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## **China Kepei Education Group Limited**

**中國科培教育集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1890)**

### **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 29 FEBRUARY 2024**

The board of directors (the “**Board**”) of China Kepei Education Group Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (together, the “**Group**”) for the six months ended 29 February 2024. This announcement, containing the full text of the interim report of the Company for the six months ended 29 February 2024 (the “**2024 Interim Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcements of unaudited interim results. The 2024 Interim Report will be available for viewing on the websites of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk> and of the Company at <http://www.chinakepeiedu.com> in due course.

By order of the Board  
**China Kepei Education Group Limited**  
**YE Nianqiao**  
*Chairman*

Hong Kong, 29 April 2024

*As at the date of this announcement, the Board comprises Mr. YE Nianqiao, Dr. ZHANG Xiangwei, Mr. ZHA Donghui, Ms. LI Yan, Ms. SUN Lixia and Mr. YE Xun as executive directors, and Dr. XU Ming, Dr. DENG Feiqi and Mr. LU Chao as independent non-executive directors.*

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# Company Profile

The Company, together with its Subsidiaries, is a leading provider of private vocational education services in China focusing on profession-oriented and vocational education.

We are committed to providing students with high-quality profession-oriented and vocational education and helping them to meet the growing and changing market demands. We are primarily focused on engineering majors to better capture local employment demands, balanced with economics, management, education and art majors to offer well rounded education services. We endeavor to provide students with various profession-oriented and application oriented training and internship opportunities in collaboration with research institutions and enterprises, through which we foster practical skills and market competitiveness of our students.

Through over 23 years of operating private higher education in China, we believe that we have established a strong reputation, which helps us attract high-quality students and teachers and pave the way for our success. We intend to maintain and strengthen our market position in the private vocational education industry in China.

# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Mr. Ye Nianqiao (*Chairman and Chief Executive Officer*)  
Dr. Zhang Xiangwei  
Mr. Zha Donghui  
Ms. Li Yan  
Mr. Ye Xun  
Ms. Sun Lixia

### Independent Non-executive Directors

Dr. Xu Ming  
Dr. Deng Feiqi  
Mr. Lu Chao

## AUDIT COMMITTEE

Dr. Xu Ming (*Chairman*)  
Dr. Deng Feiqi  
Mr. Lu Chao

## REMUNERATION COMMITTEE

Dr. Deng Feiqi (*Chairman*)  
Mr. Zha Donghui  
Mr. Lu Chao

## NOMINATION COMMITTEE

Mr. Ye Nianqiao (*Chairman*)  
Dr. Deng Feiqi  
Mr. Lu Chao

## JOINT COMPANY SECRETARIES

Mr. Zheng Chaoran  
Ms. Ng Ka Man

## AUTHORIZED REPRESENTATIVES

Mr. Ye Nianqiao  
Ms. Ng Ka Man

## REGISTERED OFFICE

Maples Corporate Services Limited  
P.O. Box 309, Ugland House  
Grand Cayman, KY1-1104  
Cayman Islands

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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Gaoyao District  
Zhaoqing City  
Guangdong Province  
the PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Hong Kong  
(with effect from 15 April 2024)

## CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited  
P.O. Box 1093, Boundary Hall  
Cricket Square  
Grand Cayman, KY1-1102  
Cayman Islands

## Corporate Information

### HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
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### LEGAL ADVISORS

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*As to PRC law:*

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Chaoyang District, Beijing  
the PRC

*As to Cayman Islands law:*

Maples and Calder (Hong Kong) LLP  
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Hong Kong

### AUDITOR

Ernst & Young  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay  
Hong Kong

### PRINCIPAL BANK

Bank of China (Hong Kong) Limited

### INVESTOR RELATIONS

Mr. Zheng Chaoran  
Investor Relations Director  
Email: [ir@kepeieducation.com](mailto:ir@kepeieducation.com)

### STOCK CODE

1890

### COMPANY'S WEBSITE

[www.chinakepeiedu.com](http://www.chinakepeiedu.com)

# Interim Results

	For the six months ended			
	29 February	28 February	Change	Percentage Change
	2024	2023		
	RMB'000	RMB'000	RMB'000	(%)
	(Unaudited)	(Unaudited)		
Revenue	<b>871,970</b>	789,750	+82,220	+10.4
Cost of Sales	<b>342,117</b>	300,962	+41,155	+13.7
Gross profit	<b>529,853</b>	488,788	+41,065	+8.4
Profit before tax	<b>480,787</b>	433,425	+47,362	+10.9
Profit for the period	<b>452,488</b>	424,216	+28,272	+6.7
Core net profit**	<b>461,323</b>	438,889	+22,434	+5.1
Adjusted EBITDA*	<b>617,990</b>	582,809	+35,181	+6.0

\* Adjusted EBITDA is defined as to earnings before interest, income tax expenses, depreciation and amortisation after adjusting for the items which are not indicative of the Group's operating performance. Please refer to the section headed "Financial Review" in this report for details of the reconciliation of the profit for the period to the adjusted EBITDA of the Group.

\*\* Core net profit was derived from the profit for the period after adjusting for the items which are not indicative of the Group's operational performance. Please refer to the section headed "Financial Review" in this report for details of the reconciliation of the profit for the period to the core net profit of the Group.

## DISTRIBUTION OF INTERIM DIVIDEND

The Board resolved the payment of an interim dividend of HKD0.07 per Share for the six months ended 29 February 2024, representing approximately 30% of the profit attributable to owners of the Company. The dividend will be paid to all Shareholders in cash.

# Management Discussion and Analysis

## BUSINESS OVERVIEW

The Group is the largest vocational education group in the Pearl River Delta and Yangtze River Delta, the two most important economic regions in China. Our education businesses services cover the entire modern vocational education system, including the secondary-level vocational program, higher-level vocational program, and undergraduate-level vocational program (including application-oriented undergraduate program and college level program). Since the establishment of our first school in 2000, the Group has been adhering to the mission of building a skills-based society, cultivating more high-quality technological talents, and providing powerful talents with skills in contributing to the comprehensive construction of a modern socialist country.

### Focusing on High-Quality Development as the Core of Operating Schools and Continuously Increasing Investments in Operating Schools

#### **(1) Building a High-Quality Teaching Team to Promote the Development of Research and Teaching**

The Group has been committed to building a high-level teaching team with optimized structure, high quality, vitality, innovation and adaptability to the development of the school, and to create “dual-qualification” (雙師雙能型) talents with solid theoretical knowledge, rich practical experience and ability, and innovative ability. In 2023/24 school year, the Group introduced more than 300 high-quality teachers, and the number of teachers with intermediate titles and above has increased significantly. The Group has established a new educational supervision office to carry out meticulous inspection of syllabuses, lesson planning by teachers, teaching quality in lessons and implementation of practice teaching by teachers, thereby providing strong protection for improving teaching quality. The Group holds teaching contests for young teachers regularly to strengthen professional ethics among teachers and train basic skills of young teachers to perform their duties of teaching. The four programmes of our schools, namely “Consumer Psychology”, “Intermediate Financial Accounting”, “Computer Programming (python)” and “Virtual simulation experiment of rotary steerable system (RSS) drilling technology”, are considered provincial-level first-class undergraduate programmes, while “Consumer Psychology”, a programme offered by us for the first time, participated the selection of the third batch of first-class programmes in China.



Our teacher qualification training has achieved remarkable results. In 2023/24 school year, we received 31 national awards and 76 provincial awards. The vice principal of the Guangdong School was awarded “the Prominent President for Private Education in Guangdong” (廣東民辦教育“優秀校長”) in 2023. A teacher from the faculty of Information Engineering of Heilongjiang School was awarded the First Prize of Heilongjiang Province Teaching Achievement Award; a counsellor from the faculty of Economics and Management of the same school was awarded the “the Best High School Counselor in Heilongjiang of the Year” (黑龍江省高校輔導員年度人物). Adhering to the scientific research goal of “Promoting Teaching through Research and Promoting Learning through Teaching”, the school actively carries out scientific research and ignites the enthusiasm of teachers to engage in scientific research. In 2023/24 school year, the Group’s schools undertook 68 provincial-level scientific research projects, and our teachers published 843 academic papers, including 78 core journal papers. The teachers’ honors and number of scientific research awards increased by more than 30% as compared to last year. 11 teaching materials and academic writings were compiled by our teachers as lead editors or associate editors. Four projects of the Guangdong School was admitted by the High School Teaching Management Association of Guangdong Province (廣東省高等學校教學管理學會) to the list of programmes relating to studies of (design) management awaiting governmental approval (畢業論文(設計)管理研究課題立項), ranking the first among private high schools in Guangdong in terms of number of projects awaiting governmental approval. The Heilongjiang School ranked 28th among the list of private universities in China by Chinese Alumni Association in 2024, jumped from 38th for the last year; it also ranked second among private colleges in Heilongjiang. We established a joint base for offering doctoral training programmes with University of Melaka in Malaysia, which provides our first teaching team with approximately 100 members with services of offering doctoral training programmes. We also provide tuition assistance to teachers participating these doctoral training programmes to improve their qualifications and teaching abilities. To properly handle housing needs of key teachers and newly recruited teachers, the Group has formulated the “Special Fund Subsidy Program for Faculty and Staff Housing”, which provides preferential loans to key teachers who need to buy houses. Nearly 100 key teachers have enjoyed the preferential housing purchase policies.

### **(2) Construction of High-Standard Modern Campus and Experimental Training Rooms**

The Group has made investments in the construction of 70 new experimental training rooms, including live stream laboratories for new media, integrated laboratories for industrial robots, intelligent risk control laboratories, fluid mechanics laboratories and AI laboratories, to meet the needs of modern vocational education. The Group is committed to developing an intelligent campus. During the year, 200 new virtual cloud-based desktop multi-media classroom and standardized examination rooms were established. We cooperated with online teaching platforms such as Chaoxing (超星), University Open Online Courses (優課聯盟) and Treenity (智慧樹), to provide online teaching for teachers and students on campus, effectively increasing the application of information technology. During the year, we have subscribed digital resources of 50TB, over 6 million papers, audio and visual work of 20,000 hours and over 500,000 online journals. We have expanded the school’s total export bandwidth and deployed a WEBVPN system to facilitate teachers and students to access school digital resources such as HowNet, Wanfang, and school professional online teaching platforms inside and outside the school, optimizing the teaching environment for teachers and students and enhancing teaching efficiency.





## Management Discussion and Analysis

### **(3) Attaching Importance to the All-round Development of Students and Enhancing their Employment Competitiveness**

We attach great importance to the employment of students, conscientiously implement the decision-making arrangements of the Party Central Committee and the State Council on “stabilizing and promoting employment” and the requirements of the Ministry of Education on launching the “Special Action for the Secretary and Principal to Visit Enterprises to Expand Jobs and Promote Employment”. We also pay great attention to the comprehensive internship work of students. We actively visit enterprises through multiple channels to meet the employment needs of enterprises and provide students with sufficient employment and internship opportunities. In the 2023/24 school year, the Group’s recruitment activities adopted the model of large-scale campus double-selection meetings, job fairs held by well-known enterprises and online job fairs. Over 4,000 companies have been invited to provide more than 150,000 job requirements, and the graduates with an average of about 10 job opportunities. Facing a challenging employment environment in 2023, the Group has managed to achieve an outstanding graduate employment of nearly 90%. Students were employed by well-known companies such as CATL, XPeng Motors, BYD, Midea, and TCL. The overall number of graduates who independently start their own businesses, take postgraduate entrance exams, study abroad, and obtain admission to national civil servants has steadily increased. The Group has established the new Innovation and Entrepreneurial College to provide the base of innovation and entrepreneurial. It is equipped with nearly 100 teachers to support and nurture innovation and entrepreneurial programmes presented by university students. Currently, there are over 50 participating youth start-ups.

We attach great importance to the all-round development of students, encourage and support students to participate in various competitions during school semesters, and have won approximately 800 national awards and approximately 1,800 provincial honors. These include: “Challenge Cup” College Students Entrepreneurship Plan Competition, “China Robotics Development Competition” Award, “National University Business Elite Challenge”, National College Students Smart Car Competition, China International “Internet+” College Students Innovation and Entrepreneurship Competition, Chinese College Students National First Prize in Calculator Design Contest and other awards. Teachers and students from the Heilongjiang School has won the Second Prize in the 5th Ice & Snow Creative Design Contest in Heilongjiang (黑龙江省第五届高校冰雪雕创意设计大赛) with their snow & ice workpiece. A workpiece by a student from the Heilongjiang School has won the most popular award and the best photography award in the 2023 High School Ice City Creative Mini Video Contest, which was reported by Chinese Communist Youth League of Harbin and the Harbin Daily (哈爾濱日報) on several occasions. To celebrate the 20th anniversary of the Heilongjiang School, the students staged a large-scale original melodrama “Ode to An Iron Man”, which was widely appreciated, and was widely announced and reported by key media such as Xinhua News Agency and China Education News Web.

### Enhancing the offering of majors, Deepening the Integration of Industry and Education

Based on the current situation of local economic and social development, we have added new majors to the major strategic emerging industries and other traditional competitive industries in the region, and continuously optimized the distribution of professional structures. During the year, the Group offered a number of new majors, including “AI”, “Intelligent Manufacturing Engineering”, “Robotics Engineering”, “Digital Media Arts” and “Cross-border E-commerce”, in order to fulfill the strategic emerging industries of the state and closely connect to the rising industries with high talent demand. In addition, majors such as Mechanical and Electronic Engineering, Computer Science and Technology, Communication Engineering and Civil Engineering have been newly approved as provincial-level first-class undergraduate majors.

To conscientiously implement the decisions of the State on deepening the Integration of Industry and Education, the Group has conducted “3+1” application-oriented talents model, a trial reform of the way of nurturing talents by establishing the Office of School-Enterprise cooperation and the Office of comprehensive internship work for School-Enterprise Cooperation. Both Offices are equipped with professional management personnel who jointly establish off-campus practice teaching bases, in order to achieve the target of school-enterprise collaborative education. The Group has reached agreement on cooperation with nearly 3,000 enterprises, of which nearly 1,000 enterprises, including CATL, Xiaopeng Motors, Midea Group, Yum!, CR Vanguard, Budweiser Asia Pacific, Alibaba, Pinduoduo, Vip.com and other industry leading enterprises were selected to be parties to the agreements of off-campus practice teaching bases. Pursuant to the agreements, these enterprises will provide approximately 10,000 posts for off-campus practice teaching. We have been actively introducing leading enterprises to our schools. By doing so, we can deliver more solid outcomes in the integration of industry and education through industry colleges. Focusing on the development strategy of national key industries, we worked with leading enterprises such as Huawei, Tencent, BYD, IFLYTEK, Yonyou, UBTECH and SF Express to establish 11 industry colleges, including Huawei ICT Industry College, IFLYTEK Artificial Intelligence Industry College, Tencent Cloud Big Data Industry College, BYD New Energy Automobile Industry College and UBS Intelligent Robot Institute (優必選智能機器人學院), which cover the areas of AI, new energy industries, digital China, intelligent manufacturing and intelligent logistics.

In the 2023/24 school year, the Group added approximately 170 off-campus practice teaching bases, achieving an increase of approximately 20% compared to the same period of last year. We closely follow the trend of industrial upgrading and technological change. With school-enterprise cooperation and advantages of our majors, we closely connected to employers with high talent demand, achieved multi-dimensional in-depth cooperation between our schools and enterprises, and cultivated professional technical talents in line with the development of the local real economy and industrial upgrading, thereby ensuring full and high-quality employment for students. Approximately 50 industry-university cooperation projects in each college of the Group have been selected into the list of industry-university cooperation collaborative education projects issued by the Higher Education Department of the Ministry of Education.



## Management Discussion and Analysis

### Focusing on teachers and students and enhancing experience of teacher and students at our schools

The Group attaches great importance to the experience of students at our schools, and continuously improved students' experience at academic zone and other areas, thereby significantly enhancing students' satisfaction. The Group continuously introduced leading catering chains, including coffee shops and tea drink vendors such as Luckin, ChaPanda, and Mixue Ice Cream & Tea, to provide diversified catering services for our teachers and students. We offered new facilities such as shared printer, shared laundry room and shared EV to provide convenient campus services for our students. We also continued to enrich campus activities for our students by launching activities such as Campus Vlog video displaying and broadcasting contests, mini-drama and mini-video makers contest, campus singing contest and Creative Market for College Students. We invited former NBA All-Star and popular online street basketball celebrities in China in the area of as players in our basketball contests. In addition, our schools organise quality development programmes for new staff and birthday parties for academic staff members regularly to strengthen cohesion within the teaching team.

### Caring for the Society and Bringing the Core Values of Socialism into Practice

Our schools have been actively carrying out social welfare activities, including popularization lectures of laws in community, strengthened collaboration and paired assistance, caring elderly and veterans, and City Marathon volunteers, to serve local communities and demonstrate our sense of social responsibility. Students from our schools worked on voluntary activities for up to 130,000 hours. Students from the Guangdong School ranked first among private schools in Guangdong for their donation of nearly 200,000 millilitres of blood without compensation. The Guangdong School was awarded the only "National Red Cross Model Unit" by the Red Cross Society of China in the province's private colleges and universities. We care for mental and physical well-being of students by holding thematic campaigns such as World AIDS Day and AED first-aid training session. The Guangdong School actively responded to the country's call for conscription, and won the title of the Advanced Unit in the Conscription Work of Guangdong Province for four consecutive years. The Group further promoted the implementation of the Western Plan, encouraging and organizing college students to carry out voluntary services such as supporting education and agriculture in the western region and the border villages. Over 150 students have participated in the Western Plan and Village Plan as volunteers. Guangdong School and Heilongjiang School won the title of excellent team of the provincial "Three Countryside Activities". The schools of the Group provide material assistance and educational resource assistance to students from families with financial difficulties to ensure that they can successfully complete their studies. Over 40,000 students have received such assistance.

## Revenue

The Group typically charges students fees comprising tuition fees, boarding fees and other education service fees. Tuition fees remained as the major revenue, accounting for approximately 93.8% of the total revenue of the Group for the six months ended 29 February 2024. The following table set forth the details of the Group's revenue for both financial periods:

	Six months ended		Change	Percentage Change
	29 February 2024	28 February 2023		
	RMB'000	RMB'000	RMB'000	(%)
	(Unaudited)	(Unaudited)		
Tuition fees				
Higher education program	<b>772,362</b>	682,513	+89,849	+13.2
Secondary vocational education	<b>45,533</b>	49,862	-4,329	-8.7
<b>Total tuition fees</b>	<b>817,895</b>	732,375	+85,520	+11.7
Boarding fees	<b>49,453</b>	53,604	-4,151	-7.7
Other education service fees	<b>4,622</b>	3,771	+851	+22.6
<b>Total</b>	<b>871,970</b>	789,750	+82,220	+10.4

The Group's revenue increased by RMB82.2 million, or 10.4%, from RMB789.8 million for the six months ended 28 February 2023 to RMB872.0 million for the six months ended 29 February 2024. The increased revenue was mainly attributed to the steady growth in the number of student enrollments and average tuition fees.

# Management Discussion and Analysis

## Student Enrollment

In the 2023/24 school year, the total number of students in our Group's schools is approximately 120,000. Benefiting from the favorable policies of vocational education and strong needs from students, the new enrolment and total enrolment of undergraduate program in 2023/24 school year increased by 22% and 10%, respectively. As the structure of students has further optimized, the total number of undergraduate students reached 65,000 and the proportion of undergraduate students among the total number of students increased by 6.2 percentage points as compared with the previous school year. The admission cut-off scores and enrolment rate continue to increase, the brand competitiveness has been further enhanced, and the high-quality development strategy is steadily advancing.

## Future Plans

1. With the upgrade of the State's industries, the demand for vocational education talents in advanced manufacturing and modern service industries is becoming increasingly strong. We will implement high-quality development strategies from the following aspects to cultivate high-level applied and professional talents for the country and serve local economic development:
  - (i) The Group has abundant school-enterprise cooperation resources in the Pearl River Delta and Yangtze River Delta regions, and will actively promote school-enterprise cooperation with leading entities in various industries, focusing on national key industries and emerging industries, such as new energy vehicles, digital economy, information technology, artificial intelligence and other industries, and deepening the integration of industry and education and building industry colleges together, to realize close connection between professional settings and industry needs and improve high-quality employment for students; and
  - (ii) We will be committed to building a high-quality and professional teaching team to achieve a positive interaction between discipline construction and teaching team construction and continue to deepen the construction of a double-qualified teacher team, promote the connection between the education chain, the talent chain and the industry chain, jointly formulate and improve the talent training plan, and create an innovative talent training system that deeply integrates production and education, and school-enterprise collaborative education.



### 2. Actively explore our international education services

In the future, we will actively explore our international education services, including overseas education and studies services for undergraduate, master and doctoral degree, as well as international education projects for academic exchanges between domestic and overseas colleges. We will establish stable and long-term cooperation with well-known overseas colleges in Europe, the US, Australia and Southeast Asia to develop diversified and comprehensive services for overseas education, including language training, overseas education application, overseas study tours, lifestyle services for overseas students and employment visas application. Moreover, we will actively promote foreign exchanges and cooperation in vocational education, strengthen vocational education cooperation and mutual recognition of academic qualifications with countries along the Belt and Road, actively promote the sharing of high-quality teaching resources, teachers and enrollment resources between domestic schools and overseas colleges for the construction of an effective communication platform for the students of the Group to accept internationalized education and broadening their horizons.

## FINANCIAL REVIEW

### Revenue

Revenue represents the value of services rendered during the Reporting Period. The Group mainly derives revenue from tuition fees and boarding fees of its schools collected from students.

The Group's revenue increased by RMB82.2 million, or 10.4%, from RMB789.8 million for the six months ended 28 February 2023 to RMB872.0 million for the six months ended 29 February 2024. This increase was primarily the result of revenue from tuition fees increased by RMB85.5 million, or 11.7%, from RMB732.4 million for the six months ended 28 February 2023 to RMB817.9 million for the six months ended 29 February 2024.

The tuition fees increased were mainly attributed to the steady growth in the number of student enrollments and average tuition fees of the schools operated by the Group.

### Cost of Sales

Cost of sales consists primarily of staff costs, depreciation and amortisation, utilities, teaching supplies, cost of cooperative education, student study and practice fees, office expenses, training expenses, student subsidies, travel and transportation expenses, cost of repairs, property management fees and other costs.

Cost of sales increased by RMB41.1 million, or 13.7%, from RMB301.0 million for the six months ended 28 February 2023 to RMB342.1 million for the six months ended 29 February 2024. This increase was primarily the result of: (i) the Group's great input to develop a high quality teaching crew in cultivating high-end talents as well as improvement of benefits for faculties; (ii) the continuously investment in various professional teaching training venues and equipment in order to improve teaching quality and students' learning experiences; and (iii) the increase in practice fees and training expense in relation to improve student employment.



# Management Discussion and Analysis

## Gross Profit and Gross Profit Margin

Gross profit increased by RMB41.1 million, or 8.4%, from RMB488.8 million for the six months ended 28 February 2023 to RMB529.9 million for the six months ended 29 February 2024. The gross profit margin for the six months ended 29 February 2024 was 60.8%, representing a slightly decrease of 1.1 percentage points as compared to the gross profit margin of 61.9% for the same period of last year. The decrease was mainly due to the Group's continuously investment in teaching expenses and students expenses to achieve high teaching qualities and student employment.

## Other Income and Gains

Other income and gains primarily consist of government grants, interest income from bank deposits, rental income from lease of campus properties and venues to independent third parties, management service income and consulting service income.

Other income and gains increased by RMB8.3 million, or 10.5%, from RMB78.9 million for the six months ended 28 February 2023 to RMB87.2 million for the six months ended 29 February 2024. This increase was primarily due to: (i) the increase of RMB3.9 million in the management service income compared to the same period of last year; and (ii) the increase of RMB2.5 million in interest income from bank deposits.

## Selling and Distribution Expenses

Selling and distribution expenses primarily consist of advertising expenses, student admission expenses and business entertainment expenses. Selling and distribution expenses increased by RMB1.5 million, or 50.4%, from RMB2.9 million for the six months ended 28 February 2023 to RMB4.4 million for the six months ended 29 February 2024, which was mainly because of the continuing investment of the Group's brand building and students' enrollment promotion.

## Administrative Expenses

Administrative expenses primarily consist of the administrative staff salaries, office-related expenses, depreciation and amortisation of office buildings, equipment and right of use assets, audit fee, travel expenses and others. Administrative expenses increased by RMB6.5 million, or 7.9%, from RMB82.3 million for the six months ended 28 February 2023 to RMB88.8 million for the six months ended 29 February 2024. This increase was primarily due to the increase numbers of management professionals to achieve the Group's high-quality development.

## Other Expenses

Other expenses primarily consist of expenses relating to loss on disposal of items of property, plant and equipment, exchange loss, expenses relating to new initiative business, loss relating to change in fair value of financial assets, donation expenses and other cost. Other expenses increased by RMB10.8 million, or 267.8%, from RMB4.0 million for the six months ended 28 February 2023 to RMB14.8 million for the six months ended 29 February 2024. This increase was primarily due to (i) the increase of RMB1.0 million in the fair value loss on financial assets at fair value through profit or loss compared to the same period of last year; (ii) a loss of RMB5.9 million on the disposal of items of property, plant and equipment during the Reporting Period, while no such loss occurred in the same period of last year; (iii) an exchange loss of RMB1.0 million during the Reporting Period, compared to exchange gain in the same period of last year; and (iv) the increase of expenses related to new initiative business operated by the Group.

## Finance Costs

Finance costs primarily consist of the interest expenses for the interest-bearing bank and other borrowings and lease liabilities. Finance costs decreased by RMB16.8 million, or 37.3%, from RMB45.0 million for the six months ended 28 February 2023 to RMB28.2 million for the six months ended 29 February 2024, which was mainly due to the decreased weighted average interest-bearing bank and other borrowings during the Reporting Period.

## Calculation of Core Net Profit

Core net profit was derived from the profit for the period after adjusting the expenses related to the share based payments under the Restricted Share Award Scheme, additional depreciation and amortisation due to the fair value adjustments to the acquired identifiable assets and foreign exchange gain or loss, which are not indicatives of the Group's operational performance. The following table reconciles from profit for the period to core net profit for both financial periods:

Items	Six months ended	
	29 February 2024 RMB'000 (Unaudited)	28 February 2023 RMB'000 (Unaudited)
Profit for the period	452,488	424,216
Add:		
Additional depreciation and amortisation due to the fair value adjustments to the acquired identifiable assets	6,360	13,057
Share-based payments under the Restricted Share Award Scheme	–	3,850
Exchange loss	916	–
Fair value loss on financial assets at fair value through profit or loss	1,559	538
Less:		
Exchange gain	–	2,772
<b>Core net profit</b>	<b>461,323</b>	438,889

## Management Discussion and Analysis

Core net profit increased by RMB22.4 million, or 5.1%, from RMB438.9 million for the six months ended 28 February 2023 to RMB461.3 million for the six months ended 29 February 2024.

### Non-HKFRS Measurement

To supplement the Group's unaudited interim condensed consolidated financial statements which are presented in accordance with HKFRS, the Company also uses adjusted EBITDA and core net profit as additional financial measures, which are not required by, or presented in accordance with HKFRS. The Group presents these items because the Group considers it an important supplemental measure of the Group's operational performance used by the Group's management as well as analysts or investors.

### Calculation of adjusted EBITDA

Adjusted EBITDA is defined as to earnings before interest, income tax expenses, depreciation and amortisation after adjusting for the items which are not indicative of the Group's operating performance. The exchange gain or loss, fair value loss on financial assets at fair value through profit or loss and equity-settled restricted share award expense are the non-HKFRS measure adjusting items as the Company consider that those items were not reflective of the Group's core operating results and should be reconciled in the adjusted EBITDA. The following table reconciles from profit for the period to adjusted EBITDA for both financial periods:

Items	Six months ended	
	29 February 2024 RMB'000 (Unaudited)	28 February 2023 RMB'000 (Unaudited)
Profit for the period	452,488	424,216
Add:		
Depreciation and amortisation of property, plant and equipment, right-of-use assets and other intangible assets	106,486	102,757
Income tax expense	28,299	9,209
Finance costs	28,242	45,011
Equity-settled restricted share award expense	–	3,850
Exchange loss	916	–
Fair value loss on financial assets at fair value through profit or loss	1,559	538
Less:		
Exchange gain	–	2,772
Adjusted EBITDA	617,990	582,809

Adjusted EBITDA increased by RMB35.2 million, or 6.0%, from RMB582.8 million for the six months ended 28 February 2023 to RMB618.0 million for the six months ended 29 February 2024.

### Capital Expenditures

Capital expenditures during the six months ended 29 February 2024 primarily related to the maintaining and upgrading existing school premises and purchasing additional educational facilities and equipment. For the six months ended 29 February 2024, the Group's capital expenditures were RMB223.5 million.

### Liquidity and Financial Resources

The Group's primary uses cash to fund its working capital requirements, purchase of property, plant and equipment and loan repayment and related interest expenses. As at the date of this report, the Group has funded its operations principally with the cash generated from its operations and bank and other borrowings. In the future, the Group believes that its liquidity requirements will be satisfied with a combination of cash flows generated from its operating activities, bank loans, other borrowings and other funds raised from the capital markets from time to time. As of 29 February 2024, the Group had cash and cash equivalents of RMB868.1 million.

The balance of interest-bearing bank and other borrowings as at 29 February 2024 was RMB1,024.2 million. The interest-bearing bank and other borrowings of RMB434.6 million are repayable within a year. The Group had adequate liquidity to meet its daily management and capital expenditure requirements and control internal operating cash flows.

### Capital Structure

The Group's financial department is responsible for its financial risk management which operates according to policies implemented and approved by the senior management. As at 29 February 2024, all the interest-bearing bank and other borrowings were denominated in RMB and HKD, while cash and cash equivalents were primarily held in RMB, HKD and USD. The Group plans to maintain an appropriate mix of financial equity and debt to ensure an efficient capital structure. The outstanding balances of interest-bearing bank and other borrowings as at 29 February 2024 were at fixed interest rates for loans denominated in RMB and HKD.

### Significant Investments, Acquisitions and Disposals

Save as disclosed in this report, there were no significant investments held by the Company as at 29 February 2024, nor other material acquisitions and disposals of subsidiaries, associated companies or joint ventures by the Company.

### Future Plan for Material Investments and Capital Assets

Save as disclosed in this report, the Group did not have other plans for material investments and capital assets as at 29 February 2024.

# Management Discussion and Analysis

## Gearing Ratio

The gearing ratio of the Group, which was calculated as total interest-bearing bank and other borrowings divided by total equity as at the end of the relevant financial period, decreased from approximately 39.9% as at 31 August 2023 to 21.0% as at 29 February 2024, primarily due to the decrease in the Group's total interest-bearing bank and other borrowings as at 29 February 2024.

## Foreign Exchange Risk Management

The functional currency of the Company is RMB. The majority of the Group's revenue and expenditures are denominated in RMB. As at 29 February 2024, certain bank balances were denominated in HKD and USD. During the six months ended 29 February 2024, the Group did not experience any significant difficulties in or impacts on its operations or liquidity due to fluctuations in currency exchange rates. The Directors believe that the Group has sufficient foreign exchange to meet its own foreign exchange requirements and will adopt practical and effective measures to prevent exposure to exchange rate risk. The Group did not enter into any financial instrument for hedging purpose.

## Contingent Liabilities

As at 29 February 2024, the Group did not have any significant contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened (as at 31 August 2023: Nil).

## Pledge of Assets

As at 29 February 2024, the Group's time deposits amounting to RMB110.0 million (as at 31 August 2023: RMB234.6 million) were pledged to secure certain of the Group's bank loans. None of the Group's furniture and fixtures, and electronic devices (as at 31 August 2023: Nil) was pledged to secure certain of the Group's other borrowings.

## Employees and Remuneration Policy

As at 29 February 2024, the Group had 4,125 employees (as at 28 February 2023: 4,007 employees).

The remuneration policy and package of the Group's employees are periodically reviewed in accordance with industry practice and results performance of the Group. The Group provides external and internal training programs to its employees. The Group participates in various employee social security plans for its employees that are administered by local governments, including housing, pension, medical insurance, occupational injury insurance, maternity insurance and unemployment insurance.

The total remuneration cost incurred by the Group for the six months ended 29 February 2024 was RMB223.7 million (for the six months ended 28 February 2023: RMB190.9 million).

## Events After the Reporting Period

On 24 April 2024, the Company has cancelled the 1,000,000 Shares which were repurchased in September 2022.

Save as disclosed in this report, the Group had no significant event after the Reporting Period required to be disclosed.

# Corporate Governance and Other Information



## CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability. The Company has adopted the CG Code contained in Appendix C1 to the Listing Rules as its own code of corporate governance.

The Company has complied with all applicable code provisions under the CG Code during the six months ended 29 February 2024, save and except for the deviation from code provision C.2.1 of the CG Code as follows:

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Ye is the Chairman and the CEO of the Company. Mr. Ye is the founder of the Group and has been responsible for managing the operation and overall strategic planning of the Group since its establishment. The Directors believe that vesting the roles of both the Chairman and the CEO in Mr. Ye is beneficial to the business outlook and management of the Group and can ensure consistent leadership within the Group for a more effective and efficient overall strategic planning for the Group. After considering all the corporate governance measures that have been taken, the Board considers that the balance of power and authority will not be impaired by the present arrangement and the current structure will enable the Company to make and implement decisions more promptly and effectively. Thus, the Company does not separate the roles of Chairman and CEO. The Board will continue to review and consider separating the roles of Chairman and CEO of the Company when appropriate after taking into account of the then overall circumstances of the Group. The Company will also continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions of the Directors. Having made specific enquiry of all the Directors, each of the Directors has confirmed that he/she has complied with the required standard as set out in the Model Code during the six months ended 29 February 2024.





## Corporate Governance and Other Information

### INTERIM DIVIDEND

The Board has resolved the payment of an interim dividend of HKD0.07 per share for the six months ended 29 February 2024 (for the six months ended 28 February 2023: Nil). The interim dividend will be paid on or about 20 December 2024 to the Shareholders whose names appear on the register of members of the Company on 13 December 2024.

### CLOSURE OF THE REGISTER OF MEMBERS

In order to ascertain Shareholder's entitlement to the interim dividend, the register of members of the Company will be closed from Tuesday, 10 December 2024 to Friday, 13 December 2024, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be qualified for the interim dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 9 December 2024.

### AUDIT COMMITTEE

The Board has established the Audit Committee, which comprises three independent non-executive Directors namely Dr. Xu Ming (chairman), Dr. Deng Feiqi and Mr. Lu Chao. The primary duties of the Audit Committee are to review and supervise the Company's financial reporting system, internal control system and risk management system.

The Audit Committee, together with the Board, has reviewed the unaudited interim condensed consolidated results of the Group for the six months ended 29 February 2024 and was of the opinion that the interim results and interim report had been prepared in accordance with the relevant accounting standards and that adequate disclosures had been made in accordance with the requirements of the Listing Rules.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 29 February 2024.

### CHANGES TO DIRECTORS' INFORMATION

The Directors confirm that, since the publication of the latest annual report, there is no change in information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 29 February 2024, the interests and short positions of the Directors and 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 Model Code were as follows:

Name of Director or chief executive	Capacity/Nature of Interest	Number of Shares <sup>(2)</sup>	Number of Underlying Shares <sup>(3)</sup>	Approximate Percentage of Shareholding in the Company <sup>(1)</sup>
Ye Nianqiao	Founder of a discretionary trust <sup>(4)</sup>	677,280,000 (L)	–	33.61%
	Interest of spouse <sup>(5)</sup>	375,000,000 (L)	–	18.61%
Ye Xun	Founder of a discretionary trust <sup>(6)</sup>	300,000,000 (L)	–	14.89%
	Beneficial owner	700,000 (L)	–	0.03%
Ye Nianjiu	Founder of a discretionary trust <sup>(7)</sup>	150,000,000 (L)	–	7.44%
	Beneficial owner	800,000 (L)	–	0.04%
Zhang Xiangwei	Beneficial owner	2,000,000 (L)	–	0.10%
Zha Donghui	Beneficial owner	1,200,000 (L)	–	0.06%
Li Yan	Beneficial owner	1,000,000 (L)	–	0.05%
Xu Ming	Beneficial owner	400,000 (L)	–	0.02%
Sun Lixia	Beneficial owner	20,000 (L)	–	0.00%

## Corporate Governance and Other Information

### Notes:

1. As at 29 February 2024, the total number of issued Shares was 2,015,248,667 shares.
2. The letter “L” denoted the person’s long position in the Shares.
3. Interests in Restricted Shares granted pursuant to the Restricted Share Award Scheme.
4. Qiaoge Company Limited is wholly-owned by Ye Liya Limited, which is in turn wholly-owned by a trust, the trustee of which is Cantrust (Far East) Limited. The trust is a discretionary trust set up by Mr. Ye Nianqiao as founder who can influence how the trustee exercises his discretion. Qiaoge Company Limited is accustomed to act in accordance with the directions of Mr. Ye Nianqiao. By virtue of Part XV of the SFO, Mr. Ye Nianqiao is deemed to be interested in the shares held by Qiaoge Company Limited.
5. Mr. Ye Nianqiao is the husband of Ms. Shu Liping. By virtue of Part XV of the SFO, Mr. Ye Nianqiao is deemed to be interested in the shares indirectly held by Ms. Shu Liping through Shuye Company Limited. Shuye Company Limited is beneficially and wholly-owned by Ms. Shu Liping through Shu Feiya Limited, which is in turn wholly owned by a discretionary trust set up by Ms. Shu Liping as founder who can influence how the trustee exercises her discretion. Shuye Company Limited is accustomed to act in accordance with the directions of Ms. Shu Liping.
6. Chenye Company Limited is wholly-owned by Ye Kasi Limited, which is in turn wholly-owned by a discretionary trust set up by Mr. Ye Xun as founder who can influence how the trustee exercises his discretion. Chenye Company Limited is accustomed to act in accordance with the directions of Mr. Ye Xun. By virtue of Part XV of the SFO, Mr. Ye Xun is deemed to be interested in the Shares held by Chenye Company Limited.
7. Weixin Company Limited is wholly-owned by Huanleye Limited, which is in turn wholly-owned by a discretionary trust set up by Mr. Ye Nianjiu as founder who can influence how the trustee exercises his discretion. Weixin Company Limited is accustomed to act in accordance with the directions of Mr. Ye Nianjiu. By virtue of Part XV of the SFO, Mr. Ye Nianjiu is deemed to be interested in the Shares held by Weixin Company Limited.

Save as disclosed above, as at 29 February 2024, 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 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 this report, at no time during the six months ended 29 February 2024 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.

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

As at 29 February 2024, to the best knowledge of the Directors, the following persons (other than the Directors or chief executive of the Company) had an interest or a short position 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 or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Nature of Interest	Number of Shares <sup>(2)</sup>	Approximate Percentage of Shareholding in the Company <sup>(1)</sup>
Cantrust (Far East) Limited	Trustee <sup>(3)</sup>	677,280,000 (L)	33.61%
Ye Liya Limited	Interest in a controlled corporation <sup>(3)</sup>	677,280,000 (L)	33.61%
Qiaoge Company Limited	Beneficial owner <sup>(3)</sup>	677,280,000 (L)	33.61%
Shu Liping	Founder of a discretionary trust <sup>(4)</sup>	375,000,000 (L)	18.61%
	Interest of spouse <sup>(4)</sup>	677,280,000 (L)	33.61%
Cantrust (Far East) Limited	Trustee <sup>(4)</sup>	375,000,000 (L)	18.61%
Shu Feiya Limited	Interest in a controlled corporation <sup>(4)</sup>	375,000,000 (L)	18.61%
Shuye Company Limited	Beneficial owner <sup>(4)</sup>	375,000,000 (L)	18.61%
Cantrust (Far East) Limited	Trustee <sup>(5)</sup>	300,000,000 (L)	14.89%
Ye Kasi Limited	Interest in a controlled corporation <sup>(5)</sup>	300,000,000 (L)	14.89%
Chenye Company Limited	Beneficial owner <sup>(5)</sup>	300,000,000 (L)	14.89%
Cantrust (Far East) Limited	Trustee <sup>(6)</sup>	150,000,000 (L)	7.44%
Huanleye Limited	Interest in a controlled corporation <sup>(6)</sup>	150,000,000 (L)	7.44%
Weixin Company Limited	Beneficial owner <sup>(6)</sup>	150,000,000 (L)	7.44%
SKYLINE MIRACLE LIMITED	Beneficial owner <sup>(7)</sup>	146,666,667 (L)	7.28%
Gabriel Li	Interest in a controlled corporation <sup>(7)</sup>	146,666,667 (L)	7.28%
Lam Lai Ming	Interest in a controlled corporation <sup>(7)</sup>	146,666,667 (L)	7.28%
AREO HOLDINGS LIMITED	Interest in a controlled corporation <sup>(7)</sup>	146,666,667 (L)	7.28%
ORCHID ASIA V GROUP, LIMITED	Interest in a controlled corporation <sup>(7)</sup>	136,400,000 (L)	6.77%
ORCHID ASIA V GROUP MANAGEMENT, LIMITED	Interest in a controlled corporation <sup>(7)</sup>	136,400,000 (L)	6.77%
ORCHID ASIA VII GP, LIMITED	Interest in a controlled corporation <sup>(7)</sup>	136,400,000 (L)	6.77%
OAVII HOLDINGS, L.P.	Interest in a controlled corporation <sup>(7)</sup>	136,400,000 (L)	6.77%
ORCHID ASIA VII, L.P.	Interest in a controlled corporation <sup>(7)</sup>	136,400,000 (L)	6.77%

## Corporate Governance and Other Information

### Notes:

1. As at 29 February 2024, the total number of issued Shares was 2,015,248,667 shares.
2. The letter “L” denoted the person’s long position in the Shares.
3. Qiaoge Company Limited is wholly-owned by Ye Liya Limited, which is in turn wholly-owned by a trust, the trustee of which is Cantrust (Far East) Limited. The trust is a discretionary trust set up by Mr. Ye Nianqiao as founder who can influence how the trustee exercises his discretion. Qiaoge Company Limited is accustomed to act in accordance with the directions of Mr. Ye Nianqiao. By virtue of Part XV of the SFO, Mr. Ye Nianqiao is deemed to be interested in the shares held by Qiaoge Company Limited.
4. Shuye Company Limited is wholly-owned by Shu Feiya Limited, which is in turn wholly owned by a discretionary trust set up by Ms. Shu Liping as founder who can influence how the trustee exercises her discretion. Shuye Company Limited is accustomed to act in accordance with the directions of Ms. Shu Liping. By virtue of Part XV of the SFO, Ms. Shu Liping is deemed to be interested in the Shares held by Shuye Company Limited. Mr. Ye Nianqiao is the husband of Ms. Shu Liping. By virtue of Part XV of the SFO, Ms. Shu Liping is deemed to be interested in the Shares indirectly held by Mr. Ye Nianqiao through Qiaoge Company Limited.
5. Chenye Company Limited is wholly-owned by Ye Kasi Limited, which is in turn wholly-owned by a discretionary trust set up by Mr. Ye Xun as founder who can influence how the trustee exercises his discretion. Chenye Company Limited is accustomed to act in accordance with the directions of Mr. Ye Xun. By virtue of Part XV of the SFO, Mr. Ye Xun is deemed to be interested in the Shares held by Chenye Company Limited.
6. Weixin Company Limited is wholly-owned by Huanleye Limited, which is in turn wholly-owned by a discretionary trust set up by Mr. Ye Nianjiu as founder who can influence how the trustee exercises his discretion. Weixin Company Limited is accustomed to act in accordance with the directions of Mr. Ye Nianjiu. By virtue of Part XV of the SFO, Mr. Ye Nianjiu is deemed to be interested in the Shares held by Weixin Company Limited.
7. Skyline Miracle Limited, was beneficially owned by Orchid Asia VII, L.P. as to 93% and Orchid Asia VII Co-Investment, Limited as to 7%. Orchid Asia VII, L.P. was wholly controlled by OAVII Holdings, L.P. (in its capacity as general partner of Orchid Asia VII, L.P.), which was in turn wholly controlled by Orchid Asia VII GP, Limited (in its capacity as general partner of OAVII Holdings, L.P.), which was in turn wholly owned by Orchid Asia V Group Management, Limited, which was in turn wholly owned by Orchid Asia V Group, Limited, which was in turn wholly owned by Areo Holdings Limited. Areo Holdings Limited was wholly owned by Ms. Lam Lai Ming. Areo Holdings Limited was also controlled by Mr. Gabriel Li by virtue of his directorship therein. Accordingly, Ms. Lam Lai Ming and Mr. Gabriel Li were taken to be interested in the Conversion Shares in which Areo Holdings Limited was interested by virtue of Part XV of the SFO.

Save as disclosed above, as at 29 February 2024, the Directors are not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares 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.

### SHARE OPTION SCHEME

The Company has adopted the Share Option Scheme, under which the Company may issue options to purchase up to a total of 200,000,066 Shares to the Directors, senior management and employees. The Share Option Scheme was planned to be valid and effective for a period of ten years commencing on 10 January 2019.

From 10 January 2019 (date of the adoption of the Share Option Scheme) to 29 February 2024, no option under the Share Option Scheme has been granted, exercised, cancelled and lapsed. The numbers of options that available for grant under the Share Option Scheme as at 1 September 2023 and 29 February 2024 were 200,000,066, representing approximately 9.93% of the total number of issued Shares as of the date of this report. As of the date of this report, the Share Option Scheme has been terminated by the Company, and accordingly, no further options will be offered or granted under the Share Option Scheme.

### RESTRICTED SHARE AWARD SCHEME

The Company has adopted the Restricted Share Award Scheme on 22 June 2020 to (i) recognize and reward the selected participants for their past contributions to the Company and provide them with the opportunities to acquire the interests in the Company; (ii) provide incentives for the selected participants to continuously make substantial contributions for the long-term growth of the Company in the future; (iii) attract and retain talented participants who may be beneficial to the growth and development of the Company; (iv) further align the interests of the selected participants with the shareholders through ownership of shares by the selected participants, so as to bring more efficient and long lasting returns to the Company, the shareholders and the selected participants and to promote the realization of the strategic objectives of the Company; and (v) establish an operating performance-oriented long-term incentive mechanism for the Company. The Restricted Share Award Scheme became effective on 22 June 2020 (the “**Adoption Date**”) and was planned to be valid and effective for a period of five years from the Adoption Date. The total number of Restricted Shares available for issue under the Restricted Share Award Scheme was 40,015,973 shares, representing approximately 1.99% of the total number of issued Shares as of the date of this report.

During the six months ended 29 February 2024, no Restricted Shares has been granted under the Restricted Share Award Scheme. As at 1 September 2023 and 29 February 2024, 25,565,973 Restricted Shares remaining in the pool, representing approximately 1.27% of the total issued Share capital as at the date of this report. The maximum number of Restricted Shares which may be awarded to any Grantee shall not exceed 1 per cent (1%) of the number of issued Shares as at the Adoption Date. The remaining life of the Restricted Share Award Scheme was around one year and two months as at the date of this report. No Restricted Shares has been cancelled or lapsed during the Reporting Period. As of the date of this report, the Restricted Share Award Scheme has been terminated by the Company, and accordingly, no further Restricted Shares will be offered or granted under the Restricted Share Award Scheme.

For more details of the Restricted Share Award Scheme, please refer to the Company’s announcement dated 22 June 2020.

As no Shares may be issued in respect of options and awards granted under the Share Option Scheme and the Restricted Share Award Scheme during the Reporting Period, the number of Shares that may be issued in respect of options and awards granted under the Share Option Scheme and the Restricted Share Award Scheme during the Reporting Period divided by the weighted average number of Shares of the relevant class in issue for the Reporting Period is not applicable.



# Unaudited Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended 29 February 2024

	Notes	For the six months ended	
		29 February 2024 RMB'000 (Unaudited)	28 February 2023 RMB'000 (Unaudited)
<b>REVENUE</b>	4	<b>871,970</b>	789,750
Cost of sales		<b>(342,117)</b>	(300,962)
Gross profit		<b>529,853</b>	488,788
Other income and gains	4	<b>87,157</b>	78,861
Selling and distribution expenses		<b>(4,412)</b>	(2,933)
Administrative expenses		<b>(88,756)</b>	(82,253)
Other expenses		<b>(14,813)</b>	(4,027)
Finance costs		<b>(28,242)</b>	(45,011)
<b>PROFIT BEFORE TAX</b>	5	<b>480,787</b>	433,425
Income tax expense	6	<b>(28,299)</b>	(9,209)
<b>PROFIT FOR THE PERIOD</b>		<b>452,488</b>	424,216
Attributable to:			
Owners of the parent		<b>452,488</b>	424,216
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	8		
Basic			
– For profit for the period		<b>RMB0.2249</b>	RMB0.2111
Diluted			
– For profit for the period		<b>RMB0.2249</b>	RMB0.2107

# Unaudited Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 29 February 2024

	<b>For the six months ended</b>	
	<b>29 February 2024</b>	28 February 2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
<b>PROFIT FOR THE PERIOD</b>	<b>452,488</b>	424,216
<b>OTHER COMPREHENSIVE INCOME</b>		
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Equity investment designated at fair value through other comprehensive income:		
Changes in fair value	<b>25,092</b>	8,025
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<b>25,092</b>	8,025
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>25,092</b>	8,025
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>477,580</b>	432,241
Attributable to:		
Owners of the parent	<b>477,580</b>	432,241

# Unaudited Interim Condensed Consolidated Statement of Financial Position

29 February 2024

	Notes	29 February 2024 RMB'000 (Unaudited)	31 August 2023 RMB'000 (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	3,451,824	3,374,002
Right-of-use assets		735,656	746,014
Goodwill		692,268	692,268
Other intangible assets		369,259	372,727
An equity investment designated at fair value through other comprehensive income		32,509	12,805
Prepayments, other receivables and other assets		722,096	709,383
Contract costs		5,721	10,070
Time deposits		10,000	–
Pledged deposits		–	234,567
<b>Total non-current assets</b>		<b>6,019,333</b>	6,151,836
<b>CURRENT ASSETS</b>			
Contract costs		3,693	4,372
Trade receivables	10	44,490	46,512
Prepayments, other receivables and other assets		165,803	144,085
Financial assets at fair value through profit or loss		10,698	170,393
Pledged deposits		110,000	–
Cash and cash equivalents		868,111	899,380
<b>Total current assets</b>		<b>1,202,795</b>	1,264,742
<b>CURRENT LIABILITIES</b>			
Contract liabilities	4	764,787	654,946
Other payables and accruals		464,167	533,927
Interest-bearing bank and other borrowings		434,605	756,925
Lease liabilities		232	218
Tax payable		27,269	19,586
Deferred income		1,387	1,136
<b>Total current liabilities</b>		<b>1,692,447</b>	1,966,738

# Unaudited Interim Condensed Consolidated Statement of Financial Position (continued)

29 February 2024

	Note	29 February 2024 RMB'000 (Unaudited)	31 August 2023 RMB'000 (Audited)
<b>NET CURRENT LIABILITIES</b>		<b>(489,652)</b>	(701,996)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>5,529,681</b>	5,449,840
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank and other borrowings		<b>589,627</b>	993,473
Lease liabilities		<b>8,422</b>	8,339
Deferred tax liabilities		<b>51,364</b>	44,313
Deferred income		<b>10,606</b>	11,633
Total non-current liabilities		<b>660,019</b>	1,057,758
Net assets		<b>4,869,662</b>	4,392,082
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	11	<b>137</b>	137
Treasury shares	11	<b>(1,595)</b>	(1,595)
Reserves		<b>4,871,120</b>	4,393,540
Total equity		<b>4,869,662</b>	4,392,082

# Unaudited Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 29 February 2024

	Attributable to owners of the parent								
	Share capital	Treasury shares	Shares held for the restricted share award	Capital reserve - share premium	Capital reserve - others	Statutory and other reserves	Fair value reserve	Retained profits	Total
			share scheme	share	reserve - others	surplus reserves	reserve	profits	RMB'000
			RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Note 11	Note 11	Note 12							
At 1 September 2023 (audited)	137	(1,595)	(14,814)	259,870	10,388	848,004	(25,650)	3,315,742	4,392,082
Profit for the period	-	-	-	-	-	-	-	452,488	452,488
Other comprehensive income for the period:									
Change in fair value of an equity investment at fair value through other comprehensive income	-	-	-	-	-	-	26,996	(1,904)	25,092
Total comprehensive income for the period	-	-	-	-	-	-	26,996	450,584	477,580
Transfer from retained profits	-	-	-	-	-	48,726	-	(48,726)	-
At 29 February 2024 (unaudited)	137	(1,595)	(14,814)*	259,870*	10,388*	896,730*	1,346*	3,717,600*	4,869,662

\* These reserve accounts comprise the consolidated reserves of RMB4,871,120,000 in the unaudited interim condensed consolidated statement of financial position as at 29 February 2024.

# Unaudited Interim Condensed Consolidated Statement of Changes in Equity (continued)

For the six months ended 29 February 2024

	Attributable to owners of the parent									
	Share capital	Treasury shares	Shares held for the restricted share award scheme	Capital reserve – share premium	Capital reserve – others	Statutory and other reserves	Restricted share award reserve	Fair value reserve	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Note 11	Note 11	Note 12				Note 12			
At 1 September 2022 (audited)	137	-	(35,067)	370,953	11,541	757,475	15,867	(32,315)	2,662,976	3,751,567
Profit for the period	-	-	-	-	-	-	-	-	424,216	424,216
Other comprehensive income for the period:										
Change in fair value of an equity investment at fair value through other comprehensive income	-	-	-	-	-	-	-	8,025	-	8,025
Total comprehensive income for the period	-	-	-	-	-	-	-	8,025	424,216	432,241
Final 2022 dividend declared	-	-	-	(111,083)	-	-	-	-	-	(111,083)
Equity-settled restricted share award scheme	-	-	-	-	-	-	3,850	-	-	3,850
Shares repurchased	-	(1,652)	-	-	-	-	-	-	-	(1,652)
Transfer from retained profits	-	-	-	-	-	41,819	-	-	(41,819)	-
At 28 February 2023 (unaudited)	137	(1,652)	(35,067)	259,870	11,541	799,294	19,717	(24,290)	3,045,373	4,074,923



# Unaudited Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 29 February 2024

	Notes	For the six months ended	
		29 February 2024 RMB'000 (Unaudited)	28 February 2023 RMB'000 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>480,787</b>	433,425
Adjustments for:			
Finance costs		<b>28,242</b>	45,011
Exchange loss/(gain), net	5	<b>916</b>	(2,772)
Bank interest income	4	<b>(7,932)</b>	(5,456)
Fair value loss, net:			
Financial assets at fair value through profit or loss	5	<b>1,559</b>	538
Government grants released	4	<b>(1,506)</b>	(425)
Loss/(gain) on disposal of items of property, plant and equipment	5	<b>5,912</b>	(59)
Depreciation of property, plant and equipment	5	<b>92,619</b>	82,404
Depreciation of right-of-use assets	5	<b>9,556</b>	9,483
Amortisation of other intangible assets	5	<b>4,311</b>	10,870
Provision for expected credit losses of trade receivables	5	<b>4,712</b>	1,548
Equity-settled restricted share award expenses		<b>-</b>	3,850
		<b>619,176</b>	578,417
Increase in trade receivables		<b>(2,690)</b>	(22,631)
(Increase)/decrease in prepayments, other receivables and other assets		<b>(23,748)</b>	34,906
Decrease in contract costs		<b>5,028</b>	-
Decrease in other payables and accruals		<b>(12,555)</b>	(5,163)
Increase/(decrease) in contract liabilities		<b>109,841</b>	(53,565)
Receipt of government grants		<b>730</b>	-
Cash generated from operations		<b>695,782</b>	531,964
Bank interest received		<b>8,752</b>	6,662
Chinese Mainland corporate income tax paid		<b>(13,565)</b>	(2,899)
Net cash flows from operating activities		<b>690,969</b>	535,727

# Unaudited Interim Condensed Consolidated Statement of Cash Flows (continued)

For the six months ended 29 February 2024

	<b>For the six months ended</b>	
	<b>29 February 2024 RMB'000 (Unaudited)</b>	<b>28 February 2023 RMB'000 (Unaudited)</b>
Net cash flows from operating activities	<b>690,969</b>	535,727
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Advance for acquisition of a subsidiary	<b>(20,000)</b>	–
Acquisition of subsidiaries	–	(50,517)
Loans to an entrusted school	–	(23,750)
Loans to the employees	<b>(617)</b>	(6,494)
Repayments of loans to employees	<b>993</b>	–
Purchases of items of property, plant and equipment	<b>(222,653)</b>	(147,824)
Proceeds from disposal of items of property, plant and equipment	<b>577</b>	7,007
Additions to other intangible assets	<b>(843)</b>	–
Receipt of government grants	–	700
Purchases of financial assets at fair value through profit or loss	–	(155,132)
Proceeds from disposal of financial assets at fair value through profit or loss	<b>158,136</b>	–
Proceeds from disposal of an equity investment designated at fair value through other comprehensive income	<b>5,392</b>	–
Decrease/(increase) in pledged deposits and time deposits	<b>114,567</b>	(87,298)
Net cash flows from/(used in) investing activities	<b>35,552</b>	(463,308)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
New bank and other borrowings	<b>178,016</b>	395,761
Repayments of bank and other borrowings	<b>(903,166)</b>	(414,392)
Interest paid	<b>(30,596)</b>	(46,089)
Payments for repurchase of shares	–	(1,652)
Principal portion of lease payments	<b>(112)</b>	197
Dividends paid	–	(88,981)
Net cash flows used in financing activities	<b>(755,858)</b>	(155,156)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(29,337)</b>	(82,737)
Cash and cash equivalents at beginning of period	<b>899,380</b>	1,200,423
Effect of foreign exchange rate changes, net	<b>(1,932)</b>	2,772
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>868,111</b>	1,120,458
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents as stated in the unaudited interim condensed consolidated statement of financial position and in the unaudited interim condensed consolidated statement of cash flows	<b>868,111</b>	1,120,458

# Notes to Unaudited Interim Condensed Consolidated Financial Statements

29 February 2024

## 1. CORPORATE AND GROUP INFORMATION

China Kepei Education Group Limited was incorporated in the Cayman Islands on 24 August 2017 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of the registered office of the Company is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The Company was listed on the Main Board of the Stock Exchange of Hong Kong Limited on 25 January 2019.

The principal activity of the Company is investment holding. During the period, the Group was principally engaged in providing private higher education services in the PRC.

## 2.1 BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements for the six months ended 29 February 2024 have been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 August 2023.

The Group has prepared the unaudited interim condensed consolidated financial statements on the basis of going concern. The Group recorded net current liabilities of RMB489,652,000 as at 29 February 2024. Included therein were the contract liabilities of RMB764,787,000 as at 29 February 2024, which will be settled by education services to be provided by the Group. In view of the net current liabilities position, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of finance when assessing whether the Group will have sufficient financial resources to continue as a going concern and meet its liabilities as and when they fall due in the foreseeable future.

The Directors have prepared a cashflow forecast for the Group which covers a period of twelve months from the end of the Reporting Period. Taking into account the positive cashflows from operation, adequate loan facilities from reputable financial institutions as at 29 February 2024 and the ability of management in adjusting the pace of its operation expansion, the Directors consider that the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due. Therefore, there are no material uncertainties that may cast significant doubt over going concern assumption and the Directors have formed a judgement that there is a reasonable expectation that the Group has adequate resources to operate for the foreseeable future.

The unaudited interim condensed consolidated financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.



## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 August 2023, except for the adoption of the following new and revised HKFRSs for the first time for the current period's financial statements.

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

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

- (a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 Making Materiality Judgements provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group's financial statements.
- (b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.
- (c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments had no significant impact on the Group's financial statements.

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- (d) Amendments to HKAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after 1 January 2023, but are not required to disclose such information for any interim periods ended on or before 31 December 2023. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

## 3. OPERATING SEGMENT INFORMATION

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

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

### Geographical information

During the period, the Group operated within one geographical segment because all of its revenue was generated in the PRC and the majority of its long-term assets/capital expenditures were located/incurred in the PRC. Accordingly, no further geographical segment information is presented.

### Information about major customers

No revenue from services provided to a single customer accounted for 10% or more of the total revenue of the Group during the period (six months ended 28 February 2023: Nil).

# Notes to Unaudited Interim Condensed Consolidated Financial Statements

29 February 2024

## 4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue, other income and gains is as follows:

	Notes	For the six months ended	
		29 February 2024 RMB'000 (Unaudited)	28 February 2023 RMB'000 (Unaudited)
<b>Revenue</b>			
<i>Revenue from contracts with customers</i>			
Tuition fees	(a)	<b>817,895</b>	732,375
Boarding fees	(a)	<b>49,453</b>	53,604
Other education service fees	(b)	<b>4,622</b>	3,771
<b>Total revenue</b>		<b>871,970</b>	789,750
<b>Other income and gains</b>			
Management service income	(c)	<b>51,315</b>	47,442
Bank interest income		<b>7,932</b>	5,456
Consulting service income		<b>6,975</b>	7,172
Rental income		<b>14,838</b>	15,291
Government grants			
Related to assets		<b>790</b>	425
Related to income		<b>716</b>	244
Driving training income		<b>1,418</b>	–
Exchange gain, net		–	2,772
Gain on disposal of items of property, plant and equipment		–	59
Others		<b>3,173</b>	–
<b>Total other income and gains</b>		<b>87,157</b>	78,861



# Notes to Unaudited Interim Condensed Consolidated Financial Statements

29 February 2024

## 4. REVENUE, OTHER INCOME AND GAINS (continued)

Notes:

- (a) Tuition fees and boarding fees mainly represented income received from the provision of education and boarding services to the students, which was recognised over time, i.e. the academic year, of the services rendered.
- (b) Other education service fees mainly represented income received from the provision of other education services including training service to the students, which was amortised over time, i.e. the training periods of the services rendered.
- (c) Pursuant to the share management agreement dated 15 July 2021 in relation to the acquisition of Anhui School, the entire management of Anhui School was entrusted to a subsidiary of the Company with effect from the effective date of the entrustment until the completion of acquisition. In consideration for the management services provided by the subsidiaries of the Company, the Group shall be entitled to management service income during the term of the share management agreement.

### Contract liabilities

The Group receives tuition and boarding fees from students in advance prior to the beginning of each academic year. The performance obligation is satisfied proportionately over the relevant period of the applicable program. The students are entitled to refund of the payment in relation to the proportionate service not yet provided.

Significant changes in the contract liability balances during the period/year are as follows:

	<b>Six months ended 29 February 2024 RMB'000 (Unaudited)</b>	Year ended 31 August 2023 RMB'000 (Audited)
At the beginning of the period/year	<b>654,946</b>	737,437
Revenue recognised that was included in the balance of contract liabilities at the beginning of the period/year	<b>(356,987)</b>	(737,284)
Increases due to cash received, excluding amounts recognised as revenue during the period/year	<b>467,907</b>	655,040
Transfer to refund liabilities during the period/year	<b>(1,079)</b>	(247)
At the end of the period/year	<b>764,787</b>	654,946

## 4. REVENUE, OTHER INCOME AND GAINS (continued)

### Contract liabilities (Continued)

#### Revenue recognised in relation to contract liabilities

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

	For the six months ended	
	29 February 2024 RMB'000 (Unaudited)	28 February 2023 RMB'000 (Unaudited)
Revenue recognised that was included in the balance of contract liabilities at the beginning of the period		
Tuition fees	327,925	346,550
Boarding fees	29,062	28,375
<b>Total</b>	<b>356,987</b>	374,925

#### Unsatisfied performance obligations

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 29 February 2024 are as follows:

	29 February 2024 RMB'000 (Unaudited)	31 August 2023 RMB'000 (Audited)
Expected to be recognised within one year		
Tuition fees	726,367	600,184
Boarding fees	38,420	54,762
<b>Total</b>	<b>764,787</b>	654,946

The amounts of transaction prices associated with unsatisfied or partially unsatisfied performance obligations do not include variable consideration which is constrained.

There were no contract assets at the end of the reporting period recognised in the unaudited interim condensed consolidated statement of financial position.

# Notes to Unaudited Interim Condensed Consolidated Financial Statements

29 February 2024

## 5. PROFIT BEFORE TAX

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

	Note	For the six months ended	
		29 February 2024 RMB'000 (Unaudited)	28 February 2023 RMB'000 (Unaudited)
Employee benefit expense (excluding directors' and chief executive's remuneration):			
Wages and salaries		<b>187,408</b>	151,620
Pension scheme contributions****		<b>13,672</b>	17,364
Equity-settled restricted share award expenses		<b>–</b>	2,438
<b>Total</b>		<b>201,080</b>	171,422
Depreciation of property, plant and equipment		<b>92,619</b>	82,404
Depreciation of right-of-use assets		<b>9,556</b>	9,483
Amortisation of other intangible assets		<b>4,311</b>	10,870
Provision for expected credit losses on trade receivables*		<b>4,712</b>	1,548
Loss/(gain) on disposal of items of property, plant and equipment		<b>5,912</b>	(59)
Auditor's remuneration		<b>2,000</b>	2,000
Exchange loss/(gain), net**		<b>916</b>	(2,772)
Fair value loss, net:			
Financial assets at fair value through profit or loss***		<b>1,559</b>	538
Bank interest income	4	<b>(7,932)</b>	(5,456)

\* The provision for expected credit losses on trade receivables is included in administrative expenses in the unaudited interim condensed consolidated statement of profit or loss.

\*\* The exchange loss is included in other expenses in the unaudited interim condensed consolidated statement of profit or loss and the exchange gain is included in other income and gains in the unaudited interim condensed consolidated statement of profit or loss.

\*\*\* The fair value loss is included in other expenses in the unaudited interim condensed consolidated statement of profit or loss.

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



## 6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

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

Huanan Education Group Limited, the Company's directly held subsidiary, was incorporated in the BVI as an exempted company with limited liability under the BVI Companies ACT and accordingly is not subject to income tax from business carried out in the BVI.

China Kepei Education (Hong Kong) Limited, a subsidiary incorporated in Hong Kong, is subject to income tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong. No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the period.

Pursuant to the 2016 Decision, private schools are no longer being classified as either schools for which the school sponsor(s) require reasonable returns or schools for which the school sponsor(s) do not require reasonable returns. Instead, the school sponsor(s) of a private school may choose for the school to be a for-profit private school or a non-profit private school, with the exception that schools providing nine-year compulsory education must be non-profit.

On 14 May 2021, the State Council released the 2021 Implementation Rules. The 2021 Implementation Rules are the detailed implementation rules of the Private Schools Promotion Law of the PRC. Pursuant to the 2016 Decision and the 2021 Implementation Rules, a private school may enjoy the preferential tax policies, which are not defined under both the 2016 Decision and the 2021 Implementation Rules, as stipulated by the related government authorities and a non-profit school may enjoy the same tax policies as enjoyed by a public school.

The local governments of Guangdong, Heilongjiang and Anhui province, where the PRC Schools are registered, have promulgated the Local Implementation Opinions.

According to the Implementing Opinions of the Guangdong Provincial Government on Encouraging Private Entities and Individuals to Operate Schools and Promote the Healthy Development of Private Education 《廣東省人民政府關於鼓勵社會力量興辦教育促進民辦教育健康發展的實施意見》, which was promulgated by the People's Government of Guangdong Province on 4 May 2018 and the 2016 Decision, school sponsors of private schools which were established and registered in Guangdong prior to 7 November 2016 may choose for the schools to be for-profit private schools or non-profit private schools at their own discretion, except for the schools providing compulsory education, which must be non-profit. However, the Implementing Measures of Classification Registration for Private Schools 《關於民辦學校分類登記的實施辦法》, which was promulgated by five departments of the Guangdong province government and came into effect on 30 December 2018, do not specify a deadline for the existing private schools to elect to be registered as non-profit or for-profit private schools.

# Notes to Unaudited Interim Condensed Consolidated Financial Statements

29 February 2024

## 6. INCOME TAX (continued)

According to the Local Implementation Opinions of Heilongjiang and Anhui provinces, the Group's schools are required to commence classification registration of the school as a for-profit private school or a non-profit private school by 1 September 2022 and 1 September 2023, respectively.

The Group has been conducting an internal restructuring to convert an existing school of the Group into a for-profit school to comply with the 2016 Decision and related implementing rules. The Conversion is still in progress in a smooth and orderly manner in accordance with the regulations of the relevant government authorities. As at 29 February 2024, as the applicable rules and regulations regarding the Conversion have not yet been published by the relevant local authorities, the applicable potential tax liability could not be reasonably estimated. However, based on the currently available information and the Directors' best knowledge, the Directors believe that the amount or range of reasonably potential tax liabilities, which the Group may be exposed to, will not have a material adverse effect on the Group's business, financial position, results of operations or cash flows. The Directors will make continuous review and assessment based on the progress and development of the Conversion, and will disclose the potential tax implications associated with the Conversion in the 2024 annual financial statements.

As at 29 February 2024, Anhui Province has not yet promulgated the relevant implementation rules on the for-profit registration of private schools, therefore Huaibei School has not yet commenced the classification registration process as a for-profit private school or non-profit private school and remains as a private non-enterprise unit.

As at 29 February 2024, the PRC Schools of the Group have not yet registered or completed the classification registration as for-profit private schools or non-profit private schools and remain as private non-enterprise units. The PRC Schools have applied the corporate income tax exemption treatment since their establishment in accordance with the historical tax returns filed with the relevant tax authorities. As a result, no income tax expense was recognised for the PRC Schools during the current period.

Considering that the relevant tax policies regarding schools for which the school sponsor(s) require reasonable returns or schools for which the school sponsor(s) do not require reasonable returns remain unchanged and no further new and specific tax implementation regulations are announced, if the school nature has not yet been changed, in accordance with the tax compliance confirmations obtained from the local tax authorities for the current period, the PRC Schools did not pay corporate income tax for the income from academic educational services and have enjoyed the preferential tax treatments during the period. Following the completion of the registration of the PRC Schools as for-profit private schools, the PRC Schools may be subject to corporate income tax ("CIT") at a rate of 25% in respect of service fees which they receive from the provision of academic educational services going forward, if they do not enjoy any preferential tax treatment. As such, a significant impact on the Group's profit and loss may arise.

## 6. INCOME TAX (continued)

According to the Announcement of the State Development and Reform Commission of the General Administration of Taxation of the Ministry of Finance on the Continuation of the Enterprise Income Tax Policy for the Development of the Western Region 《財政部稅務總局國家發展改革委關於延續西部大開發企業所得稅政策的公告》, Tibet Kepei is entitled to a preferential CIT rate of 15% (2023: 15%). In accordance with the detailed rules of the Notice on the Implementation Measures of the Enterprise Income Tax Policy of Tibet Autonomous Region (Provisional) 《西藏自治區企業所得稅政策實施辦法(暫行)》 promulgated by the People's Government of Tibet Autonomous Region, Tibet Kepei is entitled to the preferential tax rate of 15% while exempting from the local share of corporate income tax according to the Notice.

Pursuant to the PRC CIT Law, Notice Regarding the Implementation on Tax Reduction/Exemption Policies for Small and Micro-sized Enterprises and the respective regulations, certain eligible subsidiaries is entitled to a preferential tax rate of 20% on 25% of their respective taxable income.

The Group's other non-school subsidiaries which operate in Chinese Mainland are subject to CIT at a rate of 25% on their respective taxable income.

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

	<b>For the six months ended</b>	
	<b>29 February 2024 RMB'000 (Unaudited)</b>	28 February 2023 RMB'000 (Unaudited)
Current – Chinese Mainland		
Charge for the period	<b>21,248</b>	9,787
Deferred	<b>7,051</b>	(578)
<b>Total tax charge for the period</b>	<b>28,299</b>	9,209



# Notes to Unaudited Interim Condensed Consolidated Financial Statements

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## 7. DIVIDENDS

	For the six months ended	
	29 February 2024	28 February 2023
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Final dividend declared – Nil per ordinary share (six months ended 28 February 2023: HKD0.06)	–	111,083
Interim dividend proposed subsequent to the reporting period – HKD0.07 per ordinary share (six months ended 28 February 2023: Nil)	<b>127,942</b>	–

Subsequent to the end of the current interim period, the Directors have determined to pay an interim dividend of HKD0.07 (six months ended 28 February 2023: Nil) per ordinary share, amounting to RMB127,942,000 (six months ended 28 February 2023: Nil), to the shareholders of the Company.

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

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the adjusted weighted average number of ordinary shares of 2,011,648,667 (six months ended 28 February 2023: 2,009,997,645) in issue during the period, which reflects the ordinary shares held for the restricted share award scheme of the Company and the treasury shares held by the Group during the period.

The calculation of the diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed conversion of all dilutive potential ordinary shares into ordinary shares.



## 8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (continued)

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

	For the six months ended	
	29 February 2024 RMB'000 (Unaudited)	28 February 2023 RMB'000 (Unaudited)
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	<b>452,488</b>	424,216
	Number of shares	
	29 February 2024	28 February 2023
<b>Shares</b>		
Number of ordinary shares in issue at the beginning of the period	<b>2,015,248,667</b>	2,015,248,667
Weighted average number of ordinary shares held for the Restricted Share Award Scheme	<b>(2,600,000)</b>	(4,335,000)
Weighted average number of repurchased shares	<b>(1,000,000)</b>	(916,022)
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	<b>2,011,648,667</b>	2,009,997,645
Effect of dilution – weighted average number of ordinary shares: Restricted Shares under the Restricted Share Award Scheme (note 12)	–	3,632,512
Weighted average number of ordinary shares in issue during the period used in the diluted earnings per share calculations	<b>2,011,648,667</b>	2,013,630,157

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## 9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 29 February 2024, the Group acquired assets at a cost of RMB176,930,000 (six months ended 28 February 2023: RMB229,701,000, excluding property, plant and equipment of RMB1,786,000 acquired through business combinations during the period).

Assets with a net book value of RMB6,489,000 were disposed of by the Group during the six months ended 29 February 2024 (six months ended 28 February 2023: RMB6,948,000), resulting in a net disposal loss of RMB5,912,000 (six months ended 28 February 2023: net disposal gain of RMB59,000).

## 10. TRADE RECEIVABLES

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

	<b>29 February 2024 RMB'000 (Unaudited)</b>	31 August 2023 RMB'000 (Audited)
Within 1 year	<b>20,882</b>	22,630
1 to 2 years	<b>12,131</b>	15,181
2 to 3 years	<b>7,096</b>	6,792
Over 3 years	<b>4,381</b>	1,909
Total	<b>44,490</b>	46,512

## 11. SHARE CAPITAL

	<b>29 February 2024 RMB'000 (Unaudited)</b>	31 August 2023 RMB'000 (Audited)
<b>Issued and fully paid:</b>		
2,015,248,667 (31 August 2023: 2,015,248,667) ordinary shares	<b>137</b>	137

A subsidiary purchased 1,000,000 of the Company's shares on the Hong Kong Stock Exchange at a total consideration of HKD1,854,000 (equivalent to RMB1,595,000) in September 2022. The purchased shares were not yet cancelled and recorded as treasury shares as at 29 February 2024.



## 12. RESTRICTED SHARE AWARD SCHEME

The Company operates the Restricted Share Award Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Restricted Share Award Scheme include the Company's directors, including independent non-executive directors, and other employees of the Group. The Restricted Share Award Scheme was adopted by the Board upon recommendation from the remuneration committee of the Board on 22 June 2020 and shall be valid and effective for a period of 5 years commencing on the Adoption Date.

Pursuant to the Restricted Share Award Scheme, the Restricted Shares will be satisfied by (i) existing shares to be acquired by the Trustee on or off the market; and/or (ii) new shares to be allotted and issued by the Company to the Trustee. The total number of the Restricted Shares underlying all grants to be made pursuant to the Restricted Share Award Scheme shall not exceed 2% of the number of issued shares as at the Adoption Date; and the maximum number of the Restricted Shares which may be awarded to any one selected participant shall not exceed 1% of the number of issued shares as at the Adoption Date.

Upon the adoption of the Restricted Share Award Scheme, the Company appointed an independent third party trustee for the administration of the Restricted Share Award Scheme pursuant to the Scheme Rules.

The Board may, at its sole discretion, determine which eligible participant(s) shall be entitled to receive grants of the Restricted Shares under the Restricted Share Award Scheme, together with the number of shares to which each selected eligible participant shall be entitled, and make the relevant grant of the Restricted Shares to the selected eligible participants under the Restricted Share Award Scheme, subject to such conditions as the Board may deem appropriate at its discretion.

The Company shall (i) issue and allot shares to the Trustee under the general or specific mandates granted or to be granted by the shareholders at the general meetings from time to time; and/or (ii) transfer to the Trustee the necessary funds and instruct the Trustee to acquire shares through on-market or off-market transactions at the prevailing market price or at price within a specified price range, so as to satisfy the award. The Restricted Shares will be held in trust for the selected eligible participants until the end of each vesting period. When the selected eligible participant has satisfied all vesting conditions specified by the Board at the time of making the award and become entitled to the Restricted Shares, the Trustee shall transfer the relevant Restricted Shares to that selected eligible participant.

On 22 June 2020, the Board has approved, subject to acceptance of the selected eligible participants and other conditions, the grant of an aggregate of 14,450,000 Restricted Shares to the grantees, of which (i) 3,300,000 Restricted Shares are granted to 7 employees of the Company; and (ii) 11,150,000 Restricted Shares are proposed to be granted to 6 Directors and 8 current and former directors of the subsidiaries.

On 14 August 2020, the proposal of granting the Restricted Shares to 6 Directors and 8 current and former directors of the subsidiaries has been approved in the extraordinary general meeting of the Company.

# Notes to Unaudited Interim Condensed Consolidated Financial Statements

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## 12. RESTRICTED SHARE AWARD SCHEME (continued)

On 26 August 2020, 14,450,000 shares were issued by the Company to the Trustee, representing approximately 0.72% of the number of issued shares as at that date and approximately 0.72% of the enlarged issued shares after the said issue.

Neither the selected eligible participants nor the Trustee may exercise any of the voting rights in respect of any Restricted Shares that have not yet been vested.

The fair value of the Restricted Shares granted was RMB77,640,000 (RMB5.37 each). During the six months ended 29 February 2024, no share award expense (six months ended 28 February 2023: RMB3,850,000) was recognised in the unaudited interim condensed consolidated statement of profit or loss.

At the date of the unaudited interim condensed consolidated financial statements, the Company had no Restricted Shares outstanding under the Restricted Share Award Scheme.

## 13. CONTINGENT LIABILITIES

As at 29 February 2024, the Group did not have any significant contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened (31 August 2023: Nil).

## 14. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	<b>29 February 2024 RMB'000 (Unaudited)</b>	31 August 2023 RMB'000 (Audited)
Contracted, but not provided for:		
Buildings	<b>145,833</b>	132,529
Acquisition of a subsidiary	<b>210,000</b>	230,000
Total	<b>355,833</b>	362,529

At the end of the reporting period, the Group did not have significant capital commitments that are authorised but not contracted for.

## 15. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group:

	For the six months ended	
	29 February 2024 RMB'000 (Unaudited)	28 February 2023 RMB'000 (Unaudited)
Salaries, allowances and benefits in kind	7,906	5,675
Pension scheme contributions	85	242
Equity-settled restricted share award expense	–	2,478
<b>Total</b>	<b>7,991</b>	<b>8,395</b>

## 16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

As at 29 February 2024, the fair values of the Group's financial assets and liabilities approximated to their respective carrying amounts.

Management has assessed that the fair values of trade receivables, cash and cash equivalents, pledged deposits, the current portion of financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals and the current portion of interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting period, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.



# Notes to Unaudited Interim Condensed Consolidated Financial Statements

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## 16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of a listed equity investment and a fund are based on quoted market prices.

The fair values of the non-current portion of financial assets included in prepayments, other receivables and other assets, non-current portion of interest-bearing bank and other borrowings and time deposits have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for the non-current portion of interest-bearing bank and other borrowings as at 29 February 2024 was assessed to be insignificant. The fair values of the non-current portion of financial assets included in prepayments, other receivables and other assets, non-current portion of interest-bearing bank and other borrowings and time deposits approximate to their carrying amounts as at 29 February 2024.

### Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

#### Assets measured at fair value:

As at 29 February 2024

	Fair value measurement using			Total RMB'000 (Unaudited)
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	
An equity investment designated at fair value through other comprehensive income	32,509	-	-	32,509
Financial assets at fair value through profit or loss	10,698	-	-	10,698
Total	43,207	-	-	43,207

## 16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

### Fair value hierarchy (continued)

#### Assets measured at fair value: (continued)

As at 31 August 2023

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	
An equity investment designated at fair value through other comprehensive income	12,805	–	–	12,805
Financial assets at fair value through profit or loss	12,257	158,136	–	170,393
<b>Total</b>	<b>25,062</b>	<b>158,136</b>	<b>–</b>	<b>183,198</b>

#### Assets for which fair values are disclosed:

As at 29 February 2024

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	
Non-current portion of financial assets included in prepayments, other receivables and other assets	–	322,872	–	322,872
Time deposits	–	10,000	–	10,000
<b>Total</b>	<b>–</b>	<b>332,872</b>	<b>–</b>	<b>332,872</b>

# Notes to Unaudited Interim Condensed Consolidated Financial Statements

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## 16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

### Fair value hierarchy (continued)

#### Assets for which fair values are disclosed: (continued)

As at 31 August 2023

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	
Non-current portion of financial assets included in prepayments, other receivables and other assets	–	322,038	–	322,038
Non-current portion of pledged deposits	–	234,567	–	234,567
<b>Total</b>	<b>–</b>	<b>556,605</b>	<b>–</b>	<b>556,605</b>

#### Liabilities for which fair values are disclosed:

As at 29 February 2024

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	
Non-current portion of interest-bearing bank and other borrowings	–	589,627	–	589,627

## 16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

### Fair value hierarchy (continued)

#### Liabilities for which fair values are disclosed: (continued)

As at 31 August 2023

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	
Non-current portion of interest-bearing bank and other borrowings	-	993,473	-	993,473

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 28 February 2023: Nil).

# Definition

2016 Decision	the decision of the Standing Committee of the National People's Congress on Amending the Private Schools Promotion Law of the PRC (全國人民代表大會常務委員會關於修改《中華人民共和國民辦教育促進法》的決定), effective on 1 September 2017
2021 Implementation Rules	the Implementation Rules for the Private Schools Promotion Law of the PRC 《中華人民共和國民辦教育促進法實施條例》, effective on 1 September 2021
Anhui School	Maanshan College (馬鞍山學院), a degree-granting undergraduate-level education institution established in Maanshan, Anhui Province in 2003, which is operating under the entrustment agreement with the Group and was not a consolidated subsidiary of the Group as of 29 February 2024
Audit Committee	the audit committee of the Board
Board	the board of directors of the Company
BVI	the British Virgin Islands
CEO	the chief executive officer of the Company
CG Code	the Corporate Governance Code contained in Appendix C1 to the Listing Rules
Chairman	the chairman of the Board of the Company
Company	China Kepei Education Group Limited (中國科培教育集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 24 August 2017
Conversion	an internal restructuring to convert an existing school of the Group into a for-profit school
Directors	the directors of the Company
Group, our Group, we, or us	our Company, our subsidiaries and our consolidated affiliated entities from time to time, or, where the context so requires in respect of the period before our Company became the holding company of our present subsidiaries, the entities which carried on the business of the present Group at the relevant time
Guangdong School	Guangdong Polytechnic College (廣東理工學院), a degree-granting undergraduate-level education institution established in Zhaoqing, Guangdong Province on 8 December 2005 and is a consolidated affiliated entity of the Group

Heilongjiang School	Harbin Institute of Petroleum (哈爾濱石油學院), a degree-granting undergraduate-level education institution established in Harbin, Heilongjiang Province in September 2003 and is a consolidated affiliated entity of the Group
HKD	Hong Kong dollar, the lawful currency for the time being of Hong Kong
HKFRS	Hong Kong Financial Reporting Standards
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Huaibei School	Huaibei Polytechnic College (淮北理工學院), a degree-granting undergraduate-level education institution established in Huaibei, Anhui Province in 2003 and is a consolidated affiliated entity of the Group
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
Local Implementation Opinions	the Implementation Opinions on Encouraging Private Entities and Individuals to Operate Schools and Promote Healthy Development of Private Education
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuer as set out in Appendix C3 to the Listing Rules
Mr. Ye	Mr. Ye Nianqiao (葉念喬), our founder, one of our controlling shareholders of the Company, chairman of the Board and an executive Director
PRC	People's Republic of China
PRC Schools	collectively, Guangdong Polytechnic College (廣東理工學院), Zhaoqing Science and Technology Secondary Vocational School (肇慶市科技中等職業學校), Harbin Institute of Petroleum (哈爾濱石油學院) and Huaibei Polytechnic College (淮北理工學院)
Reporting Period	the six months ended 29 February 2024
Restricted Shares	any Share(s) that may be offered by the Company to any selected participant to the Restricted Award Scheme
Restricted Share Award Scheme	the restricted share award scheme adopted by the Company on 22 June 2020, which has been terminated as of the date of this report





## Definition

RMB	Renminbi, the lawful currency for the time being of the PRC
SFO	the Securities and Futures Ordinance (Cap 571), as amended and supplemented from time to time
Share(s)	ordinary share(s) of USD0.00001 each in the share capital
Shareholder(s)	holder(s) of the Share(s)
Share Option Scheme	the share option scheme adopted by the Company on 10 January 2019, which has been terminated as of the date of this report
Stock Exchange	the Stock Exchange of Hong Kong Limited
Subsidiary(ies)	has the meaning ascribed to it under the Listing Rules
Substantial Shareholder(s)	has the meaning ascribed to it under the Listing Rules
Tibet Kepei	Tibet Kepei Information Technology Company Limited, a company registered as wholly-foreign-owned enterprise of the Company under PRC law
USD	United States dollars, the lawful currency for the time being of the United States
Zhaoqing School	Zhaoqing Science and Technology Secondary Vocational School (肇慶市科技中等職業學校), a private secondary vocational education institution established in Zhaoqing, Guangdong Province on 19 May 2000 and is a consolidated affiliated entity of the Group