of its major subsidiaries and the Consolidated Affiliated Entities during the year ended 31 August 2025 are set out in Notes 1 and 2 to the consolidated financial statements.

FINANCIAL RESULTS

The results of the Group for the year ended 31 August 2025 are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income of this annual report.

BUSINESS REVIEW

A review of the business of the Group during the year ended 31 August 2025, analysis by using financial key performance indicators and a discussion on the Group's future business development are set out in the section headed "Management Discussion and Analysis" in this annual report.

MAJOR RISKS AND UNCERTAINTIES

There are certain risks and uncertainties involved in our operations, some of which are beyond our control. Save as disclosed in the Notes to the Consolidated Financial Statements of this annual report, major risks we face include:

- (i) our expansion plans may significantly drain our operational and financial resources;
- (ii) we may be unable to implement our growth strategies or manage our growth effectively, which may materially and adversely affect our ability to capitalise on new business opportunities;
- (iii) highly competitive PRC education sector could result in reduced profit margins and market shares, increased pricing pressure, departures of qualified teaching staff and increased spending; and
- (iv) our business, operation and group structure may be affected by changes to regulatory requirements in China.

For details of the risk factors, please refer to the section headed "Risk Factors" in the Prospectus. Investors are advised to make their own judgement or consult their investment advisors before investing in the Shares.

REPORT OF DIRECTORS

ENVIRONMENT, HEALTH AND SAFETY

The Group's business has not violated applicable environmental laws and regulations of the PRC in any material aspect. The Group is committed to the long-term sustainability of the environment and communities in which it operates. In order to reduce the degree of environmental damage when developing the Group's business, the Group strictly complies with the local laws, rules and guidance in relation to environmental protection. For details, please refer to the Environmental, Social and Governance Report of the Group to be published.

The Group is dedicated to protecting the health and safety of our students and employees. The Group has on-site medical staff or health care personnel at each of our schools to deal with minor medical situations involving our students. For certain serious emergency medical situations, we will promptly send our students to local hospitals for medical treatment. Regarding security at the schools, we have employed qualified property management companies to provide property security services at our school premises.

So far as the Board and the Company's management are aware of, the Group is in compliance with the relevant laws and regulations that have a significant impact on the business and operations of the Group in all material aspects. There had been no material violation of or non-compliance with applicable laws and regulations by the Group during the year ended 31 August 2025.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

During the year ended 31 August 2025, the Group was not aware of material non-compliance with the relevant laws and regulations that have a significant impact on the business and operations of the Group.

ANNUAL GENERAL MEETING

The Company will hold an annual general meeting (the "AGM") on Thursday, 22 January 2026. Notice of the AGM will be published and dispatched to the Shareholders in accordance with the articles of association of the Company and the Listing Rules as soon as practicable.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM to be held on Thursday, 22 January 2026, the register of members of the Company will be closed from Monday, 19 January 2026 to Thursday, 22 January 2026, both days inclusive, during which period no transfer of shares will be registered. In order to be qualified for attending and voting at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:00 p.m. on Friday, 16 January 2026.

FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities for the most recent four financial years is set out in the section headed "Financial Highlights" in this annual report. This summary does not form part of the audited consolidated financial statements.

REPORT OF DIRECTORS

MAJOR CUSTOMERS AND SUPPLIERS

Major customers

For the year ended 31 August 2025, the Group's customers primarily consist of the Group's students and their parents and revenue from our largest five customer combined is less than 30% of our total revenue.

Major suppliers

For the year ended 31 August 2025, the Group's five largest suppliers accounted for less than 30% of the Group's total purchases.

RELATIONSHIP WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Group understands the importance of maintaining a good relationship with its employees, suppliers and customers to meet its immediate and long-term goals. The Group maintains good relationship with its employees, suppliers and customers. During the year ended 31 August 2025, the Group strived to satisfy the need of both the students and their parents by continuing to provide better education services. The Group also maintained ongoing communication with its suppliers to shorten the delivering cycle and to obtain better payment terms. There was no material and significant dispute between the Group and its employees, suppliers and/or customers during the year ended 31 August 2025.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 August 2025 are set out in Note 15 to the Consolidated Financial Statements in this annual report.

SHARE CAPITAL

The Company issued 223,510,000 new Shares at the issue price of HK\$2.36 per Share in connection with the Listing. The net proceeds, after deducting the underwriting fees, commissions and expenses payable by the Company in connection with the Listing, amounted to approximately HK\$494.0 million (equivalent to approximately RMB428.9 million). The net proceeds has been applied in the manner as set out in the section headed "Future plans and use of proceeds" in the Prospectus. As at 31 August 2025, the Company has utilised approximately RMB428.9 million of the net proceeds.

Further, details of movements in the share capital of the Company during the year ended 31 August 2025 are set out in Note 30 to the Consolidated Financial Statements in this annual report.

RESERVES

Details of movements in the reserves of the Group and the Company during the year ended 31 August 2025 are set out in the Consolidated Statement of Changes in Equity of this annual report.

REPORT OF DIRECTORS

DISTRIBUTABLE RESERVES

As at 31 August 2025, the Company has reserves available for distribution of approximately RMB(755,193) million. Details of movements in the reserves of the Company are set out in the Consolidated Statement of Changes in Equity to the Consolidated Financial Statements of this report.

BANK BORROWINGS

Particulars of bank borrowings of the Group as at 31 August 2025 are set out in Note 27 to the Consolidated Financial Statements in this report.

DIRECTORS

The Directors during the year ended 31 August 2025 and up to the Latest Practicable Date are:

Executive Director

Mr. Wang Jinglei (*Chairman of the Board*)

Mr. Lin Juncheng

Ms. Tang Hui

Non-executive Director

Mr. Wu Jiwei

Independent Non-executive Directors

Mr. Cheng Tai Kwan Sunny

Mr. Tao Qizhi

Mr. Yang Yuchuan

In accordance with article 84 of the Articles of Association, one-third of the Directors shall retire from office by rotation at each annual general meeting and shall then be eligible for re-election. Accordingly, Mr. Lin Juncheng, Mr. Wu Jiwei and Mr. Cheng Tai Kwan Sunny shall retire by rotation, and being eligible, have offered themselves for re-election at the AGM.

Details of the Directors to be re-elected at the AGM will be set out in the circular to the Shareholders.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Company are set out in the section headed “Directors and Senior Management” in this annual report.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the independent non-executive Directors and the Company considers such Directors to be independent throughout the year ended 31 August 2025 and remain so as of the date of this annual report.

REPORT OF DIRECTORS

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors and non-executive Directors has entered into a service agreement or a letter of appointment with the Company, pursuant to which each of them agreed to act as an executive Director or a non-executive Director (as the case may be) for an initial term of three years commencing from the appointment date.

Each of the independent non-executive Directors has been appointed for an initial term of two years commencing from the appointment date. Save for directors' fees, none of the independent non-executive Directors is expected to receive any other remuneration for holding their office as an independent non-executive Director.

Save as aforesaid, none of the Directors has or is proposed to have a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' AND CONTROLLING SHAREHOLDERS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Report of Directors — Connected Transactions" and otherwise disclosed in this annual report, no Directors or their connected entity (within the meaning in section 486 of the Companies Ordinance) had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries or fellow subsidiaries was a party during the year ended 31 August 2025.

Save as disclosed in the section headed "Report of Directors — Connected Transactions" and otherwise disclosed in this annual report, none of the Controlling Shareholders had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries or fellow subsidiaries was a party during the year ended 31 August 2025.

No contract of significance for the provision of services to the Company or any of its subsidiaries or fellow subsidiaries by the Controlling Shareholders or any of their subsidiaries was entered into during the year ended 31 August 2025.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 August 2025.

EMOLUMENT POLICY

A remuneration committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices.

The Directors and senior management may also receive options to be granted under the Share Option Scheme. For further details of the Share Option Scheme, please refer to the section headed "Report of Directors — Share Option Scheme" of this annual report.

Details of the emoluments of the Directors and five highest paid individuals during the year ended 31 August 2025 are set out in Note 12 to the Consolidated Financial Statements in this annual report.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Details of the retirement and employee benefits scheme of the Company are set out in Note 31 to the Consolidated Financial Statements of this annual report.

REPORT OF DIRECTORS

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 August 2025, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix C3 to the Listing Rules were as follows:

Director/ Chief executive	Capacity/Nature of interest held	Number of shares	Long position/ Short position	Approximate percentage of shareholding held in the Company
Mr. Wang Jinglei ⁽¹⁾	Interest in a controlled corporation	233,920,000	Long position	25.90%
Ms. Tang Hui ⁽²⁾	Interest in a controlled corporation	144,212,000	Long position	15.97%
Mr. Wu Jiwei	Beneficial owner	46,000	Long position	0.01%

Note(s):

- (1) On 25 March 2020, Mr. Wang Jinglei was appointed as an executive Director. Mr. Wang Jinglei is the sole shareholder and sole director of Act Best and Act Glory is wholly-owned by Act Best. Thus, Mr. Wang Jinglei and Act Best are deemed to be interested in the 233,920,000 Shares held by Act Glory by virtue of the SFO.
- (2) Ms. Tang Hui was only appointed as an executive Director on 5 September 2024. Ms. Tang is the sole shareholder and sole director of Graymind Investments Limited. Thus Ms. Tang is deemed to be interested in the Shares held by Graymind by virtue of the SFO.

Save as disclosed above, as at 31 August 2025, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Report of the Directors — Share Option Scheme" of this annual report, at no time during the year ended 31 August 2025 was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

REPORT OF DIRECTORS

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

As at 31 August 2025, to the best knowledge of the Directors, the following persons (other than being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name	Capacity/Nature of interest held	Number of shares	Long position/ Short position	Approximate percentage of shareholding held in the Company
Act Glory ⁽¹⁾	Beneficial owner	233,920,000	Long position	25.90%
Act Best ⁽¹⁾	Interest in a controlled corporation	233,920,000	Long position	25.90%
Ms. Duan Ling ⁽²⁾	Interest of spouse	233,920,000	Long position	25.90%
Graymind ⁽³⁾	Beneficial owner	144,212,000	Long position	15.97%
Ms. Tang Hui ⁽³⁾	Interest in a controlled corporation	144,212,000	Long position	15.97%
Mr. Chen Ruikai ⁽⁴⁾	Interest of a spouse	144,212,000	Long position	15.97%
Mr. Xiong Tao ⁽⁵⁾	Interest in a controlled corporation	82,853,550	Long position	9.17%
Cosmic City Holdings Limited ⁽⁵⁾	Beneficial owner	82,853,550	Long position	9.17%
Zhuotai Education Investment Limited ⁽⁶⁾	Beneficial owner	81,282,460	Long position	9.00%
Mr. Li Yafei ⁽⁶⁾	Interest in a controlled corporation	81,282,460	Long position	9.00%
Broad Skill Holdings Limited ⁽⁸⁾	Beneficial owner	56,510,000	Long position	6.26%
Ms. He Jing ⁽⁸⁾	Interest in a controlled corporation	56,510,000	Long position	6.26%
Mr. Xu Zhengmiao ⁽⁹⁾	Interest of spouse	56,510,000	Long position	6.26%

REPORT OF DIRECTORS

Notes:

- (1) Act Glory is an investment holding company incorporated in the BVI, and is solely and beneficially owned by Act Best, which is solely and beneficially owned by Mr. Wang Jinglei. Therefore, Mr. Wang Jinglei and Act Best are deemed to be interested in the Shares held by Act Glory by virtue of the SFO.
- (2) Ms. Duan Ling is the wife of Mr. Wang Jinglei, and is therefore deemed to be interested in the 233,920,000 Shares indirectly held by Mr. Wang Jinglei through Act Best and Act Glory by virtue of the SFO.
- (3) Graymind is incorporated in the Seychelles, and is wholly owned by Ms. Tang Hui. Ms. Tang Hui was appointed as an executive Director on 5 September 2024. Therefore, Ms. Tang is deemed to be interested in shares held by which by virtue of the SFO. As at the Latest Practicable Date, Ms. Tang is interested in the 144,212,000 Shares directly owned by Graymind.
- (4) Mr. Chen Ruikai is the husband of Ms. Tang Hui, and is therefore deemed to be interested in the Shares held by Graymind by virtue of the SFO.
- (5) Cosmic City Holdings Limited is incorporated in the BVI, and is wholly owned by Mr. Xiong Tao. Therefore, Mr. Xiong is deemed to be interested in shares held by which by virtue of the SFO.
- (6) Zhuotai Education Investment Limited is incorporated in the BVI and is owned by Mr. Li Yafei as to 80% and Ms. Cao Youqin as to 20%. Therefore, Mr. Li is deemed to be interested in the Shares held by which by virtue of the SFO.
- (7) Broad Skill Holdings Limited is incorporated in the BVI, and is wholly owned by All Jovial Limited, which is in turn wholly owned by Ms. He Jing. Therefore, Ms. He is deemed to be interested in the Shares held by which by virtue of the SFO.
- (8) Mr. Xu Zhengmiao is the husband of Ms. He Jing, and is therefore deemed to be interested in the 56,510,000 Shares held by Broad Skill Holdings Limited by virtue of the SFO.

Save as disclosed above, as at 31 August 2025, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

REPORT OF DIRECTORS

SHARE OPTION SCHEME

We adopted the Share Option Scheme conditionally by a resolution in writing on 12 July 2018. The following is a summary of the principal terms of the Share Option Scheme:

(i) Purpose of the Scheme

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group.

(ii) Participants of the Scheme

- (aa) any employee of the Company, any of our subsidiaries or any entity in which the Group holds an equity interest;
- (bb) any non-executive director (including independent non-executive director) of the Company, any subsidiary or any invested entity;
- (cc) any supplier of goods or services to any member of the Group or any invested entity;
- (dd) any customer of any member of the Group or any invested entity;
- (ee) any person or entity that provides research, development or other technological support to any member of the Group or any invested entity;
- (ff) any shareholder of any member of the Group or any invested entity or any holder of any securities issued by any member of the Group or any invested entity;
- (gg) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any invested entity; and
- (hh) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.

(iii) Maximum number of shares

- (aa) The maximum number of Shares which may be allotted and issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Group shall not exceed 30% of the Shares in issue from time to time.
- (bb) The total number of Shares which may be allotted and issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Group) to be granted under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the Shares in issue on the day on which dealings in the Shares first commence on the Stock Exchange (i.e. not exceeding 90,000,000 Shares).

(iv) Maximum entitlement of each participant

The total number of Shares issued and to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each grantee in any 12-month period shall not exceed 1% of the Shares in issue of the Company for the time being.

REPORT OF DIRECTORS

(v) Grant of options to connected persons

Any offer to grant of options under the Share Option Scheme to a Director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors.

Any change in the terms of options granted to a substantial shareholder or an independent non-executive Director of the Company or any of their respective associates must be approved by the Shareholders in general meeting. The grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting.

(vi) Time of acceptance and exercise of option

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by our Directors to each grantee, which period may commence on the date on which the offer for the grant of option is made but shall end in any event not later than 10 years from the date on which the offer for the grant of the option is made subject to the provisions for early termination thereof. Unless otherwise determined by our Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

(vii) Performance targets

Unless our Directors otherwise determined and stated in the offer of the grant of options to a grantee, a grantee is not required to achieve any performance targets before the exercise of an option granted to him under the Share Option Scheme.

(viii) Subscription price for Shares and consideration for the option

The subscription price per Share under the Share Option Scheme shall be determined at the absolute discretion of our Directors, provided that it shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date on which the offer for the grant of option is made, which must be a Business Day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations for the five Business Days immediately preceding the date on which the offer for the grant of option is made; and (iii) the nominal value of the Shares. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

(ix) Period of the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is adopted. The remaining life of the Share Option Scheme is approximately 3 years as at 31 August 2025.

During the year ended 31 August 2025, no share options had been granted, exercised, lapsed or cancelled by the Company under the Share Option Scheme. As at 31 August 2025, 6,000,000 share options remained outstanding under the Share Option Scheme. As at 31 August 2025, a total of 74,000,000 Shares (representing approximately 8.19% of the then existing issued Shares (excluding treasury shares)) may be granted under the Share Option Scheme and a total of 6,000,000 Shares (representing approximately 0.66% of the then existing issued Shares) may be issued upon exercise of all options which had been granted and yet to be exercised under the Share Option Scheme. The number of shares that may be issued in respect of options and awards granted under all schemes of the Company during the year ended 31 August 2025 (being 6,000,000 Shares) divided by the weighted average number of shares of the relevant class in issue for the year ended 31 August 2025 (being 903,138,460 Shares) is approximately 0.66%.

REPORT OF DIRECTORS

Details of share options of the Company are as follows:

Name or category of participant	Date of grant	Vesting period	Exercise period (both dates inclusive)	Exercise price per share	Closing price of the Shares immediately before the date of grant	Performance Target	Number of share options outstanding as at 1 September 2024	Number of share options exercised during the period	Number of share options outstanding as at 31 August 2025 ⁽¹⁾
Consultant	17 August 2023	One year (all share options concerned were vested on 18 August 2024)	From 18 August 2024 to 16 August 2023	HK\$0.130 per Share	HK\$0.109 per Share	Nil	5,000,000	Nil	5,000,000
Employee	13 May 2021	Nil	From 13 May 2021 to 12 May 2031	HK\$0.598 per Share	HK\$0.590 per Share	Nil	1,000,000	Nil	1,000,000

Note(s):

- (1) The aggregate fair value of the share options determined at the date of grant based on the Hull-White trinomial model, was approximately HK\$314,000 (equivalent to approximately RMB262,000).

EQUITY-LINKED AGREEMENTS

Save as disclosed in the section headed “Report of the Directors — Share Option Scheme” of this annual report, during the year ended 31 August 2025, neither the Company nor any of its subsidiaries has entered into (i) any agreement that will or may result in the issuance of shares by the Company; or (ii) any agreement that requires the Company to enter into any agreement specified in (i).

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

During the year ended 31 August 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

PRE-EMPTIVE RIGHTS

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

COMPETITION AND CONFLICT OF INTERESTS

As at the date of this report, none of the Directors has, either directly or indirectly, any interest in any business which causes or may cause any significant competition with the business of the Group or has any other conflict of interests with the Group.

REPORT OF DIRECTORS

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year ended 31 August 2025, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

CONNECTED TRANSACTIONS

In relation to the connected transaction and the continuing connected transactions of the Group, except the Arrangement (as defined below) (for details of which, please refer to the announcement of the Company dated 30 May 2022), the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Exempt Continuing Connected Transactions

Office lease

On 31 August 2022, Chengdu Bojun (as tenant) entered into a lease agreement ("Office Lease Agreement") with Chengdu Hengyu Industrial Company Limited* (成都恒宇實業有限公司) ("Chengdu Hengyu") (as landlord) to renew the office lease, which expired on 31 August 2022. Such office is located in Chengdu, Sichuan Province with an aggregate gross floor area of 408.85 sq.m.. Pursuant to the Office Lease Agreement, the term of the lease shall be three years starting from 1 September 2022 and the monthly rent payable shall be approximately RMB16,354 (equivalent to RMB40.0 per sq.m.). On 29 August 2024, Chengdu Bojun (as tenant) entered into a supplemental agreement to the Office Lease Agreement with Chengdu Hengyu (as landlord) to revise the aggregate gross floor area of the office to 204.425 sq.m. starting from 1 September 2024. The monthly rent payable shall be approximately RMB8,177 (equivalent to RMB40.0 per sq.m.). The fixed rent payable by us for the year ended 31 August 2025 was approximately RMB98,124.

Listing Rules Implications

Chengdu Hengyu, which is held as to 95% by Mr. Xiong Tao, is an associate of Mr. Xiong Tao and a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Office Lease Agreement constitute continuing connected transactions for the Company under the Listing Rules.

Based on the current annual rent payable by us, we expect that each of the applicable percentage ratios (other than profit ratio) for the Office Lease Agreement will be less than 5% and the total consideration is less than HK\$3,000,000. Thus, the continuing connected transactions contemplated under the Office Lease Agreement constitute de minimis connected transactions under Rule 14A.76 of the Listing Rules and is fully exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Directors (including our independent non-executive Directors) have confirmed that the transactions under the Office Lease Agreement are in the ordinary course of business of the Group, on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

REPORT OF DIRECTORS

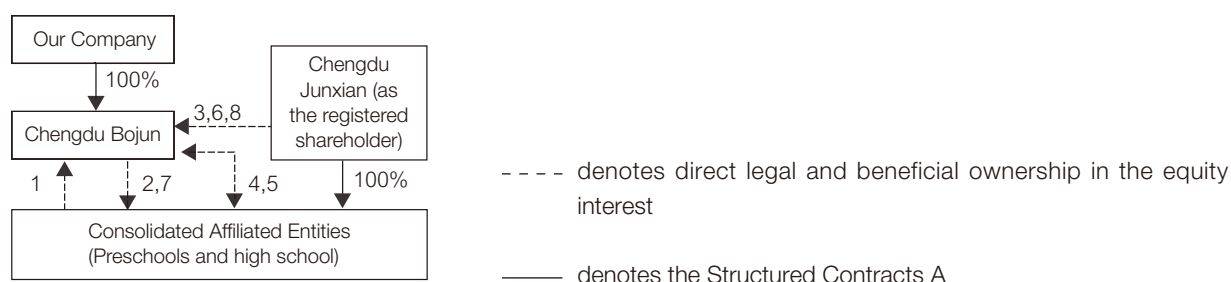
NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Structured contracts

A. OVERVIEW

The Group conducted its private education business through the Consolidated Affiliated Entities in the PRC which has laws and regulations in place restricting operation of preschools, high schools and vocational schools by sino-foreign ownership with qualification requirements imposed on the foreign owners. Although the Company and its subsidiaries do not hold any equity interest in the Consolidated Affiliated Entities, Chengdu Bojun has control over and derive economic benefits of the preschools and high school from various Consolidated Affiliated Entities through the provision of services by Chengdu Bojun and receipt of service fees in return in accordance with the Structured Contracts A while Chengdu Bomao has control over and derive economic benefits of the vocational schools from various Consolidated Affiliated Entities through the provision of services by Chengdu Bomao and receipt of service fees in return in accordance with the Structured Contracts B. According to the Group's PRC legal advisors, no current PRC laws or regulations restrict or prohibit Chengdu Bojun's or Chengdu Bomao's contractual rights to receive service fees from the Consolidated Affiliated Entities for the services provided under their respective Structured Contracts.

The following simplified diagram illustrates the flow of economic benefits of the preschools and high school from various Consolidated Affiliated Entities to the Group under the Structured Contracts A:

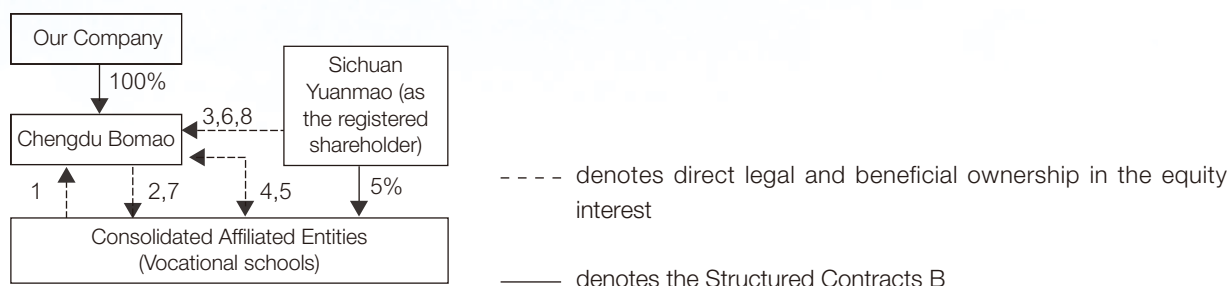


Notes:

1. Payment of service fees. Please refer to the section headed "The New Structured Contracts — (1) New Exclusive Business Cooperation Agreement" in the announcement of the Company dated 19 June 2020 for details.
2. Provision of exclusive technical and management consultancy services. Please refer to the section headed "The New Structured Contracts — (1) New Exclusive Business Cooperation Agreement" in the announcement of the Company dated 19 June 2020 for details.
3. Exclusive call option to acquire all or part of the equity interest in the School Sponsors and their school sponsor's interest in the PRC Operating Schools (where applicable). Please refer to the section headed "The New Structured Contracts — (2) New Exclusive Call Option Agreement" in the announcement of the Company dated 19 June 2020 for further details.
4. Entrustment of school sponsors' rights in the PRC Operating Schools by the School Sponsors including school sponsors' powers of attorney. Please refer to the sections headed "The New Structured Contracts — (3) New School Sponsors' and Directors' (Council Members') Rights Entrustment Agreement, the New School Sponsors' Powers of Attorney and the New Directors' (Council Members') Power of Attorney" and "Structured Contracts — Operation of the Structured Contracts — Summary of the material terms of the Structured Contracts — (4) School Sponsors' Powers of Attorney" in the Prospectus for further details.
5. Entrustment of directors' and council members' rights in the PRC Operating Schools by directors and council members of the PRC Operating Schools appointed by the School Sponsors including directors' (council members') powers of attorney. Please refer to the announcement of the Company dated 19 June 2020 for further details.
6. Pledge of equity interest by Chengdu Junxian of its equity interest in Chengdu Mingxian, and pledge of equity interest by Chengdu Mingxian of its equity interest in the School Sponsors (except Lezhi Bojun). Please refer to the section headed "The New Structured Contracts — (4) New Equity Pledge Agreement" in the announcement of the Company dated 19 June 2020 for further details.
7. Provision of loans by Chengdu Bojun to various Consolidated Affiliated Entities for the operations of the Consolidated Affiliated Entities. Please refer to the section headed "The New Structured Contracts — (5) New Loan Agreement" in the announcement of the Company dated 19 June 2020 for further details.
8. Entrustment of shareholders' rights in the School Sponsors by Chengdu Bojun, Chengdu Junxian and Chengdu Mingxian including shareholder's powers of attorney. Please refer to the section headed "The New Structured Contracts — (6) New Shareholder's Rights Entrustment Agreement and the New Shareholder's Powers of Attorney" in the announcement of the Company dated 19 June 2020 for further details.

REPORT OF DIRECTORS

The following simplified diagram illustrates the flow of economic benefits of the vocational schools from various Consolidated Affiliated Entities to the Group under the Structured Contracts B:



Notes:

1. Payment of service fees. Please refer to the section headed "Letter from the Board — 5. New Structured Contracts — I. Exclusive Business Cooperation Agreement" in the circular of the Company dated 28 June 2023 for details.
2. Provision of exclusive technical and management consultancy services. Please refer to the section headed "Letter from the Board — 5. New Structured Contracts — I. Exclusive Business Cooperation Agreement" in the circular of the Company dated 28 June 2023 for details.
3. Exclusive call option to acquire all or part of the equity interest in the School Sponsors and their school sponsor's interest in the PRC Operating Schools (where applicable). Please refer to the section headed "Letter from the Board — 5. New Structured Contracts — II. Exclusive Call Option Agreement" in the circular of the Company dated 28 June 2023 for further details.
4. Entrustment of school sponsors' rights in the PRC Operating Schools by the School Sponsors including school sponsors' powers of attorney. Please refer to the sections headed "Letter from the Board — 5. New Structured Contracts — IV. School Sponsors' and Directors' (Council Members') Rights Entrustment Agreement, the New School Sponsors' Powers of Attorney and the New Directors' (Council Members') Power of Attorney" in the circular of the Company dated 28 June 2023 for further details.
5. Entrustment of directors' and council members' rights in the PRC Operating Schools by directors and council members of the PRC Operating Schools appointed by the School Sponsors including directors' (council members') powers of attorney. Please refer to the circular of the Company dated 28 June 2023 for further details.
6. Pledge of equity interest by Sichuan Yuanmao of its equity interest in Sichuan Yunmao, and pledge of equity interest by Sichuan Yunmao of its equity interest in its subsidiaries. Please refer to the section headed "Letter from the Board — 5. New Structured Contracts — III. Equity Pledge Agreement" in the circular of the Company dated 28 June 2023 for further details.
7. Provision of loans by Chengdu Bomao to various Consolidated Affiliated Entities for the operations of the Consolidated Affiliated Entities. Please refer to the section headed "Letter from the Board — 5. New Structured Contracts — V. Loan Agreement" in the circular of the Company dated 28 June 2023 for further details.
8. Entrustment of shareholders' rights in the School Sponsors by Chengdu Bomao, Sichuan Yuanmao and Sichuan Yunmao including shareholder's powers of attorney. Please refer to the section headed "Letter from the Board — 5. New Structured Contracts — VI. Shareholder's Rights Entrustment Agreement and the Shareholder's Powers of Attorney" in the circular of the Company dated 28 June 2023 for further details.

B. SUMMARY OF THE MATERIAL TERMS OF THE STRUCTURED CONTRACTS

The Group entered into the Structured Contracts A for its preschools and high school and the Structured Contracts B for its vocational schools. The terms of these two sets of Structured Contracts are substantially the same.

B1. The summary of the Structured Contracts A relating to the preschools and high school is as follows:

(1) Exclusive Business Cooperation Agreement A

Pursuant to the Exclusive Business Cooperation Agreement A, Chengdu Bojun agreed to provide exclusive technical service, management support and consulting service necessary for the education business to various Consolidated Affiliated Entities which, shall in return make payments to Chengdu Bojun in accordance with the Structured Contracts A.

REPORT OF DIRECTORS

To ensure the due performance of the Structured Contracts A, relevant Consolidated Affiliated Entities agreed to comply with, and procure its subordinate enterprises, units and legal entities established from time to time (including its subsidiaries, branches and other entities) to comply with, and Chengdu Junxian agreed to procure the relevant Consolidated Affiliated Entities to comply with the following obligations as prescribed under the Exclusive Business Cooperation Agreement A.

In order to prevent the leakage of assets and values of various Consolidated Affiliated Entities, Chengdu Junxian and each of the relevant Consolidated Affiliated Entities have undertaken that, without prior written consent of Chengdu Bojun or its designated party, they shall not conduct or cause to conduct any activity or transaction which may have actual impact (i) on the assets, business, staff, rights, obligations or operations of the Consolidated Affiliated Entities or (ii) on the ability of Chengdu Junxian and each of the relevant Consolidated Affiliated Entities to perform their obligations under the Structured Contracts A.

In addition, Chengdu Junxian irrevocably undertake to Chengdu Bojun that, unless with its written waiver, Chengdu Junxian shall not (i) directly or indirectly invest, operate, engage, participate in, conduct, acquire or hold any business or activities, which compete or may potentially compete with the business of Chengdu Bojun, the Company, the relevant Consolidated Affiliated Entities or their respective subordinate enterprises, units or legal entities, within or outside of the PRC, whether independently or with other party or as a representative of other party (the “Competing Business A”) or have any interest in the Competing Business A, (ii) use information obtained from any of the relevant Consolidated Affiliated Entities or their respective subordinate enterprises, units or legal entities for the Competing Business A, (iii) obtain any benefit from any Competing Business A, and (iv) procure the relevant Consolidated Affiliated Entities to engage in any other businesses. Chengdu Junxian further consented and agreed that, in the event that Chengdu Junxian directly or indirectly engage, participate in or conduct any Competing Business A, Chengdu Bojun and/or other entities as designated by us shall be granted an option to (i) require the entity engaging in the Competing Business A to enter into an arrangement similar to that of the Structured Contracts A; or (ii) require the entity engaging in the Competing Business A to cease operation of the Competing Business A within a reasonable time.

(2) Exclusive Call Option Agreement A

Pursuant to the Exclusive Call Option Agreement A, Chengdu Junxian and the School Sponsors have irrevocably granted Chengdu Bojun or its designated purchaser an exclusive option to purchase all or part of the equity interest in relevant School Sponsors and their school sponsor’s interest in the relevant PRC Operating Schools (where applicable) (the “Interest”) (the “Equity Call Option A”). In relation to the transfer of the Interest upon exercise of the Equity Call Option A, the purchase price payable by Chengdu Bojun shall be the lowest price permitted under the PRC laws and regulations. Chengdu Bojun or designated purchaser shall have the right to purchase such proportion of the equity interest and/or school sponsor’s interest in the relevant Consolidated Affiliated Entities as it decides at any time.

REPORT OF DIRECTORS

If Chengdu Bojun allowed to directly hold all or part of the equity interest and/or school sponsor's interest in the relevant Consolidated Affiliated Entities and operate private education business in the PRC under the PRC laws and regulations, Chengdu Bojun shall issue the notice of exercise of the Equity Call Option A as soon as practicable, and the percentage of equity interest and/or sponsor's interest purchased upon exercise of the Equity Call Option A shall not be lower than the maximum percentage then allowed to be held by Chengdu Bojun or us under the PRC laws and regulations (as the case may be).

(3) School Sponsors' and Directors' (Council Members') Rights Entrustment Agreement A

According to the School Sponsors' and Directors' (Council Members') Rights Entrustment Agreement A, each of the relevant School Sponsors has irrevocably authorised and entrusted Chengdu Bojun or its designated party to exercise all its rights as school sponsor of the relevant PRC Operating School to the extent permitted by the PRC laws.

Pursuant to the School Sponsors' and Directors' (Council Members') Rights Entrustment Agreement A, each of the appointees (being the directors or council members of the relevant School Sponsors) has irrevocably authorised and entrusted Chengdu Bojun to exercise all his/her rights as directors and/or council members of our relevant PRC Operating School as appointed by Chengdu Mingxian, Chengdu Youshi Preschool Investment, Chengdu Jinbojun, Sichuan Boai, Wangcang Bojun, Nanjiang Bojun, Lezhi Bojun and to the extent permitted by the PRC laws.

In addition, each of the relevant School Sponsors and their respective appointees has irrevocably agreed that (i) Chengdu Bojun may, without prior notice to or approval by the relevant School Sponsors and their respective appointees, delegate its rights under the School Sponsors' and Directors' (Council Members') Rights Entrustment Agreement A to the directors of Chengdu Bojun or its designated party; and (ii) any person as successor of civil rights of Chengdu Bojun or liquidator as a result of subdivision, merger, liquidation of Chengdu Bojun or other circumstances shall have authority to replace Chengdu Bojun to exercise all rights under the School Sponsors' and Directors' (Council Members') Rights Entrustment Agreement A.

(4) School Sponsors' Powers of Attorney A

Pursuant to the School Sponsors' Powers of Attorney A, each of the relevant School Sponsors authorised and appointed Chengdu Bojun, as its agent to act on its behalf to exercise or delegate the exercise of all its rights as school sponsor of our relevant PRC Operating School. For further information of the rights granted, please refer to the section headed "The New Structured Contracts — (3) New School Sponsors' and Directors' (Council Members') Rights Entrustment Agreement, the New School Sponsors' Powers of Attorney and the New Directors' (Council Members') Power of Attorney" in the announcement of the Company dated 19 June 2020.

Chengdu Bojun shall have the right to further delegate the rights so delegated to directors of Chengdu Bojun or other designated party. Chengdu Bojun confirms that it will not delegate any of these rights to anyone whose interest would potentially conflict with those of the Company. The relevant School Sponsors irrevocably agreed that the authorisation and appointment in the School Sponsor's Powers of Attorney A shall not be invalid, revoked, prejudiced or otherwise adversely affected by reason of the subdivision, merger, winding up, consolidation, liquidation or other similar events of the relevant School Sponsors. The relevant School Sponsors' Power of Attorney A shall constitute a part and incorporate terms of the relevant School Sponsors' and Directors' (Council Members') Rights Entrustment Agreement A.

REPORT OF DIRECTORS

(5) Directors' (Council Members') Powers of Attorney A

Pursuant to the Directors' (Council Members') Powers of Attorney A, each of the appointees of the relevant PRC Operating Schools authorised and appointed Chengdu Bojun, as his/her agent to act on his/her behalf to exercise or delegate the exercise of all his/her rights as directors or council members of our relevant PRC Operating School. For further information of the rights granted, please refer to the section headed "The New Structured Contracts — (3) New School Sponsors' and Directors' (Council Members') Rights Entrustment Agreement, the New School Sponsors' Powers of Attorney and the New Directors' (Council Members') Power of Attorney" in the announcement of the Company dated 19 June 2020.

Chengdu Bojun shall have the right to further delegate the rights so delegated to directors of Chengdu Bojun or other designated party. Chengdu Bojun confirms that it will not delegate any of these rights to anyone whose interest would potentially conflict with those of the Company. Each of the appointees of the relevant PRC Operating Schools irrevocably agreed that the authorisation and appointment in the Directors' (Council Members') Powers of Attorney A shall not be invalid, revoked prejudiced or otherwise adversely affected by reason of his/her loss of or restriction on capacity, death or other similar events. The Directors' (Council Members') Power of Attorney A shall constitute a part and incorporate terms of the School Sponsors' and Directors' (Council Members') Rights Entrustment Agreement A.

The Directors' (Council Members') Power of Attorney A shall constitute a part and incorporate terms of the School Sponsors' and Directors' (Council Members') Rights Entrustment Agreement A.

(6) Equity Pledge Agreement A

Pursuant to the Equity Pledge Agreement A, Chengdu Junxian unconditionally and irrevocably agreed to pledge and grant first priority security interests over all of its equity interest in Chengdu Mingxian, Chengdu Mingxian unconditionally and irrevocably agreed to pledge and grant first priority security interests over all of its equity interests in Chengdu Youshi Preschool Investment, Chengdu Jinbojun, Sichuan Boai, Renshou Bojun, Zhongjiang Bojun, Bojun Lixing, Nanjiang Bojun and Wangcang Bojun together with all related rights thereto to Chengdu Bojun as security for performance of the Structured Contracts A and all direct, indirect, consequential damages and foreseeable loss of interest incurred by Chengdu Bojun as a result of any event of default on the part of Chengdu Junxian or each of our Consolidated Affiliated Entities and all expenses incurred by Chengdu Bojun as a result of enforcement of the obligations of Chengdu Junxian and/or each of our Consolidated Affiliated Entities under the Structured Contracts A (the "Secured Indebtedness").

According to the Equity Pledge Agreement A, Chengdu Junxian and Chengdu Mingxian shall not transfer the pledged equity interests or create further pledge or encumbrance over the pledged equity interest without the prior written consent of Chengdu Bojun. Any unauthorised transfer shall be invalid, and the proceeds of any transfer of the equity interest shall be first used in the payment of the Secured Indebtedness or deposited to such third party as agreed to by Chengdu Bojun. Chengdu Junxian and Chengdu Mingxian also waived any pre-emptive rights upon enforcement and agreed to any transfer of the pledged equity pursuant to the Equity Pledge Agreement A.

REPORT OF DIRECTORS

(7) Loan Agreement A

Pursuant to the Loan Agreement A entered into by and among Chengdu Bojun, the relevant School Sponsors and the relevant PRC Operating Schools, Chengdu Bojun agreed to provide interest-free loans to the relevant Consolidated Affiliated Entities for their operations. Our School Sponsors also agreed to utilise the proceeds of such loans to contribute as capital of our PRC Operating Schools in their capacity as school sponsors of our PRC Operating Schools in accordance with our instructions as permitted by the PRC laws and regulations. The parties agreed that all such capital contribution can be directly settled by Chengdu Bojun on behalf of our School Sponsors.

The term of the loan agreement shall continue until all school sponsor's interest of the relevant PRC Operating Schools are transferred to Chengdu Bojun or its designee and the required registration process has been completed with the relevant local authorities thereafter.

Each loan to be granted under the Loan Agreement A will be for an infinite term until termination at the sole discretion of Chengdu Bojun. The loan will become due and payable upon demand of Chengdu Bojun under any of the following circumstances:

- (i) the winding-up or liquidation of any of the relevant Consolidated Affiliated Entities;
- (ii) any of the relevant Consolidated Affiliated Entities becoming insolvent or incurring any other significant personal debt which may affect its ability to repay the loan under the Loan Agreement A, or
- (iii) Chengdu Bojun exercising in full its option to purchase all school sponsor's interests to the extent permitted by PRC laws and regulations.

(8) Shareholder's Rights Entrustment Agreement and Shareholder's Powers of Attorney A

Pursuant to the Shareholder's Rights Entrustment Agreement A and the Shareholder's Powers of Attorney A, Chengdu Junxian authorised and entrusted Chengdu Bojun, as its sole agent and authorised person to exercise shareholder's rights to which Chengdu Junxian entitled to in capacity as the shareholder of the relevant School Sponsors pursuant to the articles of association of the School Sponsors and the PRC Company Law. Chengdu Junxian and Chengdu Mingxian also agreed that Chengdu Bojun is authorised, as the sole agent and authorised person of Chengdu Mingxian, to exercise all of its shareholder's rights (which shall include the shareholders' rights as mentioned above) in their respective subsidiaries.

Chengdu Bojun shall have the right to further delegate the rights so delegated to its designated party. Chengdu Bojun confirms that it will not delegate any of these rights to anyone whose interest would potentially conflict with those of the Company. Chengdu Junxian irrevocably agreed that the authorisation and appointment in the Directors' (Council Members') Powers of Attorney A shall not be invalid, revoked, prejudiced or otherwise adversely affected by reason of the subdivision, merger, winding up, consolidation, liquidation or other similar events of Chengdu Junxian or Chengdu Mingxian.

B2. The summary of the Structured Contracts B relating to the vocational schools is as follows:

(1) Exclusive Business Cooperation Agreement B

Pursuant to the Exclusive Business Cooperation Agreement B, Chengdu Bomao agreed to provide exclusive technical service, management support and consulting service necessary for the education business to various Consolidated Affiliated Entities which, shall in return make payments to Chengdu Bomao in accordance with the Structured Contracts B.

To ensure the due performance of the Structured Contracts B, each of the relevant Consolidated Affiliated Entities agreed to comply with, and procure its subordinate enterprises, units and legal entities established from time to time (including its subsidiaries, branches and other entities) to comply with, and Sichuan Yuanmao agreed to procure the relevant Consolidated Affiliated Entities to comply with the following obligations as prescribed under the Exclusive Business Cooperation Agreement B.

In order to prevent the leakage of assets and values of the relevant Consolidated Affiliated Entities, Sichuan Yuanmao and each of the relevant Consolidated Affiliated Entities have undertaken that, without prior written consent of Chengdu Bomao or its designated party, they shall not conduct or cause to conduct any activity or transaction which may have actual impact (i) on the assets, business, staff, rights, obligations or operations of the Consolidated Affiliated Entities or (ii) on the ability of Sichuan Yuanmao and each of the Consolidated Affiliated Entities to perform their obligations under the Structured Contracts B.

In addition, Sichuan Yuanmao irrevocably undertake to Chengdu Bomao that, unless with its written waiver, Sichuan Yuanmao shall not (i) directly or indirectly invest, operate, engage, participate in, conduct, acquire or hold any business or activities, which compete or may potentially compete with the business of Chengdu Bomao, the Company, the Consolidated Affiliated Entities or their respective subordinate enterprises, units or legal entities, within or outside of the PRC, whether independently or with other party or as a representative of other party (the "Competing Business B") or have any interest in the Competing Business B, (ii) use information obtained from any of the relevant Consolidated Affiliated Entities or their respective subordinate enterprises, units or legal entities for the Competing Business B, (iii) obtain any benefit from any Competing Business B, and (iv) procure the relevant Consolidated Affiliated Entities to engage in any other businesses. Sichuan Yuanmao further consented and agreed that, in the event that Sichuan Yuanmao directly or indirectly engage, participate in or conduct any Competing Business B, Chengdu Bomao and/or other entities as designated by us shall be granted an option to (i) require the entity engaging in the Competing Business B to enter into an arrangement similar to that of the Structured Contracts B; or (ii) require the entity engaging in the Competing Business B to cease operation of the Competing Business B within a reasonable time.

(2) Exclusive Call Option Agreement B

Pursuant to the Exclusive Call Option Agreement B, Sichuan Yuanmao, Sichuan Yunmao, Sichuan Gaojiao and the School Sponsors have irrevocably granted Chengdu Bomao or its designated purchaser an exclusive option to purchase all or part of the equity interest in Sichuan Yunmao, Sichuan Gaojiao, Sichuan Zhengzhuo and their school sponsor's interest in the PRC Operating Schools (where applicable) (the "Interest") (the "Equity Call Option B"). In relation to the transfer of the Interest upon exercise of the Equity Call Option B, the purchase price payable by Chengdu Bomao shall be the lowest price permitted under the PRC laws and regulations. Chengdu Bomao or its designated purchaser shall have the right to purchase such proportion of the equity interest and/or school sponsor's interest in the relevant Consolidated Affiliated Entities as it decides at any time.

REPORT OF DIRECTORS

If Chengdu Bomao is allowed to directly hold all or part of the equity interest and/or school sponsor's interest in the relevant Consolidated Affiliated Entities and operate private education business in the PRC under the PRC laws and regulations, Chengdu Bomao shall issue the notice of exercise of the Equity Call Option B as soon as practicable, and the percentage of equity interest and/or sponsor's interest purchased upon exercise of the Equity Call Option B shall not be lower than the maximum percentage then allowed to be held by Chengdu Bomao or us under the PRC laws and regulations (as the case may be).

(3) School Sponsors' and Directors' (Council Members') Rights Entrustment Agreement B

According to the School Sponsors' and Directors' (Council Members') Rights Entrustment Agreement B, the relevant PRC Operating Schools and their respective appointees (being the directors or council members of the relevant PRC Operating Schools), Sichuan Gaojiao has irrevocably authorised and entrusted Chengdu Bomao or its designated party to exercise all its rights as school sponsor of the relevant PRC Operating School to the extent permitted by the PRC laws.

Pursuant to the School Sponsors' and Directors' (Council Members') Rights Entrustment Agreement B, each of the appointees has irrevocably authorised and entrusted Chengdu Bomao to exercise all his/her rights as directors and/or council members of our relevant PRC Operating School as appointed by Sichuan Gaojiao and Sichuan Zhengzhuo and to the extent permitted by the PRC laws.

In addition, Sichuan Gaojiao, each of the relevant School Sponsors and their respective appointees has irrevocably agreed that (i) Chengdu Bomao may, without prior notice to or approval by the School Sponsors and their respective appointees, delegate its rights under the School Sponsors' and Directors' (Council Members') Rights Entrustment Agreement B to the directors of Chengdu Bomao or its designated party; and (ii) any person as successor of civil rights of Chengdu Bomao or liquidator as a result of subdivision, merger, liquidation of Chengdu Bomao or other circumstances shall have authority to replace Chengdu Bomao to exercise all rights under the School Sponsors' and Directors' (Council Members') Rights Entrustment Agreement B.

(4) School Sponsors' Powers of Attorney B

Pursuant to the School Sponsors' Powers of Attorney B, each of the School Sponsors authorised and appointed Chengdu Bomao, as its agent to act on its behalf to exercise or delegate the exercise of all its rights as school sponsor of our relevant PRC Operating School. For further information of the rights granted, please refer to the section headed "The New Structured Contracts — (3) New School Sponsors' and Directors' (Council Members') Rights Entrustment Agreement, the New School Sponsors' Powers of Attorney and the New Directors' (Council Members') Power of Attorney" in the circular of the Company dated 28 June 2023.

Chengdu Bomao shall have the right to further delegate the rights so delegated to directors of Chengdu Bomao or other designated party. Chengdu Bomao confirms that it will not delegate any of these rights to anyone whose interest would potentially conflict with those of the Company. Sichuan Gaojiao and the School Sponsors irrevocably agreed that the authorisation and appointment in the School Sponsor's Powers of Attorney B shall not be invalid, revoked, prejudiced or otherwise adversely affected by reason of the subdivision, merger, winding up, consolidation, liquidation or other similar events of Sichuan Gaojiao and the relevant School Sponsors. The School Sponsors' Power of Attorney B shall constitute a part and incorporate terms of the School Sponsors' and Directors' (Council Members') Rights Entrustment Agreement B.

REPORT OF DIRECTORS

(5) Directors' (Council Members') Powers of Attorney B

Pursuant to the Directors' (Council Members') Powers of Attorney B, each of the appointees authorised and appointed Chengdu Bomao, as his/her agent to act on his/her behalf to exercise or delegate the exercise of all his/her rights as directors or council members of our relevant PRC Operating School. For further information of the rights granted, please refer to the section headed "Letter from the Board — 5. New Structured Contracts — IV. School Sponsors' and Directors' (Council Members') Rights Entrustment Agreement, the School Sponsors' Powers of Attorney and the Directors' (Council Members') Power of Attorney" in the circular of the Company dated 28 June 2023.

Chengdu Bomao shall have the right to further delegate the rights so delegated to directors of Chengdu Bomao or other designated party. Chengdu Bomao confirmed that it will not delegate any of these rights to anyone whose interest would potentially conflict with those of the Company. Each of the Appointees irrevocably agreed that the authorisation and appointment in the Directors' (Council Members') Powers of Attorney B shall not be invalid, revoked prejudiced or otherwise adversely affected by reason of his/her loss of or restriction on capacity, death or other similar events. The Directors' (Council Members') Power of Attorney B shall constitute a part and incorporate terms of the School Sponsors' and Directors' (Council Members') Rights Entrustment Agreement B.

The Directors' (Council Members') Power of Attorney B shall constitute a part and incorporate terms of the School Sponsors' and Directors' (Council Members') Rights Entrustment Agreement B.

(6) Equity Pledge Agreement B

Pursuant to the Equity Pledge Agreement B, Sichuan Yuanmao unconditionally and irrevocably agreed to pledge and grant first priority security interests over all of their respective equity interest in Sichuan Yunmao, and Sichuan Yunmao unconditionally and irrevocably agreed to pledge and grant first priority security interests over all of its respective equity interests in Sichuan Gaojiao and Sichuan Zhengzhuo together with all related rights thereto to Chengdu Bomao as security for performance of the Structured Contracts B and all direct, indirect, consequential damages and foreseeable loss of interest incurred by Chengdu Bomao as a result of any event of default on the part of Sichuan Yuanmao or each of the relevant Consolidated Affiliated Entities and all expenses incurred by Chengdu Bomao as a result of enforcement of the obligations of Sichuan Yuanmao and/or each of the relevant Consolidated Affiliated Entities under the Structured Contracts B (the "Secured Indebtedness").

According to the Equity Pledge Agreement B, Sichuan Yuanmao and Sichuan Yunmao shall not transfer the pledged equity interests or create further pledge or encumbrance over the pledged equity interest without the prior written consent of Chengdu Bomao. Any unauthorised transfer shall be invalid, and the proceeds of any transfer of the equity interest shall be first used in the payment of the Secured Indebtedness or deposited to such third party as agreed to by Chengdu Bomao. Sichuan Yuanmao and Sichuan Yunmao also waived any pre-emptive rights upon enforcement and agreed to any transfer of the pledged equity pursuant to the Equity Pledge Agreement B.

REPORT OF DIRECTORS

(7) Loan Agreement B

Pursuant to the Loan Agreement B, Chengdu Bomao agreed to provide interest-free loans to the relevant Consolidated Affiliated Entities for their operations. Sichuan Yunmao, Sichuan Gaojiao and the relevant School Sponsors also agreed to utilise the proceeds of such loans to contribute as capital of the relevant PRC Operating Schools in their capacity as school sponsors of the relevant PRC Operating Schools in accordance with our instructions as permitted by the PRC laws and regulations. The parties agreed that all such capital contribution can be directly settled by Chengdu Bomao on behalf of Sichuan Yunmao, Sichuan Gaojiao and our School Sponsors.

The term of the loan agreement shall continue until all school sponsor's interest of the relevant PRC Operating Schools are transferred to Chengdu Bomao or their designee and the required registration process has been completed with the relevant local authorities thereafter.

Each loan to be granted under the Loan Agreement B will be for an infinite term until termination at the sole discretion of Chengdu Bomao. The loan will become due and payable upon demand of Chengdu Bomao under any of the following circumstances:

- (i) the winding-up or liquidation of any of the relevant Consolidated Affiliated Entities;
- (ii) any of the relevant Consolidated Affiliated Entities becoming insolvent or incurring any other significant personal debt which may affect its ability to repay the loan under the Loan Agreement B, or
- (iii) Chengdu Bomao exercising in full its option to purchase all school sponsor's interests to the extent permitted by PRC laws and regulations.

(8) Shareholder's Rights Entrustment Agreement and Shareholder's Powers of Attorney B

Pursuant to the Shareholder's Rights Entrustment Agreement B and the Shareholder's Powers of Attorney B, Sichuan Yuanmao authorised and entrusted Chengdu Bomao as its sole agent and authorised person to exercise shareholder's rights to which Sichuan Yuanmao is entitled to in its capacity as the shareholder of Sichuan Yunmao pursuant to the articles of association of Sichuan Yunmao and the PRC Company Law. Sichuan Yuanmao and Sichuan Yunmao also agreed that Chengdu Bomao is authorised, as the sole agent and authorised person of Sichuan Yunmao, to exercise all of its shareholder's rights (which shall include the shareholders' rights as mentioned above) in its subsidiaries.

Chengdu Bomao shall have the right to further delegate the rights so delegated to its designated party. Chengdu Bomao confirms that they will not delegate any of these rights to anyone whose interest would potentially conflict with those of the Company. Sichuan Yuanmao irrevocably agreed that the authorisation and appointment in the Directors' (Council Members') Powers of Attorney B shall not be invalid, revoked, prejudiced or otherwise adversely affected by reason of the subdivision, merger, winding up, consolidation, liquidation or other similar events of Sichuan Yunmao.

REPORT OF DIRECTORS

C. BUSINESS ACTIVITIES OF THE CONSOLIDATED AFFILIATED ENTITIES

The business activities of the Consolidated Affiliated Entities are primarily to offer private education services to students of kindergartens, high school and vocational schools.

D. SIGNIFICANCE AND FINANCIAL CONTRIBUTIONS OF CONSOLIDATED AFFILIATED ENTITIES

Pursuant to the Structured Contracts, the Group obtains control over and derives the economic benefits from the Consolidated Affiliated Entities. The table below sets out the financial contribution of the Consolidated Affiliated Entities to the Group:

	Revenue		Net profit/(loss)		Total assets	
	For the year ended		For the year ended		As of	
	31 August		31 August		31 August	
	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Consolidated Affiliated Entities under the Structured Contracts A	48,996	65,751	(36,217)	8,096	857,783	1,042,627
Consolidated Affiliated Entities under the Structured Contracts B ⁽¹⁾	328,787	363,273	(152,253)	(14,142)	2,958,879	3,008,674

Note:

1. The Structured Contracts B became effective on 31 August 2023.

E. REGULATORY FRAMEWORK

Due to the prohibitions on foreign ownership, foreign investors (including individuals, companies, partnerships, educational institutions and any other entities) are prohibited from owning primary and middle schools in the PRC, whether through direct investments or through wholly-owned subsidiaries in the PRC. Therefore, we do not hold any direct equity interest in any of our schools and control each of them through the Structured Contracts.

REPORT OF DIRECTORS

1. Preschool and High School Education

The operation of preschool and high school in the PRC falls within the “restricted” catalogue for foreign investment and is explicitly restricted to Sino-foreign cooperation. Foreign investors may only operate preschool and high school through joint ventures with PRC-incorporated entities that are in compliance with the Sino-Foreign Regulation. Moreover, the Foreign Investment Catalogue also provides that the domestic party shall play a dominant role in the Sino-foreign cooperation, and it requires that (a) the principal or other chief executive officers shall be a PRC national (with which we had fully complied); and (b) the Chinese member of the representative of the domestic party shall account for no less than half of the total members of the board of directors, the executive council or the joint administration committee (the “Foreign Control Restriction”).

According to the Implementing Rules for the Regulations on Operating Sino-foreign Schools of the PRC (《中華人民共和國中外合作辦學條例實施辦法》), if we were to apply for any of our kindergartens and high school to be reorganised as a Sino-foreign joint venture private school (a “Sino-Foreign Joint Venture Private School”), the foreign investor in the Sino-Foreign Joint Venture Private School must be a foreign educational institution with relevant qualification and high quality of education (i.e., the Qualification Requirement). Furthermore, according to the Implementation Opinions on Private Fund’s Entry into the Education Sector (《民間資金進入教育領域的實施意見》), the foreign portion should be below 50% of the total investment in a Sino-Foreign Joint Venture Private School (the “Foreign Ownership Restriction”) and the establishment of such school is subject to approval of education authorities at the provincial or national level.

2. Vocational School Education

The operation of vocation schools in the PRC falls within the “restricted” catalogue for foreign investment and is explicitly restricted to Sino-foreign cooperation. Foreign investors may only operate vocation schools through joint ventures with PRC-incorporated entities. The foreign investor must be a foreign educational institution with relevant qualification that provides high quality education. After having consulted the relevant government department, the Group noted that if a foreign invested corporation intends to directly hold equity in a sino-foreign joint venture private school engaged in vocational education, it will need to (a) obtain approval of relevant education departments in accordance to the Sino-Foreign Regulation and Administrative Measures for Sino-Foreign Cooperative Operation of Vocational Skill Training Institutions* (《中外合作職業技能培訓辦學管理辦法》); and (b) comply with the relevant regulations and restrictions a sino-foreign school is subject to. Since there is no specific approval procedures established for the conversion domestically funded vocational school to sino-foreign vocational school when a foreign corporation directly acquires the equity interest of an existing domestic vocation school sponsor, the authority will not process such conversion for now.

REPORT OF DIRECTORS

F. RISKS ASSOCIATED WITH THE ARRANGEMENTS AND THE ACTIONS TAKEN TO MITIGATE THE RISKS

The Group may be subject to severe penalties if the PRC government finds that the Structured Contracts do not comply with applicable PRC laws and regulations. The Structured Contracts may not be as effective in providing control over the Consolidated Affiliated Entities as direct ownership. Moreover, Chengdu Junxian and Sichuan Yuanmao may have conflicts of interest with us, which may materially and adversely affect our business and financial condition. The exercise of the option to acquire equity interest of Chengdu Mingxian and Sichuan Yunmao may be subject to certain limitations and we may incur substantial costs and expend significant resources to enforce the Structured Contracts if any of our Consolidated Affiliated Entities fails to perform its obligations thereunder. The Structured Contracts may be subject to scrutiny of PRC tax authorities and additional tax may be imposed, which may materially and adversely affect our results of operation and value of your investment. Certain terms of the Structured Contracts may not be enforceable under the laws of the PRC. The Group relies on funds from our subsidiary in the PRC to pay dividends and other cash distributions to the Shareholders. If any of the Consolidated Affiliated Entities becomes subject to winding up or liquidation proceedings, we may lose the ability to enjoy certain important assets, which could negatively impact our business and materially and adversely affect our ability to generate revenue. The Consolidated Affiliated Entities may be subject to limitations on their ability to operate private education business or make payments to related parties. For further information, please refer to the announcements of the Company dated 19 June 2020 and 11 April 2023 and the circular of the Company dated 28 June 2023.

The Group has adopted the following measures to ensure the effective operation of the Group with the implementation of the Structured Contracts and its compliance with the Structured Contracts:

- (a) major issues arising from the implementation and compliance with the Structured Contracts or any regulatory enquiries from government authorities will be submitted to our Board, for review and discussion where necessary;
- (b) the Board will review the overall performance of and compliance with the Structured Contracts at least once a year;
- (c) the Company will disclose the overall performance and compliance with the Structured Contracts in its annual reports and interim reports to update the Shareholders and potential investors;
- (d) the Directors undertake to provide periodic updates in the annual and interim reports regarding the qualification requirement and our status of compliance with the Foreign Investment Law and other relevant rules and regulations and the implementation progress of the Foreign Investment Law as disclosed under the section headed “Structured Contracts — Development in the PRC legislation on foreign investment” in the Prospectus including the latest relevant regulatory development as well as our plan and progress in acquiring the relevant experience to meet the qualification requirement;
- (e) the Company will engage external legal advisors or other professional advisors, if necessary, to assist the Board to review the implementation of the Structured Contracts, review the legal compliance of Chengdu Bojun and Chengdu Bomao and the Consolidated Affiliated Entities to deal with specific issues or matters arising from the Structured Contracts. Moreover, notwithstanding that our executive Director, Mr. Wang Jinglei, is also a shareholder of Chengdu Junxian and Sichuan Yuanmao, we believe that our Directors are able to perform their roles in the Group independently and the Group is capable of managing its business independently after the Listing under the following measures:

REPORT OF DIRECTORS

- (i) the Articles contain provisions to avoid conflict of interest by providing, amongst other things, that in the event of conflict of interest in such contract or arrangement which is material, a Director shall declare the nature of his or her interest at the earliest meeting of the Board at which it is practicable for him or her to do so, and if he or she is to be considered as having material interest in any contracts or arrangements, such Director shall abstain from voting and not be counted in the quorum;
- (ii) each of the Directors is aware of his or her fiduciary duties as a Director which requires, amongst other things, that he or she acts for the benefits and in the best interests of the Group;
- (iii) with a view to promoting the interests of the Company and the Shareholders as a whole, we have appointed four independent non-executive Directors, comprising more than one-third of the Board so as to provide a balance of the number of interested and independent Directors; and
- (iv) the Company will disclose in its announcements, circulars, annual and interim reports in accordance with the requirements under the Listing Rules regarding decisions on matters reviewed by the Board (including independent non-executive Directors) relating to any business or interest of each Director and his associates that competes or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

For the year ended 31 August 2025, the Board has reviewed the overall performance of the Structured Contracts and believed that the Group has complied with the Structured Contracts in all material respects.

G. MATERIAL CHANGES

On 14 May 2021, the State Council promulgated the Implementation Regulations, effective from 1 September 2021, which mainly includes: (1) no social organisation or individual shall control private schools that implement compulsory education or non-profit private schools that implement preschool education through merger and acquisition or control by agreement; and (2) private schools that implement compulsory education shall not enter into transactions with stakeholders. Other private schools shall follow the principles of openness, fairness, equity, reasonable pricing, and standardised decision making, and shall not harm the interests of the state, the interest of our schools and the rights of our teachers and students when conducting transactions with stakeholders. Private schools shall establish an information disclosure system for transactions with stakeholders. Education, human resources and social security, and financial departments shall strengthen the supervision of agreements between non-profit private schools and stakeholders, and conduct annual reviews of related transactions.

As advised by our PRC legal advisor, PRC laws and regulations do not have retrospective effect and the Company may continue to control the school sponsors and assets held by which (including and, properties and equipment) through the Structured Contracts A upon the Implementation Regulations becoming effective on 1 September 2021. However, the Company and schools sponsors controlled by the Company may no longer control private schools offering compulsory education and not-for-profit schools through mergers and acquisitions and contractual agreements, and the Company (including connected persons of the Company) may no longer conduct connected transactions with such schools controlled by the Company through contractual arrangement. For the year ended 31 August 2022, the Group successfully established Tianfu High School which became a Consolidated Affiliated Entity. Given that the provision of high school education is not affected by the Implementation Regulations, the Group has control over Tianfu High School through the Contractual Arrangements. During the year ended 31 August 2025, the Group has the control of a kindergarten through contractual arrangements. During the year ended 31 August 2023, the Group also entered into Structured Contracts B with Sichuan Gaojiao, Sichuan Zhengzhuo and their respective subsidiaries upon the Acquisition and obtain control of the same through contractual arrangements.

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H. UNWINDING OF THE STRUCTURED CONTRACTS

On 27 August 2021, Chengdu Mingxian entered into a termination agreement with Hongde Guanghua, Pengzhou Bojun School and two guarantors that are Independent Third Party as at the date of the agreement (being Mr. Chen Lung* (陳龍) and Chengdu Qizheng Corporate Management Company Limited* (成都啟正企業管理有限公司)), pursuant to which, among others, Chengdu Mingxian has agreed to terminate the cooperation agreement concerned. On 31 August 2022, Chengdu Tianfu Bojun, Chengdu Mingxian, Chengdu Junxian entered into an agreement with Pengzhou Bojun School, pursuant to which, Pengzhou Bojun School withdrew from Structured Contracts. As of the date of this annual report, there has been no failure to unwind any Structured Contracts when the restrictions that led to the adoption of the Structured Contracts are removed. If there are changes in applicable PRC laws and regulations and all of the Qualification Requirement, the Foreign Ownership Restriction and the Foreign Control Restriction are removed, Chengdu Bojun will exercise the Equity Call Option (as defined in the paragraph headed “Structured Contracts — Operation of the Structured Contracts — Summary of the material terms of the Structured Contracts — (2) Exclusive Call Option Agreement” in this section) in full to unwind the contractual arrangements so that we are able to operate our schools directly without using the Structured Contracts. For further details, please see the section headed “Structured Contracts — Termination of the Structured Contracts” in this report.

Contractual arrangements in place

Listing rules implications

As detailed in the section headed “Connected Transactions” of the Prospectus and the announcements of the Company dated 19 June 2020 and 11 April 2023, and the circular of the Company dated 28 June 2023, our Consolidated Affiliated Entities and their shareholders are connected persons of the Company, and Mr. Wang Jinglei is an executive Director and a substantial Shareholder and therefore a connected person of the Company under Rule 14A.07(1) of the Listing Rules. Mr. Wang Jinglei held more than 30% of shareholding interests in Chengdu Junxian and, thus, Chengdu Junxian is an associate (as defined under the Listing Rules) and a connected person of the Company. The equity interest in Sichuan Yuanmao is held as to 99% by Mr. Wang and as to 1% by his wife (namely Ms. Duan Ling) and, thus, Sichuan Yuanmao is an associate (as defined under the Listing Rules) and a connected person of the Company. Sichuan Yunmao is a wholly owned subsidiary of Sichuan Yuanmao and, thus, Sichuan Yunmao is an associate (as defined under the Listing Rules) of Mr. Wang and a connected person of the Company. Upon completion of the Acquisition, Sichuan Gaojiao and Sichuan Zhengzhuo are owned as to 51% by Sichuan Yunmao, therefore are associates of Mr. Wang and connected persons of the Company under Rule 14A.12(1)(c) of the Listing Rules and connected subsidiaries of the Company under Rule 14A.16(1) of the Listing Rules. Winshare Vocational College and Zhengzhuo Vocational School, being wholly-owned by Sichuan Zhengzhuo, for the same reason, are connected persons of the Company under Rule 14A.12(1)(c) of the Listing Rules and connected subsidiaries of the Company under Rule 14A.16(1) of the Listing Rules as well. The transactions contemplated under each of the Structured Contracts constitute continuing connected transactions of the Company under the Listing Rules upon Listing.

The Directors (including the independent non-executive Directors) are of the view that the Structured Contracts and the transactions contemplated thereunder are fundamental to the Group’s legal structure and business operations, that such transactions are entered into in the ordinary course of business of the Group, are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, notwithstanding that the transactions contemplated under the Structured Contracts and any new transactions, contracts and agreements or renewal of existing agreements to be entered into between any of the Consolidated Affiliated Entities and any member of the Group technically constitute continuing connected transactions under Chapter 14A of the Listing Rules, the Directors consider that, given that the Group is placed in a special situation in relation to the connected transactions rules under the Structured Contracts, it would be unduly burdensome and impracticable, and would add unnecessary administrative costs to the Company if such transactions are subject to strict compliance with the requirements set out under Chapter 14A of the Listing Rules, including the announcement and independent shareholders’ approval requirements.

Waiver from the Stock Exchange and Annual Review

The Stock Exchange has granted a waiver from strict compliance with (i) the announcement, circular and Shareholders’ approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the original set of structured contracts in place at the time of Listing pursuant to Rule 14A.105 of the Listing Rules and (ii) the requirement of setting an annual cap for the transactions under such structured contracts under Rule 14A.53 of the Listing Rules, for so long as our Shares are listed on the Stock Exchange subject however to various conditions as disclosed in the section headed “Connected Transaction” in the Prospectus. The Stock Exchange confirmed that such waiver applies to the Structured Contracts. For details, please refer to the announcements of the Company dated 19 June 2020 and 11 April 2023, and the circular of the Company dated 28 June 2023.

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The waiver is subject to certain conditions including, among others, on the basis that the Structured Contracts provide an acceptable framework for the relationship between the Company and its subsidiaries in which our Company has direct shareholding, on the one hand, and the Consolidated Affiliated Entities, on the other hand, that the framework may be renewed and/or reproduced upon the expiry of the existing arrangements or in relation to any existing or new wholly foreign-owned enterprise or operating company (including branch company) engaging in the same business as that of our Group which our Group might wish to establish when justified by business expediency, without obtaining the approval of the Shareholders, and on substantially the same terms and conditions as the Structured Contracts.

Provision of Education Service to Various Kindergartens

On 30 June 2022, Chengdu Bojun, Chengdu Youshi and Sichuan Boai, being the Service Providers, and Peninsula Kindergarten, Longquan Kindergarten, Qingyang Kindergarten, Riverside Kindergarten and Youshi Kindergarten, being the Connected Kindergartens, entered into a renewal agreement of a term of three years from 1 September 2022 to 31 August 2025 at an aggregate annual cap of RMB23.5 million, RMB23.5 million and RMB24.4 million, respectively, pursuant to which the Connected Kindergartens engaged Service Providers to provide education management services, brand management services and campus maintenance services. During the Reporting Period, the Group provided the said services to the Connected Kindergartens, with Riverside Kindergarten being converted to a for-profit kindergarten and results of which are consolidated to that of the Group since November 2022. For details, please refer to the announcements of the Company dated 30 June 2022 and 21 September 2022, and the circular of the Company dated 1 September 2022. Upon expiry of the said agreement on 31 August 2025, the Group has not entered into a renewal agreement to which and has not provided services concerned to kindergartens.

Listing Rules Implications

Mr. Wang Jinglei is an executive Director and a controlling Shareholder, thus a connected person of the Company under Rule 14A.07(1) of the Listing Rules. The Connected Kindergartens are ultimately owned as to (i) 93.26% by Mr. Wang Jinglei, an executive Director and a controlling Shareholder, thus a connected person, (ii) 4.90% by Mr. Xie Gang, (iii) 0.92% by Mr. Zeng Guang and (iv) 0.92% by Ms. Li Jingmei. All of the aforementioned kindergartens are therefore associate of Mr. Wang Jinglei and connected persons of the Company. As the highest of the applicable percentage ratios of the annual caps proposed are more than 5%, transactions contemplated under the said renewal agreement are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The renewed agreement was approved by the Shareholders on an extraordinary general meeting held on 21 September 2022.

CONFIRMATION FROM INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors have reviewed the contractual arrangements and confirmed that (i) the transactions carried out during the year ended 31 August 2025 have been entered into in accordance with the relevant provisions of the contractual arrangements and have been operated so that the profit generated by the Consolidated Affiliated Entities has been substantially retained by the Group, (ii) no dividends or other distributions have been made by the Consolidated Affiliated Entities to Chengdu Junxian and Sichuan Yuanmao which are not otherwise subsequently assigned or transferred to the Group, (iii) the Structured Contracts and if any, any new transactions, contracts and agreements entered into, renewed or reproduced between the Group and the Consolidated Affiliated Entities during the relevant financial period are fair and reasonable, or are in the interests of the Group and the Shareholders as a whole; (iv) entered into in the ordinary and usual course of business of the Group; and (v) conducted on normal commercial terms or better. The independent non-executive Directors have reviewed the continuing connected transactions and confirmed that such transactions have been entered into: (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

REPORT OF DIRECTORS

CONFIRMATIONS FROM THE COMPANY'S INDEPENDENT AUDITOR IN RELATION TO MATTERS IN RULE 14A.56 OF THE LISTING RULES

The auditor of the Company has confirmed in a letter to the Board that, with respect to (i) the contractual arrangements under the Structured Contracts and (ii) other continuing connected transactions entered into in the year ended 31 August 2025, nothing has come to their attention that causes the Auditor of the Company to believe that,

- a. the continuing connected transactions disclosed have not been approved by the Board;
- b. were not, in all material respects, in accordance with the pricing policies of the Group;
- c. were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions;
- d. have exceeded the annual cap as set by the Company; and
- e. with respect to the transactions with PRC Operating Entities under the Structured Contracts, dividends or other distributions have been made by PRC Operating Entities to the respective School Sponsors which are not otherwise subsequently assigned or transferred to the Group.

RELATED PARTY TRANSACTIONS

Other than the above-mentioned transactions, details of transactions entered into with related parties by the Group which do not constitute connected or continuing connected transactions during the year ended 31 August 2025 are set out in Note 32 to the consolidated financial statements.

SIGNIFICANT LEGAL PROCEEDINGS

For the year ended 31 August 2025, the Group had not been involved in any significant legal proceedings or arbitration. To the best of the knowledge and belief of the Directors, there are no significant legal proceedings or claims pending or threatened against the Group.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year ended 31 August 2025 and up to the date of this annual report, the Group has complied with the relevant laws and regulations that have a significant impact on the Company. In particular, the Group is committed to minimising the impact on the environment from our business activities and the details of such effort will be set out in the "Environmental, Social and Governance Report" of the Group to be published.

PERMITTED INDEMNITY PROVISION

Pursuant to article 164(1) of the Articles of Association, the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of the Directors shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts; and none of them shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto; provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.

REPORT OF DIRECTORS

IMPORTANT EVENTS SINCE THE YEAR END

Save for the change as detailed in the section headed “Management Discussion and Analysis — Events after the Reporting Period”, the Group had no important events occurred since the year ended 31 August 2025.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the best knowledge of the Directors, the Directors confirmed that the Company has maintained the public float as required by the Listing Rules for the year ended 31 August 2025.

AUDITOR

Deloitte Touche Tohmatsu (“Deloitte”) resigned as the auditor with effect from 2 July 2020. The Board resolved to appoint PKF Hong Kong Limited (“PKF”) as the new auditor with effect from 3 July 2020 to fill the casual vacancy following the resignation of Deloitte. For details, please refer to the announcement of the Company dated 3 July 2020.

PKF resigned as the auditor of the Company with effect from 22 July 2022 and ZHONGHUI ANDA CPA Limited has been appointed auditor of the Company with effect from 29 July 2022 to fill the casual vacancy following the resignation of PKF. For details, please refer to the announcement of the Company dated 29 July 2022. A resolution to re-appoint ZHONGHUI ANDA CPA Limited as the auditor of the Company will be proposed for approval by the Shareholders at the forthcoming AGM.

TAX RELIEF

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the Shares.

RECOMMENDATION TO CONSULT PROFESSIONAL TAX ADVICE

If the Shareholders are not sure about the tax effect on the purchase, holding, sale, trading or exercise of any rights attached to the relevant shares of the Company, they are recommended to consult independent experts for advice.

On behalf of the Board

Wang Jinglei

Chairman

Chengdu, the PRC, 17 December 2025

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Director

Mr. Wang Jinglei (王惊雷), aged 53, has been appointed as an executive Director of the Company, the chairman of the Board and the chairman of the Nomination Committee on 25 March 2020. He has been appointed as the chief executive officer of the Company with effect from 26 November 2020. Mr. Wang Jinglei is mainly responsible for the Group's overall business development and strategic planning.

Mr. Wang Jinglei has approximately 30 years of experience in the finance industry. He obtained a bachelor degree in accounting from the Open University of China* (國家開放大學) (formerly known as China Central Radio and TV University* (中央廣播電視大學)) in July 2008. He worked at the Dazhou branch of Bank of China Limited from December 1990 to April 2013, with his final position as company business department manager. From May 2013 to December 2019, Mr. Wang worked as a general manager at Sichuan Xinxing Financial Guarantee Company Limited* (四川鑫星融資擔保有限公司), a company principally engaged in guarantee-related business.

Since he joined the Group in March 2020, Mr. Wang Jinglei has been the legal representative, council member or director of certain members of the Group.

Mr. Wang is the sole shareholder and sole director of Act Best and Act Glory is wholly-owned by Act Best. Thus, Mr. Wang Jinglei and Act Best are deemed to be interested in the 233,920,000 Shares held by Act Glory under the SFO, representing approximately 25.90% of the total issued Shares, as at the Latest Practicable Date.

Mr. Lin Juncheng (林俊成), aged 52, has been appointed as an executive Director and the Chief Executive Officer of the Company with effect from 4 July 2024.

He has years of experience in business management. He has been serving as the vice president of Guangdong Yingshuo Technology Company Limited* (廣東鷹碩科技有限公司), a company established under the laws of the People's Republic of China that is principally engaged in the business of operation of online reading platform since August 2018. He served as the honorary chairman of the Company between April 2024 and June 2024. Mr. Lin currently serves as a deputy director of the External Liaison Committee of the 12th Central Committee of the China Democratic National Construction Association* (中國民主建國會第十二屆中央委員會對外聯絡委員會副主任), a deputy director of the External Liaison Committee of the 10th Guangdong Committee of the China Democratic National Construction Association* (中國民主建國會廣東省第十屆委員會對外聯絡委員會副主任), a standing member of the 7th Shenzhen Committee of the China Democratic National Construction Association* (中國民主建國會深圳市第七屆委員會常務委員) and an vice chairman of the Enterprise Committee of the 7th Shenzhen Committee of the China Democratic National Construction Association* (中國民主建國會深圳市第七屆委員會企業委員會副會長). Mr. Lin was recognised by Guangdong Committee of China Democratic National Construction Association* (中國民主建國會廣東省委員會) as (i) excellent individual in political participation and consultation* (民建廣東省委會2018年度參政議政工作優秀個人) in June 2019; (ii) excellent individual participating in community service* (民建廣東省委會2018年度社會服務工作優秀個人) in July 2019; and (iii) advanced individual in political participation and consultation* (民建廣東省委會2020年度參政議政工作先進個人) in August 2021. He was recognized by the Central Committee of the China Democratic National Construction Association* (民建中央) as (i) advanced individual in fighting COVID* (抗擊新冠肺炎疫情先進個人) in December 2020; (ii) an advanced individual participating in poverty alleviation* (民建參與脫貧攻堅先進個人) in November 2021; and (iii) advanced individual in political participation and consultation* (民建中央2021年度參政議政工作先進個人) in December 2021. He was recognised by the General Office of the Central Committee of Democratic National Construction Association* (民建中央辦公廳) as an advanced individual in the designated assistance work of the Central Committee of Democratic National Construction Association* (民建中央定點幫扶工作先進個人) in December 2022. He was also recognised by Shenzhen Committee of China Democratic National Construction Association* (民建深圳市委員會) as (i) advanced individual participating in community service* (民建深圳市省委會2020年度社會服務工作先進個人) in January

DIRECTORS AND SENIOR MANAGEMENT

2021; (ii) advanced individual participating in political participation and consultation* (民建深圳市省委會2021年度參政議政工作先進個人) in January 2022; (iii) advanced individual participating in community service* (民建深圳市省委會2022年度社會服務工作先進個人) in January 2023; and (iv) advanced individual participating in community service* (民建深圳市省委會2023年度社會服務工作先進個人) in December 2023.

Ms. Tang Hui (唐輝), aged 34, has been appointed as an executive Director with effect from 5 September 2024, and as a member of the Nomination Committee with effect from 24 June 2025. She has approximately eight years of experience in the investment, management and education industry. She obtained a master of science in international management from King's College London in December 2015 and a doctorate of business administration from the Faculty of Audencia Business School in May 2024. Between 2015 and 2021, she worked at a number of investment and management companies. She joined the Group in April 2022 and currently serves as the executive officer of a subsidiary of the Group.

As at Latest Practicable Date, Ms. Tang is the sole and ultimate beneficial owner of Graymind, a substantial shareholder of the Company, and is therefore deemed to be interested in 144,212,000 Shares of the Company held by Graymind by virtue of the SFO.

Non-executive Director

Mr. Wu Jiwei (吳繼偉), aged 54, was appointed as a non-executive Director on 1 September 2019. Mr. Wu is primarily responsible for giving independent advice to the Board.

Mr. Wu Jiwei has approximately 20 years of experience in the financial industry. He obtained a bachelor degree in finance in June 1994 and a master degree in investments and economics in June 1999 from the Central University of Finance and Economics (formerly known as Central Finance and Economics College* (中央財政金融學院)) in the PRC. He also obtained the securities practicing qualification certificate* (證券從業資格證書) from the Securities Association of China* (中國證券業協會) in December 2001. He worked in Bank of China Group Investment Limited from February 2010 to July 2014. He served as an executive director and chief executive officer of Huajun International Group Limited (stock code: 377), the shares of which are listed on the Main Board of the Stock Exchange, from September 2014 to March 2018. Mr. Wu served as an independent non-executive director of Enviro Energy International Holdings Limited (stock code: 1102), the shares of which are listed on the Main Board of the Stock Exchange, from June 2020 to August 2020.

Mr. Wu Jiwei is the beneficial owner of 46,000 Shares, representing approximately 0.01% of the total issued Shares, as at the Latest Practicable Date.

DIRECTORS AND SENIOR MANAGEMENT

Independent non-executive directors

Mr. Yang Yuchuan (楊玉川), aged 61, has been appointed as an independent non-executive Director and members of the Audit Committee, the Remuneration Committee and the Nomination Committee with effect from 5 September 2024. He has over 20 years of experience in the finance industry. He has been a visiting professor of Hong Kong Financial Services Institute since September 2023, and the executive officer and chief macro economist of Prime China Securities Limited, responsible for the day-to-day management and operation of the company, since September 2016. He is also the executive officer and responsible person of Prime China Investments and Advisory Limited, responsible for the day-to-day management and operation of the company, since July 2019. He has been (i) the independent non-executive director of China Resources Gas Group Limited, the shares of which are listed on the Stock Exchange (stock code: 1193), since August 2018, and (ii) the independent non-executive director of China Resources Power Holdings Company Limited, the shares of which are listed on the Stock Exchange (stock code: 836), since September 2021.

He was (i) an executive director of Century Sunshine Group Holdings Limited, the shares of which are listed on the Stock Exchange (stock code: 0509), between July 2013 and August 2016; (ii) a non-executive director of Fintech Chain Limited (formerly known as TTG Fintech Limited), the shares of which are listed on the Australian Securities Exchange (stock code: FTC), between December 2011 and April 2015; (iii) an independent non-executive director of Huiyin Holdings Group Limited, the shares of which were previously listed on the Stock Exchange but were delisted in August 2022, between December 2018 and June 2020; and (iv) an executive director of Partners Capital Securities Limited and the chief executive of Sunshine Asset Management (HK) Limited, both financial institutions in Hong Kong.

He obtained a bachelor's degree in power mechanical engineering from Shanghai Jiao Tong University in July 1985 and a master of business administration from University of San Francisco in August 1993.

Mr. Tao Qizhi (陶啟智), aged 46, has been appointed as an independent non-executive Director, members of the Audit Committee and the Nomination Committee and the chairman of the Remuneration Committee with effect from 5 September 2024. He has approximately 15 years of experience in the education industry. He obtained a bachelor's degree in international economics and trading from the China Foreign Affairs University in July 2002, a master of science in money, banking and finance from the University of Birmingham Business School in December 2003 and a degree of doctor in finance from the University of Edinburgh Business School in July 2009. He has been a professor of finance of Southwest University of Finance and Economics since April 2009.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Cheng Tai Kwan Sunny (鄭大鈞), aged 52, has been appointed as an independent non-executive Director and chairman of the Audit Committee on 11 July 2018. Mr. Cheng is primarily responsible for giving independent advice to the Board. He was appointed as a member of the Nomination Committee with effect from 24 June 2025.

Mr. Cheng Tai Kwan Sunny has over 19 years of experience in management, financial reporting and management accounting. He was an independent non-executive director of Champion Alliance International Holdings Limited (formerly known as Mengke Holdings Limited) (stock code: 1629), the shares of which are listed on the Main Board of the Stock Exchange, from November 2016 to December 2018. He was an independent non-executive director of Hua Lien International (Holding) Company Limited (stock code: 969), the shares of which are listed on the Main Board of the Stock Exchange, from December 2017 to September 2024. Since January 2014, Mr. Cheng has also been a director of Jolly Kingdom Franchise International Limited.

Mr. Cheng obtained a degree of Bachelor of Business Administration in Accounting from The Hong Kong University of Science and Technology in November 1996 and a degree of Master of Science from The Chinese University of Hong Kong in December 2006. He completed the Kellogg-HKUST Executive MBA Programme and was awarded a degree of Master of Business Administration from Northwestern University and The Hong Kong University of Science and Technology in December 2009. He obtained a Juris Doctor degree from The Chinese University of Hong Kong in November 2017. Mr. Cheng was admitted as an associate and a fellow of The Association of Chartered Certified Accountants in July 1999 and July 2004, respectively. He was also admitted as a member of the Hong Kong Institute of Certified Public Accountants (previously known as Hong Kong Society of Accountants) in September 2001. Mr. Cheng was a member of the Chinese People's Political Consultative Conference of Enping City, Guangdong Province* (中國人民政治協商會議廣東省恩平市委員會) from November 2011 to November 2016.

Senior management

Mr. Tang Peng (唐鵬), aged 44, has about 16 years of experience in financial and strategic management. Mr. Tang has been appointed as the chief financial officer in the place of Mr. Wang Chunguo with effect from 31 May 2022. For details, please refer to the announcement of the Company dated 31 May 2022. He is the members of the Chinese Institute of Certified Public Accountants, Chartered Professional Accountants of Ontario and Association of Chartered Certified Accountants. Mr. Tang obtained the bachelor degree in Land Resources Management from Hebei GEO University in 2004 and master degree in international management from the University of Exeter in 2005.

Mr. Lam Wai Kei (林偉基), aged 52, was appointed as a joint company secretary and authorised representative of the Company on 3 July 2018 and had become the company secretary and authorised representative of the Company since 30 August 2019. He has over 20 years of experience in accounting, corporate finance, auditing and company secretarial practices. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and holds a Certified Public Accountant (Practising) Certificate issued by the Accounting and Financial Reporting Council. Mr. Lam graduated from The Hong Kong University of Science and Technology with a Bachelor of Business Administration degree in accounting in November 1996 and obtained a Master of Science degree in financial engineering from City University of Hong Kong in November 2004. Mr. Lam also worked for PricewaterhouseCoopers for more than 9 years. Mr. Lam is currently the company secretary and authorised representative of China Sinostar Group Company Limited (stock code: 0485), the shares of which are listed on the Main Board of the Stock Exchange.

CORPORATE GOVERNANCE REPORT

The Board is pleased to present this corporate governance report for the purpose of inclusion in the Company's annual report for the year ended 31 August 2025.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board has committed to achieving high corporate governance standards in order to safeguard the interests of the Shareholders and to enhance corporate value and accountability. During the year ended 31 August 2025, the Company has complied with all the applicable code provisions set out in Part 2 of Appendix C1 to the Listing Rules (the "CG Code").

THE BOARD

Responsibilities

The Board is responsible for the overall leadership of the Group, overseeing the Group's strategic decisions and monitoring business and performance. The Board has delegated the authority and responsibility of day-to-day management and operation of the Group to the senior management of the Group.

All Directors have carried out duties in good faith and in compliance with applicable laws and regulations, and have acted in the interests of the Company and the Shareholders at all times. The Company has arranged appropriate liability insurance in respect of legal action against the Directors. The insurance coverage will be reviewed on an annual basis.

To oversee particular aspects of the Company's affairs, the Board has established three Board committees including the Audit Committee, the Remuneration Committee and the Nomination Committee (collectively, the "Board Committees"). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

The Board is also responsible for presenting a balanced, clear and comprehensive assessment of the performance and prospects of the Company and the Group. The Board is responsible for preparing the accounts of the Company, which shall give a true and fair view of the financial position of the Group, and other inside information announcements and other financial disclosures. The management of the Group provides all relevant information and records to the Board enabling it to conduct the above assessment and to prepare the accounts and other financial disclosures.

BOARD COMPOSITION

As at the date of this annual report, the Board comprises three executive Directors, one non-executive Director and three independent non-executive Directors as follows:

Executive Director

Mr. Wang Jinglei (*chairman of the Board*)

Mr. Lin Juncheng (*chief executive officer*)

Ms. Tang Hui

Non-executive Director

Mr. Wu Jiwei

Independent non-executive Directors

Mr. Cheng Tai Kwan Sunny

Mr. Tao Qizhi

Mr. Yang Yuchuan

The biographies of the Directors are set out in the section headed "Directors and Senior Management" in this annual report.

CORPORATE GOVERNANCE REPORT

Change of Directors and Directors' information

Other than set out herein, there has been no changes to information which is required to be disclosed by the Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules during the year ended 31 August 2025 and up to the date of this annual report.

With effect from 5 September 2024:

- (i) Mr. Mao Daowei resigned as the independent non-executive Director and members of the Audit Committee, the Remuneration Committee and the Nomination Committee;
- (ii) Ms. Luo Yunping resigned as the independent non-executive Director and members of the Audit Committee, the Remuneration Committee and the Nomination Committee;
- (iii) Mr. Yang Yuan resigned as the independent non-executive Director and the chairman of the Remuneration Committee;
- (iv) Ms. Tang Hui was appointed as an executive Director;
- (v) Mr. Yang Yuchuan was appointed as an independent non-executive Director and members of the Audit Committee, the Remuneration Committee and the Nomination Committee; and
- (vi) Mr. Tao Qizhi was appointed as an independent non-executive Director, members of the Audit Committee and the Nomination Committee and the chairman of the Remuneration Committee.

With effective from 24 June 2025, Ms. Tang Hui, an executive Director, and Mr. Cheng Tai Kwan Sunny, an independent non-executive Director, were appointed as members of the Nomination Committee.

Each of the Directors appointed with effect from 5 September 2024 obtained the legal advice referred to in Rule 3.09D of the Listing Rules and has each confirmed he/she understood his obligations as a director of a listed issuer.

Independent non-executive Directors

From 1 September 2024 to 31 August 2025, the Board has met at all times the requirements under Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has also complied with Rule 3.10A of the Listing Rules relating to the appointment of independent non-executive Directors representing at least one-third of the Board. As each of the independent non-executive Directors has confirmed his/her independence pursuant to Rule 3.13 of the Listing Rules, the Company considers all of them to be independent.

Save as disclosed in the Directors' biographies set out in the section headed "Directors and Senior Management" and otherwise disclosed in this annual report, none of the Directors have any personal relationship (including financial, business, family or other material or relevant relationship) with any other Director and chief executive.

CORPORATE GOVERNANCE REPORT

Board diversity

The Company believes that the diversity of the Board is immensely beneficial for the enhancement of the Company's performance. Therefore, the Company has adopted a Board diversity policy to ensure that the Company will, when determining the composition of the Board, consider Board diversity in terms of, among other things, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments will be based on merits, and candidates will be considered against objective criteria with reference to the Company's business model and specific needs, including but not limited to gender, race, language, cultural background, educational background, industry experience and professional experience, having due regard to the benefits of diversity of the Board.

As at the Latest Practicable Date, the Board has six male Directors and one female Director. The Board targets to maintain "at least one female Director". The Nomination Committee and the Board will take opportunities to increase the proportion of female Directors on the Board over time when selecting and making recommendations on suitable candidates as Directors if they consider appropriate. The Company will take into account gender diversity when recruiting suitable candidates for senior management and board member in the future and engage human resources agency, if necessary, to identify such candidates.

The Company acknowledges the importance of having a diverse workforce. During the year ended 31 August 2025, approximately 39.7% of the total workforce were male employees and approximately 60.3% were female employees. The Board considers that the gender diversity in workforce is currently achieved.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

As regards the CG Code provision requiring directors to disclose the number and nature of offices held in public companies or organisations and other significant commitments as well as the identity of the public companies or organisations and the time devoted to the issuer, the Directors have agreed to disclose their commitments and any subsequent change to the Company in a timely manner.

Induction and continuous professional development

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under the relevant statutes, laws, rules and regulations. The Company also arranges regular seminars to provide Directors with updates on the latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The company secretary of the Company has from time to time updated and provided the Company with written training materials relating to the roles, functions and duties of a Director.

The principal approaches taken by the Directors for continuous professional development during the year ended 31 August 2025 are as follows:

Name of Directors	Joining training course/ seminar/conference	Reading books/ journals/articles
Mr. Wang Jinglei	✓	✓
Mr. Lin Juncheng	✓	✓
Ms. Tang Hui*	✓	✓
Mr. Wu Jiwei	✓	✓
Mr. Cheng Tai Kwan Sunny	✓	✓
Mr. Tao Qizhi*	✓	✓
Mr. Yang Yuchuan*	✓	✓

* Appointed with effect from 5 September 2024

CORPORATE GOVERNANCE REPORT

Chairman and chief executive officer

Pursuant to code provision C.2.1 of the CG Code, the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. The roles of chairman and chief executive officer of the Group have been separated in accordance with the code provision C.2.1 of the CG Code with Mr. Wang Jinglei being chairman of the Board and Mr. Lin Juncheng being the Chief Executive Officer.

Appointment and re-election of Directors

Each of our executive Directors and non-executive Directors has entered into a service agreement or a letter of appointment with the Company pursuant to which each of them agreed to act as an executive Director or a non-executive Director (as the case may be) for an initial term of three years commencing from the Listing Date or the date of appointment.

Each of the independent non-executive Directors has been appointed for an initial term of two years commencing from the Listing Date or the date of appointment.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition and making recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors.

Pursuant to the Articles of Association, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

Board meetings

The Company adopts the practise of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

For other Board and Board Committee meetings, reasonable notice is generally given. The agenda and accompanying board papers are dispatched to the Directors or Board Committee members at least three days before the meetings to ensure that they have sufficient time to review the papers and are adequately prepared for the meetings. When Directors or Board Committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the chairman of the Board or the Board Committees prior to the meeting. Minutes of meetings are kept by the company secretary of the Company with copies circulated to all Directors for information and records.

Minutes of the Board meetings and Board Committee meetings are recorded in sufficient detail about the matters considered by the Board and the Board Committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board Committee meeting are sent to the Directors for comments within a reasonable time after the date on which the meeting is held. Minutes of the Board meetings are open for inspection by Directors.

CORPORATE GOVERNANCE REPORT

During the year ended 31 August 2025, seven Board meetings were held by the Company and the attendance of each Director at such meetings is set out in the table below:

Name of Directors	Attendance/ Number of meetings
Mr. Wang Jinglei	7/7
Mr. Lin Juncheng	7/7
Ms. Tang Hui	7/7
Mr. Wu Jiwei	7/7
Mr. Cheng Tai Kwan Sunny	7/7
Mr. Tao Qizhi	7/7
Mr. Yang Yuchuan	7/7

During the year ended 31 August 2025, one general meeting was held by the Company and the attendance of each Director at such meetings is set out in the table below:

Name of Directors	Attendance/ Number of meetings
Mr. Wang Jinglei	1/1
Mr. Lin Juncheng	1/1
Ms. Tang Hui	1/1
Mr. Wu Jiwei	1/1
Mr. Cheng Tai Kwan Sunny	1/1
Mr. Tao Qizhi	1/1
Mr. Yang Yuchuan	1/1

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix D2 to the Listing Rules as the code of conduct for dealings in the Company’s securities by the Directors. Having made specific enquiries to the Directors, all Directors confirmed that they had complied with the required standards set out in the Model Code for the period from 1 September 2024 to 31 August 2025.

Corporate governance function

The Board recognises that corporate governance should be the collective responsibility of the Directors which includes:

- (a) to review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements;
- (b) to review and monitor the training and continuous professional development of the Directors and senior management;
- (c) to develop, review and monitor the code of conduct and compliance manual applicable to employees and the Directors;
- (d) to develop and review the Company’s policies and practises on corporate governance and make recommendations to the Board and report to the Board on related matters;
- (e) to review the Company’s compliance with the CG Code and disclosure in the corporate governance report; and
- (f) to review and monitor the Company’s compliance with the Company’s whistleblowing policy.

CORPORATE GOVERNANCE REPORT

Delegation by the Board

The Board reserves for its decision all major matters of the Company, including approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters.

Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

BOARD COMMITTEES

Audit Committee

The Company has established an audit committee (the "Audit Committee") with written terms of reference in accordance with the Listing Rules and the CG Code. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control procedures and risk management system of the Group, overseeing the Company's and internal audit function the audit process and performing other duties and responsibilities as assigned by the Board. The Audit Committee comprises three members, namely, Mr. Cheng Tai Kwan Sunny, Mr. Tao Qizhi and Mr. Yang Yuchuan, all being independent non-executive Directors. Mr. Cheng Tai Kwan Sunny is the chairman of the Audit Committee.

The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 August 2025 and has met with the independent auditor, Zhonghui. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Company.

The attendance of each Director at such meetings is set out in the table below:

Name of Directors	Attendance/ Number of meetings
Mr. Cheng Tai Kwan Sunny	3/3
Mr. Tao Qizhi	3/3
Mr. Yang Yuchuan	3/3

The Audit Committee reviewed the interim results and interim report for the six months ended 28 February 2025 and the annual results and annual report for the year ended 31 August 2025, significant issues on the financial reporting and compliance procedures, internal control and risk management systems, effectiveness of the Company's internal audit function, scope of work and appointment of external auditor of the Company. Having reviewed the effectiveness of the internal and external audit process as well as the independence, the Audit Committee is satisfied with this relationship.

CORPORATE GOVERNANCE REPORT

Nomination Committee

The Company established the Nomination Committee pursuant to a resolution passed by the Directors on 12 July 2018 with written terms of reference in compliance with paragraph B.3 of the CG Code as set out in Appendix C1 of the Listing Rules.

As at the Latest Practicable Date, the Nomination Committee comprises Mr. Wang Jinglei, an executive Director, Ms. Tang Hui, an executive Director, Mr. Yang Yuchuan, Mr. Cheng Tai Kwan Sunny and Mr. Tao Qizhi, all being independent non-executive Directors. Mr. Wang Jinglei is the chairman of the Nomination Committee.

The primary functions of the Nomination Committee include reviewing the structure, size, and composition of the Board at least annual, assist the Board in maintaining a board skills matrix, assessing the independence of independent non-executive Directors, making recommendations to the Board on matters relating to the appointment of Directors and support the Company's regular evaluation of the Board's performance. The written terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

The Nomination Committee assesses the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to the Board for decision. The policy has been adopted for the nomination of Directors during the year ended 31 August 2025.

The Company recognises and embraces the benefits of having a diverse Board to enhance its performance and has adopted a board diversity policy aiming to set out the approach to achieve diversity of the Board. The implementation of the policy is monitored by the Nomination Committee. In designing the Board's composition, board diversity has been considered from a number of measurable objectives, including but not limited to, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Nomination Committee will continue to monitor the implementation of the board diversity policy and will review the board diversity policy periodically to ensure its continued effectiveness.

During the year ended 31 August 2025, four meetings were held by the Nomination Committee.

The attendance of each Director at such meetings is set out in the table below:

Name of Directors	Attendance/ Number of meetings
Mr. Wang Jinglei	4/4
Ms. Tang Hui*	0/4
Mr. Tao Qizhi	4/4
Mr. Yang Yuchuan	4/4
Mr. Cheng Tai Kwan Sunny*	0/4

* Appointed with effect from 24 June 2025

The Nomination Committee has, amongst others, reviewed the structure, size and composition of the Board, as well as the Board Diversity Policy and Directors subject to re-election and retirement by rotation.

CORPORATE GOVERNANCE REPORT

Remuneration Committee

The Company established the Remuneration Committee in accordance with Rule 3.25 of the Listing Rules pursuant to a resolution passed by the Directors on 12 July 2018 with written terms of reference in compliance with paragraph E.1 of the CG Code as set out in Appendix C1 of the Listing Rules.

As at the Latest Practicable Date, the Remuneration Committee comprises Mr. Tao Qizhi, Mr. Yang Yuchuan and Mr. Cheng Tai Kwan Sunny, all being independent non-executive Directors. Mr. Tao Qizhi is the chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee are to make recommendations to the Board on the overall remuneration packages, remuneration policy and structure relating to all the Directors and senior management of the Group, assess performance of executive Directors, approve the terms of executive Directors' service contracts, review performance-based remuneration and ensure none of our Directors determine their own remuneration, and reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules. The written terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

During the year ended 31 August 2025, three meetings were held by the Remuneration Committee.

The attendance of each Director at such meetings is set out in the table below:

Name of Directors	Attendance/ Number of meetings
Mr. Tao Qizhi	3/3
Mr. Yang Yuchuan	3/3
Mr. Cheng Tai Kwan Sunny	3/3

The Remuneration Committee has, amongst others, reviewed the annual remuneration policy, reviewed the structure of remuneration for executive Directors and the senior management of the Company and assessed their performance, reviewed the terms of the executive Directors' service contracts, and reviewed and approved matters relating to the Share Option Scheme including, among others, the number of share options available for grant, the outstanding share options granted but not yet exercised, and made recommendations to the Board on related matters.

Remuneration of Directors and senior management

Details of the remuneration by band of the members of the Board of the Company for the year ended 31 August 2025 are set out below:

Remuneration band	Number of individuals
Nil to RMB500,000	6
RMB500,001 to RMB1 million	1

Details of the remuneration by band of the senior management of the Company for the year ended 31 August 2025 are set out below:

Remuneration band	Number of individuals
Nil to RMB500,000	1
RMB500,001 to RMB1 million	1

CORPORATE GOVERNANCE REPORT

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements for the year ended 31 August 2025 which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the auditor regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report of this report.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges that it is its responsibility to ensure that the Company establishes and maintains sound risk management and internal control systems within the Group and to review the effectiveness of the systems. Such systems are designed to manage and mitigate risks inherent in the Group's business faced by the Group to an acceptable level, but not to eliminate the risk of failure to achieve business objectives, and can only provide reasonable assurance against material misstatement, loss or fraud. For the year ended 31 August 2025, the Group has internal audit function.

The Board has entrusted the Audit Committee with the responsibility to oversee the risk management and internal control systems of the Group on an on-going basis and to review the effectiveness of the systems annually. The review covered all material controls, including financial, operational and compliance controls.

Under the Company's risk management and internal control structure, the management is responsible for the design, implementation and maintenance of risk management and internal control systems to ensure, amongst others, (i) appropriate policies and control procedures have been designed and established to safeguard the Group's assets against improper use or disposal; (ii) relevant laws, rules and regulations are adhered to and complied with; and (iii) reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements.

With respect to the procedures and internal controls for the handling and dissemination of inside information, the Group has internal policy and procedures which strictly prohibit unauthorised use of inside information and has communicated that to all staff; the Board is aware of its obligations to announce any inside information in accordance with the Listing Rules and acts in accordance with the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission in June 2012. In addition, only the Directors and delegated officers can act as the Group's spokesperson and respond to external enquiries about the Group's affairs.

During the financial year ended 31 August 2025, the Board has conducted its annual review of the effectiveness of our risk management and internal control systems, in particular, the operational and financial reports, compliance control and risk management reports, budgets and business plans provided by the management. The Audit Committee also performs regular review of the Group's performance, risk management and internal control systems and discusses with the Board, in order to ensure effective measures are in place to protect material assets and identify business risks of the Group. Such review during the financial year ended 31 August 2025 did not reveal any major issues and the Board considers the risk management and internal control systems effective and adequate.

CORPORATE GOVERNANCE REPORT

Auditors' remuneration

The Company appointed ZHONGHUI ANDA CPA Limited as the independent auditor. During the year ended 31 August 2025, the total fees paid/payable, excluding disbursements, in respect of services provided by the Group's independent auditor are set out below:

Type of services	Amount (RMB'000)
Audit services	1,530
Non-audit services	0

COMPANY SECRETARY

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong ordinances, the Company engages Mr. Lam Wai Kei as the company secretary. During the year ended 31 August 2025, Mr. Lam Wai Kei has undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

CHANGE IN CONSTITUTIONAL DOCUMENTS

There has been no change in constitutional documents of the Company during the year ended 31 August 2025.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings, including the election of individual Directors. All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

Convening of extraordinary general meeting and putting forward proposals

Pursuant to article 58 of the Articles of Association, the Board may whenever it thinks fit call extraordinary general meetings. Any one or more members of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

As regards proposing a person for election as a Director, the procedures are available on the website of the Company.

CORPORATE GOVERNANCE REPORT

Putting forward enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details:

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: No. 239 Sanse Road, Jinjiang District, Chengdu, Sichuan Province, the PRC
Telephone: +86 28 8600 6028
Fax: +86 28 8741 8063
Email: BJY@bojuneducation.com

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address or send the copy of the same by fax or email on the fax number or at the email address above, and provide his/her full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with the Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognises the importance of timely and non-selective disclosure of information, which will enable the Shareholders and investors to make informed investment decisions.

The annual general meetings of the Company provide opportunities for the Shareholders to communicate directly with the Directors. The chairmen of the Board Committees will attend the annual general meetings to answer shareholders' questions. The auditor of the Company will also attend the annual general meetings to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence. During the year ended 31 August 2024, the Company held one annual general meeting on 16 January 2025, with Shareholders invited to join. All Directors attended the said meeting. All resolutions were passed as ordinary resolutions and the Board received no follow-up enquiries from the Shareholders.

To promote effective communication, the Company adopts a Shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and the Shareholders and maintains a website of the Company at <http://bojuneducation.com>, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practises and other information are available for public access.

The Shareholders' communication policy was reviewed by the Board and the effectiveness of the policy was confirmed considering multiple channels were in place and adopted to reflect the current practice in communications with shareholders.

Dividend Policy

Dividends may be declared from time to time by the Company. The Company does not have any predetermined dividend pay-out ratio. The declaration and payment of dividends shall be determined at the sole discretion of the Board after taking into account, among others, the general financial condition of the Group, the capital and debt level of the Group, the future cash requirements for new investments and business operations, business strategies and future development needs, the general market conditions and any other factors that the Board deems appropriate. The payment of dividends by the Company is also subject to any restrictions as prescribed by the Articles and any other applicable laws, rules and regulations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

I. PREAMBLE

Bojun Education Company Limited and its subsidiaries (collectively, the “**Group**” or “**Bojun**”) is a private education service group with its key mission to provide high-quality education to students for brightening up their future. With their potential ignited, students will be the rising star of their future career paths, building up a prosperous society. Bojun remains steadfast in its commitment to leveraging its education expertise to nurture the next generations with whole-person development.

Apart from the launch of the Double Reduction Policy* (雙減政策) and the Vocational Education Law* (職業教育法) of the People’s Republic of China (the “**PRC**”) in recent years, the Ministry of Education (“**MOE**”) of the PRC has further announced new nationwide initiatives to enhance the national education system and schooling practices. Issued in 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年)) sets out a roadmap for the national education development in the next ten years. It is proposed to establish a world-leading education system through the integration of education, technology and talents. To support the national reform plan, the MOE has also introduced the campaign Year of Strengthening Regulation in Basic Education* (基礎教育規範管理提升年) to assist in ensuring standardised schooling practices across the country, providing students with safe and equitable learning environments.

In alignment with the national education development plan, Bojun is determined to continuously implement its ethical and well-managed education practices while making use of digital technologies such as Artificial Intelligence (“**AI**”) and big data to further enhance the effectiveness and efficiency of its governance and teaching approaches. To comprehensively manage daily issues as an education provider, sustainability is a critical element to be considered and integrated into business strategies. As there are environmental- and social-related issues growing worldwide, the Group takes its responsibility to proactively adopt various measures to create a sustainable future for generations. Prioritising the well-being of its stakeholders, the Group aims to foster the development of local communities with its utmost contributions.

During the year under review, Bojun has demonstrated the principles of Environmental, Social and Governance (“**ESG**”) throughout a series of sustainability approaches and measures. Throughout the journey of pursuing its long-term business success, the Group strives to carry out sustainable practices to the most extent. Committed to educational excellence and sustainable development, the Group believes that a more liveable city can be established.

II. ABOUT THE REPORT

In compliance with the Appendix C2 — Environmental, Social and Governance Reporting Guide (“**ESG Guide**”) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) under the “Comply or Explain” provisions, the Group is pleased to present its Environmental, Social and Governance Report for the year from 1 September 2024 to 31 August 2025 (“**FY2025**” or “**the year under review**”), demonstrating the Group’s ESG performance and relevant management approach in achieving sustainable development in FY2025.

Reporting boundaries

This ESG Report adopts the operational control approach, with the environmental and social performance of the Group’s major business operations in FY2025 covered. The coverage of the Group’s operations includes two management offices and four schools in the PRC, which is consistent with the disclosure boundary of the Annual Report in FY2025. The four schools consisted of two vocational schools, one high school and one kindergarten in Sichuan province, the PRC.

For the corporate governance section, please refer to the Group’s Annual Report 2025. The reporting period of this ESG Report is for FY2025 unless specifically stated otherwise.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Reporting principles

This ESG Report is prepared in adherence to four primary reporting principles, namely materiality, quantitative, balance and consistency.

Materiality: With the emphasis on the principle of Materiality, the Group identifies the most significant and relevant ESG issues to make informed business decisions and communicate with stakeholders. Through annual materiality assessment, the Group's key stakeholders fill in online surveys to express their perspectives and expectations on a list of ESG issues. The assessment results reviewed by the board of directors (the "**Board**") underlie the ESG Report, as well as guiding the Group's sustainability strategies and initiatives in the future. For detailed information, please refer to sections headed "Stakeholder Engagement" and "Materiality Assessment".

Quantitative: To ensure its environmental and social performance is measurable, the Group adopts the principle of Quantitative and presents its performance with Key Performance Indicators ("**KPIs**"). Sources of methodologies, assumptions and conversion factors used are stated in the corresponding performance tables.

Balance: The Group follows the principle of Balance for its performance disclosure by providing readers and stakeholders with both outstanding achievements and room for improvement of the Group's sustainable performance, disclosing an unbiased picture.

Consistency: By maintaining consistent methodologies, reporting framework and structure as its previous reports, the Group allows readers to have meaningful comparison across years. Corresponding explanation will be provided when there is any significant changes on the disclosure framework or metrics.

Information Disclosure

The information in this ESG Report was collected from the official documents and statistics of the Group, the integrated information of supervision, management approach and operating process in alignment with relevant policies, the internal quantitative and qualitative data from questionnaires according to the reporting framework, and the sustainability practices recorded by different subsidiaries of the Group. This ESG Report was prepared in both English and Chinese. In case of any conflict or inconsistency, the English version shall prevail. For readers' convenience, a complete content index is available at the end of the ESG Report.

Senior leadership and key stakeholders across Bojun are involved in processes of reviewing and validating the information. This ESG Report has not been verified by an independent third party, but the Group remains open to the consideration of external assurance for future reports.

The ESG Report for the financial year ended 31 August 2025 will be published by the Group on the websites of the Stock Exchange (www.hkexnews.hk) and the website of Bojun (www.bojuneducation.com) at the same time as its Annual Report is published. The ESG Report can be found under the "Investor Relations" section of the Company's website.

Opinions and Feedback

As the Group strives for excellence, all valuable feedback from readers and stakeholders are welcome. Should there be any concerns or recommendations about the ESG Report, particularly on the issues that are highly significant to the Group, please share your views with the Group via:

Address: No. 239 Sanse Road, Jinjiang District, Chengdu, Sichuan Province, The PRC

Phone: +86 28 8600 6028

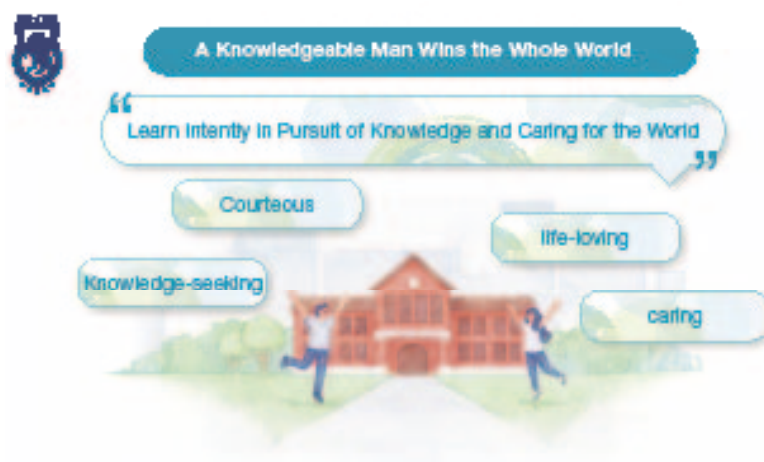
Email: BJJY@bojuneducation.com

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

III. COMPANY MANAGEMENT

Over the years, Bojun has committed to maintaining high standards in delivering quality education services while continuously enhancing its strategies and practices for corporate social responsibility. The Group has proactively focused on developing sustainability strategies at the group-level and embedding sustainable principles into its corporate culture, enabling the Group to navigate evolving challenges of the education sector more effectively. To strengthen its risk management and business operations, the Group has also adopted an information-based approach to improve its oversight, creating long-term values.

The Group's cultural ethos is captured in the phrase, "A Knowledgeable Man Wins the Whole World" (「博學致遠，駿馳天下」), while the motto for all schools within the Group is "Learn Intently in Pursuit of Knowledge and Caring for the World" (「靜學問道，天下關懷」). Guided by these values, the Group is dedicated to nurturing students' passion for learning, strengthening their determination, building their fundamental skills, and broadening their horizons to cultivate new generations of courteous, knowledge-seeking, life-loving, and caring individuals.



Governance Alignment

Recognising that the governance alignment is not just about compliance, Bojun considers strong governance alignment as a commitment to principled leadership and responsible stewardship, which are vital foundation for long-term success. Therefore, the Group is dedicated to upholding ESG principles and implementing practices that reflect the highest standards of ethics and integrity.

At Bojun, the Group's governance structure is developed with core elements of transparency, accountability, and responsible decision-making. Supported by top-down visions and bottom-up implementation and feedback across the Group's business operations, the two-way dialogue mechanism between leaders and employees sets forth a clear direction and strategic approach for the Group while promoting open dialogue and enhancing transparency across various organisational levels. The Group has implemented strict and structured management policies, while encouraging active participation of teachers, students, and parents in management.

Playing a crucial role in overseeing the ESG issues, the Board ensures that ESG objectives are embedded into the Group's operations and takes ultimate responsibility for ESG approaches and performance. The ESG Management Committee composes of leaders from key functional areas related to sustainability, such as operations, human resources, and communications. Committee members manage ESG-related risks and identify potential opportunities. They also collect feedback from operating and management staff and report key findings to the Board. This process empowers the Board to make more informed and effective decisions that strengthen the Group's ESG performance. Through its two-way management approach and the robust monitoring system, the Group maintains a clear framework of accountability and ensures that its strategic goals can be achieved with higher effectiveness and efficiency.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Board:

- Oversees all ESG-related issues within the Group
- Reviews the progress against ESG-related metrics and targets
- Evaluates strategic risk exposure and opportunities identified in the business development roadmap
- Reviews management updates and enterprise risk assessments
- Establishes the direction of sustainability strategies, targets, and guidelines

Management and School Sponsors:

- Conduct ESG assessments and oversight during operations
- Report updates on the regulatory environment regarding sustainability to the Board
- Evaluate and recommend improvements for the Board's ESG governance
- Guide, oversee and incentivise the implementation of the Group's ESG strategies, practices and metrics
- Manage, control and mitigate any identified ESG risks

Schools:

- Enforce and communicate policies throughout operational teams
- Integrate sustainability strategies and practices into various stages of daily operations
- Acquire first-hand experience and regularly report progress to management

The ESG Management Committee regularly updates the Board with insights from frontline experiences, operational risks, and challenges faced by employees, while collecting ESG data for progress tracking of ESG-related targets. The Board reviews, prioritises, and manages material ESG issues through ongoing stakeholder engagement. This process gathers and understands feedback from both internal and external stakeholders, including shareholders, employees, students, and the communities, and hence fosters transparent and accountable operations. For detailed information, please refer to sections headed "Stakeholder Engagement" and "Materiality Assessment".

To reinforce its commitment to delivering clear, accurate, and timely information to all stakeholders, the Group not only focuses on disclosing its ESG policies and performance but also its financial reporting, ESG metrics, and ESG-related targets. As an education service provider, the Group has set specific environmental targets aligned with its business focus to promote sustainable practices and track its progress using appropriate KPIs.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group has set prioritised goals and core sustainability metrics from the ESG perspectives:

Environment:	
Goal:	To drive for reduction in carbon emissions and the creation of green campus
Metrics:	<ul style="list-style-type: none">— Energy consumption management— Resource recycling and reuse— Application of renewable energy
Social:	
Goal:	To broaden the service scope of quality education and ensure the well-being of employees
Metrics:	<ul style="list-style-type: none">— Promotion of quality education resources— Satisfaction assessment of target groups— Legitimate rights and interests of employees
Governance:	
Goal:	To enhance ESG management system and ensure operational compliance with transparency
Metrics:	<ul style="list-style-type: none">— Provision of compliance training programmes— Grievance mechanism and incident handling— Review of connected transactions

The Board tracks these metrics and targets through the annual ESG Report, as well as quarterly and annual meetings. The Board receives updates on the Group's ESG performance and progress against relevant metrics to allow target and strategy adjustments with considerations of business trends and regulatory changes. To drive for sustainable success, the Group will establish a unified ESG data management mechanism to ensure data traceability and will conduct external assurance to ensure the accuracy and credibility of ESG reports.

Risk Management

Understanding the importance of ESG issues in its enterprise risk management, the Group places a strong emphasis on issues such as climate change, quality education, and professional teachers. Through a robust governance framework, the Group gains a deeper understanding of long-term risks and opportunities that are critical to its operations. To mitigate social risks associated with school operations, the Group has implemented stringent management systems, including those focused on labour standards and anti-corruption practices. These systems are designed to minimise operational risks while enhancing the reputation and credibility of all schools within the Group.

Labour Standards

In FY2025, the Group complied with relevant applicable laws and regulations, including but not limited to:

- Labour Law of the PRC* (中華人民共和國勞動法);
- Labour Contract Law of the PRC* (中華人民共和國勞動合同法);
- Teachers Law of the PRC* (中華人民共和國教師法); and
- Law on the Protection of Minors of the PRC* (中華人民共和國未成年人保護法).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group maintains a strict prohibition against the employment of child or forced labour. To prevent illegal employment of child labour, underage workers, forced labour, or servitude in any form, the Group's Human Resources ("HR") Department has developed a set of comprehensive internal policies to standardise and monitor the entire recruitment and employment processes. These policies aim to eliminate illegal hiring practices and ensure adherence to labour standards. A robust employment management system has been put in place, outlining detailed procedures for recruitment, personnel data collection, background verification, and interview evaluations.

To ensure the prevention of illegal employment, the schools within the Group have implemented standardised measures to monitor the recruitment and employment process, which include:

- All applicants are required to provide valid identification documents for verification during recruitment
- All materials provided by new employees are thoroughly reviewed prior to formal onboarding to ensure consistency with the information submitted during recruitment
- Employee identities are re-verified when applying for social insurance to prevent any discrepancies or illegal employment

The Group's recruitment is guided by the principles of fairness, voluntariness, and transparency, with any form of coercion or deception strictly forbidden. Candidates who meet the hiring criteria will receive offers that clearly detail key employment terms, including salary, benefits and working hours, allowing them to make informed and independent decisions. To further uphold its labour compliance, the Group has formed a dedicated HR team responsible to conduct regular investigations across all schools to ensure that labour and employment policies are properly implemented. The team thoroughly reviews each step of the hiring process, from recruitment to contract signing. Any identified violations of labour standards will result in immediate termination of the relevant employment.

In FY2025, the Group complied with relevant laws and regulations relating to preventing child and forced labour that have a significant impact on the Group.

Anti-corruption

Being an education service provider, the Group is committed to nurturing and inspiring students to equip with the characteristics of honesty and integrity. To demonstrate its commitment and act as a role model, the Group remains steadfast in its dedication to eradicating corrupt and other misconducts and promoting anti-corruption, thereby achieving the highest standard of integrity across all operational levels.

In FY2025, the Group complied with relevant laws and regulations relating to bribery, extortion, fraud and money laundering that have a significant impact on the Group, including but not limited to:

- Anti-Corruption Law of the PRC* (中華人民共和國反腐敗法);
- Law of the PRC on Anti-money Laundering* (中華人民共和國反洗錢法);
- Criminal Law of the PRC* (中華人民共和國刑法);
- Anti-unfair Competition Law of the PRC* (中華人民共和國反不正當競爭法); and
- Criminal Procedure Law of the PRC* (中華人民共和國刑事訴訟法).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Bojun maintains an unwavering stance against all forms of corruption, both within the Group and in its dealings with external stakeholders. The Group's anti-corruption framework is based on a comprehensive set of policies, procedures and practices aimed to prevent, detect, and address corruption-related risks. The Group has implemented a unified Staff Manual that explicitly prohibits corruption and unethical behaviour, providing clear rules and regulations on ethical standards to employees, partners, and contractors. The Group enforces a zero-tolerance policy towards misconducts, including inducing parents to bribe, with disciplinary measures outlined in the Staff Manual. Upon violations towards corrupted behaviours, relevant parties may be subjected to warning, demerit, demotion and termination of employment, depending on the severity of the violation.

To foster a culture of transparency and accountability, the Group has established a grievance mechanism that allows both internal and external stakeholders, including employees, students, parents, and third parties, to raise concerns or report suspected ethical violations under secure circumstances. Reports can be submitted to the management, the Board, or the legal team of the Group, covering any individuals whose behaviours are in conflict with the Group's interests and any parties involved in the corrupt practices. Given that all schools within the Group are administered by the Education Bureau, whistleblowers may also consider reporting their concerns directly to the local administration department or the discipline inspection department for further investigation, underscoring the Group's commitment to maintaining integrity.

Once a report is received, the school will promptly establish an investigation team, which consists of staff from the legal team, to assess and verify the incident. If any criminal activity is substantiated, the Group will monitor the case handling and determine whether to escalate it to relevant regulatory agency or law enforcement authorities. The entire process of the grievance mechanism is conducted with strict confidentiality, and anti-retaliation measures are enforced to protect whistleblowers from unfair dismissal or victimisation. Through collaborative efforts, the Group aims to promote a transparent and ethical administration in schools that will enable speedy responses to potential misconducts, while enhancing trust among stakeholders and safeguarding the Group's long-term value.

In FY2025, the Group arranged 12 anti-corruption-related seminars and training for all levels of staff to equip its employees with the awareness of ethical standards and the potential consequences of bribery, extortion, fraud and money laundering. A total of approximately 23 hours of anti-corruption-related seminars and training were provided to 16 directors, 37 managerial staff and 1,525 general employees during the year under review. In particular, procedures of the grievance mechanism were explained, and practical examples of corrupted behaviours were provided to further highlight specific misconducts violating anti-corruption-related laws. Through the provision of relevant training and activities, the Group sharpens participants' sensitivity on behaviours that could infringe upon the Group's interests or violate relevant laws. Additionally, staff gain deeper understanding on the Group's grievance mechanism and managerial staff implement the Group's internal control system and related regulations in a more effective manner.

The Group's Legal Department diligently implements and monitors anti-corruption and whistle-blowing policies across daily operations. In FY2025, zero concluded legal cases regarding corrupt practices were brought against the Group or its employees. The Group will continue to maintain high integrity standard, establishing a solid foundation for its operations and long-term success.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

IV. MESSAGE FROM THE BOARD

Dear Valued Stakeholders,

On behalf of the Board, I am pleased to present our eighth ESG Report demonstrating Bojun's ESG strategy, performance and progress during the financial year ending 31 August 2025. As an education service provider founded in 2001, the Group has operated institutes at different levels, including kindergarten, high school, and vocational schools. While continuing to provide excellent education services across institutes, the Group remains committed to creating a sustainable campus, as well as a greener world together with our generations.

As part of our vision and mission, we always bear the Group's motto, "A Knowledgeable Man Wins the Whole World" (「博學致遠·駿馳天下」), in mind during our decision-making process and operations. The motto is not just a shared spirit, but a rooted value grown inside the mind of every member of our organisation, guiding us to a knowledgeable world and an enriching life. With the aim to deliver the highest-quality education to students, we have continued to equip our staff with evolving academic knowledge and the latest schooling practices. Since establishment, we have been upholding our responsibility for educating students across all qualification levels, ranging from kindergartens and high schools to vocational education.

Our Strategy and Commitment

Safeguarding Well-being and Enhancing Teaching Quality

Since the establishment of Bojun, we have encountered different challenges. Overcoming each of these challenges has made us stronger and allowed us to reveal the room for improvement on our management. The communication and feedback channels established allow more effective communication between teachers and students, addressing any concerns arise and allowing us to refine our management approach timely. Under the launch of national reform plan and the campaign, the Group has embedded diverse extra-curricular activities and technology into our teaching and learning experiences for a more holistic development of students. In addition, various measures with standardised schooling practices have been in place to promote campus and occupational health and safety while promoting emergency awareness and response.

With the emphasis on alleviating academic and daily pressures of staff and students, we are committed to giving a hand to whom with concerns or emotional needs. To ensure physical and mental well-being of our staff and students, we regularly arrange sports events and psychology fair for them to stay active and promptly relieve their pressure. We strive to safeguard the well-being of all campus members and deliver high-quality education. Hence, we review and adjust our management and evaluation processes on a regular basis.

Additionally, we recognise the role of teachers in bringing high-quality education to students. To enhance teaching quality, we focus on the development of teachers on various areas, including competence, work ethic, and their professionalism on specific matters. We provide teaching staff with the opportunity to receive diverse training programmes against their individual career goals, fostering close communication and cooperation between multi-disciplined team members. During the year under review, more than 17,000 hours of vocational training were provided to our staff. To drive for ongoing improvement, we will continuously review and refine the teaching quality at the schools within the Group.

Fostering Sustainable Development under Evolving Situations

As a responsible corporate, we are dedicated to taking our environmental stewardship and addressing global environmental crises. Even under challenging operating environment, we strive to incorporate sustainability into the Group's operations. With the concept of sustainability spanned across various aspects, policies and strategies implemented at the schools within the Group help resolve negative environmental impacts and create positive outcomes. We believe that we can build a greener world with our joint efforts against environmental issues.

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Prioritising the establishment of sustainable campus and the launch of sustainable education, we have optimised the Group's budget and placed a great emphasis on areas with high influences, including the upgrade of energy-saving equipment and the development of teaching materials on low-carbon. In alignment with the national reform plan, the Group not only includes technology into its curriculum but also explores the possibility of applying technology in daily maintenance work to drive for a sustainable campus, promoting sustainability awareness and enhancing resource consumption efficiency. Utilising digitalisation via online teaching platforms and smart campus management system, the performance of resource consumption can be analysed for further optimisation, thereby achieving environmental targets with enhanced operational efficiency.

Alongside sustainable policies and measures, we have established development targets designed to enhance the motivation, productivity, happiness, and the sense of achievement of our staff. To expand our educational network on innovative educational approach, we have proactively explored new partnerships and collaborations with like-minded organisations and individuals, leveraging the share of resources and implementation experiences and creating stronger social impacts. Our ongoing investment in vocational education further allows the Group to possess sufficient resources to foster personal growth and career development of students.

Under dynamic situations around the globe, we believe that our adaptive approach and progressive insights allow us to navigate market fluctuations and seize potential opportunities while continuously delivering excellent educational services catering the needs of each community member, thereby leading the education sector to a more advanced level.

Combating Climate Change and Promoting Environmental Responsibility

Considering climate change as the emerging issues worldwide, we have been actively taking actions to respond to climate change in recent years. We have developed a series of measures to address climate change effectively in the long run, as well as upholding the obligations for climate disclosures. To enhance the transparency in climate disclosures, we have referred to the recommendations from the Task Force on Climate-related Financial Disclosures ("TCFD"). This allows us to assess the Group's operations under climate change with physical and transition climate-related risks identified, while improving our climate strategies for actions.

Bojun has been introducing group-level strategies across schools within the Group. Sustainable practices are adopted with the prioritisation of environmental governance, the organisation of awareness campaigns, and the improvement on management capabilities. Regarding the environmental awareness, we continuously hold a variety of learning activities on environmental issues and sustainable actions at individual level to cultivate students with intellectual growth and the mindset of protecting the environment.

Our Approach

As the core of our vision for the future sustainable development of the education sector, we are determined to establish an equitable and innovative education system with sustainable campus. Our primary goal is to provide accessible quality education to generations of students and foster their literacy and diverse skills. Incorporating the concept of low-carbon into campus operations, we aim to build a green campus with circular resource consumption and energy conservation. To further contribute to sustainable development, we proactively promote the ESG concept on campus and cultivate environmentally and socially responsible individuals specialised in sustainability. Furthermore, we remain committed to compliant and transparent governance. Under the robust sustainability management mechanism, there are strengthened partnerships with teachers, students, parents, and wider community members to jointly create long-term social values. Emphasising sustainable education practices and collaborations across different parties, we believe that the education sector can foster a more sustainable future with utmost positive impacts.

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With the United Nation Sustainable Development Goals (“SDGs”) serving as our benchmarks, we are guided to move towards the international best practices. These goals allow us to assess our impacts on sustainability topics and identify the pressing issues for appropriate budget allocations, enhancing the ESG management overall. Placing a great emphasis on environmental conservation and sustainability in the education sector, we have set up a series of relevant ESG-related goals and metrics, which will be regularly tracked, monitored, and reviewed by the Board. As a disseminator of sustainable development, we remain committed to educating students and the broader community on social development, environmental protection, and global cooperation.

Looking Forward

As a prominent player in the education sector, we recognise the significant responsibility and opportunity to contribute to meaningful solutions addressing global and national sustainability challenges. Guided by our strong commitment and determination, we are prepared to face the future and fight against possible issues arose, creating positive and lasting difference in sustainability for generations to come.

Last but not least, I would like to express my deepest appreciation to our employees for their wholehearted support of our ESG efforts, as well as our students, parents, and business partners for their continued trust and valuable insights. I would also like to extend my gratitude to our Board and senior management, whose dedication and hard work are instrumental in shaping a more sustainable future for all.

Thank you for your continued support as we strive for excellence in our ESG endeavours!

Wang Jinglei

Chairman of the Board

Hong Kong, December 2025

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V. STAKEHOLDER ENGAGEMENT

Bojun not only focuses on enhancing its sustainability performance with effective implementation of internal management practices but also places a great emphasis on maintaining close communication with diverse stakeholders. With the feedback from stakeholders, the Group develops ESG strategies and identifies potential risks and opportunities of various ESG issues in alignment with stakeholders' expectations. Open dialogue and transparent reporting allow the Group to update its key stakeholders with its new ESG objectives and performance progress, as well as receiving valuable comments from stakeholders to improve the Group's sustainability strategies. To maintain consistent and meaningful communication, the Group engages with its stakeholders through various communication channels as shown below.

Communication with Stakeholders

Stakeholders	Expectations and Concerns	Communication Channels
Government and regulatory authorities	<ul style="list-style-type: none"> — Compliance with laws and regulations — Sustainable development — Occupational health and safety — Quality education 	<ul style="list-style-type: none"> — Supervision on the compliance with local laws and regulations — Routine reports and tax payments
Shareholders	<ul style="list-style-type: none"> — Return on investments — Corporate governance — Compliance with laws and regulations — Attention to changes in education needs — Equal employment and anti-discrimination 	<ul style="list-style-type: none"> — Regular reports and announcements — Regular general meetings — Official website of the Group — Written comments and responses — Telephone conferences, face-to-face meetings, and on-site visit
Employees	<ul style="list-style-type: none"> — Employees' remuneration and benefits — Career development — Health and safety in the workplace — Communication enhancement — Sustainable development — Corporate governance — Environmental education — Transparency in ESG progress 	<ul style="list-style-type: none"> — Performance reviews — Regular meetings and training — Emails, notice boards, hotline, team building activities with the management — Workshops — Questionnaires and online engagement — Written comments and responses
Parents and students	<ul style="list-style-type: none"> — High-quality teachers and facilities for education — Students' rights — Students' satisfaction — The promotion of students' health and safety — Home-school communication 	<ul style="list-style-type: none"> — Written comments and responses — Face-to-face meetings and on-site tours — Telephone discussions — Daily communication through social media platforms — Questionnaires and online engagement
Suppliers	<ul style="list-style-type: none"> — Fair and open procurement — Win-win cooperation with upstream and downstream stakeholders — Secure and stable supply chain — Innovative development — Labour standards and development — Corporate governance — Risk management and internal control 	<ul style="list-style-type: none"> — Open tendering — Suppliers' satisfaction assessment — Telephone conferences, face-to-face meetings, and on-site visits — Written comments and responses — Questionnaires and online engagement

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Stakeholders	Expectations and Concerns	Communication Channels
General public	<ul style="list-style-type: none"> — Involvement in communities — Compliance with laws and regulations — Environmental protection awareness 	<ul style="list-style-type: none"> — Media conferences and responses to inquiries — Public welfare activities — Questionnaires and online engagement

Materiality Assessment

Diverse stakeholders have their own ESG priorities and hence have distinct ESG risks and opportunities of concern. As such, the Group engaged an external consultant to conduct a materiality assessment in FY2025, aiming to identify the most material and relevant ESG issues to provide the Group with insights to achieve sustainability comprehensively with long-term value. The assessment process involved the following steps:

Step 1: Stakeholder identification

After evaluating the impact of the Group's business activities on stakeholders and their capacity to influence its business objectives, the Group identified its key stakeholder groups as general staff, suppliers/business partners, and parents. Representatives from each stakeholder group will then be invited for engagement, enabling a comprehensive understanding of different stakeholders' concerns.

Step 2: Internal impact assessment

An internal desktop impact assessment was conducted to come up with a list of 28 ESG issues, which were identified based on their relevance to the Group's development strategy, industry development trend, regulatory market requirements, and social responsibility. This allows the Group to focus on the most material ESG issues that align with its strategic goals and stakeholder expectations.

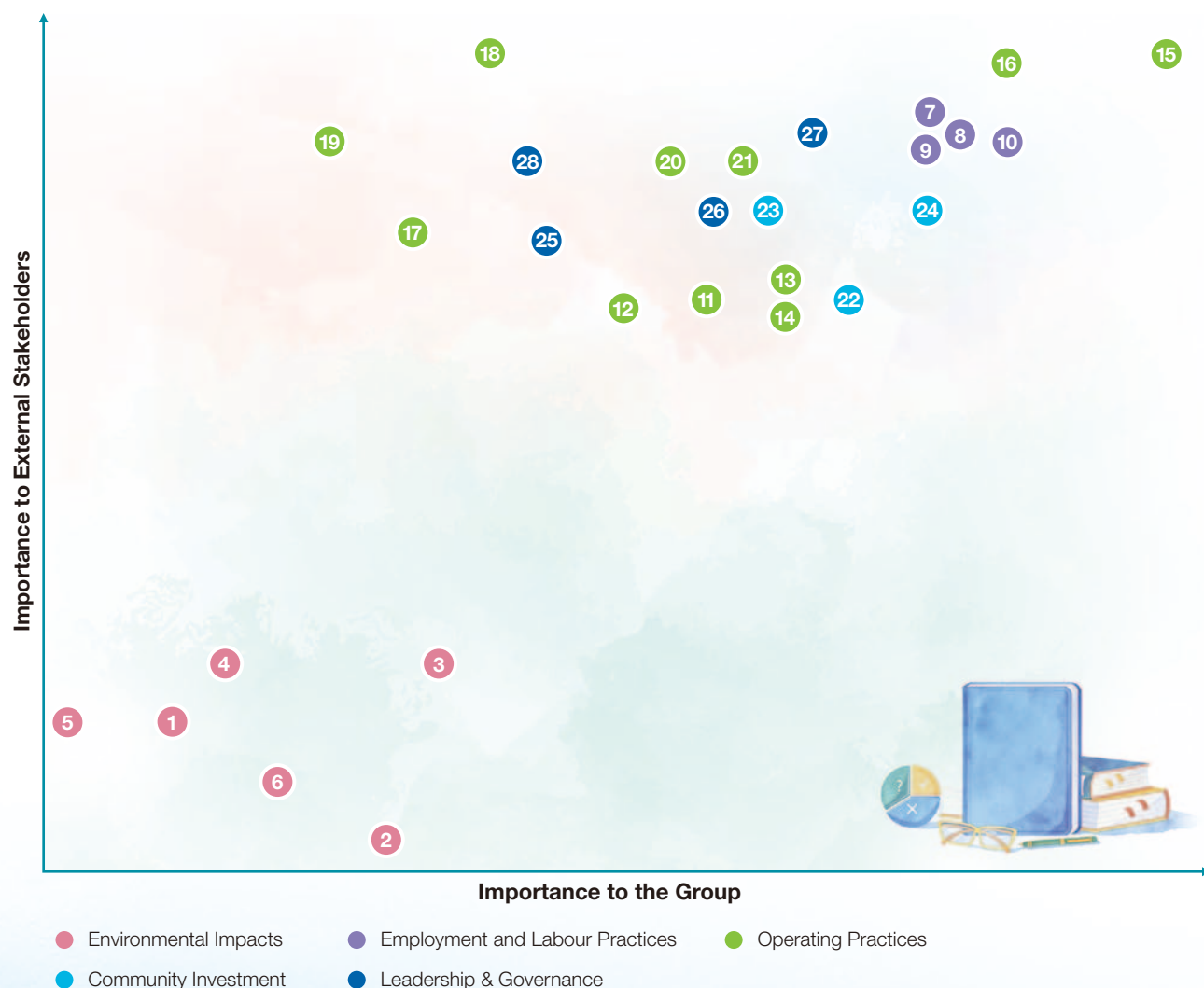
1	Greenhouse Gas ("GHG") Emissions	16	Customer Privacy and Data Security
2	Energy Management	17	Marketing and Promotion
3	Water and Wastewater Management	18	Intellectual Property Rights
4	Solid Waste Stewardship	19	Labelling Relating to Products/Services
5	Climate Change Mitigation and Adaptation	20	Business Ethics and Anti-corruption
6	Renewable and Clean Energy	21	Internal Grievance Mechanism
7	Labour Practices	22	Participation in Philanthropy
8	Employee Remuneration and Benefits	23	Cultivation of Local Employment
9	Occupational Health and Safety	24	Support of Local Economic Development
10	Employee Development and Training	25	Business Model Adaptation and Resilience to Environmental, Social, Political and Economic Risks and Opportunities
11	Green Procurement	26	Management of the Legal and Regulatory Environment (regulation-compliance management)
12	Engagement with Suppliers	27	Critical Incident Risk Responsiveness
13	Environmental and Social Risk Management of Supply Chain	28	Systemic Risk Management (e.g., Financial Crisis)
14	Supply Chain Resilience		
15	Product/Service Quality and Safety		

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Step 3: Significance investigation and prioritisation

Identified internal and external stakeholder groups were invited to complete an online survey. Upon completion, the scores of the list of ESG issues were analysed and the issues were prioritised through applying weightings to the issues based on stakeholder preference and concerns, specifically focusing on the E, S and G pillars. The final results were mapped into a materiality matrix as shown below, visualising the ESG issues that require the most focus and action.

Stakeholder Engagement Materiality Matrix



Step 4: Validation and outcomes

Through the materiality analysis, seven issues were identified as material ESG issues to the Group, including “Labour Practices”, “Employee Remuneration and Benefits”, “Occupational Health and Safety”, “Employee Development and Training”, “Product/Service Quality and Safety”, “Customer Privacy and Data Security” and “Support of Local Economic Development”. Prioritising these material ESG issues and integrating them into its risk management framework, the Group proactively addresses the material economic, social, and environmental risks that are of the greatest concern to its stakeholders. As a result, the Group can make well-informed decisions that align with stakeholder considerations and expectations on its business.

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Alignment to the United Nation Sustainable Development Goals

Apart from the focus on top material issues, Bojun also strives to drive sustainability aligned with global goals. In FY2025, the Group engaged with its key stakeholders and identified four primary SDGs that strongly relate to its business and ESG approach.

From the Group's stakeholder engagement survey, Goal 1 (No Poverty), Goal 3 (Good Health and Well-being), Goal 4 (Quality Education), and Goal 11 (Sustainable Cities and Communities) ranked the top of the list among all 17 SDGs. The Group understands its role as an education service provider in attaining these global goals and contributing to their realisation. To address the stakeholder concerns and expectations, the Group will continue to emphasise the specific sub-targets under these four goals particularly:

Goal 1:

1 NO
POVERTY



Limited resources stemming from poverty can lead to inequality. Bojun is dedicated to combating poverty and its related inequalities through the provision of education services for young generations. Education not only equips students with the basic knowledge and skills necessary for their daily lives but also allows them to achieve success on their own career paths, enhancing their living standard. As an education service provider, the Group believes in the right of receiving education and hence strives to deliver high-quality education services to as many students as possible, assisting students in overcoming barriers caused by poverty.

Goal 3:

3 GOOD HEALTH
AND WELL-BEING



A strong emphasis on good health and well-being is essential for academic success and nurturing responsible, informed, and empowered individuals who can contribute to sustainability. Hence, Bojun promotes the maintenance of well-being across all levels, particularly prioritising the health and well-being of both teachers and students. To enhance the physical fitness and mental wellness of students, the Group improves healthcare facilities, organises health education seminars and physical examinations, and provides counselling services, aiming to help students establish lifelong beneficial habits.

Goal 4:

4 QUALITY
EDUCATION



Quality education remains at the forefront of Bojun's mission. To ensure equitable access to high-quality education for all students, the Group has implemented internal policies that promote teacher quality, relevant teaching content, diverse pedagogical models and inclusive education practices. In addition to the provision of state-required academic tasks, the Group also offers a variety of extracurricular activities and opportunities for overseas study. Offering enriching programmes beyond academic topics ensures that students gain experiences via multiple diversified forms and develop into well-rounded individuals.

Goal 11:

11 SUSTAINABLE CITIES
AND COMMUNITIES



Sustainable cities and communities address numerous issues that impact the health of current and future generations, including urban planning, housing, transportation, and environmental sustainability. Effective urban planning and development with the concept of sustainability are critical for creating resilient communities capable of withstanding various challenges, such as climate change, natural disasters, and public health crises. Bojun is committed to building a more inclusive and resilient city by integrating sustainability principles into its daily operations. The Group has incorporated these principles into its curriculum and implemented various sustainability practices on campus to encourage students and staff to actively participate in sustainable development.

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VI. QUALITY EDUCATION

Teaching Philosophy and Model

With the goal of inspiring every student to strive for excellence, responsibility, and holistic development, Bojun is committed to providing a high-quality education not only for pursuing academic accomplishments. The Group considers education as a means to cultivate students with critical thinking, empathy, and a strong sense of social and environmental responsibility, rather than merely imparting knowledge. To ensure that all students, regardless of their background, have access to a supportive learning environment, the Group further promotes diversity and inclusivity at all schools within the Group.

The Group places a great emphasis on advancing teaching reforms and developing an educational philosophy that prioritises “respecting individuality and delivering people-oriented education”. This approach is evident in the Group’s dedication to fostering the comprehensive development of each student based on their individual needs and talents. The following examples illustrate how the Group aligns with the approach:

Case study: Tianfu High School (天府高中) — A farm designing competition was organised between September and November 2024. Student participants took part in processes from farm designing, sowing, ploughing to harvesting, allowing them to be more active in physical activity while integrating and applying knowledge learnt from various disciplines, including Mathematics, Geography, Biology, Computer Science, Arts, and Language. Harvested crops were shared to teachers and classmates for their ongoing support.



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Case study: Kindergarten — During Mid-Autumn Festival, children at the Riverside Kindergarten (河濱幼兒園) had a great time in enjoying the traditional celebrations with enriching experiences. Apart from Chinese music and instruments demonstration, there was a national intangible cultural heritage performance, the Chinese shadow puppetry, to cultivate the children's sense of cultural heritage preservation. Children also got chances to try making mooncakes and lanterns under teachers' supervision.



Diversified Extra-Curricular Activities

To relieve students' pressure from their academic studies, schools within the Group arrange a variety of activities and learning experiences outside classrooms. The Group strives to maintain quality education across all extra-curricular activities. Through the provision of unique experiences, students can unleash their creativity and broaden their horizons, enlightening their future studies. During the year under review, different kinds of activities were offered to students to promote their all-round development.

Case study: Kindergarten — In Autumn, a relaxing outdoor experience was organised at the Riverside Kindergarten (河濱幼兒園). Children observed organisms in nature and learnt about their knowledge from teachers. They also interacted with Ginkgo trees, in which they picked up leaves and made use of the natural dye to handmake patterns on handkerchiefs. In addition to making desserts from sweet potatoes dug by themselves, children tried traditional threshing, experiencing a day full of physical efforts and joy in nature.



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Case study: *Vocational School (正卓職業學校)* — In December 2024, the school organised a Chinese cultural preservation exhibition after a series of cultural activities. Students showcased various artworks featuring traditional and intangible cultural heritage handcrafts, as well as eco-friendly construction model figures. With innovative ideas and fabulous traditional techniques, students had an open sharing and interaction with each other on Chinese traditional cultures.



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Course Quality Control

The Group is committed to upholding its responsibility for providing the best quality education. Therefore, the Group maintains well-regulated internal policies and instructions to improve teaching standards at all schools within the Group, guiding every teacher in delivering quality courses to students.

- **Riverside Kindergarten (河濱幼兒園):** In alignment with the principles set forth in the “Guide to Learning and Development for Children aged 3-6”^{*} (3-6歲兒童學習與發展指南) and the “Guideline for Kindergarten Education”^{*} (幼兒園教育指導綱要), the kindergarten invites experts to the campus to provide guidance and professional training for teachers.
- **Vocational College (文軒職業學院):** To maintain high teaching standards and structured classes, the school has established a Quality Control Department (質檢部) that conducts regular inspections of all teaching staff each semester. At the end of each semester, students are invited to complete an anonymous online survey to evaluate their instructors and provide valuable feedback on their learning experiences.
- **Tianfu High School (天府高中):** The school has organised teaching research and seminars across various subjects. These workshops highlight the importance of continuous improvement in teaching quality. Teachers are expected to strictly adhere to established standards related to class structure, assignments, tutoring, and examination procedures, reinforcing the commitment to excellent educational practices.

Moreover, Bojun encourages teachers to participate in pedagogic research, attend training seminars, and keep on pursuing advanced studies so as to enhance its teaching quality and excellence. The Group believes that practical experiences are just as crucial as theoretical discussions in elevating the overall quality of education. All schools within the Group conduct teaching research activities in diverse subjects, including mathematics, physics, chemistry, and music, contributing to the development of teaching resources and enhancing teachers’ professionalism and skills.

Case study: *Vocational College (文軒職業學院)* — There were several inspections conducted across the academic year. In March and April 2025, the Chengdu campus quality control office carried out quality control checks on teaching plans of different faculties, such as the School of Education, the School of Information and Artificial Intelligence, and the School of Management and Service. Leading responsible personnels and all teachers of the department participated in the inspection, ensuring any issues raised regarding teaching plans can be resolved promptly.



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Digitalisation and Technology

In alignment with the national education development, the Group has integrated technology into daily education. There are initiatives introducing the use of AI, which allow students to equip with adaptivity in the era of digitalisation and AI. Prioritising the research and utilisation of advanced technologies, the Group believes that the cautious use of different types of technology, including AI, in daily teaching and learning experiences benefits students with enhanced education quality.

Case study: *Tianfu High School (天府高中)* — The Information Technology Team organised a series of activities featuring the use of AI. Apart from learning the basic knowledge of AI, students got hands-on experiences on applying AI to code writing, and app creating. With the use of technologies, students turned their own virtual ideas into real products. Meanwhile, the school reminded students of critical thinking when dealing with technology through discussions on relevant topics.



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Academic Achievement

As part of its commitment to delivering excellent education to students, the Group's teachers and other staff members put great efforts in their teaching. During the year under review, teachers and staff members were honoured for their dedicated teaching efforts, while students were awarded for their diligence and persistence throughout their academic journeys.

Case study: Vocational School (正卓職業學校) — During the year under review, the excellent hard work of several teachers, teaching assistants, and education workers of the school were recognised and celebrated. Additionally, outstanding art pieces of students from the school won the Second prize in painting under a competition emphasising Chinese spirit.



Teacher-student Interaction

Recognising that teachers play a vital role in inspiring students and fostering their growth and development, the Group strives to help establish close relationships between teachers and students via a series of channels. With additional events, teachers can have a better understanding of the academic pressures and concerns that students face. At the Riverside Kindergarten (河濱幼兒園), there is a simple health check every morning to ensure children's well-being. After children step into classrooms, teachers will chat with children to express concerns on their recent physical and mental health. To enhance respect and trustworthiness between teachers and students, the first personnel receiving student enquiry is responsible for providing responsive reply with 24-hour under the accountability mechanism.

To enhance communication and interaction, all schools within the Group provide the following channels:

- **Hold class meeting:** In regular class meetings, students have the opportunity to freely share their opinions. When students share their concerns and expectations about teaching methods and the organisation of academic activities, teachers can better understand each student's needs, thereby adjusting the teaching plan to suit diverse learning needs.
- **Set up teacher-student mailbox (師生信箱):** Letter-writing creates a safe and private space for students to express their thoughts while ensuring confidentiality. This initiative allows students who may feel hesitant to speak up in class meetings to share their ideas without fear.
- **Design teacher-student interacting activities:** By incorporating academic knowledge into interactive games, students can actively participate in the learning process. With challenges and rewards systems, students can enjoy exciting learning experiences that help them absorb knowledge more effectively.

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- **Round-table discussions (師生圓桌會):** At vocational schools, monthly meetings allow verbal and written communications between the school principal, grade-level leaders, and student representatives. Topics including lunch, assignments, and student societies are discussed. Meeting minutes will be circulated within two days, and rectification measures will be implemented within specific time period.

Home-school Communication

The Group places a great emphasis on maintaining open communication with parents to foster a collaborative environment that supports healthy development of students. To enhance dialogues between families and schools, a Family Committee has been established, alongside below additional effective policies aimed at promoting engagement.

- **Hold parent meeting:** Parents are able to be familiar with the school operations, teaching approaches, and their children's experiences at school. During regular meeting, a letter-reading session is held to provide students with a platform for meaningful communication with their parents, deepening the connection between home and school.
- **Send home-letter (傳家書):** Weekly home letters written by teachers provide parents with updates on students' learning progress at school and highlight their achievement. The content includes specific homework assignments, review tasks, or reading materials that students are required to finish, enabling parents to supervise their children's studies more effectively and support their educational journey.
- **Online home visits (線上家訪):** Teachers conduct online home visits to stay informed of children's learning progress. This allows teachers to offer assistance as needed.
- **Home-school communication handbook (家園聯繫冊):** Daily activities done by children at the Riverside Kindergarten (河濱幼兒園) are recorded for parents to learn more about their children's school life. At the end of each school day, teachers further communicate with parents on children's performance and any special issues.

Case study: Tianfu High School (天府高中) — Between October and November 2024, parents were invited to step into classrooms and share knowledge of their specific industry with students. Students were benefited from learning more from various aspects, including the Universe, urban planning, wastewater treatment, laws, financial management, AI, and soil. Meanwhile, parents were more familiar with the school's teaching approach when preparing the teaching materials, strengthening the home-school communication.



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Advertising and Admissions

In FY2025, the Group's publicity and admission activities adhered to the Advertising Law of the PRC* (中華人民共和國廣告法) and relevant internal policies. All promotional contents, including the schools' philosophy, curriculum system and management characteristics, were developed based on the guidelines established by the Group. To ensure accuracy and impartiality, standard and formal preparation procedures are implemented, requiring discussions and confirmations of advertising materials from the Admission Office by the principal and the administrative committee. Once reviewed by the school and approved by the Education Bureau, the materials are then printed and disseminated to the public.

Additionally, the Group leverages online platforms for advertising and sharing news. In particular, schools' official websites along with their WeChat public account (微信公眾號) and Weibo account (微博賬號) are utilised. These platforms enhance the Group's outreach and engagement with the community.

In FY2025, the Group complied with relevant laws and regulations, and the Group did not receive any complaints related to its advertising and admission activities.

Privacy Matters

As the Group is dedicated to safeguarding the privacy of its students, the collection of unnecessary information from students or their parents is strictly prohibited. Data gathered from students is solely for enrolment purposes, with personal information being meticulously verified and regularly reviewed. All paper documents and electronic files are securely collected, stored, organised, and managed by the Group. In the event of any leakage of personal information or data, responsible employees will face consequences in accordance with the Group's policies.

Furthermore, the Group has enforced a confidentiality agreement through labour contracts, which prevents employees from disclosing any information about the school, colleagues, or personal details of students and their parents to any third party without consent. Violations of the policy will result in corresponding legal actions. With the implementation of the "Confidentiality System" and stringent monitoring measures, the school management is committed to protecting the privacy of all students and staff. The video surveillance system of the kindergarten operates independently from external networks, with access restricted to the Group's Administrative Office. Internal footage can only be accessed with specific authorisation from the management, except during routine security checks or when required by public security agencies for evidence.

In FY2025, the Group reported no incidents of personal data leakage and did not receive any complaints regarding privacy issues. With the enforcement of the Personal Information Protection Law of the PRC* (中華人民共和國個人資訊保護法) ("PIPL") on 1 November 2021, the Group continues to be compliant with PIPL and relevant regulations through improvement on personal information's management.

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Complaints Handling and Risk Management

In FY2025, the Group did not receive any substantial complaints from students, parents, or local residents. In previous years, feedback received by schools within the Group primarily consisted of parents' suggestions and recommendations regarding school management, students' opinions on school arrangements, and community concerns about the need for a quieter campus.

Valuing the feedback from its stakeholders, the Group has established teams to thoroughly investigate the issues raised. The teams ensure that appropriate actions are taken based on stakeholder concerns, as detailed below:

- **Parents:** The schools maintain active communication with parents through the Family Committee to better understand their concerns. After conducting a comprehensive investigation and internal discussions, the Academic Affairs Office issues a rectification order. The order mandates that any ambiguous information regarding the school's management processes be clarified and explicitly communicated to parents, including details about fee items.
- **Students:** The schools appoint psychology teachers to serve as counsellors, conducting individual sessions with each student. These discussions assist students in overcoming psychological barriers and gaining a clearer understanding of the positive intentions behind the school's arrangements. Moreover, the schools work closely with the General Affairs Office and supervising teachers to ensure that students' voices are heard and their legitimate needs are met.
- **Residents:** To address residents' concerns, the schools proactively engage with the community property management through various discussions. This collaboration ultimately results in a mutual agreement aimed at minimising noise impacts on the community while allowing the schools to maintain its regular operations.

Intellectual Property Rights

Maintaining transparent and ethical business practices, Bojun particularly focuses on protecting intellectual property rights. The Group believes that these rights play a vital role in fostering innovation and creativity. Hence, the Group is committed to safeguarding its own intellectual property rights while also respecting others' rights. All schools within the Group must utilise only legitimate and authentic teaching materials, including textbooks, teaching aids and software. The policy ensures the authenticity of educational content, as well as contributing to fair compensation for creators and publishers. In instances of any violations of intellectual property rights, the Legal Department of the Group will carry out investigations and verifications, and any involved employees will face consequences in accordance with established regulations.

In FY2025, the Group complied with the applicable policies and regulations, and the Group received no complaints related to intellectual property rights.

Given the nature of the Group's business, recall procedures and labelling are not applicable to its operations and thus are not considered material nor disclosed in this ESG Report. In FY2025, the Group complied with relevant laws and regulations relating to health and safety, advertising, labelling and privacy matters of its products and services that have a significant impact on the Group.

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VII. PROFESSIONAL TEACHERS

Employment

Teachers play a significant role in education, and their influences reach well beyond the classroom. Bojun, a longstanding education provider, is dedicated to delivering high-quality education through efficient recruitment, professional training and robust management. To this end, the Group has established and implemented rigorous hiring procedures and employment systems that maintain the highest standards of professionalism.

As of 31 August 2025, there were a total of 2,284 staff employed by the Group in the PRC. The distribution of the Group's employee structure by gender, age group, position level, employment type, and geographical location can be found in Table S3 in section headed "XI. APPENDIX — PERFORMANCE TABLE".

The Group emphasises teaching experience and professional qualifications during the recruitment process. Yearly changes on the quality profile will be monitored to further ensure teachers' quality. The summary table below presents the teacher quality profile for the schools within the Group in FY2025.

Teacher Quality Profile

	Kindergarten	High School	Vocational Schools
Average Teaching Experience (Years)	8.0	11.0	7.0
Education Level*	107.1% education diploma or above and 42.9% bachelor's degree	100.0% education diploma or above, 82.9% bachelor's degree and 17.1% master's degree	104.2% education diploma or above, 95.7% bachelor's degree and 19.4% master's degree

* Education level includes that of teachers and other staff positions.

Law Compliance

Since establishment, the Group's HR Department and its subsidiaries have taken the responsibility for regularly reviewing and updating the Group's employment policies in accordance with the latest laws and regulations, as well as aligning with social changes. During the year under review, mandatory social insurance and medical insurance schemes were provided to employees, and the Group adhered to applicable laws and regulations, including:

- Employment Promotion Law of the PRC* (中華人民共和國就業促進法);
- Labour Contract Law of the PRC* (中華人民共和國勞動合同法);
- Labour Law of the PRC* (中華人民共和國勞動法); and
- Insurance Law of the PRC* (中華人民共和國社會保險法).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Recruitment and Promotion

As the cornerstone of the education system, teachers strive to deliver a high-quality learning experience for students. The Group recognises that attracting and retaining talented educators is essential to maintaining its competitiveness in the education industry. To support this, the Group enforces strict internal policies for recruitment and employee management. In addition to fostering strong and long-term partnerships with colleges and universities, the Group regularly conducts campus recruitment to engage with promising candidates. Leveraging digital platforms and social media, such as WeChat and Tencent, to post job openings and share recruitment information, the Group is allowed to expand its reach to qualified applicants.

The Group is committed to a structured and fair recruitment and promotion process across all its schools in order to search for qualified, capable, and suitable candidates. Applicants go through a rigorous evaluation that includes written tests, interviews, skills presentations, and principal interviews. A panel of three to five interviewers adopts a detailed grading rubric to assess each candidate's performance, educational qualifications, working experience, and specialisations. For internal promotions, the Group follows transparent and legitimate procedures, where teachers are assessed based on their performance using the Teacher Promotion Application Assessment Form (教師晉級申請考核表). This ensures that promotions are awarded fairly and merit-based, creating an equitable and motivating working environment.

Compensation and Dismissal

The Group has developed its remuneration policy in alignment with relevant laws and regulations of the local jurisdictions where its schools operate. Compensation is determined based on each employee's role and function, no matter they are teachers, administrative and supporting staff, or general staff. In line with the principle of "externally competitive, internally fair and motivating, and the school has the ability to pay" (對外有競爭力·對內公平有激勵力·學校有支付能力), the Group reviews teachers' salaries by considering factors such as professional skills, workload, work performance, and attitude. Salaries are approved and issued monthly through a management system, while additional performance-based remuneration is awarded according to the semester's "Final Appraisal Reward Method" (期末考核獎勵辦法). To further incentivise staff, the Group also offers end-of-term bonuses, allowances, holiday condolences, and overtime pay.

To ensure fairness in employment practices, the Group has implemented clear and lawful policies on employee dismissal procedures, strictly prohibiting any form of unjust or unlawful termination. Relevant procedures are detailed in the Group's human resources policies and employment contracts, ensuring that all dismissals are handled transparently and in accordance with due process. In cases where an employee repeatedly makes the same mistake despite prior warnings, the Group may proceed with termination while offering economic compensation in compliance with relevant laws and regulations in the PRC. In FY2025, the total employee turnover rate of the Group is around 2.6%. For detailed information, please refer to Table S4 in section headed "XI. APPENDIX — PERFORMANCE TABLE".

Working Hours and Rest Periods

The working hours and rest periods of all employees, established in adherence to the Labour Law of the PRC* (中華人民共和國勞動法), are agreed and stated clearly in individual labour contracts. Working hours for employees are limited to no more than 44 hours per week, with at least one day off each week, while overtime working hour is strictly regulated, with a maximum of 36 hours per month. As it prioritises the health and well-being of its employees, the Group closely monitors employees' working hours and ensures adequate rest.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Equal Opportunity and Anti-Discrimination

Promoting equity and diversity in the workplace is fundamental to the Group's values and is recognised as a key driver of organisational performance and competitiveness. The Group is dedicated to prohibiting discrimination and actively cultivating a diverse, inclusive, and respectful working environments, where all employees are given equal opportunity regardless of age, gender, race, disability, ethnicity, origin, religion, or any other non-job-related factors. This commitment is reflected in all aspects of employment, including recruitment and selection, training and development, and promotion. To enhance cultural awareness and global perspective, the Group not only employs local Chinese workers but also recruits foreign teachers with different backgrounds, enriching the educational environment and fostering cross-cultural understanding among students.

The Group has enforced an equal opportunity policy with zero-tolerance against any form of workforce discrimination, harassment, or vilification, aligned with applicable local laws and regulations. To support the policy, confidential reporting mechanisms have been established for employees to raise concerns directly to the Group's HR Department. All reports are handled with sensitivity and care, and a thorough investigation and resolution process are carried out, ensuring that any issues are addressed fairly and justly.

Other Benefits and Welfare

In FY2025, the Group arranged recreational and team building activities, as well as providing various benefits to teaching staff. Along with social insurance, staff at the schools within the Group received gifts during festive celebrations. The Group also arranged department gatherings to enhance the cohesiveness of the team. For instance, Vocational College (文軒職業學院) provided its staff with transport fare subsidy, as well as benefits on housing and meals. To express the gratitude to teachers for their efforts throughout the year, students prepared lovely gifts during Teachers' Day. Schools within the Group also organised relaxing activities for teachers to relieve pressures.

Case study: *Tianfu High School (天府高中)* — To celebrate Teachers' Day, students prepared poems and singing performances while leaving thank you messages on the exhibition board to show their love to teachers. Additionally, the school arranged meal gatherings for teachers, with thank you card distribution and fan-making areas. The activity allows teachers to enjoy the moments having fun with their colleagues and students, as well as immersing into the Chinese culture of traditional handcrafts.



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Case study: Kindergarten — During Teachers' Day, teachers at the Riverside Kindergarten (河濱幼兒園) received flowers from children. Teachers and children participated in the flower arrangement activity, enjoying these moments full of love and warmth. The final products of the flower arrangement were presented to teachers, doctors, security, and canteen workers of the kindergarten to express their acknowledgement. Besides, teachers underwent music therapy during lunchtime to enjoy the peaceful moments, alleviating their pressures.



To enhance the Group's strategies and boost employee satisfaction, effective communication between the management and general staff is considered to be essential, in addition to existing activities and benefits. The Group has established a comprehensive communication mechanism that includes various types, such as "request and report", "file and information sharing", "internal publication" and "employee growth system". The "employee growth system" is further divided into eight components based on different stages, covering communication from pre- to post-employment. Furthermore, the Group regularly organises seminars for administrative leaders and teaching staff to gather insights on the expectations of frontline teachers.

In FY2025, the Group complied with relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare that have a significant impact on the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Development and Training

Recognising teachers as valuable asset, the Group is dedicated to providing training opportunities that help identify and address skill gaps. Such training allows teachers to respond effectively to the evolving educational landscape while enhancing their knowledge and capabilities. By offering training to teachers, the Group not only strengthens its educators but also ensures that students receive high-quality education and a positive learning experience.

The training programmes offered by the Group are designed to promote self-awareness, helping teachers formulate personal and professional development plans, engage in theoretical studies, and reflect on their practices. Therefore, the Group has implemented internal policies such as “Internal Training and External Introduction” (內培外引) and “Cooperation and Construction” (合作共建) in accordance with the “Guiding Opinions of the Ministry of Education on the Management of Credit Management for Primary and Secondary School Teacher Training”* (教育部關於推行中小學教師培訓學分管理的指導意見) and the “Measures for the Management of Credits for Primary and Secondary School Teacher Training in Sichuan Province”* (四川省中小學教師培訓學分管理辦法).

Meanwhile, induction training is provided to new teachers. The Group invites experts and scholars for internal training, and teachers are also encouraged to participate in external training courses. Leveraging the development of online learning platforms, teachers can flexibly engage in learning and professional development during their leisure time. To further support the career development of its teachers, Bojun has established an employee training reward and punishment system that recognises and motivates teachers who demonstrate exceptional performance.

Case study: *Vocational College (文軒職業學院)* — Before the start of the semester, the college organised preparation work with a specialised training conference. All teachers at the college participated in the training conference in means of online and face-to-face formats. For the School of Automotive Studies, all teaching assistants participated in the emergency preparedness training, ensuring safe and smooth learning experiences.



In FY2025, the Group provided a total of 17,954 hours of training for 98.9% of its employees, among which 77.9% were teachers. For detailed information regarding training participants and breakdown of training hours received, please refer to Tables S5 and S6 in section headed “XI. APPENDIX — PERFORMANCE TABLE”.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

VIII. HEALTHY & SAFE CAMPUS

Health and Safety

Bojun has placed a great emphasis on campus health and safety. Upholding its responsibility for providing and maintaining a safe and secure environment for students, staff, and local residents, the Group has prioritised to implement initiatives and optimise campus facilities. With a secure and supporting environment, students can be more engaged in their learning with minimal risks.

Law Compliance

Over the years, Bojun has been paying attention to potential hazards on campus, aiming to safeguard the health and safety of its employees and students. As such, the Group has established and enforced precautionary measures in accordance with relevant local laws and regulations, including but not limited to the Regulation on Work-Related Injury Insurance* (工傷保險條例), the Law of the PRC on Prevention and Control of Occupational Diseases* (中華人民共和國職業病防治法) and the School Hygiene Work Regulations* (學校衛生工作條例).

Health Services Provision

In compliance with the School Hygiene Work Regulations* (學校衛生工作條例), all schools within the Group are equipped with medical rooms under the "Medical Institution Practice License"* (醫療機構執業許可證). All schools adhere to the "Basic Standards for Medical Institutions"* (醫療機構基本標準) by establishing transparent management systems that clearly define the responsibilities and conducts of medical staff and school doctors. All medical staff, nurses and doctors of the Group are certified healthcare professionals holding valid practising licenses. There is advanced medical equipment in medical rooms. The provision of the around-the-clock services include health consultation, emergency treatment, and referrals. Medicines stored in medical rooms are regularly reviewed and supplemented to ensure prompt and effective medical treatment.

To promote the health and well-being of students and staff, the Group conducts annual medical checkups for both teachers and students. A student health record system has been established at all schools to identify and address any health concerns early. New students undergo a Purified Protein Derivative (PPD) screening for tuberculosis (TB), while faculty members and staff receive annual physical examinations. In accordance with the guidelines of the Chinese Centre for Disease Control and Prevention (CDC), all students must receive required vaccination during enrolment. For kindergartens, the Group strictly follows the "Chengdu City Nursery and Kindergarten Health Care Management Implementation Rules"* (成都市托兒所、幼兒園衛生保健工作管理實施細則) and has established the "Kindergarten Health Care System" (幼兒園衛生保健制度) to clearly outline the duties of health personnel.

Campus Safety Management

Beyond the provision of medical facilities, the Group has implemented a comprehensive health and safety management policies, including the "Emergency Plan For Major Risk Prevention And Control Work" (重大風險防控工作應急預案). The policies outline procedures for responding to emergencies such as natural disasters, fire safety, medical emergencies, and other critical situations relating to health of students and staff in order to smoothen emergency prevention, handling and reporting processes. Schools within the Group have established an early warning mechanism for safety control, which includes enhanced campus patrols, surveillance cameras, access control systems and security personnel, to prevent bullying and eliminate potential threats. Additionally, the Group has set up open communication channels for promptly reporting suspicious behaviour, while working closely with parents to protect the health, safety, and overall development of all students.

In addition to regular facility maintenance and repairing to ensure campus safety, the Group has provided safety education and training for all campus users to enhance their safety awareness and ability dealing with emergencies. During the year under review, staff from the Education Bureau came to Vocational School (正卓職業學校) to review a series of documents relating to campus orders and food safety before the start of the semester. To further ensure the readiness of the campus, relevant staff inspected the sanitation of laboratories, as well as the safety of food processing and storage.

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Case study: Vocational College (文軒職業學院) — As the preparation work of the start of the semester, staff from the Education Bureau and relevant departments of the county came to the college for safety check on various aspects, including food, gas, fire, construction and facilities. Moreover, there was an inspection on schoolwork and laboratories, ensuring that precautionary equipment is in place.



Case study: Kindergarten — To ensure campus safety of children at the Riverside Kindergarten (河濱幼兒園), teachers at the kindergarten received training on first-aid knowledge and skills during the year under review. Professionals from the National Fire and Rescue Administration were invited to deliver the training. In particular, teachers learnt about the steps and actions in response to different emergency situations, including choking.



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Occupational Health and Safety

Due to the business nature as an education service provider, the majority of the Group's employees, such as teachers and administrative staff, are generally not exposed to high risk of occupational hazards. However, a certain number of personnel, including maintenance staff and those involved in outdoor activities, may encounter limited occupational risks. To mitigate these potential risks, the Group ensures that such employees are provided with appropriate personal protection equipment (PPE) and are trained with safe operating procedures, thereby lowering the likelihood of injuries or health issues.

To maintain a safe and hygienic environment, the Group has implemented stringent cleaning and disinfection policies for campus facilities, which will be conducted every semester. Smoking is strictly prohibited across all school premises and workplace to protect students and staff from the exposure to harmful pollutants. The Administrative Department and the back office are tasked with reviewing and monitoring the implementation of these safety measures, evaluating the effectiveness and ensuring the continuous improvement of the Group's overall safety performance.

Attributed to its ongoing efforts, the Group did not record any work-related fatalities during the past three years, including the current reporting period. In FY2025, the Group recorded zero cases of work-related injuries and hence zero lost days due to work injury incidents. In instances of work-related injuries, effective measures in accordance with relevant internal policies will be immediately adopted and proper compensation will be given to relevant employees. In addition to reviewing and refining related policies and practices through regular security inspections, the Group strives to enhance the safety awareness of its staff through education and training so as to achieve zero-injury rate.

In FY2025, the Group complied with relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards that have a significant impact on the Group.

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Physical Education

To cultivate individuals with holistic development, the Group prioritises physical education. Through various group activities, the students' physical health, mental health, and crucial life skills can be enhanced. During the year under review, the schools within the Group organised diverse activities with physical education and academic goals to cater interests of all students. To ensure students have sufficient physical activity for their growth and development, the schools within the Group provide physical education lessons and activities in alignment with the national standard.

Case study: *Tianfu High School (天府高中)* — In October 2024, the school organised a Sports Festival for students to enjoy playing different sports and collaborate with their classmates, enhancing the cohesiveness of each class. Apart from sports activities, there were also gymnastics performance and other performances from school teams and students from each grade, including dancing and drumming for the opening ceremony.



Emergency Drills and Training

To enhance the safety awareness and emergency response of students and staff, the schools within the Group regularly conduct emergency drills and training sessions. During the drill, students will practise the standard evacuation technique of bending down and covering their mouths to minimise exposure to smoke. During the year under review, Vocational School (正卓職業學校) provided training on the fire door access control system such as the emergency door release device, allowing students and staff to equip with the knowledge of escaping through the emergency door in case of any fire accidents.

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Case study: Vocational College (文軒職業學院) — During the year under review, the college continued its fire safety education through holding a demonstration on the correct use of fire extinguishers to put out fires on campus. Professional firemen were invited to demonstrate and explain to the college's students and staff, ensuring them to be able to promptly react to emergencies.



Canteen

Food safety is the priority of the school canteen. The Group aims to promote the well-being of students and staff with safe and nutritious meals while reducing the risk of foodborne disease. In FY2025, all school canteens complied with relevant local laws and regulations, including but not limited to:

- the Food Safety Law of the PRC* (中華人民共和國食品安全法);
- the Implementation Regulations of the Food Safety Law of the PRC* (中華人民共和國食品安全法實施條例);
- the Food Safety Supervision of Catering Services Management Measures* (餐飲服務食品安全監督管理辦法); and
- National food safety standard — General hygienic specifications for catering service* (食品安全國家標準餐飲服務通用衛生規範).

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To maintain a hygienic and comfortable dining environment, a set of food safety practices and internal policies have been implemented, including the “Canteen and Group Dining Hygiene Management Regulations” (學校食堂與學生集體用餐衛生管理規定) and “Food Safety, Nutrition and Health Management Regulations” (學校食品安全與營養健康管理規定). Moreover, the Group has developed specific internal control procedures to control food safety and quality, including but not limited to:

- Establish internal systems for the procurement and certification of food materials, including documentation, registration, and inspection;
- Maintain open kitchens to increase the transparency of processes such as food processing;
- Require all canteen staff to acquire health certificates;
- Provide all canteen staff with training on proper food safety practices, including handwashing, safe food storage, and temperature control;
- Conduct regular inspection on canteen areas to strictly control the hygiene of relevant areas;
- Implement a FIFO (First In, First Out) system to ensure that ingredients are fresh and will not lead to any foodborne issues;
- Design weekly menus referring to the “Chinese Residents Dietary Guidelines”** (中國居民膳食指南) and the “Nutrition of School Meals Guidelines”** (學生餐營養指南);
- Provide explicit labelling for allergenic ingredients in school meals; and
- Create specific menus for students and staff with food allergies or dietary restrictions.

Case study: *Vocational College (文軒職業學院)* — In February 2025, the college conducted a food safety inspection. The inspection covered not only the canteen areas but also the supermarkets and medical rooms on campus. In addition to the food and ingredients, the medicine for treatment were scrutinised to safeguard the health and well-being of students and staff.



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Psychological and Mental Health

Acknowledging the crucial role of mental and emotional well-being in students' overall development, the Group has placed a strong emphasis on this area. Over the years, mental health education has been integrated into the school curriculum, and various activities were organised to alleviate the anxiety and academic stress of students. The Group is committed to fostering an environment that encourages open dialogue and emotional support, making students feel comfortable in expressing their concerns. The schools within the Group have been equipped with a psychological care centre and counselling room, where professional counsellors and psychologists offer both individual and group counselling sessions.

The Group recognises that student well-being is a shared responsibility and hence actively promotes collaborations between teaching staff, families, and the wider community. To strengthen this partnership, the schools within the Group regularly host talks and parent-teacher meetings focused on students' academic progress and personal development. These engagements aim to foster better communication and mutual understanding between parents and children, creating a supportive network that contributes to positive mental health and emotional resilience of students. Through parent meeting and open day, the schools within the Group further emphasise the role of parents and guide them to effectively manage students' health.

Case study: *Tianfu High School (天府高中)* — In November 2024, the school organised a booth for students to share their emotions, as well as arranging a psychological lesson on social emotions. The booth allows students to freely leave their messages, with either positive or negative emotions, or words that support others. The psychology lesson integrated with the Maslow's hierarchy of needs guided students to listen to others and develop the sense of empathy.



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Supply Chain Management

As an educational institution with boarding services, Bojun primarily collaborates with suppliers that provide office supplies, educational equipment and teaching materials, student daily necessities, and food ingredients for canteens. Effective supply chain management is essential to ensure an uninterrupted operation of school activities and services. The Group remains committed to minimising social and environmental risks throughout its supply chain, while striving to build a sustainable value chain. This includes a strong focus on delivering safe, reliable, and high-quality products to both students and staff in a responsible manner.

Supplier Engagement

During the year under review, the Group maintained stable partnerships with a total of 17 suppliers, with all of them located in the PRC. All schools within the Group have established a dedicated Logistic Department to foster long-term and interactive relationships with major suppliers. These relationships are supported by on-site visits, telephone conferences and WeChat messages. In FY2025, 100% of its suppliers were covered by the Group's supplier management policy, and there were no incidents of under-qualified supplies or delays in supplies.

Risk Management

To mitigate potential social and environmental risks within its supply chain, the Group has developed a set of internal policies and procedures to guide supplier-related activities, including inspection, bidding, collaboration, and ongoing oversight. By following the precautionary principle, the Group aims to proactively reduce supply chain risks through strict compliance with established standards and contractual terms, accompanied by regular investigation.

As outlined in the "Supplier Selection Mechanism and Evidence for Selection" (供應商選擇的相關制度及證據), the Group's Logistic Department is responsible for selecting and reviewing suppliers. The department ensures that all procurement processes meet both legal requirements and quality standards. The supplier selection framework is divided into three distinct stages:

- **Factors to consider:** Only suppliers who possess a three-in-one business license, registered capital, and relevant national qualifications will be considered. The Logistic Department conducts routine evaluations based on the standards to ensure legal compliance and strong capabilities of production, supply, and delivery.
- **Factors for selection:** In addition to the quality and pricing of suppliers' products and services in comparison to industry peers, the Group considers industry experience and business cases to select its suppliers. Suppliers that have obtained ISO (International Organisation for Standardisation) certifications or other third-party accreditations receive bonus points during the assessment.
- **Selection process:** Beginning with the completion of the "Supplier Basic Information Registration Form" by the Logistic Department, cross-departmental discussions are then held to assess, grade and deliver opinions on the "Long-term Supplier Periodic Evaluation and Assessment Form". After the evaluation, suppliers who meet the qualification requirements will be recorded according to the supplier approval procedures and added to the qualified supplier list, subject to final approval by the Group's leaders. To ensure accountability, selected suppliers are also required to submit safety, quality, and risk deposits to the schools.

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Green Procurement

Acknowledging the critical role of the supply chain in its sustainability performance, the Group prioritises environmental considerations during its procurement process, as well as striving to select materials and products that have minimal or no harmful impacts on the environment. Bojun aims to influence every stage of the value chain, encouraging a collective shift towards sustainable development.

The Group's Logistic Department upholds its responsibility for implementing and monitoring the Group's practices on promoting environmentally preferable products and services, with the emphasis on the indicator of "low carbon" throughout the process of supplier selection. Therefore, suppliers are encouraged to adopt preventive measures that lower pollutions, including the emissions of wastewater, exhaust gas, solid waste, and noise.

- **Supplier qualification:** Bojun believes that companies with a large scale have better qualifications, and hence stronger capabilities and motivation to enforce low-carbon strategies. Suppliers with green qualifications, such as the ISO 14001 certification, will be prioritised.
- **Supplier location:** The Group prioritises local suppliers located closer to its schools and operations to minimise transportation-related emissions and the "carbon mileage".
- **Technical indicators:** By assessing and monitoring the carbon emission level of potential partners, the Group can identify suppliers who are capable of investing and developing innovative green and low-carbon technologies.

As of 31 August 2025, 100% of PRC's suppliers were covered by the Group's green procurement policy.

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IX. SUSTAINABLE CAMPUS

Bojun understands the importance of environmental stewardship. As such, the Group is committed to integrating sustainability into its strategies and creating a sustainable campus for students and staff, engaging them in environmental protection. As an education service provider, the types and amount of emissions generated from the Group's operations are limited and do not have significant impacts on the environment.

During the year under review, the Group complied with relevant environmental laws and regulations in the PRC, including but not limited to:

- Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes* (中華人民共和國固體廢物污染環境防治法);
- Law of the PRC on Prevention and Control of Water Pollution* (中華人民共和國水污染防治法);
- Standard for pollution control on hazardous waste storage* (危險廢棄物貯存污染控制標準);
- Environmental Protection Law of the PRC* (中華人民共和國環境保護法);
- Law of the PRC on Prevention and Control of Pollution from Environmental Noise* (中華人民共和國環境噪聲污染防治法); and
- Energy Conservation Law of the PRC* (中華人民共和國節約能源法).

This section primarily discloses the Group's quantitative data on emissions, use of resources, and its policies and practices on minimising impacts on the environment and natural resources, as well as policies on mitigating significant climate-related issues during the year under review.

Emissions

In FY2025, the Group's daily operations aligned with applicable and relevant national and local environmental laws and regulations relating to air and GHG emissions, discharges into water and land, generation of hazardous and non-hazardous wastes, and noise that have a significant impact on the Group. Detailed information on the Group's total and different categories of emissions in FY2025 can be found in Table E1 in section headed "XI. APPENDIX — PERFORMANCE TABLE".

To promote environmental sustainability, Bojun has designed comprehensive environmental strategies and measures to support the development of an eco-friendly campus. This allows each school to contribute to sustainable campus with specific guidelines and targets, ensuring that their environmental efforts align with international best practices and sustainability trends. By implementing these measures and targets across the schools within the Group, Bojun aims to reduce its overall ecological footprint.

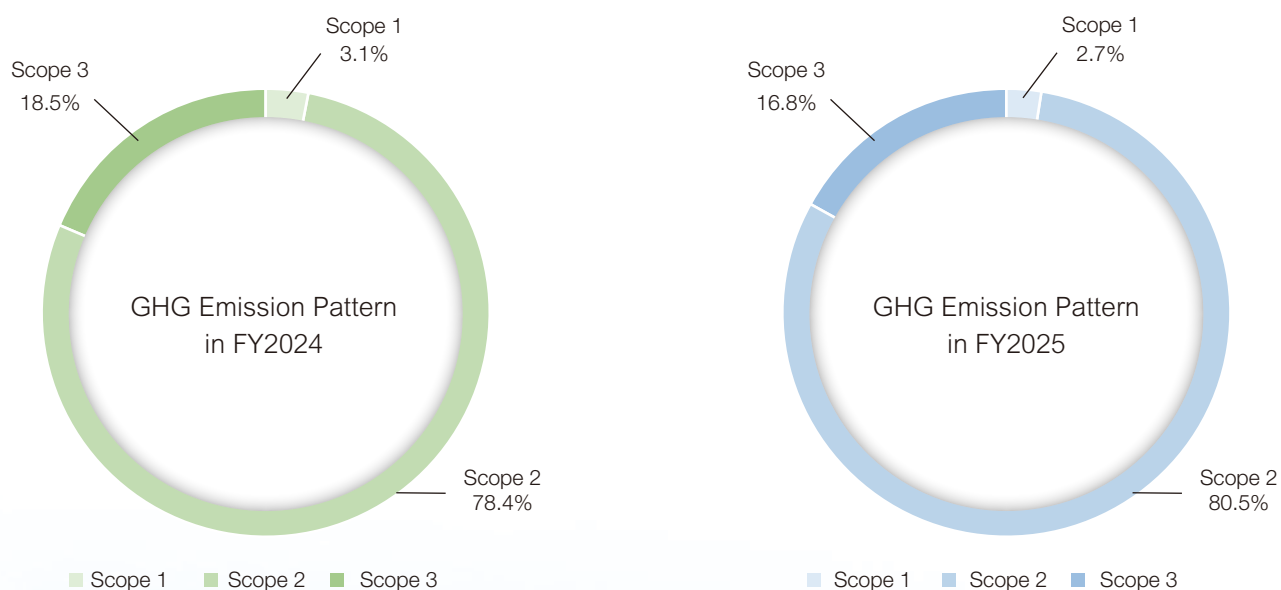
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Air & GHG Emissions

In FY2025, the primary sources of air and GHG emissions were the consumption of electricity for daily operations of the schools, petrol for transportation, and natural gas for school canteen operations. In response, the Group has introduced multiple initiatives to reduce air pollutants released across its schools. School canteens are equipped with fume filtration facilities, and professional organisations are engaged to regularly clean exhaust hoods. For instance, the canteen at Vocational College (文軒職業學院) undergoes a safety inspection of the natural gas boilers by professionals from a partner gas company, which helps detect and promptly resolve leakage issues, preventing unnecessary emissions. Additionally, the Group's kindergarten has installed fresh air systems to enhance indoor air quality, creating a pleasant learning environment.

At Bojun, the use of petrol for transportation and natural gas for school canteen are the major sources of its direct emissions (Scope 1). For indirect emissions, Scope 2 emissions are attributed to the use of electricity, while Scope 3 emissions are attributed to the disposal of paper waste and the processing of freshwater and wastewater.

In FY2025, the Group's GHG emission profile demonstrated a similar pattern as in FY2024, with Scope 2 indirect emissions as the dominating category. Compared with FY2024, the amount of Scope 1 direct emissions and Scope 3 indirect emissions in FY2025 slightly decreased by 6.5% and 5.3% respectively, while the amount of Scope 2 indirect emissions in FY2025 increased by 7.1%.



Recognising that anthropogenic GHG emissions significantly result in climate change, the Group strives to develop measures to save energy, minimising the associated emissions. For detailed information on the Group's policies and initiatives launched to regulate its emissions, please refer to the following subsections headed "Electricity" and "Other energy resources".

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Case study: Vocational College (文軒職業學院) — In January 2025, there was an environmental fun fair to promote environmental sustainability and low-carbon lifestyles. One of the booths provided students with the opportunity to create a city with green spaces and other green elements through handcrafts. The activity not only enhances environmental awareness of students but also inspires them to build a sustainable and liveable city with their innovative ideas.



Wastewater

During the year under review, the wastewater generated by the Group was primarily non-hazardous domestic wastewater from students and staff on campus. To avoid unnecessary discharge, the Group has set up a series of guidelines to promote and implement wastewater recycling.

Non-hazardous wastewater

The Group is dedicated to reducing water consumption across its schools, thereby minimising adverse environmental impacts from the generation of wastewater. The Group complied with relevant local laws and regulations, and the “School Wastewater Discharge Management Method” has been implemented to monitor and regulate wastewater discharge. The Group’s management strategies include:

- Maintain and manage the drainage pipe networks and related facilities regularly;
- Conduct a quality test on wastewater in alignment with relevant regulations (national and local sewage pollutant discharge standards) before discharge;
- Use phosphate-free detergent and cleaning liquid; and
- Filter oily fluid discharged from canteens by the grease trap before sewage treatment.

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Case study: Tianfu High School (天府高中) — During the year under review, parents were invited to provide students with lessons on specific knowledge of their career sectors. One of the topics was wastewater treatment and recycling. Through theory sharing and hands-on experiences, students gained basic knowledge of wastewater, the procedures of wastewater treatment, and the impacts of untreated sewage on the environment and human health. After the lesson, students are inspired to save water and take actions to avoid water pollution, protecting the precious water resources together.



Solid waste

The solid waste generated by the Group includes non-hazardous solid waste produced from school activities on campus. During the year under review, no hazardous waste (solid waste or wastewater) was generated nor discharged by the Group.

Non-hazardous solid wastes

In FY2025, majority of non-hazardous solid waste generated by the Group was paper. To lower environmental impacts and promote sustainability across schools within the Group, clear policies and procedures on waste disposal, recycling, and management have been established. The “School Solid Waste Management Method” outlines:

- Define categories for waste segregation and place separable rubbish bins for separating waste at source;
- Provide guidelines for the proper disposal of recyclables via bulletin boards, assemblies and electronic devices;
- Promote responsible waste management and sustainability among students and staff through classroom activities, workshops, and awareness campaigns; and
- Establish a monitoring system for waste generation and track recycling rates.

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To further reduce the amount of solid waste generated, the Group encourages waste reduction at source by setting up the “Asset Management System”. The system states control measures for the scrapping and disposal of equipment, as well as highlighting partnerships with waste collection services and recycling companies, ensuring compliance with local regulations on waste management.

In particular, the Riverside Kindergarten (河濱幼兒園) has educated its staff and children on waste segregation. The establishment of rubbish bins with different categories on campus promotes recycling and drives for proper waste collection. Qualified recycling companies then further collect and handle recyclable waste such as paper, plastic bottles, and metal, allowing circular resource consumption. In addition to upcycling waste into decorations and handcrafts which inspires children’s environmental awareness and creativity, restrictions to single-use items, including paper cups and plastic bags, have been in place to encourage the use of reusable alternatives.

Additionally, regulations on food waste reduction at school canteens have been implemented. The “Management of Kitchen Waste Disposal” established has stipulated the roles and responsibilities for waste management and the routine inspections for the collection, storage, and treatment of food waste. To address food waste generated, the schools within the Group engage with qualified organisations for waste collection and processing, turning food waste into valuable resources.

Case study: Vocational School (正卓職業學校) — During the year under review, the Chinese cultural preservation exhibition displayed not only traditional artworks but also artworks with environmentally friendly concepts. Incorporating knowledge from the construction aspects, some students also collected used cardboard and adopted one of the “3R principles — Reduce, Reuse, and Recycle”, reuse, to create their construction model figures. This demonstrates students’ awareness on environmental protection, promoting the idea to wider communities.



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Noise

Noise generated by the Group arises from daily school activities, including outdoor events, school announcements, and bell ringing. Although the noise generated during teaching hours is generally considered as acceptable, the Group remains committed to minimising noise disturbances to surrounding communities. To regulate noise, decibel meters have been installed across campuses to help maintain sound levels within a typical range of 60 to 65 decibels, reminding staff and students to stay mindful of noise. Furthermore, the schools within the Group are designed with architectural features to limit noise transmissions within classrooms and common areas, including sound-absorbing materials, acoustic ceilings, and partitions. The Group also values community feedback and adjusts its noise control practices as needed to align with the expectations of nearby residents.

Use of Resources

In FY2025, the Group mainly consumed resources of electricity, petrol, natural gas, water, and paper. Given the nature of its business, the Group did not consume a substantial amount of packaging materials during the year under review. Detailed information on the Group's amount of resource consumption in FY2025 is summarised in Table E2 in section headed "XI. APPENDIX — PERFORMANCE TABLE".

Through a robust management system, the Group enhances its resource management by highlighting accountability and effective implementation of its assessment, reward, and penalty policies across its schools. In alignment with the Group's guidelines, the schools within the Group have reviewed and assessed their resource reduction targets while refining their resource conservation practices and record management.

Electricity

In FY2025, the Group's electricity consumption was attributed to its daily operations on campuses and offices, with approximately 97.1% of those sourced from the two vocational schools of the Group. The Group's policy of "School Power Management System" provides its schools with effective guidance to reduce electricity usage and the associated Scope 2 GHG emissions, including:

- Adopt power saving into school management and class assessment;
- Place energy-saving posters in the workplace to remind staff of energy conservation;
- Conduct routine cleaning of electronic appliances and equipment to enhance the efficiency of the products;
- Maintain and manage all electrical facilities for classrooms and dormitories regularly by the General Affairs Department;
- Switch off all electronic equipment, including lighting, air conditioners and multimedia systems, when leaving classrooms;
- Select electrical appliances with energy-saving labels during procurement;
- Implement energy-efficient practices, including the replacement of lightings with more energy-saving LEDs and the installation of motion-activated light and programmable thermostats;
- Set air conditioning in the offices and classrooms at reasonable temperatures;
- Install solar panels for the transition to the usage of electricity sourced from renewable energy; and
- Use eco-friendly refrigerant to reduce electricity consumption.

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To further regulate its electricity consumption, the Group has implemented additional measures and accountability. After office hours, the supply of electricity will be cut. Designated staff will conduct inspection and ensure that office equipment, including computers, printers, and lightings, are switched off before closing. This initiative better manages and minimises energy consumption, as well as strengthening the energy-saving awareness of all employees.

Moreover, the schools within the Group integrate the concept of environmental protection into its education to establish students' good daily habits on resource conservation. For instance, Vocational College (文軒職業學院) promotes energy conservation by placing a strong emphasis on the idea of saving every watt of electricity, while the Riverside Kindergarten (河濱幼兒園) regularly initiates energy-saving campaigns and organises relevant training to staff. The Group believes that cultivating environmentally responsible individuals with the mindset of resource conservation fosters a more sustainable future.

Other energy resources

Due to its business nature, the Group consumes other energy resources, which are petrol for transportation and natural gas for daily operations of school canteens and dormitories. In FY2025, the category of other energy resource usage represented 11.8% of the Group's total energy consumption. Over the years, Bojun has integrated climate-related risks into its long-term development plan and consistently worked to enhance its energy performance with the use of well-defined performance indicators. The Group remains dedicated to maximising the potential of its internal management system, actively seeking innovative solutions and adopting eco-friendly technologies to reduce its environmental impacts.

Regarding gaseous fuels, the Group's natural gas consumption, which was used for the operations of boilers and other cooking equipment in the dormitories and canteens, constituted around 6.4% of the annual energy profile of the Group in FY2025. To reduce the amount of GHG emissions from the burning of natural gas, Bojun has implemented the following practices to effectively regulate its gas consumption:

- Limit the supply of hot water to the dormitories during specific periods in winter and summer, and regulate water temperatures of boilers, in alignment with the Group's policies;
- Conduct routine inspections and maintenance of boiler equipment to monitor thermal insulation materials, reduce heat and gas loss, and eliminate leakage;
- Select environmentally friendly and energy-efficient boiler models during procurement;
- Replace the current stoves on campus with gas-saving new models gradually to save natural gas at source; and
- The use of water, electricity, and natural gas is included in the performance and salary appraisal of the managerial level while the use of natural gas is included in the performance and salary appraisal of the canteen staff, motivating the prevention of gas wastage.

Moreover, canteen staff receive training on safety management and energy conservation. Staff responsible for boiler management are trained with proper procedures of reasonable air distribution, stable pressure and temperature maintenance, and optimised control of boiler operations, while canteen chefs are trained with the consumption of gas in a safe and gas-saving manner. The gas-saving approach includes valid and suitable cooking methods, typical use of pressure cookers, use of casserole for soup-making over low heat, the use of lid covering the pot to reduce heat loss, and regular stove-cleaning to maintain efficiency.

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For liquid fuels, the Group consumed petrol for transportation, including the use of company cars, during the year under review. Through the implementation of the following measures, the Group aims to improve energy efficiency:

- Select petrol-efficient vehicles when purchasing new company cars while considering hybrid or electric models for better fuel economy and lower emissions;
- Conduct routine inspections for the company cars to ensure optimal working conditions;
- Leverage route optimisation software to plan the most efficient routes, reducing unnecessary mileage; and
- Encourage employees to commute by public transportation or non-petrol alternatives.

Water

In response to increasing global water scarcity, particularly prevalent in the PRC, the Group strives to promote water conservation across its schools while instilling the awareness of responsible water consumption in students. To reinforce the message, water-saving practices have been incorporated into each school's assessment systems, and a variety of educational activities are organised, such as essay writing, speech contests, and poster design, to encourage the culture of sustainability.

In FY2025, the Group did not face any problem in sourcing water that was fit for its purpose. The Group had a similar water consumption intensity during the year under review, compared with FY2024. Bojun continues its efforts to minimise water consumption and advocate water recycling for purposes like flushing. To conserve water resources, the Group has implemented the following initiatives in alignment with the “3R principles — Reduce, Reuse, and Recycle” across daily operations:

- Promote responsible water consumption among students and staff;
- Place posters “Saving Water Resources” in a prominent place to enhance the awareness of water conservation;
- Conduct routine inspection and repair plumbing to prevent water wastage from dripping taps;
- Fix dripping taps immediately to reduce avoidable water loss;
- Install water-saving faucets with sensor switches for basins and toilets;
- Set specific water reduction targets for accountability and progress tracking;
- Carry out regular leakage tests on water taps, joint rings, and other parts in the water supplier system;
- Limit the water consumption by setting quotas and targets;
- Adjust the amount of water supply based on seasons and resting time; and
- Install water filters and encourage the reuse of water.

Meanwhile, the habit of saving every drop of water is always advocated across all schools within the Group. For instance, Riverside Kindergarten (河濱幼兒園) integrates water conservation concept into classroom teaching, fostering children's water-saving behaviours. By engaging in activities such as singing and storytelling, children learn to develop habits of switching off the faucet after washing hands. These initiatives aim to deliver the message of sustainability to children, helping them contribute to a more sustainable future as they grow.

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Paper

Minimising paper consumption is crucial for conserving natural resources and reducing waste. While the reduction of paper usage minimises environmental impacts caused by deforestation, the Group also cuts operational costs and promotes eco-friendly practices, particularly in photocopying, printing, and administrative tasks. Recognising that most paper consumption stems from administrative work and teaching materials, the Group promoted paper recycling and recycled approximately 15.0 kg of paper in FY2025. To support a “Paperless Office” and “Office Automation”, the Group has actively encouraged its employees to reduce paper consumption in the workplace by implementing various practices related to paper and printer use, including:

- Require staff to adjust file font specifications to save pages;
- Provide recycled paper for printing;
- Set duplex printing as the default mode for most network printers when printouts are needed;
- Instil the concept of “Think Before Print” by using posters and stickers to remind staff of avoiding unnecessary printings;
- Encourage staff to announce information via electronic means (i.e., by email or e-bulletin boards);
- Encourage dormitory tenants to select electronic invoices for their payments;
- Promote the habit of “Bring Your Own Mug” among staff to reduce the use of single-use paper cups;
- Place a paper tray beside copy machines to collect used single-sided paper for recycling; and
- Designate responsible personnel for wastepaper collection and recycling.

The Environment and Natural Resources

As an education service provider, Bojun is committed to incorporating environmental education into its approach, cultivating socially responsible individuals. Schools play an essential role in enhancing the environmental awareness of students by disseminating knowledge of sustainability, environmental issues, and responsible resource management. The Group aims to contribute to a greener planet by inspiring new generations to develop solutions against environmental challenges, while reducing waste and minimising its carbon footprint in the fight against climate change.

During the year under review, Bojun put great efforts into monitoring and managing its emissions and natural resource consumption, aiming to build a reliable, resilient, and sustainable campus for all students and staff. To further achieve its sustainability goals, the Group has implemented a range of scalable environmental measures designed to lower its energy and natural resource consumption, in addition to maintaining high-quality education. These measures help maintain minimal significant impacts on the surrounding environment throughout the Group’s operations.

Case study: *Tianfu High School (天府高中)* — During the Science Festival, students went to the Sichuan Academy of Natural Resources Science to explore the biodiversity of the Mount Emei. Through the walk along trails, students learnt more about local endangered plants and the importance of conservation. Another interactive class featured on cross-disciplines of Biology and Geography allows students to understand ecology from various aspects, including topography, climate, and soil, inspiring them to protect the environment together.

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Targets and Progress

In FY2025, there were a number of changes in the Group's patterns of emissions and resource consumption. After reviewing the performance and target progress during the year under review, the Group has adjusted its short-term targets to lower its environmental impacts in alignment with practical context.

Areas	Operational Entity	Targets	Progress & Actions
Air Emissions	The Group	Taking FY2025 as the baseline year, Bojun aims to reduce air emissions per gross floor area ("GFA") by 32% in FY2026.	<p>In FY2025, the intensities of the Group's air emissions (SOx and NOx) decreased by 2.5% and 3.3% respectively, while that of PM emissions slightly increased.</p> <p>To pursue its targets, the Group will stick with its procedures on efficient energy consumption (e.g., petrol and natural gas). Such procedures include taking the use of natural gas and other resources into the performance and salary appraisal of the managerial level and the canteen staff.</p>

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Areas	Operational Entity	Targets	Progress & Actions
GHG Emissions	The Group	Taking FY2025 as the baseline year, Bojun aims to lower the GHG emissions per GFA by 3% in FY2026.	<p>In FY2025, the intensity of the Group's total GHG emissions showed a slight increase overall. However, the intensities of its GHG emission breakdown of Scope 1 and 3 dropped by 6.5% and 5.3% respectively.</p> <p>To reduce its GHG emissions, the Group will regulate the use of vehicles and resources to foster the reduction of carbon footprint.</p>
Waste	The Group	Taking FY2025 as the baseline year, Bojun commits to bringing down all categories of non-hazardous waste (including solid waste, food waste and wastewater) per GFA by 3% in FY2026.	<p>In FY2025, the intensity of non-hazardous solid waste generated by the Group decreased by 2.1% while the intensity of non-hazardous wastewater generated maintain similar levels.</p> <p>To fulfil the commitment, the Group will strive to promote "3R principles — Reduce, Reuse, and Recycle". Meanwhile, the Group has collaborated with waste treatment professionals to explore opportunities of new waste treatment projects, such as food waste and wastewater recycling.</p>

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Areas	Operational Entity	Targets	Progress & Actions
Electricity	The Group (except as otherwise specified)	Taking FY2025 as the baseline year, Bojun aims to reduce the absolute amount of electricity consumption by 10% in FY2026.	<p>In FY2025, the absolute amount of the Group's electricity consumption increased as compared to that of FY2024.</p> <p>To contribute to electricity reduction, the Group will explore ways to adopt new initiatives on campus to promote energy efficiency. The Group will also replace energy-intensive facilities and organise training programmes and campaigns on energy conservation.</p>
	Riverside Kindergarten (河濱幼兒園)	Taking FY2025 as the baseline year, the school aims to reduce the absolute amount of electricity consumption by 30% in FY2026.	<p>In FY2025, the absolute amount of the school's electricity consumption dropped by 8.0%.</p> <p>To meet the specific target on electricity consumption, there will be more policies implemented to reduce the energy consumption, including standardising the temperature for air conditioners and avoiding idling electrical appliances. Energy-saving LEDs will be installed gradually, and energy efficient appliances will be prioritised during procurement. Alongside the installation of sound-activated lightings, the use of electricity will also be considered during the performance and salary appraisal of teaching staff.</p>
	Tianfu High School (天府高中)	Taking FY2025 as the baseline year, the school aims to reduce the absolute amount of electricity consumption by 10% in FY2026.	<p>In FY2025, the absolute amount of the school's electricity consumption was similar to that of FY2024.</p> <p>To achieve the specific target on electricity consumption, energy-saving measures will be continuously adopted, including the promotion of turning off idling electrical appliances.</p>
	Vocational College (文軒職業學院)	Taking FY2025 as the baseline year, the school aims to reduce the absolute amount of electricity consumption by 35% in FY2026.	<p>In FY2025, the absolute amount of the school's electricity consumption increased as compared to that of FY2024.</p> <p>To attain the specific target on electricity consumption, there will be initiatives taken to increase the electricity efficiency. Alongside the replacement of low energy efficient electrical appliances and equipment with higher energy efficiency ones, motion sensor lighting systems will be installed in rooms and along corridors. Solar energy will also be introduced.</p>

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Areas	Operational Entity	Targets	Progress & Actions
Natural Gas	The Group	Taking FY2025 as the baseline year, Bojun aims to reduce the absolute amount of natural gas consumption by 10% in FY2026.	<p>In FY2025, both the absolute amount and the intensity of natural gas consumed increased.</p> <p>With measures on managing its natural gas consumption, the Group remains committed to meeting the target on natural gas. In addition to the control on boiler and hot water supply in dormitories, the Group will consider innovative technologies to manage gas-consuming equipment more scientifically.</p>
Petrol	The Group	Taking FY2025 as the baseline year, Bojun aims to reduce the consumption of petrol per GFA by 3% in FY2026.	<p>In FY2025, the intensity of the Group's petrol consumption decreased by 11.1%.</p> <p>To further reduce its petrol consumption, the Group will emphasise its efficient use of vehicles and promote electric vehicles or public transportation for the purpose of commuting.</p>

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Areas	Operational Entity	Targets	Progress & Actions
Water	The Group (except as otherwise specified)	Taking FY2025 as the baseline year, Bojun aims to lower the absolute amount of water consumption by 10% in FY2026.	<p>In FY2025, the absolute amount of the Group's water consumption rose very slightly.</p> <p>To lower its water consumption, the Group will foster the efficient use of water resources across its schools. Through training programmes and initiatives, the Group encourages teachers and students to save and recycle water.</p>
	Riverside Kindergarten (河濱幼兒園)	Taking FY2025 as the baseline year, the school aims to lower the absolute amount of water consumption by 30% in FY2026.	<p>In FY2025, the absolute amount of the school's water consumption decreased by 15.4% as compared to that of FY2024.</p> <p>To achieve the specific target on water consumption, water will be recycled and reused to its fullest. For example, water from precipitation will be collected and used for the purpose of irrigation in the garden. Water resource management will be optimised with daily maintenance and replacement of water-saving faucets with sensor switches.</p>
	Sichuan Boai (四川博愛)	Taking FY2025 as the baseline year, the company aims to lower the absolute amount of water consumption by 30% in FY2026.	<p>In FY2025, the absolute amount of the company's water consumption decreased by 41.0% as compared to that of FY2024.</p> <p>To continuously meet the specific target on water consumption, water-saving practices will be promoted among employees. For example, the concept of "Using water scientifically, reasonably, and efficiently" will be encouraged to enhance the staff's awareness on water conservation.</p>
Paper	The Group	Taking FY2025 as the baseline year, Bojun aims to lower its paper consumption per GFA by 5% in FY2026.	<p>In FY2025, the intensity of the Group's paper consumption slightly dropped by 1.0%.</p> <p>To drive for its paper reduction, the Group will regulate the use of paper throughout the handling of administrative work and the preparation of teaching materials. Moreover, paper conservation and recycling are encouraged in the workplace and on campus, and the scope of paperless teaching will be expanded.</p>

The Group has set up a series of environmental targets to contribute to lower emissions and resource consumption. To further protect the environment and increase the environmental awareness of students, the Group has organised tree-planting programmes for students to participate in. To offset its GHG emissions across operations, the Group has planted an additional 777 trees over 5 meters during the year under review, bringing the total number of trees planted to 2,591.

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Climate Change

While climate-related crises have become more frequent around the world, the urgency to implement mitigation and adaptation strategies has grown significantly. To support the national goal of achieving carbon neutrality by 2060, Bojun has set long-term sustainability targets and evaluated potential climate-related risks and opportunities, guided by the recommendations of the TCFD. As a major player in the PRC's private education sector, the Group remains committed to investing in sustainable measures and developing forward-looking solutions to combat global environmental challenges.

Governance

Leveraging materiality assessments and such tools, the Board upholds the overall responsibility for overseeing all material ESG-related and climate-related issues across the Group. Detailed information can be referred to the COMPANY MANAGEMENT section. The Board not only establishes the direction of climate mitigation measures and reviews the effectiveness, but also monitors the implementation, progress, and performance of the measures through regular reports provided by the management. To learn about the latest climate-related information, the Board will have stable collaboration with external experts.

Strategy

The Group acknowledges the significance of addressing potential climate-related risks and opportunities. Therefore, the Group has evaluated how physical and transition risks may impact its business operations following the TCFD recommendations, while putting efforts in minimising its environmental impacts. The findings of the analysis are summarised as below.

Risk	Potential Impact
Physical Risk <ul style="list-style-type: none">— Increase in severity and frequency of extreme weather events such as typhoons, floods, wildfires, and storms— Rising mean temperature due to global warming— Changing precipitation patterns and the increase in water scarcity	<ul style="list-style-type: none">— The properties of the Group's schools may be damaged under extreme weather events, thereby threatening the safety of students and staff.— The health of students and staff may be negatively affected under rising mean temperature, particularly during summer.— The change in precipitation patterns can lead to drought and water scarcity, which pose a threat to stable water supply for drinking, sanitation and cooling systems across school operations.

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Risk		Potential Impact
Transition Risk	— The change of policy and measurements has increased the environmental requirements towards the Group	— More stringent environmental regulations can cause the increase of the Group's operating costs, including the costs of raw materials.
	— The development of the emerging technologies increases the operating costs	— The use of fossil fuels and electricity may cause early decommission of the Group's equipment/vehicles, even though Bojun is a non-carbon-intensive business.
	— Increasing reputation risks	— Failure to address climate change and delay in mitigating transition risks can lead to the poor reputation of the school, particularly when it is seen as lagging in adopting sustainable practices and incorporating climate-related education into its curriculum.

Opportunity		Potential Impact
— Engaging third-party professionals in exploring the opportunities of waste-to-energy approach	— Providing opportunities for educational innovation and technological advancements	— With a lower reliance on traditional energy, the Group may be benefited from lower energy cost. The adoption of renewable energy also helps enhance the Group's positive social image.
		— Climate change awareness has brought to the rise of environmental education programmes with climate-related topics integrated into the school curriculum. These programmes can drive the emergence of projects relating to climate science, environmental studies, renewable energy, and sustainability.

To manage climate-related risks identified, the Group has developed a specialised framework to formulate climate management strategies in alignment with relevant regulations and standards. With environmental responsibility incorporated into its overall developmental strategies, the Group has clearly set its low-carbon targets and define roles and duties of climate management. To ensure environmental progress, the Group regularly accounts its GHG emissions and conducts evaluation on the effectiveness of energy conservation. With reference to international standards, the Group has optimised its climate management strategies and actions to ensure successful implementation.

Aimed to lower its emissions from resource consumption, the Group has installed energy-saving lightings and water-saving devices. While improving waste management by waste segregation, the Group continues to explore the application of renewable energy, including the installation of solar panels, to minimise the use of fossil fuels. Moreover, the concept of low-carbon has been integrated into the school curriculum. With classes and practical experiences on topics such as reusing waste, the sustainability awareness of students and staff will be enhanced. The promotion of green campus will also cultivate more environmentally friendly habits in the long-term.

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Risk Management

Effective climate risk management is crucial for safeguarding the well-being of students and staff, as well as ensuring the uninterrupted delivery of educational services. Through a comprehensive risk assessment, the Group is able to identify and better understand its most significant climate-related risks, enabling the development of suitable mitigation and adaptation strategies. To strengthen its climate resilience across operations, the Group has embedded climate considerations into its decision-making processes, ensuring that climate-related risks and opportunities are addressed appropriately.

The schools within the Group will regularly update their emergency preparedness plans, targeting specific climate-related physical risks such as extreme weather events. These updates include emergency drills, communication protocols, and response strategies. To minimise the impacts brought by extreme weather events, the resilience of school buildings and infrastructure are routinely evaluated, with retrofitting measures implemented to ensure that key systems of heating, ventilation, and air conditioning adapt to evolving climate conditions. In addition, the Group works closely with local meteorological departments and community organisations to improve preparedness and response efforts. Schools also conduct training sessions and drills to educate students and staff on effective emergency response.

Metrics & Targets

In support of its climate strategy, Bojun aims to explore the development of targets aligned with the Science-Based Targets initiative (“SBTi”) and to deepen its analysis of Scope 3 GHG emissions. Upon the emission targets outlined in subsection headed “Targets and Progress”, more environmental data will be collected, calculated, and disclosed as part of the Group’s key performance indicators in its upcoming annual ESG Reports.

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X. COMMUNITY CONTRIBUTIONS

The Group firmly believes that engaging with local communities can bring positive social impacts while strengthening its reputation and enriching students' learning experiences. Through involvement in community-focused activities, students gain opportunities to interact beyond classrooms, acquire real-world experience, enhance their soft skills, and apply their academic knowledge in practical and meaningful ways. As part of its ongoing commitment to social responsibility, Bojun continues to actively support community development and explore how schools can serve as drivers of sustainability. The Group's community investment strategy is closely aligned with both the national development plan and the SDGs developed by the United Nations, ensuring that its efforts contribute to broader local and global priorities.

Community services are the primary means of the Group to spread its love and positivity to the nearby community members. In FY2025, the Group's volunteering teams kept on serving the community. For instance, nine teachers from the Tianfu High School (天府高中) volunteered in an education consulting service. In the event, the teachers addressed parents' doubts on various topics, such as education policies and school facilities, while emphasising the importance of students' mental well-being.

Between April and May 2025, students participated in community services relating to the environment. Students proactively promoted the awareness of environmental protection through actions such as litter-picking, waste segregation and recycling. This kind of service effectively enhances the environmental quality of the community, as well as demonstrating the concept of sustainable development to wider community.

Case study: *Vocational College (文軒職業學院)* — To pass on the warmth to local communities during the Lunar New Year, union members of the college visited approximately 27 underprivileged employees. As a responsible and caring employer, representatives of the college not only expressed their kindness through the visit but also delivered daily necessities, such as cooking oil and rice, to their employees, allowing employees to have a warm-hearted start of the year.



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Case study: Vocational College (文軒職業學院) — During March 2025, students from more than seven faculties, such as the School of Media and Communication and the School of Nursing, participated in a series of volunteering events. Apart from cleaning common areas for the creation of a tidy and hygienic community environment, students also visited children in rural areas which are separated from their working parents. Students eagerly shared their love and warmth throughout their interactions. With the advocacy of the Lei Feng spirit as the campaign topic, students contributed to the communities while continuously spreading the message of passing on love through volunteering.



During the year under review, the Group engaged in diverse community events with its students and staff. In the future, the Group will continue to explore opportunities in serving the local communities across various contexts, benefiting wider community members.

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XI. APPENDIX — PERFORMANCE TABLE

Table E1. The Group's Total Emissions by Category in FY2025 and FY2024^{9,10}

			FY2025		FY2024 ²		Variation of Intensity
Emission Category	Key Performance Indicator (KPI)	Unit	Amount	Intensity ¹ (Unit/m ²)	Amount	Intensity (Unit/m ²)	
Air Emissions ³	Company Cars	SO _x	0.5	3.0 x 10 ⁻⁷	0.6	3.3 x 10 ⁻⁷	↓
		NO _x	31.5	1.8 x 10 ⁻⁵	35.5	2.0 x 10 ⁻⁵	↓
		PM	2.3	1.3 x 10 ⁻⁶	2.6	1.5 x 10 ⁻⁶	↓
	Natural Gas	SO _x	0.4	2.1 x 10 ⁻⁷	0.3	1.8 x 10 ⁻⁷	↑
		NO _x	19.2	1.1 x 10 ⁻⁵	17.0	9.8 x 10 ⁻⁶	↑
		PM	4.6	2.6 x 10 ⁻⁶	4.0	2.3 x 10 ⁻⁶	↑
GHG Emissions	Scope 1 (Direct Emissions) ⁴	Tonnes of CO ₂ e	116.1	6.7 x 10 ⁻⁵	124.1	7.1 x 10 ⁻⁵	↓
	Scope 2 (Energy Indirect Emissions) ⁵	Tonnes of CO ₂ e	3,403.1	2.0 x 10 ⁻³	3,177.6	1.8 x 10 ⁻³	↑
	Scope 3 (Other Indirect Emissions) ⁶	Tonnes of CO ₂ e	709.2	4.1 x 10 ⁻⁴	749.2	4.3 x 10 ⁻⁴	↓
	GHG Removal from Trees Planted (5m or taller)	Tonnes of CO ₂ e	59.6	—	41.7	—	—
	Total (Scope 1, 2 & 3)	Tonnes of CO ₂ e	4,228.4	2.4 x 10 ⁻³	4,050.9	2.3 x 10 ⁻³	↑
Non-hazardous Waste	Solid Waste ⁷	Tonnes	610.0	3.5 x 10 ⁻⁴	623.0	3.6 x 10 ⁻⁴	↓
	Wastewater ⁸	m ³	2,018,424.0	1.2	2,015,866.0	1.2	↑

1 Intensity for FY2025 was calculated by dividing the amount of air, GHG and other emissions respectively by the Group's gross floor area (GFA) of 1,735,812.7 m² in FY2025;

2 The amount and intensity in FY2024 were extracted from the data in the ESG Report FY2024 of the Group;

3 The Group's air emissions only included the air pollutants from fuel consumption of motor vehicles and natural gas consumption on campus;

4 The Group's Scope 1 (Direct Emissions) included only the emissions arose from the consumption of liquid fuels in motor vehicles and gaseous fuels on campus during operations, with the offset by the GHG removal from trees planted (5m or taller);

5 The Group's Scope 2 (Energy Indirect Emissions) included only the emissions arose from the electricity consumption;

6 The Group's Scope 3 (Other Indirect Emissions) included other indirect emissions arose from paper waste disposed at landfills, and electricity used for processing freshwater and sewage by government departments;

7 The amount of solid waste included non-hazardous domestic and commercial wastes from the schools and offices of the Group where the employees and students worked, studied and lived in the PRC. No hazardous waste was generated nor disposed of by the Group in FY2025;

8 Since the wastewater generated from the Group in FY2025 mainly covered domestic sewage from employees and students, the total amount of wastewater discharged from the Group in FY2025 was calculated based on the data collected or the assumption that 100% of the freshwater consumed entered the municipal sewage system;

9 The methodology adopted for reporting on GHG emissions set out above was based on "How to Prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, The GHG Protocol: A Corporate Accounting and Reporting Standard (2004), and the 2006 IPCC (Intergovernmental Panel on Climate Change) Guidelines for National Greenhouse Gas Inventories; and

10 The above environmental data only covers two management offices and four schools the Group managed in Sichuan during the reviewing period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Table E2. The Group's Total Resource Consumption in FY2025 and FY2024⁴

Use of Resources	Key Performance Indicator (KPI)	Unit	FY2025		FY2024 ²		Variation of Intensity
			Amount	Intensity ¹ (Unit/m ²)	Amount	Intensity (Unit/m ²)	
Energy	Electricity	kWh'000	5,578.0	3.2 x 10 ⁻³	5,208.4	3.0 x 10 ⁻³	↑
	Petrol	kWh'000	339.5	2.0 x 10 ⁻⁴	382.1	2.2 x 10 ⁻⁴	↓
	Natural Gas	kWh'000	406.6	2.3 x 10 ⁻⁴	359.1	2.1 x 10 ⁻⁴	↑
	TOTAL³	kWh'000	6,324.0	3.6 x 10⁻³	5,949.5	3.4 x 10⁻³	↑
Water		m ³	2,018,424.0	1.2	2,017,093.0	1.2	↑
Paper		Kg	2,537.0	1.5 x 10 ⁻³	2,563.0	1.5 x 10 ⁻³	↓

¹ Intensity for FY2025 was calculated by dividing the amount of resources consumed by the Group consumed in FY2025 by the Group's gross floor area (GFA) of 1,735,812.7 m² in FY2025;

² The amount and intensity in FY2024 were extracted from the data in the ESG Report FY2024 of the Group;

³ The energy conversion of resources consumed was based on the energy coefficient set out in "How to Prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange; and

⁴ The environmental data disclosed only covers two management offices and four schools the Group managed in Sichuan during the reviewing period.

Table S3. The Group's Number of Employees by Gender, Age Group, Position Level, Employment Type, and Geographical Location in FY2025¹

Unit: Number of Employees		Age Group			Total
		Aged 35 or below	Aged between 36 and 50	Aged 51 or above	
Gender					
Male		395	329	183	907
Female		882	358	137	1,377
Total		1,277	687	320	2,284

Unit: Number of Employees		Position Level			Total
		General Staff	Teachers, Administrative and Supporting Staff	Senior Management	
Gender					
Male		180	694	33	907
Female		203	1,171	3	1,377
Total		383	1,865	36	2,284

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Full Time	Employment Type Part Time	Total
2,068	216	2,284

Geographical Location	
Location	Number of Employees
PRC	2,284
Total:	2,284

1 The employment data in headcount was obtained from the Group's Human Resources Department based on the employment contracts entered into between the Group and its employees. The data covered employees engaged in a direct employment relationship with the Group according to relevant local laws and workers whose work and/or workplace was controlled by the Group within the reporting scope. The methodology adopted for reporting on employment data set out above was based on "How to Prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

Table S4. The Group's Employee Turnover Rate by Gender, Age Group, and Geographical Location in FY2025¹

Unit: Number of Employees		Age Group		
Gender	Aged 35 or below	Aged between 36 and 50	Aged 51 or above	Total
Male	8	9	1	18
Employee Turnover Rate (%)	2.0%	2.7%	0.5%	2.0%
Female	25	11	6	42
Employee Turnover Rate (%)	2.8%	3.1%	4.4%	3.1%
Total	33	20	7	60
Total Employee Turnover Rate (%)	2.6%	2.9%	2.2%	2.6%

Geographical Location	
Location	Employee Turnover Rate (%)
PRC	2.6%

1 The turnover data in headcount was obtained from the Group's Human Resources Department based on the employment contracts entered into between the Group and its employees. The above data only covers the reporting scope. Turnover rate was calculated by dividing the number of employees who left the Group in FY2025 by the number of employees as of the end of FY2025. The methodology adopted for reporting on turnover data set out above was based on "How to Prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Table S5. Number and Percentage of Employees Trained in the Group by Gender and Position Level in FY2025¹

Unit: Number of Employees		Position Level		
Gender		Teachers, Administrative and Supporting Staff		Senior Management
		General Staff	Supporting Staff	
Male		174	685	32
% of Employees Trained		7.7%	30.3%	1.4%
Female		198	1,167	3
% of Employees Trained		8.8%	51.7%	0.1%

Total Employees Trained:

	Position Level			Total
	General Staff	Teachers, Administrative and Supporting Staff	Senior Management	
Total	372	1,852	35	2,259
% of Employees Trained	16.5%	82.0%	1.5%	98.9%

¹ The training information was obtained from the Group's Human Resources Department. Training refers to the vocational training that the Group's employees attended in FY2025. The above data only covers the reporting scope. The methodology adopted for reporting on the number and percentage of employees trained set out above was based on "How to Prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

Table S6. Training Hours Received by the Employees of the Group by Gender and Position Level in FY2025¹

Unit: Training Hours		Position Level		
Gender		Teachers, Administrative and Supporting Staff		Senior Management
		General Staff	Supporting Staff	
Male		1,374	5,248	722
Average Training Hours		7.6	7.6	21.9
Female		1,497	8,952	161
Average Training Hours		7.4	7.6	53.7
Total		2,871	14,200	883
Average Training Hours		7.5	7.6	24.5

¹ The training information was obtained from the Group's Human Resources Department. The above data only covers the reporting scope. The methodology adopted for reporting training hours set out above was based on "How to Prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

XII. REPORT DISCLOSURE INDEX

Stock Exchange ESG Guide content index

Aspects	ESG Indicators	Description	Section	Page
A. Environmental				
A1: Emissions	General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p><i>Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations.</i></p> <p><i>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulphur hexafluoride.</i></p> <p><i>Hazardous wastes are those defined by national regulations.</i></p>	Sustainable Campus — Emissions	110
	KPI A1.1	The types of emissions and respective emissions data.	Appendix — Performance Table	129
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Appendix — Performance Table	129
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Appendix — Performance Table	129
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Appendix — Performance Table	129
	KPI A1.5	Description of emissions target(s) set, and steps taken to achieve them.	The Environment and Natural Resources	119
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set, and steps taken to achieve them.	Emissions — Wastewater; Solid Waste	112

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Aspects	ESG Indicators	Description	Section	Page
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water, and other raw materials. <i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i>	Sustainable Campus — Use of Resources	115
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g., electricity, gas, or oil) in total (kWh in '000s) and intensity (e.g., per unit of production volume, per facility).	Appendix — Performance Table	130
	KPI A2.2	Water consumption in total and intensity (e.g., per unit of production volume, per facility).	Appendix — Performance Table	130
	KPI A2.3	Description of energy use efficiency target(s) set, and steps taken to achieve them.	The Environment and Natural Resources	119
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set, and steps taken to achieve them.	Use of Resources — Water	117
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources	115
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Sustainable Campus — The Environment and Natural Resources	118
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Sustainable Campus — The Environment and Natural Resources	118
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Sustainable Campus — Climate Change	124
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Sustainable Campus — Climate Change	124

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects	ESG Indicators	Description	Section	Page
B. Social				
Employment and Labour Practices				
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment, and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Professional Teachers — Employment	96
	KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Appendix — Performance Table	130
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix — Performance Table	131
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safe Campus — Occupational Health and Safety	103
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safe Campus — Occupational Health and Safety	103
	KPI B2.2	Lost days due to work injury.		103
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.		103

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects	ESG Indicators	Description	Section	Page
B3: Development and Training	General Disclosure	<p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p> <p><i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i></p>	Professional Teachers — Development and Training	100
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	Appendix — Performance Table	132
	KPI B3.2	The average training hours completed per employee by gender and employee category.	Appendix — Performance Table	132
B4: Labour Standards	General Disclosure	<p>Information on:</p> <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. 	Company Management — Risk management	77
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Company Management — Risk management	77
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.		77

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Aspects	ESG Indicators	Description	Section	Page
Operating Practices				
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Health and Safe Campus — Supply Chain Management	108
	KPI B5.1	Number of suppliers by geographical region.	Health and Safe Campus — Supply Chain Management	108
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.		108
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.		108
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management — Green Procurement	109

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Aspects	ESG Indicators	Description	Section	Page
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling, and privacy matters relating to products and services provided and methods of redress.	Quality Education	87
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Due to the Group's business nature, this is not applicable to the Group's operations.	—
	KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Quality Education — Complaints Handling and Risk Management	95
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Quality Education — Intellectual Property Rights	95
	KPI B6.4	Description of quality assurance process and recall procedures.	Quality Education Due to the Group's business nature, recall procedures is not applicable to the Group's operations	—
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Quality Education — Privacy matters	94

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects	ESG Indicators	Description	Section	Page
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud, and money laundering.	Company Management — Risk management	77
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Company Management — Risk management	77
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.		77
	KPI B7.3	Description of anti-corruption training provided to directors and staff.		77
Community				
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Contributions	127
	KPI B8.1	Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport).	Community Contributions	127
	KPI B8.2	Resources contributed (e.g., money or time) to the focus area.		127

If there is any inconsistency between the Chinese names of laws, regulations and initiatives implemented in the PRC and their English translations, the Chinese names shall prevail. The English translation of law, regulation and initiative names in Chinese which are marked with “” is for identification purpose only.*

INDEPENDENT AUDITOR'S REPORT



TO THE SHAREHOLDERS OF BOJUN EDUCATION COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Bojun Education Company Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 144 to 206, which comprise the consolidated statement of financial position as at 31 August 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 August 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2 to the consolidated financial statements which mentions that, the Group incurred a loss attributable to owners of the Company of approximately RMB129,615,000 for the year ended 31 August 2025 and as at 31 August 2025, the Group recorded net current liabilities of approximately RMB914,703,000, including bank and other borrowings of approximately RMB676,466,000, which would be due for repayment within the next twelve months or repayable on demand, while its total cash (including bank balances and cash) amounted to approximately RMB140,599,000. In addition, as disclosed in note 27 to the consolidated financial statements, the Group’s secured bank borrowing with a carrying amount of approximately RMB305,000,000 was classified as repayment on demand because of the failure to fulfil certain financial covenant stated in the loan agreement. These conditions indicate a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. The Group is undertaking a number of measures as described in Note 2 to the consolidated financial statements in order to ensure it will have the ability to continue as going concern. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS

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

REVENUE RECOGNITION

Refer to Note 6 to the consolidated financial statements

Revenue mainly represents service income from tuition fees, boarding fees, and education consultancy and management services fees less returns and discounts. For the year ended 31 August 2025, revenue amounted to approximately RMB378,792,000. The recognition of the Group's revenue is significant to our audit because the amount of revenue is significant to the consolidated financial statements as a whole.

Our audit procedures in relation to revenue recognition included, among others:

- Understanding of controls of the Group over the admission of students, collection of tuition fees and boarding fees;
- Obtaining an understanding of the revenue business processes and key controls, and testing the key manual controls for revenue recognition;
- Evaluating the accounting policy on revenue recognition and the related policy disclosure;
- Examining, on a sample basis, whether the revenue of tuition fees and boarding fees are recognised in accordance with applicable HKFRS Accounting Standards and with reference to evidence to determine whether the services have been provided; and
- Performing substantive analytical procedures to test the reasonableness of the amount of revenue recognised.

We consider that the Group's revenue recognition is supported by the available evidence.

IMPAIRMENT ASSESSMENTS OF PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

Refer to Notes 15 and 16 to the consolidated financial statements

At 31 August 2025, the Group had property, plant and equipment and right-of-use assets with carrying amounts of approximately RMB2,724,753,000 and RMB734,292,000, respectively, held by the subsidiaries and Consolidated Affiliated Entities (as defined in Note 2 to the consolidated financial statements) of the Group.

The Group assessed the amount of property, plant and equipment and right-of-use assets for impairment. This impairment assessment is significant to our audit because the balances of property, plant and equipment and right-of-use assets as at 31 August 2025 are significant to the consolidated financial statements. In addition, the Group's impairment assessments involve the application of judgement and are based on assumptions and estimates.

INDEPENDENT AUDITOR'S REPORT

Our audit procedures in relation to the management's impairment assessments included, among others:

- Evaluating the independent professional external valuer's competence, capabilities and objectivity;
- Obtaining the external valuation reports and meeting with the external valuer to discuss and challenge the valuation process, methodologies used and market evidence to support significant judgments and assumptions applied in the value-in-use calculation and the fair value less cost of disposal calculation;
- Checking key assumptions and input data in the value-in-use calculation and the fair value less cost of disposal calculation to supporting evidence;
- Testing the mathematical accuracy of the underlying the value-in-use calculation and the fair value less cost of disposal calculation; and
- Assessing the adequacy of the disclosures related to the impairment assessment of property, plant and equipment and right-of-use assets in the context of the applicable financial reporting framework.

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

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

INDEPENDENT AUDITOR'S REPORT

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

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

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

This description forms part of our auditor's report.

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Sze Lin Tang

Audit Engagement Director

Practising Certificate Number P03614

Hong Kong, 27 November 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 August 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	6	378,792	429,763
Costs of services		(234,114)	(224,864)
Gross profit		144,678	204,899
Other income	7	20,214	15,981
Other (losses)/gains, net	8	(58,828)	1,235
Selling expenses		(30,780)	(30,186)
Administrative expenses		(150,428)	(122,139)
Finance costs	9	(115,378)	(107,713)
Loss before tax		(190,522)	(37,923)
Income tax expenses	10	(6,512)	(2,385)
Loss and total comprehensive expense for the year	11	(197,034)	(40,308)
Loss and total comprehensive expense for the year attributable to:			
Owners of the Company		(129,615)	(39,566)
Non-controlling interests		(67,419)	(742)
		(197,034)	(40,308)
Loss per share attributable to owners of the Company			
Basic (RMB cents)	14	(14.35)	(4.38)
Diluted (RMB cents)		N/A	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 August 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	2,724,753	2,761,043
Right-of-use assets	16	734,292	757,130
Intangible assets	17	2,442	3,112
Goodwill	18	–	12,105
Deferred tax assets	19	16,521	16,905
Other receivables and deposits	20	36,517	55,223
Total non-current assets		3,514,525	3,605,518
CURRENT ASSETS			
Trade and other receivables	20	131,862	121,040
Amounts due from related companies	21	65,824	63,325
Equity investment at fair value through profit or loss	22	49,345	–
Bank balances and cash	23	140,599	225,803
Total current assets		387,630	410,168
Total assets		3,902,155	4,015,686
CURRENT LIABILITIES			
Other payables and accruals	24	298,146	445,692
Contract liabilities	25	171,284	293,360
Amounts due to related companies	21	104,828	124,328
Lease liabilities	26	370	540
Bank and other borrowings	27	676,466	328,704
Income tax payable		13,933	12,050
Financial guarantee liabilities	34	37,306	25,572
Total current liabilities		1,302,333	1,230,246
NET CURRENT LIABILITIES		(914,703)	(820,078)
TOTAL ASSETS LESS CURRENT LIABILITIES		2,599,822	2,785,440

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 August 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT LIABILITIES			
Lease liabilities	26	3,407	3,777
Bank and other borrowings	27	1,272,965	1,168,075
Other payables	24	1,000	1,000
Amounts due to related companies	21	529,248	612,540
Deferred income	29	414,034	422,053
Deferred tax liabilities	19	61,143	62,936
Total non-current liabilities		2,281,797	2,270,381
NET ASSETS		318,025	515,059
CAPITAL AND RESERVES			
Share capital	30	7,890	7,890
Reserves		60,901	190,516
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		68,791	198,406
Non-controlling interests		249,234	316,653
TOTAL EQUITY		318,025	515,059

The consolidated financial statements on pages 144 to 206 were approved and authorised for issue by the Board of Directors on 27 November 2025 and are signed on its behalf by:

Mr. Wang Jinglei
DIRECTOR

Ms. Tang Hui
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 August 2025

	Attributable to owners of the Company								Non-controlling interests RMB'000	Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Other reserve RMB'000 (Note (i))	Statutory surplus reserve RMB'000 (Note (ii))	Deferred consideration shares RMB'000	Share option reserve RMB'000	Accumulated profits/(losses) RMB'000	Sub-total RMB'000		
At 1 September 2023	7,138	671,945	133,449	1,264	7,368	262	(583,746)	237,680	307,595	545,275
Loss and total comprehensive expense for the year	-	-	-	-	-	-	(39,566)	(39,566)	(742)	(40,308)
Share option expenses	-	-	-	-	-	292	-	292	-	292
Issue of consideration shares (note 30)	752	6,616	-	-	(7,368)	-	-	-	-	-
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	9,800	9,800
Transfer	-	-	-	2,266	-	-	(2,266)	-	-	-
At 31 August 2024 and 1 September 2024	7,890	678,561	133,449	3,530	-	554	(625,578)	198,406	316,653	515,059
Loss and total comprehensive expense for the year	-	-	-	-	-	-	(129,615)	(129,615)	(67,419)	(197,034)
At 31 August 2025	7,890	678,561	133,449	3,530	-	554	(755,193)	68,791	249,234	318,025

Notes:

- (i) The amount comprises of those arising from group restructuring prior to the completion of the listing of the Company's shares and deemed contributions from a shareholder.
- (ii) According to the relevant People's Republic of China ("PRC") laws and regulations, for private school that require for reasonable return, it is required to appropriate to development fund of not less than 10% of the annual net income of the relevant school as determined in accordance with generally accepted accounting principles in the PRC. The development fund is for the construction or maintenance of the school or procurement or upgrading of educational equipment.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 August 2025

	2025 RMB'000	2024 RMB'000
OPERATING ACTIVITIES		
Loss before tax	(190,522)	(37,923)
Adjustments for:		
Depreciation of property, plant and equipment	110,700	102,449
Depreciation of right-of-use assets	18,667	18,408
Amortisation of intangible assets	670	670
Share-based payment expenses	–	292
Loss on disposal of an associate	–	7
Release of asset-related government grants	(9,026)	(8,291)
Finance costs	115,378	107,713
Loss on disposal of property, plant and equipment, net	8	1,870
Dividend income from equity investment at fair value through profit or loss	(882)	–
Fair value change on equity investment at fair value through profit or loss	(380)	–
Gains on disposal of a subsidiary	–	(2,539)
Recognition of financial guarantee contracts	52,656	38,704
Amortisation of financial guarantee contracts	(40,540)	(20,749)
Reversal of loss allowance recognised for financial guarantee contracts	(382)	(53)
Gain on waiver of amount due to Pengzhou Bojun School	–	(19,226)
Increase of loss allowance on other receivables	14,796	979
Impairment loss on goodwill	12,105	–
Impairment loss on property, plant and equipment	13,509	–
Impairment loss on right-of-use assets	4,171	–
Interest income from banks	(186)	(392)
Interest income from other loans	(994)	(1,583)
Recharge income for the occupation of school campus	(2,473)	(2,473)
Unrealised exchange loss	–	100
Operating cash flows before working capital changes	97,275	177,963
Movements in working capital:		
Change in trade and other receivables	(6,912)	(8,665)
Change in amounts due from related companies	994	1,351
Change in contract liabilities	(122,076)	16,319
Change in other payables and accruals	41,793	(10,495)
Cash generated from operations	11,074	176,473
Interest received from banks	186	392
Income tax paid	(6,038)	(1,610)
NET CASH GENERATED FROM OPERATING ACTIVITIES	5,222	175,255

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 August 2025

	2025 RMB'000	2024 RMB'000
INVESTING ACTIVITIES		
Payment for property, plant and equipment	(277,293)	(176,481)
Payment for leasehold lands	–	(168,003)
Payment for share of equity investment at fair value through profit or loss	(48,965)	–
Payment for deferred considerations in relation to the acquisition of subsidiaries	–	(177,988)
Dividend income received	882	–
Increase of amounts due from related companies	(2,499)	(34,559)
Proceeds from disposal of property, plant and equipment	45	1,840
Partial proceeds from disposal of an associate	–	11,000
Net cash inflow from disposal of a subsidiary	–	400
Receipt of government subsidies related to acquisition of leasehold lands	1,007	157,981
NET CASH USED IN INVESTING ACTIVITIES	(326,823)	(385,810)
FINANCING ACTIVITIES		
Proceeds from new borrowings raised	730,410	601,551
Repayment of leases liabilities	(723)	(707)
Advances from related companies	493,068	636,930
Repayments to related companies	(599,010)	(603,872)
Interest paid	(109,590)	(91,752)
Repayment of borrowings	(277,758)	(612,045)
Capital injection from non-controlling interests	–	9,800
Decrease in restricted bank deposits pledged for borrowings	–	150,000
NET CASH GENERATED FROM FINANCING ACTIVITIES	236,397	89,905
NET DECREASE IN CASH AND CASH EQUIVALENTS	(85,204)	(120,650)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	225,803	346,553
Effect of foreign exchange rate changes	–	(100)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, REPRESENTED BY BANK BALANCES AND CASH	140,599	225,803

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

1. CORPORATE AND GROUP INFORMATION

Bojun Education Company Limited (the “Company”, together with its subsidiaries and Consolidated Affiliated Entities (as defined in Note 2 below), the “Group”) was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 14 June 2016. On 31 July 2018, the Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is No. 209 Sanse Road, Jinjiang District, Chengdu, Sichuan Province, the People’s Republic of China (the “PRC”).

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

The functional currency of the Company is RMB, which is also the presentation currency of the consolidated financial statements.

Information about subsidiaries

Particulars of the Company’s principal subsidiaries are as follows:

Name of subsidiary	Place of incorporation/ establishment and operation	Share capital/ registered capital	Equity interest attributable to the Group		Principal activities
			At 31 August 2025	At 31 August 2024	
Bojun Education Investment Holdings Company Limited# (“Bojun Investment”)	British Virgin Islands (“BVI”)	USD50,000	100%	100%	Investment holding
Hong Kong Bojun Education Investment Co., Limited 香港博駿教育投資有限公司	Hong Kong	HK\$10,000	100%	100%	Investment holding
USA Bojun Education, Inc.	USA	USD80,000	100%	100%	Education consultancy and management services
Chengdu Tianfu Bojun Education Management Company Limited* (“Chengdu Bojun”) 成都天府博駿教育管理有限公司 (Note i)	PRC	HK\$120,000,000	100%	100%	Education consultancy services
Chengdu Bomao Education Management Company Limited* (“Chengdu Bomao”) 成都博懋教育管理有限公司 (Note i)	PRC	HK\$300,000,000	100%	100%	Education consultancy and management services
四川九洲桃源里生態旅遊開發有限公司 (Note ii)	PRC	RMB20,000,000	100%	100%	Eco-tourism agriculture

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Name of subsidiary	Place of incorporation/ establishment and operation	Share capital/ registered capital	Equity interest attributable to the Group		Principal activities
			At 31 August 2025	At 31 August 2024	
Chengdu Junxian Education Management Company Limited* ("Chengdu Junxian") 成都駿賢教育管理有限公司 (Note ii)	PRC	RMB1,000,000	100%	100%	Education consultancy and management services
Sichuan Yunmao Education Management Group Company Limited* 四川云懋教育管理集團有限公司 (Note ii)	PRC	RMB1,000,000	100%	100%	Education investment and management
四川博隸企業管理服務有限公司 (Note ii)	PRC	RMB1,000,000	100%	100%	Exhibition services
PRC Operating Entities					
Sichuan New Tianfu District No. 1 High School Attached to Sichuan Normal University* ("Tianfu High School") 四川天府新區師大一中高級中學有限公司 (Note ii)	PRC	RMB10,000,000	100%	100%	Provision of high school education services
Chengdu Youshi Lidu Kindergarten Company Limited* ("Lidu Kindergarten") 成都市武侯區幼獅麗都幼兒園有限公司 (Note ii)	PRC	RMB1,000,000	Nil	100%	Provision of kindergarten education services
Chengdu Jinjiang District Young Lion Riverside Kindergarten Co., Limited* ("Riverside Kindergarten") 成都市錦江區幼獅河濱幼兒園有限責任公司 (Note ii)	PRC	RMB100,000	100%	100%	Provision of kindergarten education services
Sichuan Winshare Vocational College* ("Winshare Vocational College") 四川文軒職業學院	PRC	N/A	51%	51%	Provision of higher vocational education services
Chengdu Daiyi County Zhengzhuo Education Vocational School* ("Zhengzhuo Vocational School") 成都市大邑縣正卓教育職業學校	PRC	N/A	51%	51%	Provision of secondary vocational education services
Sichuan Gaojiao Investment Company Limited* ("Sichuan Gaojiao") 四川高教投資有限公司 (Note ii)	PRC	RMB300,000,000	51%	51%	Investment in vocational education institution

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Name of subsidiary	Place of incorporation/ establishment and operation	Share capital/ registered capital	Equity interest attributable to the Group		Principal activities
			At 31 August 2025	At 31 August 2024	
School Sponsors					
Chengdu Mingxian Education Investment Company Limited* ("Chengdu Mingxian") 成都銘賢教育投資有限公司 (Note ii)	PRC	RMB32,500,000	100%	100%	Education investment and management
Sichuan Boai Preschool Education Development Company Limited* ("Sichuan Boai") 四川省博愛幼兒教育事業發展有限責任公司 (Note ii)	PRC	RMB4,000,000	100%	100%	Education investment and management
Chengdu Jinbojun Education Consultancy Company Limited* ("Chengdu Jinbojun") 成都金博駿教育諮詢有限公司 (Note ii)	PRC	RMB5,000,000	100%	100%	Education investment and management
Nanjiang Bojun Education Management Company Limited* ("Nanjiang Bojun") 南江博駿教育管理有限公司 (Note ii)	PRC	RMB80,000,000	100%	100%	Education investment and management
Wangcang Bojun Education Management Company Limited* ("Wangcang Bojun") 旺蒼博駿教育管理有限公司 (Note ii)	PRC	RMB80,000,000	100%	100%	Education investment and management
Lezhi Bojun Education Management Company Limited* ("Lezhi Bojun") 樂至縣博駿教育管理有限公司 (Note ii)	PRC	RMB80,000,000	100%	100%	Education investment and management
Sichuan Zhengzhuo Education Investment Company Limited* ("Sichuan Zhengzhuo") 四川正卓教育投資有限公司 (Note ii)	PRC	RMB158,000,000	51%	51%	Vocational education institutions management

Other than Bojun Investment, all subsidiaries are indirectly held by the Company.

* For identification purpose only.

Notes:

- The legal form of these PRC subsidiaries is Wholly Foreign Owned Enterprise (外商獨資企業).
- The legal form of these PRC subsidiaries is limited liability company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

2. STRUCTURED CONTRACTS AND BASIS OF PREPARATION

For the year ended 31 August 2025, the provision of private education services of the Group was carried out by PRC operating entities, comprising Chengdu Mingxian, Sichuan Boai, Chengdu Jinbojun, Nanjiang Bojun, Wangcang Bojun, Lezhi Bojun and Sichuan Zhengzhuo (collectively known as the “School Sponsors”), Tianfu High School, Lidu Kindergarten, Riverside Kindergarten, Vocational College, Vocational School and the other subsidiaries controlled by the School Sponsors (collectively known as the “PRC Operating Entities”). The School Sponsors and PRC Operating Entities herein collectively refer to “Consolidated Affiliated Entities”. Due to regulatory restrictions on foreign ownership in the private-owned schools in the PRC, Chengdu Bojun and Chengdu Bomao, both are wholly-owned subsidiaries of the Company, have entered into Structured Contracts with, among others, the PRC Operating Entities, the School Sponsors and their respective legal equity holders.

The directors of the Company (the “Directors”) are of the view that the Structured Contracts enable Chengdu Bojun and Chengdu Bomao to:

- exercise effective financial and operational control over the Consolidated Affiliated Entities;
- exercise equity holders’ voting rights of the Consolidated Affiliated Entities;
- receive substantially all of the economic interest returns generated by the Consolidated Affiliated Entities in consideration for the exclusive technical and management consultancy services including, among others, (a) design of curriculum; (b) preparation, selection and/or recommendation of course materials; (c) provision of teacher and staff recruitment and training support and services; (d) provision of student recruitment services and support; (e) provision of public relation services; (f) formulation of long term strategic development plans and annual working plans; (g) formulation of management mode, business plans and market development plans; (h) development of financial management systems and recommendation and optimisation on annual budget; (i) advising on design of internal structures and internal management system of the Consolidated Affiliated Entities; (j) provision of management and consultancy training for executive staff; (k) conduct of market survey and research, and advising on market information and business development; (l) formulation of regional and national market development plan; (m) assisting the Consolidated Affiliated Entities in building of education management network and improving management of business operation; (n) assisting in building online and offline marketing network; (o) providing management and consultancy services in respect of daily operations, finance, investment, assets, liabilities and debt, human resources, internal informatisation and other management and consultancy services; (p) assisting the Consolidated Affiliated Entities and their subsidiaries to find suitable financing channels where fund is required in the operation of the Consolidated Affiliated Entities; (q) assisting the Consolidated Affiliated Entities to formulate programs to maintain relationships with their suppliers, customers, cooperation partners and students, and assisting to maintain such relationships; (r) advising and providing recommendations on asset and business operating of the Consolidated Affiliated Entities; (s) advising and providing recommendations to negotiate, sign and perform the material contracts of the Consolidated Affiliated Entities and (t) providing other technical services reasonably requested by the Consolidated Affiliated Entities; and
- obtain an irrevocable and exclusive right to purchase all or part of equity interests in the Consolidated Affiliated Entities from the respective equity holders at nil consideration or a minimum purchase price permitted under PRC laws and regulations. Chengdu Bojun and Chengdu Bomao may exercise such options at any time until it has acquired all equity interests in and/or all assets of the Consolidated Affiliated Entities. In addition, the Consolidated Affiliated Entities are not allowed to sell, transfer, or dispose any assets, or make any distributions to their equity holders without prior consent of Chengdu Bojun and Chengdu Bomao.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

2. STRUCTURED CONTRACTS AND BASIS OF PREPARATION (Continued)

The Company does not have any equity interest in the Consolidated Affiliated Entities. However, as a result of the Structured Contracts, the Company has power over the Consolidated Affiliated Entities, has rights to variable returns from its involvement with the Consolidated Affiliated Entities and has the ability to affect those returns through its power over the Consolidated Affiliated Entities and therefore is considered to have control over the Consolidated Affiliated Entities. Consequently, the Company regards the Consolidated Affiliated Entities as indirect subsidiaries. The Group has consolidated the assets and liabilities, income and expenses of the Consolidated Affiliated Entities in the consolidated financial statements during both years.

Mr. Wang Jinglei and Ms. Duan Ling, on a collective basis, are regarded as controlling equity holders of the School Sponsors and the PRC Operating Entities and also regarded collectively as the ultimate controlling shareholders of the Company.

Going concern basis

The Group incurred a loss attributable to owners of the Company of approximately RMB129,615,000 for the year ended 31 August 2025 and as at 31 August 2025, the Group recorded net current liabilities of approximately RMB914,703,000 (2024: approximately RMB820,078,000), including bank and other borrowings of approximately RMB676,466,000, which would be due for repayment within the next twelve months, while its total cash (including bank balances and cash) amounted to approximately RMB140,599,000. In addition, as disclosed in Note 27 to the consolidated financial statements, the Group's secured bank borrowings with a carrying amount of approximately RMB305,000,000 was classified as repayment on demand because of the failure to fulfil certain financial covenant stated in the loan agreement. These conditions indicate a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

In view of the net current liability 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 after considering the following:

- (i) Mr. Wang Jinglei and the non-controlling shareholders of the Group's subsidiaries have agreed to provide financial support of not more than RMB800 million for the Group to meet its liabilities as they fall due;
- (ii) subsequent to the year-end date, the Group raised a new bank loan of RMB200 million from a licensed bank in the PRC;
- (iii) notwithstanding the non-compliance with the financial covenant in the loan agreement, the Group believes, based on its long-standing relationship and the track record of punctual repayment, that the relevant bank will not demand immediate repayment. Nevertheless, the Group is actively seeking refinancing options with other financial institutions to mitigate the risk of accelerated repayment;
- (iv) the Group is actively negotiating with the main contractors of the campus facilities regarding payment terms to ensure that operating cash flows remain stable in the foreseeable future; and
- (v) the cash inflow generated from the operations of providing education services to students subsequent to the year-end date.

Having considered the cash flows from operations and other financial supports, the Directors are of the opinion that the Group is able to meet its financial obligations in full as they fall due for the foreseeable future and it is appropriate to prepare the consolidated financial statements on a going concern basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

3. APPLICATION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

In the current year, the Group has adopted all the new and revised HKFRS Accounting Standards and new interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are relevant to its operations and effective for its accounting year beginning on 1 September 2024. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards ("HKAS") and Interpretations. The adoption of these new and revised HKFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

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

4. MATERIAL ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") and by the Hong Kong Companies Ordinance ("Companies Ordinance").

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of equity investment at fair value through profit or loss which is carried at their fair values. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based payment, leasing transactions that are within the scope of HKFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as value in use in HKAS 36 Impairment of Assets.

The preparation of consolidated financial statements in conformity with HKFRSs Accounting Standard requires the use of certain key assumptions and estimates. It also requires the Directors to exercise their judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these consolidated financial statements, are disclosed in note 5 to the consolidated financial statements.

The material accounting policies adopted are set out below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

4. MATERIAL ACCOUNTING POLICIES (Continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including the School Sponsors and PRC Operating Entities) controlled by the Company and its subsidiaries. Control is achieved when a company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

4. MATERIAL ACCOUNTING POLICIES (Continued)

Business combination and goodwill

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

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

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

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

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of tangible assets as stated in the accounting policy below. Impairment losses of goodwill are recognised in consolidated profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

Revenue from contracts with customers

Revenue is recognised to depict the transfer of promised services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

4. MATERIAL ACCOUNTING POLICIES (Continued)

Revenue from contracts with customers (Continued)

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract liability represents the Group’s obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The Group recognises revenue from the provision of education services which arise from contracts with customers. For the provision of education services, revenue, including tuition fee and boarding fee (each being single performance obligations), was recognised over the relevant period of schooling semesters, i.e. over the period of time.

Income from provision of services at the on-campus canteens is recognised upon rendering of such services, i.e. upon fulfilment of performance obligation stipulated in the contracts and services are delivered to the customers.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation — output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the services transferred to the customer to date relative to the remaining services promised under the contract, that best depict the Group’s performance in transferring control of services.

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

4. MATERIAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group also applies practical expedient not to separate non-lease components (i.e. building management fee) from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases and lease of low-value assets

The Group applies the short-term lease recognition exemption to leases of land and buildings that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payment on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement at lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. The remaining right-of-use assets are depreciated on a straight-line basis over the terms of the leases.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

4. MATERIAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be paid the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate the lease.

Variable lease payments that reflect changes in the market rental rates are initially measured using the market rental rates as at the commencement date. Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of use assets, are recognised as expense in the period in which the event or condition that triggers in the payment occurs.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review, in which the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

4. MATERIAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

Allocation of consideration to components of a contract

When a contract includes both lease and non-lease components, the Group applies HKFRS 15 Revenue from Contracts with Customers ("HKFRS 15") to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Lease modification

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

4. MATERIAL ACCOUNTING POLICIES (Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

Retirement benefit costs

Payments to defined contribution retirement benefit plans and state-managed retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefits in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deduction of any amount already paid.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

4. MATERIAL ACCOUNTING POLICIES (Continued)

Share-based payments

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

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

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

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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

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

Deferred tax assets are measured at the tax rates that are expected to apply in the period in which the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

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

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

4. MATERIAL ACCOUNTING POLICIES (Continued)

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress), are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Construction in progress includes property, plant and equipment in the course of construction for supply of services is carried at cost, less any recognised impairment loss. Construction in progress is classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property, plant and equipment, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets other than properties under construction less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Related parties

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

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

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Company or of a parent of the Company.

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

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (A).
- (vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

4. MATERIAL ACCOUNTING POLICIES (Continued)

Impairment of tangible assets

At the end of each reporting period, the management of the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of tangible assets are estimated individually, when it is not possible to estimate the recoverable amount of individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro-rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately in profit or loss.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at least at each financial year end.

Software patents and license

Acquired software patents and licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (3 to 10 years). The Group's computer software mainly includes the acquired software license for operational and financial systems. Based on the current functionalities equipped by the software and the Group's daily operation needs, the Group considers useful lives of 3 to 10 years are the best estimation under the current financial reporting needs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

4. MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments

Financial assets and liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instruments. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss ("FVTPL"), except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

4. MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets which are subject to impairment under HKFRS 9 including other receivables and deposits, amounts due from related companies and bank balances. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experiences, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group measures the loss allowance equal to 12m ECL for all the financial assets, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

4. MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk since the initial recognition, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

4. MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

4. MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The ECL on respective financial assets are assessed individually.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the ECL is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For ECL on financial guarantee contracts for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

4. MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as financial liabilities or equity instruments

Debts and equity instruments are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of a group entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities at amortised cost

Financial liabilities including other payables and borrowings are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

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

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of: the amount of the loss allowance determined in accordance with HKFRS 9; and the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION

In the application of the Group's accounting policies, which are described in Note 4 above, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

(a) Going concern basis

These consolidated financial statements have been prepared on a going concern basis, the validity of which is explained in Note 2 to consolidated financial statements.

(b) Contractual arrangements

The Group conducts a substantial portion of the business through the PRC Operating Entities in the PRC due to regulatory restrictions on foreign ownership in the Group's schools in the PRC. The Group does not have any equity interest in the Consolidated Affiliated Entities. The Directors assessed whether or not the Group has control over the Consolidated Affiliated Entities based on whether the Group has the power over the Consolidated Affiliated Entities, has rights to variable returns from its involvement with the Consolidated Affiliated Entities and has the ability to affect those returns through its power over the Consolidated Affiliated Entities. After the assessment, the Directors concluded that the Group has control over the Consolidated Affiliated Entities as a result of the contractual arrangements as detailed in Note 2 above and other measures and accordingly, the Group has consolidated the Consolidated Affiliated Entities in the consolidated financial statements during both years.

Nevertheless, the contractual arrangements and other measures may not be as effective as direct legal ownership in providing the Group with direct control over the Consolidated Affiliated Entities and uncertainties presented by the PRC legal system could impede the Group's beneficiary rights of the results, assets and liabilities of the Consolidated Affiliated Entities. The Directors, based on the advice of its legal counsel, consider that the contractual arrangements among Chengdu Bojun and Chengdu Bomao, the Consolidated Affiliated Entities and their respective legal equity holders are in compliance with the relevant PRC laws and regulations and are legally enforceable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION (Continued)

Key sources of estimation uncertainty

The following is the key source of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year from the end of each reporting period.

(a) Impairment loss on property, plant and equipment and right-of-use assets

The Group assesses whether there are any indicators of impairment for its property, plant and equipment and right-of-use assets at the end of the reporting period. The property, plant and equipment and right-of-use assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

(b) Useful lives and residual values of items of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in the provision of services, or from a change in the market demand for the service output of the asset, expected usage of the asset, expected physical wear and tear, care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or residual values of items of property, plant and equipment are different from the previous estimation. Useful lives and residual values are reviewed at the end of each reporting period based on changes in circumstances.

6. REVENUE AND SEGMENT INFORMATION

The Group's chief operating decision maker ("CODM") has been identified as the chief executive officer who reviews revenue analysis of the Group as a whole.

The Group had three reportable segments comprising (i) the provision of for-profit kindergarten and the provision of high school education services; (ii) the provision of vocational education services and (iii) the provision of education consultancy and management services.

The Group's revenue represents service income comprising tuition fees, boarding fees and education consultancy and management services fees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

6. REVENUE AND SEGMENT INFORMATION (Continued)

The segment information provided to the CODM in respect of revenue from respective reportable segments is as follows:

	For-profit kindergarten and high school education services RMB'000	Vocational education services RMB'000	Education consultancy and management services RMB'000	Total RMB'000
For the year ended 31 August 2025				
Tuition fees	47,167	294,123	–	341,290
Boarding fees	1,233	34,665	–	35,898
Education consultancy and management services fees	–	–	1,604	1,604
Total	48,400	328,788	1,604	378,792
	RMB'000	RMB'000	RMB'000	RMB'000
For the year ended 31 August 2024				
Tuition fees	48,842	336,960	–	385,802
Boarding fees	1,144	26,313	–	27,457
Education consultancy and management services fees	–	–	16,504	16,504
Total	49,986	363,273	16,504	429,763

Performance obligations for contracts with customers

Revenue from the provision of (i) education services comprising tuition fees and boarding fees (each being a single performance obligation) and (ii) education consultancy and management services. The transaction price allocated to each of the performance obligation is recognised as a contract liability at the time of receipt and was released on a straight-line basis over the services period.

Transaction price allocated to the remaining performance obligation for contracts with customers

All the contracts with customers are agreed at fixed price for a term no longer than twelve months.

Geographical information

During the years ended 31 August 2025 and 2024, the Group operated within one geographical segment because all of its revenue was generated in the PRC and all of its non-current assets were located in the PRC. Accordingly, no geographical segment information is presented.

Major customers

No major customers for the years ended 31 August 2025 and 2024 contributing over 10% of the total sales of the Group.

Segment assets and liabilities

No analysis of segment assets or liabilities is presented as they are not regularly provided to the CODM.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

7. OTHER INCOME

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Interest income from banks	186	392
Interest income from other loans	994	1,583
Dividend income from equity investment at fair value through profit or loss	882	–
Release of asset-related government grants (Note 29)	9,026	8,291
Recharge income for the occupation of school campus	2,473	2,473
Others	6,653	3,242
	20,214	15,981

8. OTHER (LOSSES)/GAINS, NET

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Net exchange loss	(1,263)	(100)
Loss on disposal of property, plant and equipment, net	(8)	(1,870)
Gain on disposal of a subsidiary	–	2,539
Loss on deresignation of a subsidiary	(1,000)	–
Loss on disposal of an associate	–	(7)
Recognition of financial guarantee contracts	(52,656)	(38,704)
Amortisation of financial guarantee contracts	40,540	20,749
Loss allowance reversal for financial guarantee contracts	382	53
Gain on waiver of amount due to Pengzhou Bojun School	–	19,226
Loss allowance recognised for other receivables	(14,796)	–
Impairment loss on goodwill	(12,105)	–
Impairment loss on property, plant and equipment	(13,509)	–
Impairment loss on right-of-use assets	(4,171)	–
Fair value change on equity investment at fair value through profit or loss	380	–
Others	(622)	(651)
	(58,828)	1,235

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

9. FINANCE COSTS

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Interest on:		
Bank borrowings	70,877	53,042
Lease liabilities	183	142
Other borrowings	38,695	36,627
Imputed interests recognised upon the early payments of the deferred considerations	–	12,578
	109,755	102,389
Unwinding of discount on amounts due to a related company	5,623	5,324
Total finance costs	115,378	107,713

10. INCOME TAX EXPENSES

The Company and Bojun Investment are incorporated in the Cayman Islands and the BVI, respectively. Both jurisdictions are tax exempted under the tax laws of the Cayman Islands and the BVI and these entities have no business carried there.

No provision for Hong Kong Profits Tax has been made as the Group's operation in Hong Kong had no assessable profit during both years. Chengdu Bojun and USA Bojun Education, Inc. had no assessable profit subject to the PRC enterprises income tax ("EIT") of 25% and corporate tax in the United States ("USA"), respectively, since their establishment.

Pursuant to the PRC Income Tax Law and the respective regulations, the companies of the Group which operate in the PRC are subject to PRC EIT at a rate of 25% on their taxable income. Under the Western Development Tax Incentive Scheme, certain subsidiaries of the Group are subject to the preferential tax rate of 15% on their respective taxable income with an effective date on 1 January 2021.

Pursuant to State Taxation Administration Announcement 2023 No. 6 and No. 12, from 1 January 2023 to 31 December 2027, certain subsidiaries of the Group that are categorised as small and low-profit enterprises can enjoy a 20% preferential tax rate on 25% of their taxable income amount for the proportion of taxable income not exceeding RMB3 million.

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Tax expense comprises:		
PRC EIT — Current year	6,768	3,901
PRC EIT — Underprovision in prior year	1,153	–
Deferred tax	(1,409)	(1,516)
Total tax charge for the year	6,512	2,385

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

10. INCOME TAX EXPENSES (Continued)

The taxation for the reporting period can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Loss before tax	(190,522)	(37,923)
Tax at applicable tax rate of 25%	(47,631)	(9,481)
Effect of preferential income tax rates	(3,689)	(3,638)
Effect of tax losses not recognised	22,266	7,268
Tax effect of expenses not deductible for tax purpose	35,803	9,758
Tax effect of income not taxable for tax purpose	(2,280)	(1,924)
Effect of different tax rates of other jurisdiction	890	402
Under-provision in prior years	1,153	—
Taxation for the year	6,512	2,385

11. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Directors' and chief executive's remuneration	1,472	1,457
Other staff costs		
— Salaries and other benefits	123,590	116,528
— Staff welfare	7,923	4,042
— Retirement benefit schemes	9,027	10,064
Total staff costs	142,012	132,091
Depreciation of property, plant and equipment	110,700	102,449
Depreciation of right-of-use assets	18,667	18,408
Amortisation of intangible assets	670	670
Increase of loss allowance on other receivables	14,796	979
Business promotion expenses	13,888	16,371
Auditor's remuneration	1,530	1,550

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' REMUNERATION

Directors' and chief executive's emoluments

The executive directors' emoluments shown below were for their services in connected with management of the Company and the Group. The non-executive directors' and independent non-executive directors' emoluments shown below were for their services as directors.

The emoluments paid or payable to the Directors and chief-executives of the Company by entities comprising the Group during the reporting period, pursuant to the applicable Listing Rules and Companies Ordinance are disclosed below:

Year ended 31 August 2025

	Fees RMB'000	Salaries and allowances RMB'000	Defined contribution benefit RMB'000	Total RMB'000
Executive directors				
Mr. Wang Jinglei*	–	743	49	792
Mr. Lin Juncheng**	–	–	–	–
Ms. Tang Hui***	–	–	–	–
	–	743	49	792
Non-executive director				
Mr. Wu Jiwei	–	165	8	173
	–	165	8	173
Independent non-executive directors				
Mr. Cheng Tai Kwan Sunny	165	–	8	173
Mr. Yang Yuchuan***	163	–	8	171
Mr. Tao Qizhi****	163	–	–	163
Mr. Mao Daowei*****	–	–	–	–
Ms. Luo Yunping*****	–	–	–	–
Mr. Yang Yuan*****	–	–	–	–
	491	–	16	507
	491	908	73	1,472

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' REMUNERATION (Continued)

Directors' and chief executive's emoluments (Continued)

Year ended 31 August 2024

	Fees RMB'000	Salaries and allowances RMB'000	Defined contribution benefit RMB'000	Total RMB'000
Executive directors				
Mr. Wang Jinglei*	–	814	33	847
Mr. Lin Juncheng**	–	97	–	97
Ms. Tang Hui***	–	–	–	–
	–	911	33	944
Non-executive director				
Mr. Wu Jiwei	–	164	3	167
	–	164	3	167
Independent non-executive directors				
Mr. Cheng Tai Kwan Sunny	163	–	3	166
Mr. Mao Daowei****	60	–	–	60
Ms. Luo Yunping****	60	–	–	60
Mr. Yang Yuan****	60	–	–	60
Mr. Yang Yuchuan***	–	–	–	–
Mr. Tao Qizhi***	–	–	–	–
	343	–	3	346
	343	1,075	39	1,457

* Chairman of the board.

** Chief executive officer of the Company and appointed on 4 July 2024.

*** Appointed on 5 September 2024.

**** Resigned on 5 September 2024.

No other retirement benefits were paid to the Directors in respect of their services in connection with the management of the affairs of the Company or its subsidiaries undertaking.

None of the Directors or the chief executive of the Company waived or agreed to waive any emolument during the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' REMUNERATION (Continued)

Employees' remuneration

The five highest paid employees of the Group during the year included one Director (2024: one Director). Details of the remuneration for the year of the remaining four (2024: four) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	Year ended 31 August	
	2025 RMB'000	2024 RMB'000
Salaries and allowances	3,565	2,491
Contributions to retirement benefits scheme	74	71
	3,639	2,562

The number of the five highest paid employees (including the Director) whose remuneration fell within the following bands is as follows:

	Number of employees Year ended 31 August	
	2025	2024
Emolument bands		
Nil to Hong Kong dollar ("HK\$") 1,000,000	4	5
HK\$2,000,001 to HK\$2,500,000	1	–
	5	5

During the years ended 31 August 2025 and 2024, no remuneration was paid or payable by the Group to the Directors or the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

13. DIVIDEND

No dividend has been paid or declared by the Company for the years ended 31 August 2025 and 2024, nor has any dividend been proposed subsequent to 31 August 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

14. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

	Year ended 31 August	
	2025	2024
Loss attributable to the owners of the Company (RMB'000)	(129,615)	(39,566)
Weighted average number of ordinary shares issued ('000)	903,138	903,138
Basic loss per share (RMB cents)	(14.35)	(4.38)

No adjustment has been made to the loss per share as the outstanding share options had anti-dilutive effect for the year ended 31 August 2025 and 2024.

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings and facilities RMB'000	Furniture, fixtures and equipment RMB'000	Motor vehicles RMB'000	Electronic equipment RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
COST							
At 1 September 2023	2,646,264	135,470	9,478	4,341	4,751	400,475	3,200,779
Additions	64,382	40,949	8,527	320	–	81,081	195,259
Disposals	(8,989)	(5,786)	(4,486)	(244)	–	–	(19,505)
At 31 August 2024 and 1 September 2024	2,701,657	170,633	13,519	4,417	4,751	481,556	3,376,533
Additions	57,601	26,803	2,190	111	–	1,267	87,972
Transfers	74,834	–	–	–	–	(74,834)	–
Disposals	–	(14)	(210)	(11)	(463)	–	(698)
At 31 August 2025	2,834,092	197,422	15,499	4,517	4,288	407,989	3,463,807
ACCUMULATED DEPRECIATION AND IMPAIRMENT							
At 1 September 2023	339,563	1,093	2,032	1,805	4,531	179,812	528,836
Charge for the year	73,166	26,587	1,873	606	217	–	102,449
Elimination on disposals	(7,870)	(5,706)	(2,104)	(115)	–	–	(15,795)
At 31 August 2024 and 1 September 2024	404,859	21,974	1,801	2,296	4,748	179,812	615,490
Charge for the year	76,144	32,136	1,812	605	3	–	110,700
Elimination on disposals	–	(13)	(164)	(5)	(463)	–	(645)
Impairment loss recognised	13,509	–	–	–	–	–	13,509
At 31 August 2025	494,512	54,097	3,449	2,896	4,288	179,812	739,054
NET CARRYING VALUE							
At 31 August 2025	2,339,580	143,325	12,050	1,621	–	228,177	2,724,753
At 31 August 2024	2,296,798	148,659	11,718	2,121	3	301,744	2,761,043

Note: At 31 August 2025, the Group has not yet obtained the building ownership certificates for its buildings amounted to approximately RMB783,021,000 (2024: RMB773,519,000), out of which amounts of approximately RMB725,587,000 (2024: RMB705,512,000) were in the process of obtaining building ownership certificates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment, other than construction in progress, are depreciated on a straight-line basis over the following useful lives after taking into account the residual values:

Buildings and facilities	8–50 years or over the lease term
Furniture, fixtures and equipment	3 to 10 years
Motor vehicles	5 to 10 years
Electronic equipment	3 to 6 years
Leasehold improvements	Shorter of 10 years or over the lease terms

Impairment assessment on property, plant and equipment and right-of-use assets

The Group carries out evaluations on its property, plant and equipment and right-of-use assets annually at the end of the reporting period to determine whether there are any indicators of impairment.

Property, plant and equipment and right-of-use assets occupied by the Affected Entities

At 31 August 2025, property, plant and equipment and right-of-use assets with the respective net carrying value of approximately RMB566,942,000 and RMB75,850,000 (2024: approximately RMB572,654,000 and RMB77,627,000) held by the Consolidated Affiliated Entities were occupied by certain entities (which were deconsolidated from the Group on 1 September 2021) (“Affected Entities”) and are continuously occupied by these entities subsequent to the deconsolidation. For the details of the deconsolidation, please refer to the Company’s annual report for the year ended 31 August 2021. The Group concluded that impairment indicators existed in relation to such assets due to the fact that the Regulations for the Implementation of the Private Education Promotion Law of the PRC (the “Implementation Regulation”) prohibit the Group from conducting transactions with the Affected Entities and the Group could not charge rental from the Affected Entities for the use of these assets when the Implementation Regulations become effective on 1 September 2021.

In view of the above, the Group carried out reviews of the recoverable amount of the aforesaid property, plant and equipment and right-of-use assets at 31 August 2025 on an individual basis by reference to the valuation report prepared by an independent professional property valuer. The recoverable amounts of the property, plant and equipment and right-of-use assets have been determined based on their fair value less costs of disposal. The Group uses discounted cash flow method to estimate the fair value less costs of disposal of the assets which is based on the discounted future net cash flow of the properties to its present value by using an appropriate discount rate that reflects the rate of return required by a third party investor. The fair value measurement is categorised into Level 3 fair value hierarchy. The carrying amounts of the relevant property, plant and equipment and right-of-use assets do not exceed the recoverable amounts based on their respective fair value less costs of disposal and no impairment has been recognised for the year ended 31 August 2025 (2024: Nil).

One of the key unobservable inputs used in valuing the property, plant and equipment and right-of-use assets was the discount rate of 5.50% (2024: 5.50%). An increase of 25 basis points and 50 basis points in the discount rate used, while other parameters remain constant, would result in a decrease of approximately RMB30,553,000 and RMB59,180,000 (2024: decrease of approximately RMB31,040,000 and RMB60,080,000), respectively, in the total fair value measurement of the property, plant and equipment and right-of-use assets, and vice versa.

Cash-generating units (“CGUs”) of Vocational Education Business

At 31 August 2025, property, plant and equipment and right-of-use assets with the respective net carrying value of approximately RMB2,074,246,000 and RMB640,471,000 (2024: approximately RMB2,100,154,000 and RMB660,456,000, respectively) were allocated to Vocational Education Business (as defined in Note 18). Based on the impairment assessment performed by management, the Group recognised impairment losses of approximately RMB13,509,000 and RMB4,171,000 for the year ended 31 August 2025, attributable to the CGU of Vocational Education Business for property, plant and equipment and right-of-use assets, respectively. For details of the impairment assessment on the CGU of Vocational Education Business, please refer to Note 18 to the consolidation financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

16. RIGHT-OF-USE ASSETS

	Leasehold land RMB'000	Leased properties RMB'000	Total RMB'000
CARRYING VALUES			
At 1 September 2023	599,505	780	600,285
Addition	170,732	4,521	175,253
Depreciation provided for the year	(17,501)	(907)	(18,408)
At 31 August 2024 and 1 September 2024	752,736	4,394	757,130
Depreciation provided for the year	(18,040)	(627)	(18,667)
Impairment loss recognised (Note 15)	(4,171)	–	(4,171)
At 31 August 2025	730,525	3,767	734,292

The leased properties are depreciated on a straight-line basis over the lease term. The leasehold land is depreciated on a straight-line basis over the expected useful lives of 30 years for Tianfu School. The other leasehold lands are depreciated on a straight-line basis over 50 years, as stated in the relevant land use right certificates entitled for usage by the Group in the PRC. Other leasehold lands are depreciated on a straight-line basis over the lease term.

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Expense relating to short-term leases	331	3,141
Total cash outflow for leases (Note)	1,054	3,848

Note: Total cash outflow for leases includes expenses related to short-term leases, variable lease payments included in the measurement of lease liabilities, payments for right-of-use assets and repayments of lease liabilities and interest paid on lease liabilities.

As at 31 August 2025, the lease agreements do not impose any extension or termination options which are exercisable only by the Group and not by the respective lessors.

As at 31 August 2025, the Group does not provide residual value guarantees in relation to leases arrangements. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

17. INTANGIBLE ASSETS

	Software patents and license RMB'000
Cost	
At 1 September 2023, 31 August 2024, 1 September 2024 and 31 August 2025	3,782
Accumulated amortisation	
At 1 September 2023	–
Amortisation for the year	670
At 31 August 2024 and 1 September 2024	670
Amortisation for the year	670
At 31 August 2025	1,340
Carrying amount	
At 31 August 2025	2,442
At 31 August 2024	3,112

The intangible assets of the Group which have finite useful lives are amortised on a straight-line basis based on their estimated useful lives ranged from 3 years to 10 years.

18. GOODWILL

	RMB'000
COST	
At 1 September 2023, 31 August 2024, 1 September 2024 and 31 August 2025	12,105
ACCUMULATED IMPAIRMENT LOSSES:	
At 1 September 2023, 31 August 2024 and 1 September 2024	–
Impairment loss recognised	12,105
At 31 August 2025	12,105
CARRYING AMOUNT:	
At 31 August 2025	–
At 31 August 2024	12,105

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units (“CGUs”) that are expected to benefit from that business combination. As at 31 August 2025 and 2024, the carrying amount of goodwill had been allocated to the CGUs within the business segment of the vocational education business in the PRC (“Vocational Education Business”) which was acquired by the Group on 31 August 2023.

The recoverable amounts of the CGUs are determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated growth rate of 2.5% (2024: 2.5%) which does not exceed the average long-term growth rate for the relevant markets. The cash flows are discounted using a discount rate of 9% (2024: 10%) which reflects specific risks relating to the relevant segments. The other key assumptions on which management has based its cash flow projections are those regarding the growth rates and budgeted gross margin and revenue during the period. The growth rates are based on the long-term average economic growth rate of the geographical area in which the businesses of the CGUs operate. Budgeted gross margin and revenue are based on past practices and expectations of business development.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

18. GOODWILL (Continued)

Based on the impairment assessment of the Vocational Education Business CGU, the goodwill allocated to that CGU was determined to be impaired. An impairment loss of approximately HK\$12,105,000 against goodwill was recognised in consolidated profit or loss for the year ended 31 August 2025. The impairment loss recognised during the year ended 31 August 2025 reflects temporary shifts within the PRC's education policy landscape affecting the vocational education sector, resulting in the adoption of a more conservative revenue growth outlook over the five-year forecast period.

19. DEFERRED TAX

Movement in deferred income tax assets and liabilities for the year ended 31 August 2025 and 2024 is as follows:

Deferred tax assets

	Temporary difference on deferred income RMB'000
At 1 September 2023	17,289
Credit to profit or loss (Note 10)	(384)
At 31 August 2024 and 1 September 2024	16,905
Charge to profit or loss (Note 10)	(384)
At 31 August 2025	16,521

Deferred tax liabilities

	Fair value adjustments arising in acquisition of subsidiaries RMB'000
At 1 September 2023	64,836
Credited to profit or loss (Note 10)	(1,900)
At 31 August 2024 and 1 September 2024	62,936
Credited to profit or loss (Note 10)	(1,793)
At 31 August 2025	61,143

As at 31 August 2025, the Group has unused and unrecognised tax losses of approximately RMB684,603,000 (2024: RMB696,241,000) available for offset against future profits which will expire by the end of 2030 (2024: 2029). No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams. The Group has no other significant unrecognised deferred tax assets for deductible temporary differences at 31 August 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

19. DEFERRED TAX (Continued)

Deferred tax liabilities (Continued)

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liability has not been recognised was approximately RMB8,763,000 (2024: approximately RMB13,084,000). No deferred tax liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

20. TRADE AND OTHER RECEIVABLES

		As at 31 August	
		2025	2024
	Notes	RMB'000	RMB'000
Trade receivables:			
Education consultancy and management services fees receivables	(i)	1,000	–
Other receivables, deposits and prepayments:			
Secured deposits for other borrowings		14,934	24,750
Deposits for establishment of school campus	(ii)	1,145	3,145
Other tax receivables	(iii)	57,752	57,022
Advances to staffs		22,938	14,993
Amount due from Hongde Guanghua	(iv)	24,337	24,364
Other receivables from Daying Estate	(v)	–	7,797
Loan and interest receivables from four independent vocational schools	(vi)	8,858	11,482
Consideration receivable from the disposal of equity interest	(vii)	13,165	14,410
Consideration receivable from the disposal of an associate		6,500	6,500
Prepaid expenses		3,505	2,596
Other deposits and receivables		14,245	9,204
Total		168,379	176,263
Analysed into:			
— Current assets		131,862	121,040
— Non-current assets		36,517	55,223
		168,379	176,263

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For the year ended 31 August 2025

20. TRADE AND OTHER RECEIVABLES (Continued)

Notes:

- (i) The Group generally allows a credit period of 0 to 180 days to its customers in education consultancy and management services. Overdue balances are reviewed regularly by the management of the Group. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	As at 31 August 2025 RMB'000	2024 RMB'000
0–180 days	1,000	–

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward-looking information.

As at 31 August 2025, neither trade receivables balance were past due and no loss allowances were made.

- (ii) The balance represents the non-interest bearing deposits placed to local government authorities for the purpose of establishment of school campus amounting to approximately RMB1,145,000 (2024: approximately RMB3,145,000).
- (iii) The balance as at 31 August 2025 mainly represented the deductible input value-added tax generated from the procurement of construction services for the Group's buildings and facilities.
- (iv) The balance represents a refundable investment fund due from Sichuan Hongde Guanghua Education Management Company Limited (四川弘德光華教育管理有限公司) ("Hongde Guanghua") in relation to the disposal of Pengzhou Bojun School (彭州市博駿學校), which was one of the Affected Entities. The carrying amount before loss allowance was approximately RMB25,357,000 (2024: approximately RMB25,357,000).

On 31 January 2024, the Group, Hongde Guanghua and Pengzhou Bojun School entered into a second supplemental agreement pursuant to which the parties agreed to amend the payment terms by a yearly instalment between 30 September 2025 and 30 September 2028. The balance was reclassified to non-current assets as of 31 August 2024. For details, please refer to the announcements of the Company dated 31 January 2024 and 15 April 2024.

On 29 September 2025, Hongde Guanghua, Chengdu Mingxian, Pengzhou School, Mr. Chen Lung (陳龍) and Chengdu Qizheng Corporate Management Company Limited (成都啟正企業管理有限公司) and Chengdu Liqiao Education Technology Company Limited* (成都立橋教育科技有限公司) entered into a fourth supplemental agreement pursuant to which the parties agreed to amend the payment terms by a monthly instalment of not less than RMB552,749 from September 2025 to August 2028 and of not less than RMB552,749 (except with the last payment being remainder of the outstanding balance) from September 2028 to August 2029, totalling approximately RMB26,532,000. The amount of approximately RMB18,734,000 was classified as non-current assets and the remaining balance was classified as current assets as of 31 August 2025. The amount is guaranteed by independent third parties and is non-interest-bearing. For details, please refer to the announcements of the Company dated 29 September 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

20. TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

- (v) The balances as at 31 August 2025 represented the receivables due from Daying Tianshi Real Estate Company Limited (大英天世置業有限公司) ("Daying Estate"), a former subsidiary of Sichuan Gaojiao prior to the acquisition on 31 August 2023. The gross amount of the outstanding receivables amounted to approximately RMB7,797,000 (2024: RMB7,797,000), which is unsecured, non-interest bearing and without a fixed repayment term. During the year ended 31 August 2025, the Group, Daying Estate and the Purchaser (as defined in note (vii) below) entered into an agreement under which the parties agreed to assign the right and obligation under the receivables of approximately RMB7,797,000 to the Purchaser.
- (vi) The balances as of 31 August 2025 and 2024 represented the loans and interests receivable from four independent third parties. Out of the balance, the principal amounts of approximately RMB8,500,000 are unsecured, interest-bearing at 6.9% per annum, and repayable within one year, and principal amounts of approximately RMB2,500,000 are unsecured, non-interest bearing, and repayable within one year. As at 31 August 2025, the Group recognised a loss allowance of approximately RMB2,728,000.
- (vii) The balances as at 31 August 2025 and 2024 mainly represented the remaining consideration receivable due from an independent third party ("the Purchaser") for the disposal of the entire equity interest in Daying Estate, and the receivables assigned from Daying Estate during the year ended 31 August 2025, as mentioned in note (v) above. As at 31 August 2025, the Group recognised a loss allowance of approximately RMB12,041,000 on the outstanding balances.

Reconciliation of loss allowance for other receivables, deposits and prepayments:

	2025 RMB'000	2024 RMB'000
At the beginning of the year	1,003	24
Increase in loss allowance for the year	14,796	979
At the end of the year	15,799	1,003

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For the year ended 31 August 2025

21. AMOUNTS DUE FROM/TO RELATED COMPANIES

Amounts due from related companies

Name	Relationship	As at 31 August		Maximum amounts outstanding during the year ended 31 August	
		2025	2024	2025	2024
		RMB'000	RMB'000	RMB'000	RMB'000
<i>Non-trade related</i>					
四川博駿教育投資管理有限公司 Sichuan Bojun Education Investment Management Company Limited ("Sichuan Bojun")	56% interest held by Mr. Xiong Tao	–	–	–	426
Shenzhen Hongyuan Education Investment Company Limited (深圳弘遠教育投資有限公司) ("Shenzhen Hongyuan")	Non-controlling shareholder of a subsidiary	53,407	47,457	53,407	47,457
Sichuan Yuanmao Education Management Company Limited (四川沅懋教育管理有限公司)	99% interest held by Mr. Wang Jinglei	5	6	6	6
Sichuan Gaojiao Group Limited (四川高教集团有限公司)	Non-controlling shareholder of a subsidiary	10	10	10	10
Affected Entities	Beneficially owned by Mr. Wang Jinglei	12,402	15,852	15,852	16,539
<i>Trade related</i>					
成都恒宇實業有限公司 Chengdu Hengyu Industrial Company Limited ("Chengdu Hengyu")	95% interest held by Mr. Xiong Tao	–	–	–	294
Total, presented under current assets		65,824	63,325		

Out of the amount due from Shenzhen Hongyuan, an amount of approximately RMB30,000,000 represents an unsecured interest-bearing loan at an annual interest rate of 4.75% and repayable by the end of 2025. The non-trade nature amounts due from related companies are unsecured, non-interest bearing and without a fixed repayment term other than the loan receivable from Shenzhen Hongyuan.

As at 31 August 2025 and 2024, the trade-related balance represents the prepaid rental expenses and is aged within one year.

Sichuan Bojun and Chengdu Hengyu were controlled by Mr. Xiong Tao, former executive director and shareholder of the Company who passed away on 18 August 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

21. AMOUNTS DUE FROM/TO RELATED COMPANIES (Continued)

Amounts due to related companies

Name	Relationship	As at 31 August	
		2025 RMB'000	2024 RMB'000
Affected Entities:	Beneficially owned by		
— Nanjiang Bojun School	Mr. Wang Jinglei	255,672	280,448
— Wangcang Bojun School		222,294	228,581
— Lezhi Bojun School		51,282	103,511
Sichuan Zhengzhuo Industrial Company Limited (四川正卓實業有限公司) ("Zhengzhuo Industrial")	Non-controlling shareholder of a subsidiary	36,328	86,328
Sichuan Zhuotai Investment Limited (四川卓泰投資有限公司) ("Sichuan Zhuotai")	Controlling shareholder of Zhengzhuo Industrial	68,500	38,000
Less: Amounts due for settlement within 12 months shown under current liabilities		634,076 (104,828)	736,868 (124,328)
		529,248	612,540

The balances with the Affected Entities represent the current accounts within the Group's entities prior to the deconsolidation of the Affected Entities on 31 August 2021. The amounts due to the Affected Entities mainly represent the capital expenditures in relation to the establishment of the school buildings and facilities, which are the property, plant and equipment owned by the Group, partially paid by the Affected Entities in the previous years.

The amounts due to Nanjiang Bojun School, Wangcang Bojun School and Lezhi Bojun School are non-interest bearing, unsecured and repayable on 1 September 2036. Included in the balance with Nanjiang Bojun School, a principal amount of approximately RMB193,011,000 advanced by Nanjiang Bojun School to the Group during the year ended 31 August 2022 which was initially measured at its fair value using the effective interest method with an effective interest rate of 5.65%, resulting in a deemed contribution from the shareholder of approximately RMB104,644,000 recognised in other reserve. During the year ended 31 August 2025, unwinding of discount on the aforesaid principal amounted to approximately RMB5,623,000 was recognised in the profit or loss (2024: approximately RMB5,324,000). The amounts due to Affected Entities as at 31 August 2025 were classified as non-current liabilities.

The amounts due to Zhengzhuo Industrial and Sichuan Zhuotai are unsecured, non-interest bearing and without fixed repayment terms.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

22. EQUITY INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 August	
	2025	2024
	RMB'000	RMB'000
Hong Kong listed securities	49,345	–
Analysed into:		
— Current assets	49,345	–

23. BANK BALANCES AND CASH

As at 31 August 2025, bank balances carry interest at prevailing market rates of 0.01% to 0.25% (2024: 0.01% to 0.25%) per annum.

24. OTHER PAYABLES AND ACCRUALS

		As at 31 August	
		2025	2024
	Notes	RMB'000	RMB'000
Payables for purchases of property, plant and equipment		81,067	270,388
Miscellaneous expenses received from students	(i)	16,248	10,867
Payroll payables		10,431	8,734
Payables for scholarship	(ii)	36,983	39,320
Other payables and accrued expenses		91,896	80,499
Other tax payables		26,080	5,175
Deferred cash considerations	(iii)	1,000	1,000
Deposits received		35,441	30,709
Total		299,146	446,692
Analysed into:			
— Current liabilities		298,146	445,692
— Non-current liabilities		1,000	1,000
		299,146	446,692

Notes:

- (i) The amount represents miscellaneous expenses received from students which will be paid out on behalf of students or refund for any excess.
- (ii) The amount represents the subsidies received from different parties for distribution to students as scholarships to students.
- (iii) As at 31 August 2025 and 2024, the amount represents the remaining consideration payables to the non-controlling shareholders of the Group's subsidiaries, namely Zhengzhuo Industrial, for the acquisitions of subsidiaries in 2023. Amounts of approximately RMB1,000,000 are repayable after twelve months after the end of the reporting period in accordance with acquisition agreements is classified as a non-current liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

25. CONTRACT LIABILITIES

	As at 31 August	
	2025	2024
	RMB'000	RMB'000
Tuition fees	162,271	270,295
Boarding fees	9,013	23,065
	171,284	293,360

The following table shows the revenue recognised in the current year relates to contract liabilities recognised:

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Balance at the beginning of the year	293,360	277,041
Revenue recognised that was included in the contract liabilities		
balance at the beginning of the year	(293,360)	(277,041)
Receipts in advance of tuition and boarding fees	171,284	293,360
Balance at the end of the year	171,284	293,360

Contract liabilities represent the Group's obligation to transfer education services to students for which the Group has received advance payment from the students. The balance will be recognised within one year upon the satisfaction of performance obligation.

26. LEASE LIABILITIES

	As at 31 August	
	2025	2024
	RMB'000	RMB'000
Lease liabilities payable:		
Within one year	370	540
After one year but within two years	403	370
After two years but within five years	1,359	1,283
After five years	1,645	2,124
	3,777	4,317
Less: Amounts due for settlement within 12 months		
shown under current liabilities	(370)	(540)
Amounts due for settlement after 12 months		
shown under non-current liabilities	3,407	3,777

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

27. BANK AND OTHER BORROWINGS

	Notes	As at 31 August	
		2025	2024
		RMB'000	RMB'000
Bank loans — secured	(i)	1,362,030	946,620
Other borrowings — secured	(ii)	587,401	550,159
		1,949,431	1,496,779
The carrying amounts of the above borrowings are repayable:			
On demand or within one year		676,466	328,704
Within a period of more than one year but not exceeding two years		375,445	430,387
Within a period more than two years but not exceeding five years		230,270	523,188
Within a period of more than five years		667,250	214,500
		1,949,431	1,496,779
Less: Amounts due within one year shown under current liabilities		(676,466)	(328,704)
Amounts shown under non-current liabilities		1,272,965	1,168,075

The ranges of effective interest rates on the Group's borrowings are as follows:

	2025	2024
Fixed-rate bank and other borrowings	4.20%–8.53%	4.20%–8.53%
Variable-rate bank and other borrowings	4.40%–10.17%	5.00%–10.10%

Notes:

- (i) At 31 August 2025, total secured bank loans of approximately RMB1,362,030 were secured by pledging (a) the equity interests in the Group's subsidiaries; and (b) tuition and boarding fee receivable rights of various schools including Vocational College, Vocational School, three schools of the Affected Entities and Tianfu High School. In addition, the aforesaid secured bank loans were guaranteed by (a) the non-controlling shareholders of the Group's subsidiaries and their related parties; (b) certain directors of the Group's subsidiaries; (c) the Company; (d) Tianfu Bojun; (e) Chengdu Mingxian; (f) a former executive director; and (g) a shareholder of the Company and his spouse.

At 31 August 2025, a secured bank loan with a carrying amount of approximately RMB305,000,000 was classified as repayment on demand because of the failure to fulfil certain financial covenant stated in the loan agreement. Up to the date of the consolidated financial statements, the Group is seeking to procure new bank loans from other bankers to mitigate the risk of the loan being called by the bank. Coupled with the Group's working capital, the directors considered that the Group would have sufficient cash to fulfil the obligation in the event that the bank demanded immediate repayment for the loan.

Other than the bank loan mentioned above, the bank loans are subject to several covenants that require the borrower, certain subsidiaries of the Group, to maintain a gearing ratio below 70% or 75%, the liquidity ratio not lower than 1, and the interest coverage ratio not lower than 1 during the loan period. The covenants are tested at the end of each quarter until the maturity of the borrowings. The Group has no indication that it will have difficulty complying with these covenants.

At 31 August 2024, total secured bank loans of approximately RMB946,620,000 were secured by pledging (a) the equity interests in the Group's subsidiaries; and (b) tuition and boarding fee receivable rights of various schools including Vocational College, Vocational School, three schools of the Affected Entities and Tianfu High School. In addition, the aforesaid secured bank loans were guaranteed by (a) the non-controlling shareholders of the Group's subsidiaries and their related parties; (b) certain directors of the Group's subsidiaries; (c) the Company; (d) Tianfu Bojun; (e) Chengdu Mingxian; (f) a former executive director; and (g) a shareholder of the Company and his spouse.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

27. BANK AND OTHER BORROWINGS (Continued)

Notes: (Continued)

- (ii) At 31 August 2025, total secured other borrowings from other financial institutions of approximately RMB587,401,000 were secured by pledging (a) secured deposits of approximately RMB14,934,000 (Note 20); and (b) tuition and boarding fee receivable rights of Vocational College. In addition, the aforesaid other borrowings were guaranteed by (a) the non-controlling shareholders of the Group's subsidiaries and their related parties; (b) certain directors of the Group's subsidiaries; (c) the Company; (d) Yunmao Jiaoyu; and (e) a shareholder of the Company and his spouse.

At 31 August 2024, total secured other borrowings from other financial institutions of approximately RMB550,159,000 were secured by pledging (a) secured deposits of approximately RMB24,750,000 (Note 20); and (b) tuition and boarding fee receivable rights of Vocational College. In addition, the aforesaid other borrowings were guaranteed by (a) the non-controlling shareholders of the Group's subsidiaries and their related parties; (b) certain directors of the Group's subsidiaries; (c) the Company; (d) Yunmao Jiaoyu; and (e) a shareholder of the Company and his spouse.

28. FINANCIAL GUARANTEE CONTRACTS

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
At beginning of the year	25,572	7,670
Financial guarantee provision recognised	52,656	38,704
Amortisation of financial guarantee provision	(40,540)	(20,749)
Reversal of loss allowance on financial guarantee contracts	(382)	(53)
At end of the year	37,306	25,572

The financial guarantee contracts provided to Affected Entities were recognised in the consolidated financial statements on 31 August 2021. At 31 August 2025, the aggregate amount of outstanding financial guarantees issued to banks in respect of banking facilities granted to the Affected Entities and other financial institutions that the Group could be required to be paid amounted to approximately RMB495,983,000 (2024: approximately RMB453,600,000) if the guarantees were called upon in entirety.

Details of the loss allowance for financial guarantee contracts are set out in Note 34.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

29. DEFERRED INCOME

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Amounts recognised in profit or loss during the year:		
Subsidies related to assets (Note)	(9,026)	(8,291)

The movement of deferred income is as follows:

	As at 31 August	
	2025	2024
	RMB'000	RMB'000
At beginning of the year	422,053	272,363
Receipt of government subsidies	1,007	157,981
Amount credited to profit or loss during the year (Note 5)	(9,026)	(8,291)
At end of the year	414,034	422,053

Note:

The Group received government subsidies for the compensation of capital expenditures incurred for the leasehold lands. The amounts are deferred and amortised over the estimated useful lives of the respective assets.

30. SHARE CAPITAL

	Number of ordinary shares of HK\$0.01 each	Amount HK\$	Amount RMB	Shown in the consolidated statement of financial position RMB'000
Issued and fully paid:				
At 1 September 2023	821,856,000	8,218,560	7,137,822	7,138
Issue of the consideration shares	81,282,460	812,825	751,816	752
At 31 August 2024, 1 September 2024 and 31 August 2025	903,138,460	9,031,385	7,889,638	7,890

Note:

On 31 August 2023, the Group acquired each of the 51% equity interest in Sichuan Zhengzhuo Group and Sichuan Gaojiao, respectively. Part of the consideration is 81,282,460 shares of the Company at the contractual issue price of HK\$0.85 per share. On 19 October 2023, these consideration shares have been allotted and issued to the nominee of the vendors. The excess of the quoted market price at the acquisition date of the 81,282,460 shares amounting to approximately RMB6,616,000 has been credited to the share premium.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

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31. RETIREMENT BENEFIT PLAN

Defined contribution plan

The Group is required to contribute a specified percentage of payroll costs as determined by respective local government authority to the retirement benefits scheme to fund the benefits. The employees of the Group in the PRC are members of a state-managed retirement benefits scheme operated by the PRC government. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions under the scheme. The Group makes contributions to the retirement schemes at the applicable rates based on the amounts stipulated by the local government authorities. During the year ended 31 August 2025, no forfeited contribution under the plan concerned is available to offset the future contributions or reduce the existing level of contributions.

The contributions made by the Group in respect of the retirement benefit scheme amounting to approximately RMB9,100,000 for the year ended 31 August 2025 (2024: RMB10,103,000) are included in costs of services and administrative expenses.

32. RELATED PARTY TRANSACTIONS

Other than those disclosed elsewhere in the consolidated financial statements, major transaction entered into by the Group with related parties is as follows:

Entities	Nature of transactions	Year ended 31 August	
		2025 RMB'000	2024 RMB'000
Affected Entities	Provision of education management services	–	5,171
Affected Entities	Recharge income for the occupation of school campus	2,473	2,473
Chengdu Hengyu	Rental expenses incurred	98	187

Compensation of key management personnel

The remuneration of the Directors and other members of key management of the Group during the year was as follows:

	Year ended 31 August	
	2025 RMB'000	2024 RMB'000
Short-term benefits	6,313	7,397
Post-employment benefits	276	197
	6,589	7,594

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

33. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which includes borrowings disclosed in Note 27, net of bank balances and cash and equity attributable to owners of the Group, comprising share capital, accumulated profits and other reserves.

The management of the Group reviews the capital structure from time to time. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital.

Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, the issue of new shares and raise new debts.

34. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

		Carrying amount at 31 August	
		2025	2024
		RMB'000	RMB'000
Financial assets			
Bank balances and cash	At amortised cost	140,599	225,803
Trade and other receivables	At amortised cost	107,122	116,645
Amounts due from related companies	At amortised cost	65,824	63,325
Total financial assets at amortised cost		313,545	405,773
Equity investment at fair value through profit or loss	Refer to Note 4	49,345	–
Financial liabilities			
Other payables and accruals*	At amortised cost	273,066	441,517
Amounts due to related companies	At amortised cost	634,076	736,868
Bank and other borrowings	At amortised cost	1,949,431	1,496,779
Total financial liabilities at amortised cost		2,856,573	2,675,164
Lease liabilities	At amortised cost	3,777	4,317
Financial guarantee contracts	Refer to Note 4	37,306	25,572

* Other tax payable are excluded.

b. Financial risk management objectives and policies

The Group's major financial instruments include other receivables and deposits, amounts due from/to related companies, restricted bank deposits, bank balances and cash, other payables and accruals, lease liabilities, bank and other borrowings and financial guarantee liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (interest rate risk and foreign currency risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

34. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to cash flow interest rate risk on the variable rate of interest earned on the bank balances and incurred on bank and other borrowings. The Group is also exposed to fair value interest rate risk in relation to fixed rate borrowings.

The Group currently does not have an interest rate hedging policy. However, the management of the Group monitors interest rate risk exposure and will consider interest rate hedging should the need arise.

Sensitivity analysis

If interest rate of variable-rate bank balances and bank and other borrowings had been 10 basis points higher/lower and all other variables were held constant, the Group's post-tax loss for the year ended 31 August 2025 would have increased/decreased by approximately RMB365,000 (2024: increased/decreased by approximately RMB395,000). The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year.

In the directors' opinion, the sensitivity analysis above is unrepresentative for the interest rate risk as the exposure at the end of reporting period does not reflect the exposure during the year.

(ii) Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets at the end of the reporting period are as follows:

	As at 31 August	
	2025	2024
	RMB'000	RMB'000
Bank balances and cash — HK\$	6,452	6,878

The following shows the Group's sensitivity to 5% appreciation of HK\$ against RMB which represents the management's assessment of the reasonable possible change in HK\$ — RMB exchange rate. The sensitivity analysis of the Group includes the outstanding HK\$ denominated balances as adjusted for 5% appreciation of HK\$ at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year.

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Decrease in post-tax profit	323	344

There would be an equal and opposite impact on the above post-tax results, should the HK\$ be weakened against RMB in the above sensitivity analysis.

In the Directors' opinion, the sensitivity analysis above is unrepresentative for the currency risk as the exposure at the end of reporting period does not reflect the exposure during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

34. FINANCIAL INSTRUMENTS (Continued)

c. Credit risk and impairment assessment

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform its obligations is arising from the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group applied ECL model upon adoption of HKFRS 9 under which the Group measures the loss allowance equal to 12m ECL for all of the Group's financial assets, unless when there has been a significant increase in credit risk since initial recognition in which circumstance the Group recognises lifetime ECL. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis. The Directors believe that there are no significant increase in credit risk of the Group's financial assets since initial recognition.

Other receivables, deposits and prepayments

For other receivables and deposits, the directors make a periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The directors believe that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the year ended 31 August 2025, the Group assessed the ECL for other receivables and deposits with a gross carrying amount of approximately RMB184,178,000 (2024: approximately RMB: 177,266,000) and record the ECL amounted to approximately RMB15,799,000 (2024: approximately RMB1,003,000).

Amounts due from related companies/restricted bank deposits/bank balances

No allowance has been recognised for amounts due from related companies as the expected loss for these receivables is immaterial under 12m ECL model based on the Group's assumption on the rates of default of respective counterparties taking into account forward-looking information.

The credit risks on restricted bank deposits and bank balances are limited because the counterparties are banks with high credit ratings assigned by credit-rating agencies. The ECL for bank balances was insignificant.

Financial guarantee contracts

As at 31 August 2025, the financial guarantee contracts provided to the Affected Entities were initially recognised in the consolidated financial statements at fair value. At the end of the reporting period, the management has performed impairment assessment, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contracts. Accordingly, the loss allowance for financial guarantee contracts issued by the Group is measured at an amount equal to 12m ECL. Reversal of loss allowance approximately RMB382,000 (2024: Reversal of loss allowance approximately RMB53,000) was recognised in the profit or loss for the year ended 31 August 2025. Details of the financial guarantee contracts are set out in Note 28.

d. Liquidity risk

The Directors have reviewed the Group's cash flow projections, which cover a period of not less than twelve months from 31 August 2025. They are of the opinion that the Group will have sufficient working capital to meet its financial obligations, including those committed capital expenditures relating to construction.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows (including interest payments computed using contractual rates of financial liabilities based on the earliest date on which the Group can be required to pay). The table includes both interest and principal cash flows, where applicable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

34. FINANCIAL INSTRUMENTS (Continued)

d. Liquidity risk (Continued)

Liquidity and interest risk tables

	Weighted average interest rate	On demand or within 3 months RMB'000	4 to 6 months RMB'000	6 to 12 months RMB'000	1-2 years RMB'000	3-5 years RMB'000	Over 5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
As at 31 August 2025									
<i>Non-interest bearing</i>									
Other payable and accruals	N/A	272,066	-	-	-	-	-	272,066	272,066
Amounts due to related companies	N/A	104,828	-	-	-	-	423,499	528,327	528,327
Financial guarantee contracts	N/A	495,983	-	-	-	-	-	495,983	37,306
<i>Interest bearing</i>									
Deferred cash considerations	3.45%	-	-	-	1,000	-	-	1,000	1,000
Amounts due to related companies	5.65%	-	-	-	-	-	193,846	193,846	105,749
Lease liabilities	5.93%	-	268	268	551	1,687	1,773	4,547	3,777
Bank and other borrowings	4.2%-10.17%	502,042	129,072	130,872	425,333	282,284	777,042	2,246,645	1,949,431
		1,374,919	129,340	131,140	426,884	283,971	1,396,160	3,742,414	2,897,656
As at 31 August 2024									
<i>Non-interest bearing</i>									
Other payable and accruals	N/A	440,517	-	-	-	-	-	440,517	440,517
Amounts due to related companies	N/A	124,328	-	-	-	-	512,414	636,742	636,742
Financial guarantee contracts	N/A	453,600	-	-	-	-	-	453,600	25,572
<i>Interest bearing</i>									
Deferred cash considerations	3.45%	-	-	-	1,000	-	-	1,000	1,000
Amounts due to related companies	5.65%	-	-	-	-	-	193,846	193,846	100,126
Lease liabilities	5.93%	187	268	268	535	1,671	2,341	5,270	4,317
Bank and other borrowings	4.2%-10.1%	140,276	116,920	139,023	452,274	542,549	219,349	1,610,391	1,496,779
		1,158,908	117,188	139,291	453,809	544,220	927,950	3,341,366	2,705,053

e. Fair value

Except as disclosed in note 35 to the consolidated financial statements, the carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

35. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

(a) Disclosures of level in fair value hierarchy at 31 August 2025:

Description	Fair value measurements using:			Total
	Level 1	Level 2	Level 3	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Recurring fair value measurements:				
Equity investment at fair value through profit or loss				
Hong Kong listed securities	49,345	–	–	49,345
Total recurring fair value measurements	49,345	–	–	49,345

36. DISPOSAL OF A SUBSIDIARY

For the year ended 31 August 2024

On 1 April 2024, the Group disposed of the entire equity interest of a subsidiary, Chengdu Youshi Preschool Education Investment Management Company Limited, to an independent third party for a total cash consideration of approximately RMB400,000.

Net liabilities at the date of disposal were as follows:

	RMB'000
Prepayments, deposits and other receivables	600
Accruals and other payables	(2,739)
Net liabilities disposed of	(2,139)
Gain on disposal of a subsidiary	2,539
Total consideration — satisfied by cash	400
Net cash inflow arising on disposal:	
Cash consideration received	400

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For the year ended 31 August 2025

37. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Amounts due to related companies RMB'000	Lease liabilities RMB'000	Interest payable RMB'000	Borrowings RMB'000	Total RMB'000
At 1 September 2023	750,959	361	2,848	1,507,273	2,261,441
Changes from financing cash flows	33,058	(707)	(91,752)	(10,494)	(69,895)
Finance costs recognised	–	142	89,669	–	89,811
Increase in lease liabilities from entering into new leases	–	4,521	–	–	4,521
Settled by other receivables	(50,000)	–	–	–	(50,000)
Non-cash recharge income	(2,473)	–	–	–	(2,473)
Unwinding of discount on amounts due to a related company	5,324	–	–	–	5,324
At 31 August 2024 and 1 September 2024	736,868	4,317	765	1,496,779	2,238,729
Changes from financing cash flows	(105,942)	(723)	(109,590)	452,652	236,397
Non-cash changes:					
Finance costs recognised	–	183	109,572	–	109,755
Non-cash recharge income	(2,473)	–	–	–	(2,473)
Unwinding of discount on amounts due to a related company	5,623	–	–	–	5,623
At 31 August 2025	634,076	3,777	747	1,949,431	2,588,031

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

38. PARTLY-OWNED SUBSIDIARIES

The following table shows information of subsidiaries that have non-controlling interests (“NCI”) material to the Group. The summarised financial information represents amounts before inter-company eliminations.

Name	Sichuan Zhengzhuo Group		Sichuan Gaojiao	
	2025	2024	2025	2024
Principal place of business/country of incorporation	PRC/PRC	PRC/PRC	PRC/PRC	PRC/PRC
% of equity interests held by NCI	49%	49%	49%	49%
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 August:				
Non-current assets	1,164,307	1,221,313	1,567,790	1,568,504
Current assets	676,803	575,561	89,977	118,456
Non-current liabilities	(351,319)	(343,046)	(816,723)	(917,968)
Current liabilities	(915,189)	(820,526)	(907,006)	(756,064)
Net assets	574,602	633,302	(65,962)	12,928
Accumulated NCI	281,555	310,318	(32,321)	6,335
For the year ended 31 August				
Revenue	328,787	363,273	67,630	57,334
Profit/(loss) and total comprehensive income/(expense) for the year	(58,700)	21,523	(78,890)	(23,037)
Profit allocated to NCI	(28,763)	10,546	(38,656)	(11,288)
Dividend paid to NCI	–	–	–	–
Cash flow from operating activities	(16,813)	168,209	22,961	17,231
Cash flow from investing activities	(33,653)	(58,085)	(33,194)	(107,399)
Cash flow from financing activities	56,409	(330,579)	10,191	84,898

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

39. FINANCIAL INFORMATION OF THE COMPANY

Statement of financial position:

	As at 31 August	
	2025	2024
	RMB'000	RMB'000
Non-current assets		
Investment in a subsidiary	9	9
Amount due from a subsidiary	68,888	75,334
	68,897	75,343
Current assets		
Bank balances and cash	2,047	2,364
Prepayments	27	27
	2,074	2,391
Current liabilities		
Accruals	113	1,911
Amounts due to subsidiaries	12,581	11,018
Financial guarantee contracts	–	1,277
	12,694	14,206
Net current liabilities	(10,620)	(11,815)
Net assets	58,277	63,528
Capital and reserves		
Share capital	7,890	7,890
Reserves	50,387	55,638
	58,277	63,528

Statement of changes in equity:

	Share Capital RMB'000	Share premium RMB'000	Deferred consideration shares RMB'000	Share option reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 September 2023	7,138	671,945	7,368	262	(621,965)	64,748
Loss and total comprehensive expense for the year	–	–	–	–	(1,512)	(1,512)
Share option expenses	–	–	–	292	–	292
Issue of consideration shares	752	6,616	(7,368)	–	–	–
At 31 August 2024 and 1 September 2024	7,890	678,561	–	554	(623,477)	63,528
Loss and total comprehensive expense for the year	–	–	–	–	(5,251)	(5,251)
At 31 August 2025	7,890	678,561	–	554	(628,728)	58,277

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

40. SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed on 12 July 2018, the Company approved and adopted a share option scheme (the “Scheme”) which will remain in force for a period of 10 years from the date of its adoption. Details of the Scheme are set out in section titled ‘Share Option Scheme’ in the annual report for the year ended 31 August 2023.

(a) Granted on 13 May 2021

Pursuant to the Company’s announcement on 13 May 2021, the Company granted to an eligible participant 1,000,000 share options to subscribe for ordinary shares of HK\$0.01 each in the share capital of the Company at an exercise price of HK\$0.598 per share.

The share options granted has a 10-year exercisable period and are vested immediately upon the date of grant.

The closing price of the Company’s shares immediately before 13 May 2021, being the date of grant, was HK\$0.590 per share.

The aggregate fair value of the share options determined at the date of grant based on the Hull-White trinomial model, was approximately HK\$314,000 (equivalent to approximately RMB262,000).

The following assumptions were used to calculate the fair values of share options granted on 13 May 2021:

Grant date share price (per share)	HK\$0.590
Exercise price (per share)	HK\$0.598
Contractual life	10 years
Expected volatility (%)	91.41%
Dividend yield (%)	0.00%
Risk-free interest rate (%)	1.19%

The Hull-White trinomial model has been used to estimate the fair value of the share options. The variables and assumptions used in computing the fair value of the share options are based on the directors’ best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.

(b) Granted on 17 August 2023

Pursuant to the Company’s announcement on 17 August 2023, the Company granted to an eligible participant 5,000,000 share options to subscribe for ordinary shares of HK\$0.01 each in the share capital of the Company at an exercise price of HK\$0.130 per share.

All of the share options granted to the eligible participant shall be vested on 18 August 2024. The share options granted have a 10-year exercisable period upon the date of grant.

The closing price of the Company’s shares immediately before 17 August 2023, being the date of grant, was HK\$0.109 per share.

The aggregate fair value of the share options determined at the date of grant based on the Hull-White trinomial model, was approximately HK\$314,000 (equivalent to approximately RMB292,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

40. SHARE OPTION SCHEME (Continued)

(b) Granted on 17 August 2023 (Continued)

The following assumptions were used to calculate the fair values of share options granted on 17 August 2023:

Grant date share price (per share)	HK\$0.109
Exercise price (per share)	HK\$0.130
Contractual life	10 years
Expected volatility (%)	89.08%
Dividend yield (%)	0.00%
Risk-free interest rate (%)	4.02%

The Hull-White trinomial model has been used to estimate the fair value of the share options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.

There were no movements in the Group's share options during the year.

As at 31 August 2025, the number of share options exercisable is 6,000,000 (2024: 6,000,000). The options outstanding at the end of the year have a weighted average remaining contractual life of 7.6 years (2024: 8.6 years) and a weighted average exercise price of HK\$0.208 per share (2024: HK\$0.208 per share).

41. CAPITAL COMMITMENT

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

	As at 31 August	
	2025 RMB'000	2024 RMB'000
Property, plant and equipment Contracted but not provided for	19,822	15,081

DEFINITIONS

“Acquisition”	the acquisition of 51% equity interest in Sichuan Zhengzhuo and Sichuan Gaojiao completed on 31 August 2023
“Act Best”	Act Best Global Limited (萬福全球有限公司), a company incorporated in the BVI with limited liability on 28 November 2019 and is wholly-owned by Mr. Wang Jinglei
“Act Glory”	Act Glory Global Limited (鴻藝全球有限公司), a company incorporated in the BVI with limited liability on 29 November 2019 and is wholly-owned by Act Best
“Affected Entities”	subsidiaries or Consolidated Affiliated Entities the results of which have been deconsolidated from that of the Group due to implementation of the Implementation Regulation
“Articles of Association” or “Articles”	the articles of association of the Company adopted on 20 July 2023 which is uploaded onto the Company’s website, as amended from time to time
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“Bojun Lixing”	Chengdu Bojun Lixing Education Management Company Limited* (成都博駿勵行教育管理有限公司), a limited liability company established under the laws of the PRC on 17 December 2019 and a Consolidated Affiliated Entity, which has not commenced any business
“Business Day” or “business day”	a day on which banks in Hong Kong are generally open for business to the public (other than a Saturday, Sunday or public holiday in Hong Kong)
“Chengdu Bojun”	Chengdu Tianfu Bojun Education Management Company Limited* (成都天府博駿教育管理有限公司), a wholly-foreign owned enterprise established under the laws of PRC on 26 July 2016 and a wholly-owned subsidiary of the Company
“Chengdu Bomao”	Chengdu Bomao Education Management Company Limited* (成都博懋教育管理有限公司), a limited liability company established under the laws of the PRC on 9 July 2020 and a wholly-owned subsidiary of the Company
“Chengdu Jinbojun”	Chengdu Jinbojun Education Consultancy Company Limited* (成都金博駿教育諮詢有限公司), a limited liability company established under the laws of the PRC on 13 March 2015 and a Consolidated Affiliated Entity
“Chengdu Junxian”	Chengdu Junxian Education Management Company Limited* (成都駿賢教育管理有限公司), a limited liability company established under the laws of the PRC on 4 June 2020, a connected person of the Company and the new nominal shareholder of Chengdu Mingxian under the Structured Contracts

DEFINITIONS

“Chengdu Mingxian”	Chengdu Mingxian Education Investment Company Limited* (成都銘賢教育投資有限公司), a limited liability company established under the laws of the PRC on 10 March 2004 and a Consolidated Affiliated Entity
“Chengdu Youshi Preschool Investment”	Chengdu Youshi Preschool Education Investment Management Company Limited* (成都幼獅幼兒教育投資管理有限公司), a limited liability company established under the laws of the PRC on 16 July 2010 and a Consolidated Affiliated Entity
“China” or “PRC”	the People’s Republic of China, for the purpose of this report, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Companies Law”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	Bojun Education Company Limited (博駿教育有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 14 June 2016
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consolidated Affiliated Entity(ies)”	the entity(ies) that the Group controls through the contractual arrangement contemplated under the Structured Contracts
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context requires otherwise, refers to the controlling shareholders of the Company
“Cosmic City”	Cosmic City Holdings Limited (宇都控股有限公司), a company incorporated in the BVI with limited liability on 6 April 2016 and is wholly-owned by Mr. Xiong Tao
“Degree Education”	degree education provided by primary, middle and high schools
“Director(s)”	the director(s) of the Company
“Directors’ (Council Members’) Powers of Attorney A”	the amended and restated school director’s (council members’) power of attorney dated 19 June 2020 executed by each of the directors or council members of the PRC Operating Schools (namely, Mr. Wang Jinglei, Mr. Xiong Tao, Mr. Ran Tao, Ms. Liao Rong, Xie Gang (謝綱), Chen Qiuyan (陳秋燕), Tan Chunli (譚春莉), Liao Hong (廖紅), Tian Xiaogang (田曉崗), Liu Jing (劉靜), Ai Bingyu (艾冰玉), Fang Jia (方佳), Huang Xue (黃雪), Chen Ping (陳萍), Wang Chunguo (王淳國), Xie Li (謝利), Mou Tingting (牟婷婷), Yang Xi (楊曦) and Duan Bichong (段必聰)) in favour of Chengdu Bojun
“Directors’ (Council Members’) Power of Attorney B”	the directors’ (council members’) powers of attorney executed by directors (or council members) appointed by Sichuan Zhengzhuo to Winshare Vocational College and Zhengzhuo Vocational School dated 27 June 2023

DEFINITIONS

“Equity Pledge Agreement A”	the amended and restated equity pledge agreement dated 19 June 2020 entered into by and among Chengdu Bojun, Chengdu Junxian and the School Sponsors (excluding Lezhi Bojun), which amended and replaced the Equity Pledge Agreement, and with effect from 16 June 2020, and supplemented by the agreement on additional party to cooperation agreements dated 21 August 2020 entered into by and among Chengdu Bojun, Chengdu Mingxian and Chengdu Jingxian Education Management Company Limited (成都旌賢教育管理有限公司), the agreement on additional party to cooperation agreements dated 21 August 2020 entered into by and among Chengdu Bojun, Chengdu Mingxian and Chengdu Juxian Education Management Company Limited (成都鉅賢教育管理有限公司) and the agreement on additional party to cooperation agreement dated 21 August 2020 entered into by and among Chengdu Bojun, Chengdu Mingxian and Taoyuan Company
“Equity Pledge Agreement B”	the equity pledge agreement dated 27 June 2023 entered into among Chengdu Bomao, Sichuan Yuanmao, Sichuan Yunmao, Sichuan Gaojiao and Sichuan Zhengzhuo
“Exclusive Business Cooperation Agreement A”	the amended and restated exclusive business cooperation agreement dated 19 June 2020 entered into by and among Chengdu Bojun, Chengdu Junxian and the Consolidated Affiliated Entities, which amended and replaced the exclusive business cooperation agreement in place then, and with effect from 16 June 2020, and supplemented by the agreement on additional party to cooperation agreements dated 21 August 2020 entered into by and among Chengdu Bojun, Chengdu Mingxian and Chengdu Jingxian Education Management Company Limited (成都旌賢教育管理有限公司), the agreement on additional party to cooperation agreements dated 21 August 2020 entered into by and among Chengdu Bojun, Chengdu Mingxian and Chengdu Juxian Education Management Company Limited (成都鉅賢教育管理有限公司) and the agreement on additional party to cooperation agreement dated 21 August 2020 entered into by and among Chengdu Bojun, Chengdu Mingxian and Taoyuan Company
“Exclusive Business Cooperation Agreement B”	the exclusive business cooperation agreement dated 27 June 2023 entered into among Chengdu Bomao, Sichuan Yuanmao and the Vocational Group
“Exclusive Call Option Agreement A”	the amended and restated exclusive call option agreement dated 19 June 2020 entered into by and among Chengdu Bojun, Chengdu Junxian and the Consolidated Affiliated Entities, which amended and replaced the exclusive call option agreement in place then, and with effect from 16 June 2020, and supplemented by the agreement on additional party to cooperation agreements dated 21 August 2020 entered into by and among Chengdu Bojun, Chengdu Mingxian and Chengdu Jingxian Education Management Company Limited (成都旌賢教育管理有限公司), the agreement on additional party to cooperation agreements dated 21 August 2020 entered into by and among Chengdu Bojun, Chengdu Mingxian and Chengdu Juxian Education Management Company Limited (成都鉅賢教育管理有限公司) and the agreement on additional party to cooperation agreement dated 21 August 2020 entered into by and among Chengdu Bojun, Chengdu Mingxian and Taoyuan Company
“Exclusive Call Option Agreement B”	the exclusive call option agreement dated 27 June 2023 entered into among Chengdu Bomao, Sichuan Yuanmao and the Vocational Group

DEFINITIONS

"Global Offering"	the Hong Kong public offering and the international offering
"Graymind"	Graymind Investments Limited, an international business company incorporated under the laws of Republic of Seychelles on 9 July 2024 and wholly-owned by Ms. Tang Hui
"Group", "our Group", "we" or "us"	the Company, its subsidiaries, the Consolidated Affiliated Entities 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 our present subsidiaries, the entities which carried on the business of the present Group at the relevant time
"HKAS"	Hong Kong Accounting Standards issued by the HKICPA
"HKFRSs"	Hong Kong Financial Reporting Standards (including Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by HKICPA
"HKICPA"	Hong Kong Institute of Certified Public Accountants
"Hong Kong Branch Share Registrar"	Tricor Investor Services Limited, the branch share registrar and transfer office of the Company in Hong Kong
"Hongde Guanghua"	Sichuan Hongde Guanghua Education Management Company Limited* (四川弘德光華教育管理有限公司), a limited liability company incorporated in the PRC on 22 October 2015
"Independent Third Party(ies)"	an individual(s) or a company(ies) who or which is/are independent of and not connected with (within the meaning of the Listing Rules) any Director, chief executive or substantial shareholder (within the meaning of the Listing Rules) of the Company, its subsidiaries or any of their respective associates
"Jianyang Jinbojun"	Jianyang Jinbojun Education Management Company Limited* (簡陽金博駿教育管理有限公司), a limited liability company established under the laws of the PRC on 2 June 2020 and a Consolidated Affiliated Entity
"Jinjiang School"	Chengdu Jinjiang Shiyi School* (成都市錦江區師一學校), a private middle school established under the laws of the PRC on 27 April 2012, where the school sponsor's interest is wholly-owned by Chengdu Mingxian
"Latest Practicable Date"	17 December 2025, being the latest practicable date for the purpose of ascertaining certain information in this annual report prior to its publication
"Lezhi Bojun"	Lezhi Bojun Education Management Company Limited* (樂至縣博駿教育管理有限公司), a limited liability company established under the laws of the PRC on 10 January 2018 and a Consolidated Affiliated Entity
"Lezhi Bojun School"	Lezhi Bojun School* (樂至博駿公學學校), a private kindergarten, primary, middle and high school established by a subsidiary of Lezhi Bojun as the school sponsor

DEFINITIONS

“Lidu Kindergarten”	Chengdu Wuhou District Youshi Lidu Kindergarten Company Limited* (成都市武侯區幼獅麗都幼兒園有限公司) (formerly known as Chengdu Youshi Lidu Experimental Kindergarten* (成都幼師麗都實驗幼兒園)), a private kindergarten established under the laws of the PRC on 12 May 2003, where the school sponsor’s interest is wholly-owned by Sichuan Boai , and a Consolidated Affiliated Entity
“Listing”	the listing of our Shares on the Main Board of the Stock Exchange
“Listing Date”	31 July 2018, the date on which our Shares are listed and from which dealings therein are permitted to take place on the Stock Exchange
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or modified from time to time
“Loan Agreement A”	the amended and restated loan agreement dated 19 June 2020 entered into by and among Chengdu Bojun, the School Sponsors and the PRC Operating Schools, which amended and replaced the loan agreement in place then, and with effect from 16 June 2020, and supplemented by the agreement on additional party to cooperation agreements dated 21 August 2020 entered into by and among Chengdu Bojun, Chengdu Mingxian and Chengdu Jingxian Education Management Company Limited (成都旌賢教育管理有限公司), the agreement on additional party to cooperation agreements dated 21 August 2020 entered into by and among Chengdu Bojun, Chengdu Mingxian and Chengdu Juxian Education Management Company Limited (成都鉅賢教育管理有限公司) and the agreement on additional party to cooperation agreement dated 21 August 2020 entered into by and among Chengdu Bojun, Chengdu Mingxian and Taoyuan Company
“Loan Agreement B”	the loan agreement dated 27 June 2023 entered into among Chengdu Bomao and the Vocational Group
“Longquan Kindergarten”	Chengdu Longquan Youshi Dongshan Kindergarten* (成都市龍泉驛區幼獅東山幼兒園) (formerly known as Chengdu Youshi Longquan Dongshan Experimental Kindergarten* (成都幼師龍泉東山實驗幼兒園)), a private kindergarten established under the laws of the PRC on 23 February 2009, where the school sponsor’s interest is wholly-owned by Sichuan Boai
“Longquan School”	Chengdu Longquanyi Shiyi Secondary School* (成都市龍泉驛區師一中學校), a private middle and high school established under the laws of the PRC on 29 September 2015, where the school sponsor’s interest is wholly-owned by Chengdu Jinbojun
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
“Memorandum of Association” or “Memorandum”	the memorandum of association of the Company adopted on 12 July 2018, as amended from time to time

DEFINITIONS

“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“Nanjiang Bojun”	Nanjiang Bojun Education Management Company Limited* (南江博駿教育管理有限公司), a limited liability company established under the laws of the PRC on 24 August 2017 and a Consolidated Affiliated Entity
“Nanjiang Bojun School”	Nanjiang Bojun School* (南江博駿學校), a private primary, middle and high school established by Nanjiang Bojun as the school sponsor
“Nomination Committee”	the nomination committee of the Board
“Pengzhou Bojun School”	Pengzhou Bojun School (彭州市博駿學校), a private middle and high school established jointly by Chengdu Minxian and Sichuan Hongde Guanghua Advisory Limited* (四川弘德教育諮詢有限公司)
“Peninsula Kindergarten”	Chengdu High and New District Youshi Peninsula City Centre Kindergarten* (成都高新區幼獅半島城邦幼兒園), a private kindergarten established under the laws of the PRC on 27 September 2013, where the school sponsor’s interest is wholly- owned by Chengdu Youshi Preschool Investment
“PRC EIT”	the enterprise income tax of the PRC
“PRC Operating School(s)”	Jinjiang School, Longquan School, Tianfu School, Nanjiang Bojun School, Wangcang Bojun School and Pengzhou Bojun School, Peninsula Kindergarten, Youshi Kindergarten, Lidu Kindergarten, Longquan Kindergarten, Riverside Kindergarten, Qingyang Kindergarten, Winshare Vocational College and Zhengzhuo Vocational School
“Preschool Education”	preschool education provided by kindergartens
“Prospectus”	the prospectus dated 19 July 2018 issued by the Company in connection with the public offering
“Qingyang Kindergarten”	Chengdu Qingyang Youshi Jingjie Kindergarten* (成都市青羊區幼師境界幼兒園) (formerly known as Chengdu Qingyang Youshi Jingjie Experimental Kindergarten* (成都青羊幼師境界實驗幼兒園)), a private kindergarten established under the laws of the PRC on 15 March 2010, where the school sponsor’s interest is wholly-owned by Sichuan Boai
“Remuneration Committee”	the remuneration committee of the Board
“Renshou Bojun”	Renshou Bojun Education Investment Management Company Limited* (仁壽博駿教育投資管理有限公司), a limited liability company established under the laws of the PRC on 15 October 2015 and a Consolidated Affiliated Entity
“Reporting Period”	from 1 September 2024 to 31 August 2025

DEFINITIONS

“Riverside Kindergarten”	Chengdu Jinjiang District Young Lion Riverside Kindergarten Co., Limited* (成都市錦江區幼獅河濱幼兒園有限責任公司), a private kindergarten established under the laws of the PRC on 18 June 2003, where the school sponsor’s interest is wholly-owned by Sichuan Boai, and a Consolidated Affiliated Entity
“RMB” or “Renminbi”	Renminbi, the lawful currency for the time being of the PRC
“School Sponsors”	(i) Chengdu Mingxian, Nanjiang Bojun, Wangcang Bojun, Chengdu Youshi Preschool Investment, Chengdu Jinbojun, Sichuan Boai, Lezhi Bojun and Sichuan Zhengzhuo which were our school sponsors as at the Latest Practicable Date and (ii) Renshou Bojun, Zhongjiang Bojun, Bojun Lixing and Jianyang Jinbojun which could be our school sponsors of new schools (if any)
“School Sponsors’ and Directors’ (Council Members’) Rights Entrustment Agreement A”	the amended and restated school sponsors’ and directors’ (council members’) rights entrustment agreement dated 19 June 2020 entered into by and among Chengdu Bojun, the School Sponsors, the PRC Operating Schools and their respective directors or council members (namely, Mr. Wang Jinglei, Mr. Xiong Tao, Mr. Ran Tao, Ms. Liao Rong, Xie Gang (謝綱), Chen Qiuyan (陳秋燕), Tan Chunli (譚春莉), Liao Hong (廖紅), Tian Xiaogang (田曉崗), Liu Jing (劉靜), Ai Bingyu (艾冰玉), Fang Jia (方佳), Huang Xue (黃雪), Chen Ping (陳萍), Wang Chunguo (王淳國), Xie Li (謝利), Mou Tingting (牟婷婷), Yang Xi (楊曦) and Duan Bichong (段必聰)), which amended and replaced the school sponsors’ and directors’ (council members’) rights entrustment agreement in place then, and with effect from 16 June 2020, and supplemented by the agreement on additional party to cooperation agreements dated 21 August 2020 entered into by and among Chengdu Bojun, Chengdu Mingxian and Chengdu Jingxian Education Management Company Limited (成都旌賢教育管理有限公司), the agreement on additional party to cooperation agreements dated 21 August 2020 entered into by and among Chengdu Bojun, Chengdu Mingxian and Chengdu Juxian Education Management Company Limited (成都鉅賢教育管理有限公司) and the agreement on additional party to cooperation agreement dated 21 August 2020 entered into by and among Chengdu Bojun, Chengdu Mingxian and Taoyuan Company
“School Sponsors’ and Directors’ (Council Members’) Rights Entrustment Agreement B”	the school sponsors’ and directors’ (council members’) rights entrustment agreement dated 27 June 2023 entered into among Chengdu Bomao, the Vocational Group and directors (or council members) appointed by Sichuan Zhengzhuo to Winshare Vocational College and Zhengzhuo Vocational School
“School Sponsors’ Powers of Attorney A”	the school sponsor’s power of attorney dated 19 June 2020 executed by each of the School Sponsors in favour of Chengdu Bojun
“School Sponsors’ Powers of Attorney B”	the school sponsors’ powers of attorney executed by Sichuan Zhengzhuo dated 27 June 2023
“SFO” or “Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

DEFINITIONS

“Share Option Scheme”	the share option scheme conditionally adopted by the Company on 12 July 2018
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder’s Powers of Attorney A”	the powers of attorney dated 19 June 2020 executed by Chengdu Junxian, which replaced the shareholder’s powers of attorney in place then
“Shareholder’s Powers of Attorney B”	the shareholder’s powers of attorney executed by Sichuan Yuanmao dated 27 June 2023
“Shareholder’s Rights Entrustment Agreement A”	the amended and restated shareholder’s rights entrustment agreement dated 19 June 2020 entered into by and among Chengdu Bojun, Chengdu Junxian and Chengdu Mingxian, which amended and replaced the shareholder’s rights entrustment agreement in place then, and with effect from 16 June 2020, and supplemented by the agreement on additional party to cooperation agreements dated 21 August 2020 entered into by and among Chengdu Bojun, Chengdu Mingxian and Chengdu Jingxian Education Management Company Limited (成都旌賢教育管理有限公司), the agreement on additional party to cooperation agreements dated 21 August 2020 entered into by and among Chengdu Bojun, Chengdu Mingxian and Chengdu Juxian Education Management Company Limited (成都鉅賢教育管理有限公司) and the agreement on additional party to cooperation agreement dated 21 August 2020 entered into by and among Chengdu Bojun, Chengdu Mingxian and Taoyuan Company
“Shareholder’s Rights Entrustment Agreement B”	the shareholder’s rights entrustment agreement dated 27 June 2023 entered into among Chengdu Bomao, Sichuan Yuanmao and Sichuan Yunmao
“Shenzhen Hongyuan”	Shenzhen Hongyuan Education Investment Company Limited* (深圳弘遠教育投資有限公司), a limited liability company established in the PRC on 17 November 2016 and an Independent Third Party
“Sichuan Boai”	Sichuan Boai Preschool Education Development Company Limited (四川省博愛幼兒教育事業發展有限責任公司), a limited liability company established under the laws of the PRC on 26 July 2001 and a Consolidated Affiliated Entity
“Sichuan Gaojiao”	Sichuan Gaojiao Investment Company Limited* (四川高教投資有限公司), a limited liability company incorporated in the PRC on 5 March 2020 and a Consolidated Affiliated Entity
“Sichuan Yuanmao”	Sichuan Yuanmao Education Management Company Limited* (四川沅懋教育管理有限公司), a limited liability company established under the laws of the PRC on 1 December 2021 and owned as to 99% by Mr. Wang Jinglei, an executive Director and a substantial Shareholder, and as to 1% by Ms. Duan Ling, the spouse of Mr. Wang Jinglei as at the Latest Practicable Date
“Sichuan Yunmao”	Sichuan Yunmao Education Management Group Company Limited* (四川沅懋教育管理集團有限公司), a limited liability company established under the laws of the PRC on 1 December 2021 and a Consolidated Affiliated Entity

DEFINITIONS

“Sichuan Zhengzhuo”	Sichuan Zhengzhuo Education Investment Company Limited* (四川正卓教育投資有限公司) (formerly known as Sichuan Wenxuan Zhuotai Investment Company Limited* (四川文軒卓泰投資有限公司) and Sichuan Taihe Zhengzhuo Education Investment Company Limited* (四川泰合正卓教育投資有限公司)), a limited liability company established under the laws of the PRC in July 2012 and a Consolidated Affiliated Entity
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Structured Contracts”	the Structured Contracts A and the Structured Contracts B
“Structured Contracts A”	collectively, the Exclusive Business Cooperation Agreement A, the Exclusive Call Option Agreement A, the Equity Pledge Agreement A, the School Sponsors’ and Directors’ (Council Members’) Rights Entrustment Agreement A, the School Sponsors’ Powers of Attorney A, the Directors’ (Council Members’) Powers of Attorney A, the Loan Agreement A, the Shareholder’s Rights Entrustment Agreement A and the Shareholder’s Powers of Attorney A
“Structured Contracts B”	collectively, the Exclusive Business Cooperation Agreement B, the Exclusive Call Option Agreement B, the Equity Pledge Agreement B, the School Sponsors’ and Directors’ (Council Members’) Rights Entrustment Agreement B, the School Sponsors’ Powers of Attorney B, the Directors’ (Council Members’) Powers of Attorney B, the Loan Agreement B, the Shareholder’s Rights Entrustment Agreement B and the Shareholder’s Powers of Attorney B
“Subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules. For the avoidance of doubt, the Subsidiaries include Consolidated Affiliated Entities in this report
“Taoyuan Company”	Sichuan Jiuzhou Taoyuan Eco-tourism Development Limited* (四川九洲桃源里生態旅遊開發有限公司), a limited liability company established in the PRC on 24 July 2017
“Tianfu School”	Sichuan New Tianfu District Shiyi School* (四川天府新區師一學校), a private middle school established under the laws of the PRC on 20 April 2016, where the school sponsor’s interest is wholly-owned by Chengdu Mingxian
“Tianfu High School”	Sichuan New Tianfu District No. 1 High School Attached to Sichuan Normal University* (四川天府新區師大一中高級中學有限公司), a private middle school established under the laws of the PRC on 23 March 2021, where the school sponsor’s interest is wholly-owned by Chengdu Mingxian, and a Consolidated Affiliated Entity
“Tongxing Wanbang”	Chengdu Tongxing Wanbang Enterprise Management Center (Limited Partnership)* (成都同興萬邦企業管理中心(有限合夥)), is a limited liability partnership established in the PRC and an associate of the Company immediately prior to the completion of disposal as detailed in the announcement of the Company dated 27 November 2023
“U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction

DEFINITIONS

“US School”	a for-profit grades 7–12 private international school to be operated by the Group in the State of California, the United States
“Winshare Vocational College”	Sichuan Winshare Vocational College (Dayi Campus) (四川文軒職業學院大邑校區), a formal higher vocational education institution (普通高等職業學校) established in February 2013 and a Consolidated Affiliated Entity
“Vocational Group”	Sichuan Gaojiao, Sichuan Zhengzhuo and their subsidiaries
“Zhengzhuo Vocational School”	Chengdu Daiyi County Zhengzhuo Education Vocational School* (成都市大邑縣正卓教育職業學校) (formerly known as Sichuan Winshare Vocational School* (四川文軒職業學校)), a secondary vocational education institution (中等職業教育學校) established in December 2012 and a Consolidated Affiliated Entity
“Wangcang Bojun”	Wangcang Bojun Education Management Company Limited* (旺蒼博駿教育管理有限公司), a limited liability company established under the laws of the PRC on 18 August 2017 and a Consolidated Affiliated Entity
“Wangcang Bojun School”	Wangcang Bojun School* (旺蒼博駿公學), a private primary, middle and high school to be established by Wangcang Bojun as the school sponsor
“Youshi Kindergarten”	Chengdu Wuhou District Youshi Kindergarten* (成都市武侯區幼獅幼兒園) (formerly known as Chengdu Youshi Experimental Kindergarten* (成都幼師實驗幼兒園)), a private kindergarten established under the laws of the PRC on 12 August 2002, where the school sponsor’s interest is wholly-owned by Sichuan Boai
“Zhengzhuo Industrial”	Sichuan Zhengzhuo Industrial Company Limited* (四川正卓實業有限公司), a limited company established under the laws of the PRC on 17 June 2015
“Zhongjiang Bojun”	Zhongjiang Bojun Education Management Company Limited* (中江博駿教育管理有限公司), a limited liability company established under the laws of the PRC on 18 October 2018 and a Consolidated Affiliated Entity, which has not commenced any business
“%”	per cent

Certain amounts and percentage figures included in this annual report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

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 translation of company or entity names in Chinese or another language which are marked with “*” and the Chinese translation of company or entity names in English which are marked with “*” is for identification purpose only.