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博駿教育
BOJUN EDU

Bojun Education Company Limited

博駿教育有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1758)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 28 FEBRUARY 2026**

HIGHLIGHTS				
	As at 28 February 2026	As at 28 February 2025	Change	Change in percentage
Total Student Enrolment	28,845	31,081	(2,236)	(7.2%)
	Six months ended			
	28 February 2026 RMB'000 (unaudited)	28 February 2025 RMB'000 (unaudited)	Change RMB'000	Change in percentage
Selected financial information				
<i>RMB'000</i>				
Revenue	180,752	207,419	(26,667)	(12.9%)
Gross profit	72,267	107,132	(34,865)	(32.5%)
Profit for the period	(57,020)	(9,857)	(47,163)	478.5%
Profit for the period attributable to owners of the Company	(39,183)	(6,539)	(32,644)	499.2%
Basic earnings per share (<i>RMB cent</i>)	(4.34)	(0.72)	(3.62)	502.8%
Diluted	N/A	N/A	N/A	N/A

INTERIM RESULTS FOR THE SIX MONTHS ENDED 28 FEBRUARY 2026

The board (the “**Board**”) of directors (the “**Director(s)**”) of Bojun Education Company Limited (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, collectively the “**Group**”) is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended 28 February 2026 (the “**Reporting Period**”).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 28 February 2026

		Six months ended	
		28 February 2026	28 February 2025
	<i>Notes</i>	RMB’000	RMB’000
		(unaudited)	(unaudited)
Revenue	4	180,752	207,419
Costs of services		(108,485)	(100,287)
Gross profit		72,267	107,132
Other income	5	6,176	5,004
Other gains, net	6	9,277	6,710
Administrative expenses		(72,910)	(56,007)
Selling expense		(20,790)	(24,400)
Finance costs	7	(51,676)	(48,030)
Loss before tax		(57,656)	(9,591)
Income tax credit/(expenses)	8	636	(266)
Loss and total comprehensive expenses for the year	9	(57,020)	(9,857)
Loss and total comprehensive expenses for the year attributable to:			
— Owners of the Company		(39,183)	(6,539)
— Non-controlling interests		(17,837)	(3,318)
		(57,020)	(9,857)
Loss per share attributable to the owners of the Company	10		
Basic (<i>RMB cents</i>)		(4.34)	(0.72)
Diluted (<i>RMB cents</i>)		N/A	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 28 February 2026

		As at	
		28 February 2026	31 August 2025
	<i>Notes</i>	RMB'000	RMB'000
		(unaudited)	(audited)
NON-CURRENT ASSETS			
Property, plant and equipment	11	2,717,602	2,724,753
Right-of-use assets		724,972	734,292
Intangible assets		2,173	2,442
Deferred tax assets		16,330	16,521
Other receivables and deposits	12	32,253	36,517
Total non-current assets		3,493,330	3,514,525
CURRENT ASSETS			
Other receivables, deposits and prepayments	12	122,535	131,862
Amounts due from related companies	13	79,736	65,824
Equity investment at fair value through profit or loss		47,618	49,345
Bank balances and cash	14	83,210	140,599
Total current assets		333,099	387,630
TOTAL ASSETS		3,826,429	3,902,155
CURRENT LIABILITIES			
Other payables and accruals	15	293,804	298,146
Contract liabilities	16	144,268	171,284
Amounts due to related companies	13	94,140	104,828
Lease liabilities		384	370
Income tax payable		9,968	13,933
Bank and other borrowings	17	785,037	676,466
Financial guarantee liabilities		25,786	37,306
Total current liabilities		1,353,387	1,302,333
NET CURRENT LIABILITIES		(1,020,288)	(914,703)
TOTAL ASSETS LESS CURRENT LIABILITIES		2,473,042	2,599,822

		As at	
		28 February 2026	31 August 2025
	<i>Notes</i>	RMB'000 (unaudited)	RMB'000 (audited)
NON-CURRENT LIABILITIES			
Lease liabilities		3,305	3,407
Bank and other borrowings	17	1,220,905	1,272,965
Other payables	15	1,000	1,000
Amounts due to related companies	13	517,067	529,248
Deferred income	18	409,513	414,034
Deferred tax liabilities		60,247	61,143
		<hr/>	<hr/>
Total non-current liabilities		2,212,037	2,281,797
		<hr/>	<hr/>
NET ASSETS		261,005	318,025
		<hr/> <hr/>	<hr/> <hr/>
CAPITAL AND RESERVES			
Share capital		7,890	7,890
Reserves		21,718	60,901
		<hr/>	<hr/>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY			
		29,608	68,791
Non-controlling interests		231,397	249,234
		<hr/>	<hr/>
TOTAL EQUITY		261,005	318,025
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 28 February 2026

1. CORPORATE INFORMATION

The Company 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 shares of the Company (the “**Shares(s)**”) have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing**”).

The address of the Company’s registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands, and the principal place of business of the Company is No. 209 Sanshe Road, Jinjiang District, Chengdu, Sichuan Province, the People’s Republic of China (the “**PRC**” or “**China**”). The Company is an investment holding company. The subsidiaries and consolidated affiliated entities of the Company are mainly engaged in the provision of educational services in the PRC.

The functional currency of the Company is Renminbi (“**RMB**”), which is also the presentation currency of the consolidated financial statements.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the Hong Kong Accounting Standards (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

Going concern basis

As at 28 February 2026, the Group recorded net current liabilities of approximately RMB1,020,288,000 (31 August 2025: approximately RMB914,703,000), including bank and other borrowings of approximately RMB785,037,000, which would be due for repayment within the next twelve months, while its total cash (including bank balances and cash) amounted to approximately RMB83,210,000. In addition, as disclosed in Note 17 to the condensed 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.

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, an executive Director and Chairman of the Board, 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) 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;

- (iii) the Group is actively negotiating with main contractors of campus facilities regarding payment terms to ensure that operating cash flows remain stable in the foreseeable future; and
- (iv) the cash inflow generated from the operations of providing education services to students subsequent to the period-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.

3. MATERIAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 28 February 2026 are the same as those used in the preparation of the annual consolidated financial statements for the year ended 31 August 2025, save for the changes in accounting policies arising from the application of the new and revised HKFRS Accounting Standards and their interpretations.

Application of New and Revised HKFRS Accounting Standards and their Interpretations

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 2025. 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 condensed consolidated financial statements and amounts reported for the current period and prior period.

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.

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. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: 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.

As at 28 February 2026, the Group’s equity investment at fair value through profit or loss was included in Level 1, which is the equity securities traded in the Hong Kong Exchanges and Clearing Limited, the fair value of which is based on quoted market prices at the end of the reporting period.

During the period ended 28 February 2026, there were no transfers of fair value measurements between Level 1 and Level 2, and no other transfers into or out of Level 3 for financial assets during the period.

4. REVENUE AND SEGMENT INFORMATION

The Group’s revenue represents service income comprising tuition fees and boarding fees, and education consultancy and management services fees. Regarding the provision of education services, revenue, including tuition fees and boarding fees, education consultancy and management services fees (each being single performance obligation), was recognised over the relevant period of schooling semesters, i.e. over the period of time. All the contracts with customers are agreed at fixed price for a term no longer than twelve months. The revenue recognition of the period is six months during the Reporting Period. Tuition fees and boarding fees are generally paid in advance prior to the beginning of each school semester.

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.

Information reported to the CODM, for the purposes of resources allocation and assessment of segment performance, focuses on types of services provided. CODM assesses the performance of teaching and boarding services provided by Chengdu Youshi Riverside Impression Experimental Kindergarten* (成都幼師河濱印象實驗幼兒園) (“**Riverside Kindergarten**”), 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) (“**Tianfu High 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)) (“**Zhengzhuo Vocational School**”), Sichuan Winshare Vocational College (Dayi Campus)* (四川文軒職業學院大邑校區) (“**Winshare Vocational College**”) and other education consultancy and management services based on revenue generated in the daily operating process on a continuing basis, taking into account the similar business model and customer type from service perspectives subject to similar regulatory environment. Accordingly, their segment information is aggregated as two reportable segments, i.e. tuition fees and boarding fees, and education consultancy and management services. The accounting policies of the reportable segments are the same described in Note 3.

	Degree education and profitable education services RMB’000	Education consultancy and management services RMB’000	Total RMB’000
Six months ended 28 February 2026			
Tuition fees and boarding fees	180,309	–	180,309
Education consultancy and management services fees	443	–	443
Total (unaudited)	<u>180,752</u>	<u>–</u>	<u>180,752</u>
Six months ended 28 February 2025			
Tuition fees and boarding fees	207,419	–	207,419
Education consultancy and management services fees	–	–	–
Total (unaudited)	<u>207,419</u>	<u>–</u>	<u>207,419</u>

5. OTHER INCOME

	Six months ended	
	28 February 2026 RMB'000 (unaudited)	28 February 2025 RMB'000 (unaudited)
Interest income from banks	323	310
Release of asset-related government grants	4,521	3,146
Others	1,332	1,548
	<u>6,176</u>	<u>5,004</u>

6. OTHER GAINS, NET

	Six months ended	
	28 February 2026 RMB'000 (unaudited)	28 February 2025 RMB'000 (unaudited)
Exchange gains and losses	(2,174)	(118)
Amortisation of financial guarantee contracts	11,520	9,830
Fair value change on equity investment at fair value through profit or loss	362	566
Others	(431)	(3,568)
	<u>9,277</u>	<u>6,710</u>

7. FINANCE COSTS

	Six months ended	
	28 February 2026 RMB'000 (unaudited)	28 February 2025 RMB'000 (unaudited)
Bank borrowings	32,120	26,320
Unwinding of discount on amounts due to related companies	2,810	2,772
Other borrowings	16,746	18,938
	<u>51,676</u>	<u>48,030</u>

8. INCOME TAX CREDIT/(EXPENSES)

Pursuant to the PRC Income Tax Law and the respective regulations, the companies of the Group which operate in PRC are subject to PRC EIT at a rate of 25% on its taxable income.

Under the Western Development Tax Incentive Scheme* (西部大開發稅收優惠計劃), certain subsidiaries of the Group engaged in preschool education and vocational education 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* (國家稅務總局公告2023年第6號及第12號), 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.

	Six months ended	
	28 February 2026 RMB'000 (unaudited)	28 February 2025 RMB'000 (unaudited)
Tax expense comprises		
Current tax	69	1,023
Deferred tax	(705)	(757)
	<u>(636)</u>	<u>266</u>

9. LOSS FOR THE PERIOD

Profit before tax has been arrived at after charging:

	Six months ended	
	28 February 2026 RMB'000 (unaudited)	28 February 2025 RMB'000 (unaudited)
Directors' remuneration	745	740
Other staff costs		
— Salaries and other benefits	60,230	45,320
— Staff welfare	3,620	2,110
— Retirement benefit schemes	5,030	4,980
Total staff costs	<u>68,880</u>	<u>53,150</u>
Depreciation of property	54,620	50,230
Depreciation of right-of-use assets	9,320	7,388
Auditors' remuneration	765	775

10. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic (loss)/earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended	
	28 February 2026 RMB'000 (Unaudited)	28 February 2025 RMB'000 (Unaudited)
Profit for the period attributable to the owners of the Company (RMB'000)	<u>(39,183)</u>	<u>(6,539)</u>
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share ('000)	903,138	903,138
Effect of dilutive potential ordinary shares arising from share options ('000) (Note)	–	–
Weighted average number of ordinary shares used in diluted earnings per share calculation ('000)	<u>903,138</u>	<u>903,138</u>
Basic (loss)/earnings per share (RMB cents)	<u>(4.34)</u>	<u>(0.72)</u>

11. PROPERTY, PLANT AND EQUIPMENT AND MOVEMENTS

As at 28 February 2026, the closing balance of the Group's fixed assets (excluding depreciation) comprised of: buildings of approximately RMB2,372,468,834, furniture, fixtures and equipment of approximately RMB138,503,666, motor vehicles of approximately RMB11,144,000, electronic equipment of approximately RMB1,318,500, construction in progress of approximately RMB194,167,000, totaling approximately RMB2,717,602,000.

During the Reporting Period, the Group's fixed assets has decreased by approximately RMB7,151,000 from approximately RMB2,724,753,000 as at 31 August 2025, which included additions of fixed assets of RMB47,469,000 and amortisation and depreciation of RMB54,620,000.

12. OTHER RECEIVABLES

		As at 28 February 2026 RMB'000 (unaudited)	As at 31 August 2025 RMB'000 (audited)
Trade receivables:			
Education consultancy and management services fees receivables		–	1,000
Other receivables, deposits and prepayments:			
Secured deposits for other borrowings (<i>Note 17</i>)		15,520	14,934
Deposits for establishment of school campus	(i)	1,145	1,145
Other tax receivables	(ii)	58,020	57,752
Advances to staffs		19,980	22,938
Amount due from Hongde Guanghua (as defined in note below)	(iii)	23,930	24,337
Loan and interest receivables from four independent vocational schools	(iv)	9,151	8,858
Consideration receivable from the disposal of equity interest	(v)	13,165	13,165
Consideration receivable from the disposal of an associate		6,500	6,500
Prepaid expenses		3,560	3,505
Other deposits and receivables		3,817	14,245
Total		<u>154,788</u>	<u>168,379</u>
— Current assets		122,535	131,862
— Non-current assets		<u>32,253</u>	<u>36,517</u>

Notes:

- (i) 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 (31 August 2025: RMB1,145,000).
- (ii) The balance as at 28 February 2026 mainly represented the deductible input value-added tax generated from the procurement of construction services for the Group's buildings and facilities.

- (iii) The balance represents the refundable investment fund receivable 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 respect of the disposal of Pengzhou Bojun School, one of the Affected Entities. The carrying amount before loss allowances amounted to RMB24,949,592 (31 August 2025: RMB25,357,000).

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. RMB17,394,000 of the relevant balance was classified as non-current assets as at 28 February 2026. The amount is guaranteed by independent third parties and is non-interest-bearing.

- (iv) The balance as at 28 February 2026 represents loans and interest receivable from four independent third parties with a carrying amount before loss allowances of approximately RMB11,879,000 (31 August 2025: approximately RMB11,586,000). Among these, the principal amount of RMB8,500,000 is unsecured, bears interest at 6.9% per annum and is repayable within one year, while the principal amount of RMB2,500,000 is unsecured, non-interest bearing and repayable within one year.
- (v) The balances as at 28 February 2026 represented the remaining consideration receivable due from an independent third party for the disposal of the entire equity interest in Daying Estate. The carrying amount before loss allowances was approximately RMB19,500,000.

13. AMOUNTS DUE FROM/TO RELATED COMPANIES

Amounts due from related companies

Name	As at 28 February 2026 RMB'000 (unaudited)	As at 31 August 2025 RMB'000 (audited)
Non-trade related		
Shenzhen Hongyuan	54,120	53,407
Sichuan Yuanmao Education Management Company Limited* (四川沅懋教育管理有限公司)	6	5
Sichuan Gaojiao Group Limited (四川高教集團有限公司)* Affected Entities	10 25,600	10 12,402
Total, presented under current assets	<u>79,736</u>	<u>65,824</u>

Amounts due to related companies

Name	As at 28 February 2026 RMB'000 (unaudited)	As at 31 August 2025 RMB'000 (audited)
Affected Entities:		
— Nanjiang Bojun School* (南江博駿學校)	245,670	255,672
— Wangcang Bojun School* (旺蒼博駿學校)	221,155	222,294
— Lezhi Bojun School* (樂至博駿學校)	50,242	51,282
Zhengzhuo Industrial	40,500	36,328
Sichuan Zhuotai Investment Limited* (四川卓泰投資有限公司)	53,640	68,500
	<u>611,207</u>	634,076
Less: current liabilities	(94,140)	(104,828)
	<u>517,067</u>	<u>529,248</u>

The amounts due to Zhengzhuo Industrial and Sichuan Zhuotai are unsecured, non-interest bearing and without fixed repayment terms.

14. BANK BALANCES

As at 28 February 2026, other bank balances carry interest at prevailing market rates of 0.01%-0.25% (31 August 2025: 0.01%-0.25%).

15. OTHER PAYABLES AND ACCRUALS

		As at 28 February 2026 RMB'000 (unaudited)	As at 31 August 2025 RMB'000 (audited)
Payables for purchases of property		117,166	81,067
Miscellaneous expenses received from students	(i)	10,426	16,248
Payroll payables		7,896	10,431
Payables for scholarship	(ii)	25,641	36,983
Other		82,412	91,896
Other tax payables		16,453	26,080
Deferred cash considerations		1,000	1,000
Deposits		32,921	35,441
Total		293,915	299,146
— Current		292,915	298,146
— Non-current		1,000	1,000

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.

16. CONTRACT LIABILITIES

	As at 28 February 2026 RMB'000 (unaudited)	As at 31 August 2025 RMB'000 (audited)
Tuition fees	131,812	162,271
Boarding fees	12,456	9,013
	144,268	171,284

17. BANK AND OTHER BORROWINGS

	As at 28 February 2026 RMB'000 (unaudited)	As at 31 August 2025 RMB'000 (audited)
Bank loans — secured	1,550,330	1,362,030
Other borrowings — secured	455,612	587,401
	<u>2,005,942</u>	<u>1,949,431</u>
The carrying amounts of the above borrowings are repayable:		
On demand or within one year	785,037	676,466
Within a period of more than one year but not exceeding two years	211,001	375,445
Within a period more than two years but not exceeding five years	683,154	230,270
Within a period of more than five years	326,750	667,250
	<u>2,005,942</u>	<u>1,949,431</u>
Less: Amounts due within one year shown under current liabilities	(785,037)	(676,466)
Amounts shown under non-current liabilities	<u>1,220,905</u>	<u>1,272,965</u>

Note:

As at 28 February 2026, 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 covenants stated in the loan agreement. Up to the date of the condensed 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.

18. DEFERRED INCOME

The carrying amount represents a government subsidy received for the compensation of capital expenditures incurred for prepaid lease payment. The amounts are deferred and amortised over the estimated useful lives of the respective assets.

19. DIVIDEND

No dividend has paid or declared by the Company for the six months ended 28 February 2026, nor has any dividend been proposed subsequent to 28 February 2026 (for the six months ended 28 February 2025: Nil).

BUSINESS REVIEW

The Group is a leading private education service group in Chengdu City, Sichuan Province, the PRC, with a proven record of more than 24 years in the private education services sector. We operate our own kindergarten and high school, and through the strategic integration of quality educational resources, we successfully completed the acquisition of two vocational colleges on 31 August 2023, thereby entering the vocational education sector.

OUR OBJECTIVES IN EDUCATION

Our schools adhere to the core educational philosophy 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 basic subjects according to the laws of student development, and provide comprehensive and high-quality services through customised course system. Our vocational institutions uphold the educational philosophy of “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). By following the principles of education and economic development, we innovate training models to efficiently align with industry demands. Through a systematic focus on cultivating communication, innovation, and collaboration skills, we empower students to achieve outstanding breakthroughs in both academic success and future development. We continue to deepen our educational practices, ensuring that every student receives personalised support along their growth journey, thereby contributing exceptional talent to the future of society.

Our Schools

As of 28 February 2026, the Group operates one high school, one kindergarten and two vocational schools. The resources of each of our schools are coordinated and distinctive, with a focus on high school education and vocational education. The Group is committed to providing high-quality and diverse education services, and is responsive to societal demands for talent and educational policy.

The following table sets out the types of education provided by each of our schools as at 28 February 2026:

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

OUR STUDENTS

As of 28 February 2026, our total student enrolment is 28,845, including 27,800 vocational education students, 1,001 high school students, and 44 kindergarten students.

Number of students by school sections	Student enrolment as at 28 February 2026	Student enrolment as at 28 February 2025	Change	Change in percentage
Tianfu High School	1,001	1,076	(75)	(6.9%)
Kindergarten	44	71	(27)	(38.0%)
Winshare Vocational College	24,877	25,349	(472)	(1.9%)
Zhengzhuo Vocational School	2,923	4,585	(1,662)	(36.2%)

Tuition and boarding fees

For high schools, our annual tuition fees for the 2025/2026 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 2024/2025 school year. For kindergartens, our annual tuition fees for the 2025/2026 school year ranged from RMB44,160 to RMB46,560 per student. The fees charged remained unchanged when compared to the 2024/2025 school year.

For vocational schools, the tuition fees for the 2025/2026 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 charged by Zhengzhuo Vocational School ranged from RMB4,150 to RMB4,250, while boarding fees ranged from RMB1,000 to RMB1,400 per school year was charged.

In general, our high school has an increase in tuition fees every three years to reflect increase in our operating costs. The tuition fees of the vocational schools are also adjusted in accordance with market conditions, and the tuition fees standard of the vocational schools has been implemented since 2019. 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 High Schools in and Strengthening Postoperational 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 high schools 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.

Teachers and Teacher Recruitment

We believe that outstanding teachers are the key to maintaining our high standard of educational programmes and services as well as the reputation of our schools. Teachers are not only conveyors of knowledge but also serve as role models for students in character and conduct. Therefore, they must possess solid teaching competence and be fully dedicated to their teaching profession and the wellbeing of students. Hiring teachers with extensive experience, a genuine passion for education, and the ability to thrive on our platform is essential to the comprehensive development of our students and the success of our schools. To that end, we offer a competitive compensation and benefits system that motivates teachers to give their best, while providing them with a strong sense of satisfaction and belonging in their professional growth and career development.

School sections	Number of teachers as at 28 February 2026	Number of teachers as at 28 February 2025	Change	Change in percentage
Tianfu High School	68	81	(13)	(16.0%)
Kindergarten	9	16	(7)	(43.8%)
Winshare Vocational College	1,480	1,575	(95)	(6.0%)
Zhengzhuo Vocational School	164	274	(110)	(40.1%)

OUR BUSINESS DEVELOPMENT STRATEGIES AND PLANS

Increase Investments in the Operation of Vocational Education Schools

With the full 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)》) (the “**Outline**”), vocational education is positioned as a core pillar supporting the modern industrial system, which is currently in a critical period driven by both policy support and market demand. Currently, the shortage of highly skilled talent in China remains severe, with particularly urgent demand in the Chengdu-Chongqing Economic Circle for highly qualified technical and skilled professionals in emerging industries such as advanced manufacturing, the digital economy, and intelligent connected vehicles. Seizing this historic opportunity, on the basis of its successful acquisition of Winshare Vocational College and Zhengzhuo Vocational School in 2023 and the systematic development of its educational framework in 2024, the Group has further advanced the transformation of its vocational education business from scale expansion to high-quality connotative development.

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, continuously refining the “vocational college entrance exam” system, and steadily expanding pathways for academic advancement. Against this backdrop, the Group remains firmly focused on Winshare Vocational College and Zhengzhuo Vocational School as core assets, concentrating on three key directions: “system upgrading, deepening industry-education integration, and driving digital empowerment” to comprehensively enhance the quality and efficiency of its educational operations.

The new Suining Campus of Winshare Vocational College was fully operational in 2025, significantly enhancing its educational infrastructure. The college will focus on expanding student enrolment. It plans to admit 14,000 students in 2026, with a target total enrolment of 40,000 students by 2028. Meanwhile, the college is committed to achieving national level demonstrative vocational college, with a focus on establishing training centers for various emerging industries, deepening collaborative education mechanisms with regional enterprises, and building a provincial-level industry-education integration demonstration base. During the “15th Five-Year Plan” period, the college aims to upgrade its facilities to meet undergraduate education standards. In order to align precisely with the needs of regional industrial upgrading and social livelihoods, the college has introduced nine new majors since 2025: Chinese Language and Literature, Pharmacy, Traditional Chinese Pharmacy, Electronic Information Engineering Technology, Applied Technology in Electronics, Emergency Rescue Technology, Artificial Intelligence Technology Applications, Automotive Intelligent Technology, and Intelligent Connected Vehicle Technology. The college will continue to 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 focuses on cultivating technically skilled professionals. The school continuously optimises its professional offerings dynamically, and phases out traditional professional offerings with weakening market demand in an orderly manner, ensuring that talent cultivation is closely aligned with regional industrial development. Zhengzhuo Vocational School adheres to a dual orientation of employment and further education, deepening the “secondary-to-higher vocational articulation” mechanism with Winshare Vocational College. Graduates are able to seamlessly progress to Winshare Vocational College or other vocational undergraduate institutions for advanced studies. At the same time, the school work with local businesses to provide practical training and internships, strive to enhance students’ hands-on skills and aim to ensure that graduates’ initial salaries and job prospects are in line with or better than regional averages. With the full completion of the Suining Campus construction and the continuous improvement of educational facilities and capacity, Zhengzhuo Vocational School will steadily expand its enrolment scale. In strict implementation of the “whole-cycle student support” requirement outlined in the Outline, the school will continuously improve both boarding and educational facilities to enhance students’ academic and campus life experience.

Despite macro-level factors such as a decline in the overall school-age population leading to a slight adjustment in student numbers, the vocational education segment has demonstrated strong appeal and development resilience. Leveraging its abundant educational resources and strong market recognition, Winshare Vocational College has established pathways for “junior college to bachelor degree transfer programmes” through partnerships with key universities in the province, such as Sichuan University

and Sichuan Normal University, ensuring a smooth academic progression route for its students. Meanwhile, the college has made rapid progress in internationalisation. It has signed inter-institutional memoranda of understanding with overseas institutions such as Asia Metropolitan University in Malaysia and the Universidad Politécnica de Cartagena (UPCT), which opens up channels for its students to pursue bachelor's and master's degrees abroad. Additionally, the college has established deep collaboration with over 1,000 large and medium-sized enterprises and public institutions, implementing a "school-enterprise collaboration and targeted training" model. The graduate employment rate has remained stable at over 98% for consecutive years, with high-quality employment and strong graduate satisfaction.

Furthermore, the Group will continue to adhere to the principle of "prioritising high-quality targets", with a focus on potential merger and acquisition opportunities for vocational colleges and schools within the Chengdu-Chongqing Economic Circle that possess full accreditation, a strong background in industry-education integration and sufficient scale. As of the date of this announcement, a preliminary review of certain potential targets has been conducted, though no specific acquisition intentions have been reached. We will advance relevant work based on further research.

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

The Group is committed to developing a distinctive educational system and competitive academic disciplines to enhance its appeal to students. At the same time, through collaboration with enterprises and organisations, we provide internship opportunities and offer courses that align with market demands, ensuring a close connection between student education and employment. In addition, we are progressively integrating AI technology into teaching and learning, which significantly improves teaching efficiency and the personalised learning experience. Teachers can leverage AI-generated insights into students' error patterns to precisely adjust their teaching focus, providing more targeted instruction. In vocational colleges, AI-driven VR/AR simulation systems are being explored in practice-intensive programs such as automotive repair and mechanical manufacturing. Our students can disassemble and assemble engines in a virtual workshop, with the system providing real-time feedback on operational accuracy and recording error steps for teachers to review and guide, which significantly reduces training costs and safety risks. The school will continue to evaluate and enhance its educational services to maintain the competitiveness of its curriculum and teaching quality in response to evolving educational and market demands. These coordinated initiatives will significantly enhance the school's overall competitiveness and resource efficiency and create a more valuable growth experience for students. The Group believes that, through these distinctive and high-quality educational measures, student enrolment will steadily recover in the coming years.

Further engagement in the business of provision of education management

The Group has been highly engaged in the education sector for many years, 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)) education brand and “Youshi Kindergarten” nursery education brand. The Group used to operate 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.

Leveraging on its quality education resources and brand influence in nursery education and compulsory education, the Group will actively seek opportunities to cooperate with other public or private schools to offer its education management services and experience, so as to work closely with the partners to establish high quality schools.

Note:

- (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 of the PRC (《中華人民共和國民辦教育促進法》). For details, please refer to the 2022 annual report of the Company.

Environment, Health and Safety

The Group has always placed great emphasis on environmental, health and safety management. During the Reporting Period, the Group’s business has complied with applicable environmental laws and regulations in the PRC in all material respects. There were no violations of these laws and regulations.

The Group is dedicated to protecting the health and safety of the students. The Group has onsite medical staff or health care personnel at each of the schools to deal with daily medical situations involving the students. For certain serious emergency medical situations, the Group will promptly send the students to local hospitals for medical treatment. Regarding security at the schools, the Group employed qualified property management companies to provide professional and systematic security services at the Group’s school premises.

As far as the Board and the Group’s management are aware of, 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, and there was no material violation of or non-compliance with applicable laws and regulations by the Group during the six months ended 28 February 2026.

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 7 April 2021, the State Council promulgated the Implementation Regulations, which became effective from 1 September 2021, which included: (i) 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 (ii) 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.

The Group believes that there are still uncertainties in the interpretation and implementation of the Implementation Regulations. As at the date of this announcement, no concrete policies have been announced and launched. After detailed discussion with the PRC legal advisers and auditors, the management of the Group and the Directors are of the view that the Group has lost its control over the Affected Entities since 31 August 2021. Therefore, the Group has decided to exclude the Affected Entities from the consolidated financial statements with effect from 31 August 2021 and the carrying value of the net assets of the Affected Entities for the year ended 31 August 2021 has been deconsolidated in the Group’s consolidated financial statements. The operations of the Affected Entities have been classified as discontinued operations for the period ended 31 August 2021.

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.

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”. Nonetheless, it cannot be ruled out whether further laws and regulations will stipulate the subject in the future. Therefore, there are still uncertainties as to whether the structure under the contractual arrangement will be included in the scope of foreign investment supervision in the future, and if so, how it will be supervised. As at the latest practicable date, the Company’s operations have not been affected by the Foreign Investment Law. The Company will closely monitor developments in regards to the Foreign Investment Law and related laws and regulations.

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 announcement, 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, regulations and policies, and will complete the classification and registration at the appropriate time.

FINANCIAL REVIEW

	For the six months ended					
	28 February 2026		28 February 2025		Increase	%
	<i>RMB'000</i>	<i>Percentage of total revenue</i>	<i>RMB'000</i>	<i>Percentage of total revenue</i>		
Tuition fees and boarding fees	180,309	99.8%	207,419	100.0%	(27,110)	(13.1%)
Education consultancy and management services fees	443	0.2%	-	-	443	N/A
	<u>180,752</u>	<u>100.0%</u>	<u>207,419</u>	<u>100.0%</u>	<u>(26,667)</u>	<u>(12.9%)</u>

Our revenue decreased by approximately RMB26.7 million (or 12.9%) from approximately RMB207.4 million for the six months ended 28 February 2025 to approximately RMB180.8 million for the six months ended 28 February 2026. The decrease in revenue was primarily attributable to a decrease of approximately RMB24.5 million in revenue from the vocational education segment. In particular, (i) revenue from secondary vocational education decreased by approximately RMB11.2 million, primarily due to a decline in the total number of junior high school graduates, coupled with the continuous expansion of high school recruitment nationwide, resulting in a structural reduction in student enrolment; and (ii) revenue from higher vocational education decreased by approximately RMB13.3 million, primarily due to the decrease in relevant government subsidies and funding per student compared to the comparable period, collectively leading to a certain decline in revenue.

COSTS OF SERVICES

Our cost of services mainly consists of staff costs, depreciation, rental expenses and other costs. Cost of services accounted for approximately 48.3% and 60.0% of our total revenue for the six months ended 28 February 2025 and 28 February 2026, respectively. The following table sets forth a breakdown of the major components of our cost of services for the periods indicated:

	Notes	For the six months ended			
		28 February 2026	28 February 2025	Change	Change in percentage
		<i>RMB'000</i>	<i>RMB'000</i>		
Staff costs	(i)	31,050	32,100	(1,050)	(3.3%)
Depreciation of property and equipment	(ii)	41,685	37,825	3,860	10.2%
Depreciation of right-of-use assets	(iii)	5,621	5,043	578	11.5%
Office expenses		1,827	1,720	107	6.2%
Repair and maintenance		5,412	4,650	762	16.4%
Others		22,890	18,949	3,941	20.8%
Total		<u>108,485</u>	<u>100,287</u>	<u>8,198</u>	<u>8.2%</u>

The cost of services increased by approximately RMB8.2 million (or 8.2%) from approximately RMB100.3 million for the six months ended 28 February 2025 to approximately RMB108.5 million for the six months ended 28 February 2026. The cost of services remained relatively stable in the comparable period over the two years.

Notes:

- (i) Staff costs decreased by approximately RMB1.1 million (or 3.3%) from approximately RMB32.1 million for the six months ended 28 February 2025 to approximately RMB31.1 million for the six months ended 28 February 2026. Management is actively seeking ways to increase revenue, including by raising enrolment targets for vocational education. Therefore, the Group has not laid off relevant teaching staff or other related employees for the time being. As a result, cost of services for the two periods under comparison remained relatively stable.
- (ii) Depreciation expenses of property and equipment increased by approximately RMB3.9 million from approximately RMB37.8 million for the six months ended 28 February 2025 to approximately RMB41.7 million for the six months ended 28 February 2026. As at 28 February 2026, fixed assets 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.
- (iii) Depreciation expenses of right-of-use assets increased by approximately RMB0.6 million from approximately RMB5.0 million for the six months ended 28 February 2025 to approximately RMB5.6 million for the six months ended 28 February 2026. Depreciation remained relatively stable over the two years.

GROSS PROFIT AND GROSS PROFIT MARGIN

	For the six months ended						Change in gross profit margin
	28 February 2026			28 February 2025			
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	180,309	71,927	39.9%	207,419	107,132	51.7%	(11.8%)
Education consultancy and management services fees	443	340	76.7%	-	-	-	N/A
	<u>180,752</u>	<u>72,267</u>	<u>40.0%</u>	<u>207,419</u>	<u>107,132</u>	<u>51.7%</u>	<u>(11.7%)</u>

Our gross profit margin for tuition fees and boarding fees decreased by approximately 11.7% from approximately 51.7% for the six months ended 28 February 2025 to approximately 40.0% for the six months ended 28 February 2026. As mentioned above, the vocational education segment experienced a decline in revenue during the six months ended 28 February 2026 due to headwinds across the industry. Management plans to increase revenue through measures including but not limited to raising enrolment targets for Winshare School. Therefore, there has been no reduction in current staffing levels and corresponding service expenditures. Consequently, the gross profit margin for the six months ended 28 February 2026 decreased. The management has currently implemented a series of measures to enhance revenue for the next school year and optimise costs, with the aim of restoring the gross profit margin to its previous level.

OTHER INCOME

Other income increased by approximately RMB1.2 million (or 23.4%) from approximately RMB5.0 million for the six months ended 28 February 2025 to approximately RMB6.2 million for the six months ended 28 February 2026. The revenue remained largely unchanged over the two years.

OTHER GAINS, NET

Other income, net for the six months ended 28 February 2026 are primarily of amortisation of financial guarantee contracts.

ADMINISTRATIVE EXPENSES

Administrative expenses mainly consist of administrative staff costs, 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.

Administrative expenses increased by approximately RMB16.9 million (or 30.2%) from approximately RMB56.0 million for the six months ended 28 February 2025 to approximately RMB72.9 million for the six months ended 28 February 2026. The Group expects to further optimise its corporate structure and reduce related expenses in the future.

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 RMB3.6 million (or 7.6%) from approximately RMB48.0 million for the six months ended 28 February 2025 to approximately RMB51.7 million for the six months ended 28 February 2026. As at 28 February 2026, the financing balance of the Group's basic education segment was RMB568.3 million, which is used for the daily operations of the basic education segment and the subsequent expansion of Tianfu High School. The financing balance of the Group's vocational education segment was RMB1,437.6 million which was primarily used for the construction of the Daying Campus and daily operations. Going forward, the Group will strive to seek diversified financing channels, actively optimise its capital structure, and reduce debt financing costs.

TAXATION

Income tax expense changed from approximately RMB0.2 million for the six months ended 28 February 2025 to tax revenue of approximately RMB0.6 million for the six months ended 28 February 2026. This was mainly attributable to a decrease of approximately RMB1.0 million in current tax in the comparable period, and the recognition of a deferred tax income of RMB0.7 million in the current period.

LOSS FOR THE PERIOD

We recorded a loss of approximately RMB9.9 million for the six months ended 28 February 2025, as compared to a loss of approximately RMB57.0 million for the six months ended 28 February 2026, representing a further increase in loss of approximately RMB47.2 million or 478.5%. The further increase in loss for the current year was primarily attributable to the decrease in revenue from the vocational education segment of approximately RMB24.5 million. In particular, (i) revenue from secondary vocational education decreased by approximately RMB11.2 million, primarily due to a decline in the total number of junior high school graduates, coupled with the continuous expansion of high school recruitment nationwide, resulting in a structural reduction in student enrolment; and (ii) revenue from higher vocational education decreased by approximately RMB13.3 million, primarily due to the decrease in relevant government subsidies and funding per student compared to the comparable period, along with the increase in partial student arrears, collectively leading to a certain decline in revenue. Management plans to increase revenue through measures including but not limited to raising enrolment targets for Winshare School, and to optimise costs, with a view to improving operational efficiency.

CONTRACT LIABILITIES

We have initially recorded the tuition fees and boarding fees received as a liability under contract liabilities and recognised such amounts as revenue on a pro rata basis over the relevant period of the applicable courses. Contract liabilities decreased by approximately RMB27.0 million (or 15.8%) from approximately RMB171.3 million as at 31 August 2025 to approximately RMB144.3 million as at 28 February 2026. Such decrease was mainly due to the completion of the provision of educational services corresponding to the collection of fees by the schools. The decrease in contract liabilities as at 31 August 2025 compared with 31 August 2024 was primarily attributable to a delay in the collection progress for the 25/26 school year compared with the same period last year, primarily because the commencement of the autumn semester and registration period at Winshare Vocational College in 2025 were postponed compared with the same period last year, resulting in a delay in collections.

LIQUIDITY AND CAPITAL RESOURCES

For the six months ended 28 February 2026, we have principally financed our operations through a combination of internally generated cash flows from our operations, proceeds from bank and other borrowings. The Group regularly reviews and monitors the borrowings. As at 28 February 2026, the Group's total borrowings amounted to approximately RMB2,005.9 million, representing an increase of approximately RMB56.5 million as compared with that of approximately RMB1,949.4 million as at 31 August 2025. Out of the total borrowings, borrowings repayable (i) on demand or within a period not exceeding one year amounted to approximately RMB785.0 million, (ii) within a period of more than one year but not exceeding two years amounted to approximately RMB211.0 million, (iii) within a period of more than two years but not exceeding five years amounted to approximately RMB683.2 million, and (iv) within a period of more than five years amounted to approximately RMB326.8 million. The borrowings were charged with interest rates ranging from 4.2% to 10.2% and borrowings of fixed interest rates accounted for approximately 65.2% of the total borrowings of the Group as at 28 February 2026. 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 denominated 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 RMB83.2 million and RMB140.6 million as at 28 February 2026 and 31 August 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 six months ended 28 February 2026, 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 periods indicated:

	For the six months ended	
	28 February 2026	28 February 2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Net cash gained/(used) in operating activities	16,102	(189,995)
Net cash used in investing activities	(58,016)	(317,538)
Net cash used/(gained) in financing activities	(15,410)	405,483
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(57,324)	(102,050)
Cash and cash equivalents at the beginning of the period	140,599	225,803
Effect of foreign exchange rate changes	(65)	251
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	83,210	124,004
	<hr/> <hr/>	<hr/> <hr/>

CAPITAL EXPENDITURE

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: The following table sets forth the change in cash from investing activities for the period indicated:

	For the six months ended	
	28 February 2026	28 February 2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Payment for property, plant and equipment	(58,016)	(264,004)
Payment for share of equity investment at fair value through profit or loss	<u>–</u>	<u>(53,534)</u>
	<u>(58,016)</u>	<u>(317,538)</u>

We plan to satisfy such capital expenditures with a combination of our existing cash, cash generated from our operations, proceeds from bank borrowing, and other funds raised from the capital markets from time to time.

GEARING RATIO

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

Our gearing ratio increased from approximately 613.0% as at 31 August 2025 to approximately 768.5% as at 28 February 2026. As at the date of this announcement, 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 by bank borrowings. The Group currently does not use any financial instrument to hedge interest rate risk exposure. However, the management of the Group monitors interest rate risk and will consider hedging significant interest rate exposure should the need arise.

FOREIGN EXCHANGE EXPOSURE

The majority of the Group's revenue and expenditures are denominated in RMB, the functional currency of the Company, except that minimal expenditures are denominated in Hong Kong dollars. As at 28 February 2026, certain bank balances and cash were denominated in Hong Kong dollars. Any material volatility in the exchange rates of these currencies against RMB may affect the financial condition of the Group. 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.

CHARGES ON GROUP ASSETS

Except for the furniture, fixtures and equipment pledged for the other borrowing under sale and leaseback arrangement, there were no other material charges on the Group's assets as at 28 February 2026.

CONTINGENT LIABILITIES

As at 28 February 2026, the Group did not have any material contingent liabilities (31 August 2025: nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

For the six months ended 28 February 2026, 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 28 February 2026, the Group has no future plans for material investments and capital assets.

EMPLOYEE BENEFITS

As at 28 February 2026, the Group had 2,135 employees (as at 31 August 2025: 2,265). The Group participates in various employee benefit plans, including provident fund, housing, pension, medical insurance and unemployment insurance. The Company has also offered 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 programmes to its employees. For the six months ended 28 February 2026, our staff costs (including directors' fees) amounted to approximately RMB68.9 million (for the six months ended 28 February 2025: RMB53.2 million).

SHARE OPTION SCHEME

On 12 July 2018, a share option scheme (the “**Scheme**”) was conditionally approved and adopted pursuant to a written resolution passed by the shareholders of the Company (the “**Shareholder(s)**”). The Scheme will remain in force for a period of 10 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 exercisable during the period from 13 May 2021 to 12 May 2031 (both dates inclusive). On 17 August 2023, the Company granted 5,000,000 share options at an exercise price of HK\$0.130 per share, which were vested on 18 August 2024 and exercisable for a period from 18 August 2023 to 16 August 2033 (both dates inclusive). As at 28 February 2026, 6,000,000 share options remained outstanding under the Scheme.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividends for the six months ended 28 February 2026.

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

During the six months ended 28 February 2026, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities (including treasury shares) of the Company.

EVENTS AFTER THE PERIOD

There was no event after 28 February 2026 which has material impact to the Group.

COMPETITION AND CONFLICT OF INTERESTS

As at the date of this announcement, 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.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in the Appendix C3 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 Model Code for the six months ended 28 February 2026.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board commits to achieving high corporate governance standards in order to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability. The Company has applied the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) as set out in Part 2 of Appendix C1 to the Listing Rules. For the six months ended 28 February 2026, the Company has complied with all the applicable code provisions. The Board will continue to review and monitor the corporate governance practises of the Company for the purpose of maintaining high corporate governance standards.

AUDIT COMMITTEE

The Company has established the 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 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 unaudited condensed consolidated financial statements of the Group for the six months ended 28 February 2026 and this announcement. The Audit Committee has also held a meeting to discuss matters with respect to the accounting policies and practises adopted by the Company. The Audit Committee did not have any different opinion on the accounting policies adopted by the Company. The Audit Committee has also discussed the internal control matters with senior management of the Company.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at <http://bojuneducation.com>. The interim report of the Group for the six months ended 28 February 2026 will be published on the aforesaid websites of the Stock Exchange and the Company, and will be dispatched to Shareholders in due course.

ACKNOWLEDGEMENT

The Company would like to express its sincere appreciation for the unremitting effort and dedication made by the Board, the management and all of its staff members, as well as the continuous support to the Group from the Shareholders, the government, business partners, professional advisers and loyal customers.

By Order of the Board
BOJUN EDUCATION COMPANY LIMITED
Wang Jinglei
Chairman of the Board

Hong Kong, 23 April 2026

As at the date of this announcement, the executive Directors are Mr. Wang Jinglei, Mr. Lin Juncheng and Ms. Tang Hui; the non-executive Director is Mr. Wu Jiwei; and the independent non-executive Directors are Mr. Yang Yuchuan, Mr. Tao Qizhi and Mr. Cheng Tai Kwan Sunny.

* *for identification purposes only*