



China Maple Leaf Educational Systems Limited
中國楓葉教育集團有限公司*

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1317



領異卅載
標新百年
LEADING EDUCATIONAL INNOVATION

2025 ANNUAL REPORT



小卅
Sandy

楓葉教育三十周年吉祥物
MLES 30th Anniversary Mascot

* For identification purposes only

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2025 ANNUAL REPORT

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CORPORATE INFORMATION



BOARD OF DIRECTORS

Executive Directors

Mr. Shu Liang Sherman Jen

(Chairman and Chief Executive Officer ("CEO"))

Mr. King Pak Lau

(Co-Chief Financial Officer ("Co-CFO"))

Mr. James William Beeke

Non-executive Director

Dr. Kem Hussain *(resigned with effect from 31 August 2025)*

Independent Non-executive Directors

Mr. Peter Humphrey Owen

Ms. Wai Fong Wong

Mr. Ming Sang Chow

AUDIT COMMITTEE

Mr. Ming Sang Chow *(Chairman)*

Mr. Peter Humphrey Owen

Ms. Wai Fong Wong

REMUNERATION COMMITTEE

Mr. Peter Humphrey Owen *(Chairman)*

Mr. James William Beeke

Ms. Wai Fong Wong

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

Mr. Shu Liang Sherman Jen *(Chairman)*

Mr. Peter Humphrey Owen

Ms. Wai Fong Wong

COMPANY SECRETARY

Ms. Shu Ling Jen

AUTHORISED REPRESENTATIVES

Mr. King Pak Lau

Ms. Shu Ling Jen

AUDITORS

Moore CPA Limited

Certified Public Accountants



LEGAL ADVISORS

As to Hong Kong law

LCH Lawyers LLP

As to PRC law

Jingtian & Gongcheng

As to Cayman Islands law

Maples and Calder (Hong Kong) LLP

REGISTERED OFFICE

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN CHINA

No. 13, Baolong First Road
Baolong Street, Longgang District
Shenzhen, Guangdong Province 518116
China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2402, 24/F, Admiralty Centre Tower Two
18 Harcourt Road, Admiralty
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

STOCK CODE

1317

COMPANY WEBSITE

www.mapleleaf.cn

LETTER FROM THE CHAIRMAN



Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of China Maple Leaf Educational Systems Limited (the “**Company**” or “**Maple Leaf**”, together with its subsidiaries and consolidated affiliated entities, collectively the “**Group**”), I am pleased to present the annual report comprising the consolidated results of the Company for the year ended 31 August 2025.

RESULTS AND DIVIDENDS

On 14 May 2021, the PRC State Council announced the Regulations for the Implementation of the Private Education Promotion Law of the People’s Republic of China* 《中華人民共和國民辦教育促進法實施條例》 (“**Implementation Regulations**”), which came into effect on 1 September 2021. The Implementation Regulations impose significant uncertainties and restrictions on the Group’s control over the affiliated entities operating private schools that offer

compulsory education consisting of six years of primary school education and three years of middle school education to PRC residents and not-for-profit schools that provide preschool education in the People’s Republic of China (“**PRC**” or “**China**”) (the “**Affected Schools**”). Up to the date of this report, based on the advice of our PRC legal advisor, there are uncertainties concerning the validity and enforceability of the current contractual arrangements between the Group and the Affected Schools and therefore it could not be concluded that they are legally binding and enforceable upon the Implementation Regulations becoming effective on 1 September 2021.

Consequently, the Directors considered that by the end of 31 August 2021, it was no longer practicable for the Group to make and enforce relevant decisions for its own benefit as a principal in accordance with the contractual arrangements with the Affected Schools and the Group lost control over the Affected Schools on 31 August 2021. The Affected Schools were deconsolidated from the consolidated financial statements of the Company for the year ended 31 August 2021 and the operations of the Affected Schools were classified as discontinued operations as of 31 August 2021. Please refer to the section headed “Update on the Regulations for the Implementation of the Private Education Promotion Law of the People’s Republic of China” for further details.

The revenue of the Group was RMB1,228.5 million and RMB1,180.0 million for the years ended 31 August 2024 and 31 August 2025 respectively. The profit for the year ended 31 August 2025 was RMB308.9 million, representing an increment of RMB293.4 million as compared to the year ended 31 August 2024 of RMB15.5 million.

The EBITDA and Adjusted EBITDA (as illustrated in “Five-Year Financial Summary – Calculation of EBITDA and Adjusted EBITDA” as contained in this report) for the year ended 31 August 2025 were RMB690.1 million and RMB501.0 million respectively, representing an increase of RMB221.5 million and an increase of RMB3.5 million or 47.3% and 0.7% as compared to the year ended 31 August 2024.

The Board has resolved not to declare a final dividend for the year ended 31 August 2025.

* For identification purposes only



BUSINESS HIGHLIGHTS

The academic excellence of Maple Leaf education is demonstrated through the outstanding achievements of our graduates. As at the date of this report, 662 high school graduates from our schools in China of the class of 2025 (“**Class 2025 Students**”) received a total of 2,474 offer letters from 151 universities across 17 countries and regions. Notably, 49 graduates secured offers from Quacquarelli Symonds (“**QS**”) Top 10 universities, including world-renowned universities such as University College London and Imperial College London in the United Kingdom (“**UK**”). Furthermore, 614 graduates, representing 92.7% of Class 2025 Students, received at least one offer letter from universities ranked within the Maple Leaf Educational Systems Global Top 100 universities, reaffirming the strong international recognition and competitive edge of our educational programs.

OUTLOOK

In response to the promulgation of the Implementation Regulations, Maple Leaf has strategically repositioned its development framework from a pyramid structure to an inverted pyramid model. This transformation is complemented by the implementation of a dual-track development strategy for our high schools in China, focusing on three core pillars: i) high schools delivering the World School Program (“**World School Program**” or “**MLWSP**”), alongside the moderated development of regular high schools preparing students for the National College Entrance Examination; ii) expansion through MLWSP authorised schools; and iii) the advancement of university pathway programs.

To further extend the reach of our proprietary educational systems, the Group established a MLWSP authorisation office dedicated to developing and approving external schools for the implementation of either full or partial MLWSP offerings. These include the Maple Leaf English Academic Program (“**EAP**”), Maple Leaf Chinese Academic Program (“**CAP**”), Maple Leaf English as second language (“**ESL**”) Curriculum, and Maple Leaf Chinese as a Second Language (“**CSL**”) Curriculum. During the financial year ended 31 August 2025, we achieved initial progress in this strategic initiative, with (i) a school in Turkey successfully implementing the EAP; (ii) two schools in Taizhou, Jiangsu Province and Luoyang, Henan Province in China delivering the Maple Leaf ESL Curriculum; and (iii) a school in Mongolia implementing Maple Leaf CSL Curriculum.

Global expansion represents a strategic priority for the Group’s long-term growth. Establishing Maple Leaf-branded schools internationally is expected to enhance our student recruitment efforts in China, as Chinese parents recognise the expanded educational opportunities available through our global network. The demand for high-quality bilingual English-Chinese education continues to grow not only within China but also across Belt and Road countries, particularly in Southeast Asia, Central Asia as well as in established markets such as North America. The Group is uniquely positioned to meet this demand through our comprehensive educational offerings, including both English and Chinese curricula, complemented by ESL and CSL programs. This strategic advantage enables us to deliver international preschool to Year 12 (“**K-12**”) education that integrates Eastern and Western educational philosophies. Our expansion will focus on developing school networks under the brand of Canadian International School (“**CIS**”) and Kingsley International School (“**KIS**”) across Southeast Asian markets.

APPRECIATION

Having successfully celebrated its 30th anniversary in May 2025, Maple Leaf saw its first international education conference on China's high school development gain increasing recognition and acceptance among professionals in the education industry at domestic and worldwide. Over thirty years of development and practice, Maple Leaf is transforming from a standard-leading institution to a standard-setting institution. I would like to express my heartfelt gratitude to our students, parents, the local governments, and our shareholders of the Company (the

"Shareholders") for their continuing support on behalf of the Board. I also wish to thank our fellow Board members and senior management for their contributions and hard work during the year and extend my appreciation to our management, teachers and staff for their endeavours and commitments in providing the highest quality education for tens of thousands of Maple Leaf students.

Shu Liang Sherman Jen
China Maple Leaf Educational Systems Limited
Chairman and Chief Executive Officer

Hong Kong, 28 November 2025



CORPORATE PROFILE

Maple Leaf is a leading international K-12 bilingual education provider with over 30 years of experience, operating schools across China, Singapore, and Malaysia under its three core brands: Maple Leaf in China, Canadian International School in Singapore, and Kingsley International School in Malaysia.

Integrating the merits of both Eastern and Western educational philosophies, the Group self-developed Maple Leaf World School Program. World School Program is the first international program incorporating distinct oriental cultural characteristics in the world. MLWSP's global standing is demonstrated through its collaboration with two of the world's largest educational institutions, ECCTIS and Cognia. Furthermore, ECCTIS has completed comprehensive benchmarking of the World School Program, confirming its status as a globally certified course alongside established programs such as A-Level and International Baccalaureate (the "**IB**") program. This achievement marks an important milestone in addressing the gap in internationally recognised program originating from China.

The Group's international school network includes KIS in Malaysia, which delivers the A-Level program to K-12 students. KIS primarily serves both local Malaysian students and international students from across Asia. In Singapore, CIS offers the IB curriculum to K-12 students. CIS has established itself as one of Singapore's largest for-profit premium international schools by both revenue and student enrolment. The school primarily caters to expatriate families based in Singapore, with significant representation from United States of America (the "**United States**" or "**US**"), India and other Asian countries. A distinguishing feature of CIS is its highly regarded bilingual English-Chinese program, which provides fully cultural immersion and is delivered by qualified native English-speaking teachers who hold IB certification. As at 31 August 2025, the Group employed 214 IB certified teachers (as at 31 August 2024: 276 IB certified teachers).

FIVE-YEAR FINANCIAL SUMMARY

RESULTS

	Year ended 31 August				
	2021	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	941,015	989,795	1,151,162	1,228,462	1,180,049
Cost of revenue	(525,265)	(563,542)	(647,880)	(635,483)	(596,201)
Gross profit	415,750	426,253	503,282	592,979	583,848
(Loss)/profit for the year	(671,919)	57,125	5,120	15,513	308,877
EBITDA (Non-IFRS measure)#	(348,677)	481,580	472,081	468,634	690,094
Adjusted EBITDA (Non-IFRS measure)#	400,815*	462,729	529,862	497,527	500,988
Basic (loss)/earnings per share (RMB cents)	(22.62)	1.92	0.17	0.52	10.54

Profitability Margins	Year ended 31 August				
	2021	2022	2023	2024	2025
Gross profit margin	44.2%	43.1%	43.7%	48.3%	49.5%
Net (loss)/profit margin	(71.4%)	5.8%	0.4%	1.3%	26.2%
EBITDA margin	(37.1%)	48.7%	41.0%	38.1%	58.5%
Adjusted EBITDA margin	42.6%	46.7%	46.0%	40.5%	42.5%

Notes:

#. For definition of EBITDA and adjusted EBITDA, please refer to the section headed "Calculation of EBITDA and adjusted EBITDA – Non-IFRS measures".

* Includes adjustments for one-off impairment loss recognised in respect of property, plant and equipment, goodwill, right-of-use assets and other intangible assets in total amount of RMB793,659,000.

ASSETS AND LIABILITIES

	At 31 August				
	2021	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets	5,180,100	5,160,584	5,405,542	5,315,428	5,331,781
Current assets	2,701,122	1,196,198	809,345	886,252	1,130,300
Current liabilities	3,301,873	2,463,471	2,278,173	1,457,915	1,605,245
Net current liabilities	(600,751)	(1,267,273)	(1,468,828)	(571,663)	(474,945)
Total assets less current liabilities	4,579,349	3,893,311	3,936,714	4,743,765	4,856,836
Total equity	1,388,857	1,456,813	1,497,516	1,551,354	1,870,279
Non-current liabilities	3,190,492	2,436,498	2,439,198	3,192,411	2,986,557
Total equity and non-current liabilities	4,579,349	3,893,311	3,936,714	4,743,765	4,856,836

Selected Major Items	At 31 August				
	2021	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Property, plant and equipment	2,002,303	2,285,196	2,233,548	2,146,794	2,059,033
Bank balances and cash	739,477	805,876	528,041	564,788	901,327
Total borrowings	3,382,248	1,541,799	1,660,213	1,602,379	1,638,571
Contract liabilities	441,673	501,550	513,559	482,164	454,360

Liquidity	At 31 August				
	2021	2022	2023	2024	2025
Gearing ratio*	2.44	1.06	1.11	1.03	0.88

* The gearing ratio was calculated as total borrowings divided by total equity as at the end of the relevant financial year.

DIVIDEND PER SHARE

	Year ended 31 August				
	2021 HK\$ cents	2022 HK\$ cents	2023 HK\$ cents	2024 HK\$ cents	2025 HK\$ cents
Interim dividend	–	–	–	–	–
Final dividend	–	–	–	–	–
Special dividend	–	–	–	–	–
Total	–	–	–	–	–

CALCULATION OF EBITDA AND ADJUSTED EBITDA

The following table reconciles profit for the year to EBITDA and adjusted EBITDA for both years:

	Year ended 31 August	
	2025 RMB'000	2024 RMB'000
Profit for the year	308,877	15,513
Add:		
Finance costs	104,208	213,062
Taxation	118,378	65,099
Depreciation of property, plant and equipment	109,868	114,552
Amortisation of other intangible assets <i>(included in cost of revenue)</i>	35,781	48,464
Depreciation of right-of-use assets	6,864	7,171
Depreciation of investment properties	6,096	4,274
Amortisation of books for lease	22	499
EBITDA	690,094	468,634
Change in fair value of the convertible bonds <i>(Note 1)</i>	–	28,174
Share-based payments <i>(Note 2)</i>	1,735	719
Gain on bargain purchase of a subsidiary <i>(Note 3)</i>	(190,841)	–
Adjusted EBITDA	500,988	497,527

Notes:

1. *Change in fair value of the convertible bonds is measured at fair value through profit or loss, which is non-cash in nature and non-indicative to the Group's operating performances.*
2. *Share-based payment recognised for share options granted to directors and employees are non-cash in nature and non-indicative to the Group's operating performance.*
3. *Gain on bargain purchase of a subsidiary is non-recurring in nature and non-indicative to the Group's operating performance.*



NON-IFRS MEASURES

To supplement the Group's consolidated financial statements which are presented in accordance with the IFRS Accounting Standards ("IFRS"), the Company also uses earnings before interests, taxes, depreciation and amortisation ("EBITDA") and EBITDA adjusted by items which are non-recurring or non-cash in nature and non-indicative to the Group's operating performance ("Adjusted EBITDA") as additional financial measures, which are not required by, or presented in accordance with, IFRS. The Company believes that these non-IFRS measures facilitate comparisons of operating performance from period to period by eliminating potential impacts of items that the management does not consider to be indicative of the Group's operating performance. The Company believes that these measures provide useful information to the Shareholders and potential investors in understanding and evaluating the Group's consolidated results of operations in the same manner as they help the Group's management.

However, the use of these non-IFRS measures has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, the Group's results of operations or financial condition as reported under IFRS. In addition, the non-IFRS measures do not have standardised meaning and may be defined differently from similar terms used by other issuers and therefore may not be comparable to similar measures presented by other issuers.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's Market Position

With over three decades of experience in operating international schools in China, the Group has established itself as a leading provider of quality bilingual education, effectively integrating Eastern and Western educational philosophies. Our operations extended beyond China to include international schools in Malaysia and Singapore, reinforcing our growing presence in Asia.

The World School Program represents a significant innovation as the first international program incorporating distinct oriental cultural characteristics. MLWSP's global standing is demonstrated through its collaboration with two of the world's largest educational institutions, ECCTIS and Cognia. Furthermore, ECCTIS has completed comprehensive benchmarking of the World School Program, confirming its status as a globally certified course alongside established programs such as A-Level and IB program. This achievement marks an important milestone in addressing the gap in internationally recognised program originating from China.

The World School Program is strategically aligned with China's national education policy framework, particularly the Opinions of Eight Government Departments Including the Ministry of Education on Accelerating and Expanding the Opening-up of Education in the New Era* (《教育部等八部門關於加快和擴大新時代教育對外開放的意見》) ("Opinion") issued by the Ministry of Education in June 2020. This Opinion explicitly calls for the establishment of an enhanced educational action plan supporting the Belt and Road Initiative. Specifically, the Opinion mandates the development of an international curriculum with Chinese characteristics at the national level. The World School Program directly supports this strategic objective through its innovative approach to international education that incorporates Chinese cultural elements and educational values.

Our high schools in China commenced delivery of the World School Program at the beginning of the 2020/2021 school year. This distinctive educational framework is specially designed to cultivate globally minded graduates who possess both international perspectives and deep-rooted understanding of Chinese cultural heritage. The program's unique value proposition lies in its integration of "Chinese academic subjects" within an international curriculum context. These courses are structured to serve both international students in China and global learners preparing for undergraduate studies in Chinese universities, providing comprehensive preparation from multiple academic dimensions.

The Group's international school network includes KIS in Malaysia, which delivers the A-Level program to K-12 students. KIS primarily serves both local Malaysian students and international students from across Asia. In Singapore, CIS offers the IB curriculum to K-12 students. CIS has established itself as one of Singapore's largest for-profit premium international schools by both revenue and student enrolment. The school primarily caters to expatriate families based in Singapore, with significant representation from the US, India and other Asian countries. A distinguishing feature of CIS is its highly regarded bilingual English-Chinese program, which provides fully cultural immersion and is delivered by qualified native English-speaking teachers who hold IB certification.





University Placements

The academic excellence of Maple Leaf Education is demonstrated through the outstanding achievements of our graduates. In the 2024/2025 school year, 662 high school graduates from Class 2025 Students received a total of 2,474 offer letters from 151 universities across 17 countries and regions. Notably, 49 graduates secured offers from QS Top 10 universities, including world-renowned universities such as University College London and Imperial College London in the UK. Furthermore, 614 graduates, representing 92.7% of the Class 2025 Students, received at least one offer letter from universities ranked within the Maple Leaf Educational Systems Global Top 100 universities, reaffirming the strong international recognition and competitive edge of our educational programs.

The Group has established strategic 1+3 pathway programs in partnership with leading international universities to provide enhanced opportunities for Maple Leaf graduates. In April 2023, we entered into an agreement with Arizona State University (“ASU”) in the United States, enabling the delivery of first-year undergraduate experiences for Maple Leaf graduates in the PRC (“1+3 Program ASU”). Building on this initiative, the Group expanded its partnership network in October 2024 through an agreement with University of Alberta (“UA”) in Canada, creating a similar pathway for Maple Leaf graduates in the PRC to undertake their first-year studies (the “1+3 Program UA”, together with the 1+3 Program ASU, collectively the “1+3 Programs”). These 1+3 Programs have received strong acceptance among our student community. For the 2025/2026 academic year, a total of 85 Maple Leaf graduates have enrolled across these partnership programs, demonstrating the value and appeal of these innovative educational pathways.

To broaden the range of higher education opportunities available to Maple Leaf graduates, the Group has established cooperation arrangements with more than 23 leading domestic universities in China. These partners include prestigious institutions such as Beijing Foreign Studies University, Central University of Finance and Economics, and Southwest University of Political Science & Law. These collaborative programs span multiple academic disciplines and incorporate international educational components delivered in partnership with overseas universities. This strategic initiative enables Maple Leaf to offer its high school graduates a “Dual Graduation Exit” pathway, providing the flexibility to pursue higher education through either domestic or international institutions.

Maple Leaf has cultivated enduring relationships with a substantial network of universities and colleges worldwide. Many of these institutions have established memoranda of understanding with us to streamline the admission process for our high school graduates. To support our students’ educational planning, the Group provides comprehensive consulting services that enable informed decision-making in university selection. Since November 2005, we have consistently organised annual university recruitment fairs on our campuses, primarily featuring international institutions. Our support extends to assisting students with the complete admission process, including visa applications and scholarship opportunities, ensuring they are thoroughly prepared for overseas study. We believe these comprehensive services facilitate a seamless transition for our graduates from secondary education to higher learning institutions globally.

In February 2024, the Group officially launched the Honorary Zhou Enlai class* (榮譽周恩來班) (“**Honorary Class**”) in China, a premium secondary education initiative designed to enhance the competitiveness of Maple Leaf brand and nurture elite talents. This program offers a customised high school curriculum that provides graduates with a direct pathway to world-leading universities, including the University of Oxford and the University of Cambridge in the UK. The inaugural cohort of the Honorary Class is scheduled to graduate at the end of 2026/2027 school year. Building on this initiative, the Group introduced an “Ivy League Class” pilot program in August 2025, specifically designed to prepare Maple Leaf graduates for admission to Ivy League universities such as Harvard University and Yale University in the United States. To ensure the success of these specialised programs, the Group has established a comprehensive governance structure comprising an advisory committee, an admission committee, and an execution team. These bodies include experienced global educational experts and senior management personnel, including the chairman of the Board, the MLWSP superintendent, and school principals, providing strategic guidance and operational oversight.

Update on the Regulations for the Implementation of the Private Education Promotion Law of the People’s Republic of China

On 14 May 2021, the PRC State Council announced the Implementation Regulations, which came into effect on 1 September 2021. The restrictions in the Implementation Regulations touch on the prohibition of foreign participation in private schools that provide compulsory education and not-for-profit preschools by means of mergers and acquisitions, contractual arrangements and related party transactions and prohibition of private schools providing compulsory education from conducting transactions with the related parties. The Implementation Regulations impose significant uncertainties and restrictions on the Group’s control over the affiliated entities operating private schools offering compulsory education and not-for-profit preschools in the PRC.

As local governments have not yet issued corresponding classifications management regulations and rules for the Implementation Regulations, there are uncertainties concerning the validity and enforceability of the contractual arrangements between the Group and the Affected Schools. Therefore it could not be concluded that they are legally binding and enforceable upon the Implementation Regulations becoming effective on 1 September 2021. Consequently, the Affected Schools were deconsolidated from the consolidated financial statements of the Company for the year ended 31 August 2021. Please refer to the 2021 annual report of the Company for further details of the deconsolidation of the Affected Schools.

The Group has determined to implement measures to optimise its operating structure and mitigate the impact of the Implementation Regulations. Such measures include, among others, transferring current students from high schools which are under the same operating licences with private schools providing compulsory education and/or not-for-profit preschools in the PRC (“**Mixed High Schools**”) to high schools that have their own operating licences in the PRC (“**Independent High Schools**”) and making registration and filings with the relevant local government departments in the PRC for individual operating licences for the eight Mixed High Schools. At the end of 2024/2025 school year, Shanghai Maple Leaf Bilingual School* (上海楓葉雙語學校) (“**Shanghai School**”) obtained a private school operating license as an Independent High School and a registration certificate for private non-enterprise entities to operate as the Independent High School, the financial results and financial position of Shanghai School were consolidated, since and as the case may be, in August 2025.

We will continue to monitor the implementation of the Implementation Regulations in different regions and continue to assess its subsequent impact on the Company and will make further announcement(s) as and when appropriate.



Change of Director and Change in Director's information

Dr. Kem Hussain resigned as a non-executive Director with effect from 31 August 2025.

Mr. Ming Sang Chow ceased to be an independent non-executive director and a member of each of the audit committee, remuneration committee and the nomination committee of Teamway International Group Holdings Limited (Stock code: 1239) with effect from 31 August 2025.

BUSINESS REVIEW

The Group delivers premium bilingual education through its established brand portfolio: the Maple Leaf brand in mainland China, and the CIS and KIS brands across Asia-Pacific markets. Beyond our core academic programs, we are strategically expanding into complementary education industry chain businesses. These include the sale of ancillary educational products and the provision of professional catering services, creating additional value for our student community while diversifying the Group's revenue streams.

Student Enrolment

	At the end of school year			
	2024/2025	% of Total	2023/2024	% of Total
PRC				
High schools	3,164*	37.8	3,195	34.0
Preschools	1,344	16.0	1,752	18.7
Foreign national schools	369	4.4	344	3.7
	4,877	58.2	5,291	56.4
Overseas				
High schools	711	8.5	732	7.8
Middle schools	1,320	15.7	1,322	14.0
Elementary schools	1,308	15.6	1,774	18.9
Preschools	169	2.0	271	2.9
	3,508	41.8	4,099	43.6
Total number of students enrolled	8,385	100	9,390	100

The total number of students enrolled decreased by 1,005 or 10.7%, from 9,390 at the end of the 2023/2024 school year to 8,385 at the end of the 2024/2025 school year. This decline primarily reflects reduced enrolment in elementary schools and preschools across both the PRC and overseas operations, largely attributable to broader demographic trends including declining birth rates and a shrinking school-age population.

To support continued growth in student enrolment, CIS will enhance its student recruitment strategies and strengthen the school's presence in the international education market. This will be achieved through intensified global marketing initiatives, increased participation in multinational education exhibitions, and the implementation of integrated online and offline promotional activities. The school will also emphasise the promotion of its high-quality educational offerings, including the IB curriculum, expanded bilingual education options, and specialised academic programs. These initiatives are designed to attract a diverse range of international families by highlighting CIS's commitment to academic excellence and program diversity.

MANAGEMENT DISCUSSION AND ANALYSIS

In addition, the Group has made continuous efforts to apply for approval for registration and filings with the relevant local government departments in the PRC for individual operating licences for our eight Mixed High Schools to increase the number of our Independent High Schools and student enrolment of the Group. At the end of 2024/2025 school year, Shanghai School obtained a private school operating license as an Independent High School and a registration certificate for private non-enterprise entities to operate as the Independent High School, the financial results and financial position of Shanghai School were consolidated, since and as the case may be, in August 2025.

The Group's Schools

The following table shows a summary of the Group's schools by category as at the end of the two financial years:

	As at 31 August 2025	2024
PRC		
High schools	7*	7
Preschools	9	12
Foreign national schools	3	3
	19	22
Overseas		
High schools	2	3
Middle schools	2	2
Elementary schools	2	2
Preschools	2	2
	8	9
Total	27	31

During the year ended 31 August 2025, three preschools closed in the PRC, which was largely attributable to broader demographic trends including declining birth rates and a shrinking school-age population.

* For the purpose of management review and comparison, the total number of enrolled students and high schools in the PRC, as illustrated above, does not include Shanghai School, the financial results and financial position of which were reconsolidated into the Group's financial statements in August 2025.

The Group's Teachers

Teachers represent the cornerstone of our educational quality and institutional reputation. The Group maintains a core team of globally certified educators who ensure the consistency and excellence of our academic programs throughout our expansion. To strengthen our international teaching capacity, we have established a global recruitment office dedicated to sourcing qualified high school and ESL teachers worldwide. This initiative supports the sustained development of our bilingual programs and international curriculum delivery.



Furthermore, the Group has formed strategic partnerships with the UA in Canada and the University of South Australia to cultivate future educators. Each year, selected outstanding STEM (Science, Technology, Engineering and Mathematics) graduates from Maple Leaf schools pursue education degrees at these institutions, returning to teach students within our Group upon obtaining international teaching certification while receiving compensation and benefits comparable to foreign teachers. The program also provides internship and employment opportunities for education graduates from these partner universities. This comprehensive approach to teacher development, which combines global recruitment with systematic cultivation of homegrown talent, ensures a sustainable pipeline of qualified educators aligned with Maple Leaf's educational philosophy and quality standards.

FUTURE DEVELOPMENT

In response to the promulgation of the Implementation Regulations, Maple Leaf has strategically repositioned its development framework from a pyramid structure to an inverted pyramid model. This transformation is complemented by the implementation of a dual-track development strategy for our high schools in China, focusing on three core pillars: i) high schools delivering the World School Program, alongside the moderated development of regular high schools preparing students for the National College Entrance Examination; ii) expansion through MLWSP authorised schools; and iii) the advancement of university pathway programs, including the 1+3 Programs.

Building upon our core academic operations, the Group is strategically expanding into selected education-related sectors. Leveraging internal service capabilities originally developed for our own campuses, we have begun extending our catering services to the public. Since June 2023, the Group has successfully launched public catering services in Shenzhen and Inner Mongolia, offering both dine-in and takeaway services to the public. These operations provide comprehensive meal solutions tailored for small group dining, with plans to develop this initiative into a scalable catering platform capable of serving tens of thousands of urban residents.

Strategic Transformation and Educational Innovation

Our seventh five-year plan, which is to be implemented from 2025/2026 school year to 2029/2030 school year ("**Seventh Five-Year Plan**"), represents a historic turning point for Maple Leaf, marking our strategic evolution from a standard-leading institution to a standard-setting institution in international education.

Throughout the sixth five-year plan period, the Group demonstrated its continued commitment to entrepreneurship and innovation through several key achievements. The self-developed Maple Leaf World School Program achieved global recognition through ECCTIS benchmarking in April 2024, while also securing formal intellectual property registration with China's National Copyright Administration. These accomplishments validate our transition toward standard-setting leadership in international education.

To further extend the reach of our proprietary educational systems, the Group established an authorisation office dedicated to developing and approving external schools for the implementation of either full or partial MLWSP offerings. These include the EAP, CAP, Maple Leaf ESL Curriculum, and Maple Leaf CSL Curriculum. During the financial year ended 31 August 2025, we achieved initial progress in this strategic initiative, with (i) a school in Turkey successfully implementing the EAP; (ii) two schools in Taizhou, Jiangsu Province and Luoyang, Henan Province in China delivering the Maple Leaf ESL Curriculum; and (iii) a school in Mongolia implementing Maple Leaf CSL Curriculum.

MANAGEMENT DISCUSSION AND ANALYSIS

Operational excellence was further enhanced through the implementation of the Maple Leaf Graduate Student Information Management System (“**MLES-SIS**”), which reduced credential issuance time by 45 days and significantly streamlined university admission processes. Additionally, the Group’s Chinese language textbook series was renamed as “K12 Standard Chinese” and officially adopted as China’s standard teaching material for international Chinese language education.

These developments collectively underscore our successful progression from adhering to established standards to creating and implementing our own educational frameworks. As we move forward, this strategic positioning as a standard-setting institution will continue to drive our sustainable growth and strengthen our competitive advantage in the global education landscape.

Overseas Expansion

Global expansion represents a strategic priority for the Group’s long-term growth. Establishing Maple Leaf-branded schools internationally is expected to enhance our student recruitment efforts in China, as Chinese parents recognise the expanded educational opportunities available through our global network. The demand for high-quality bilingual English-Chinese education continues to grow not only within China but also across Belt and Road countries, particularly in Southeast Asia, Central Asia, as well as in established markets such as North America. The Group is uniquely positioned to meet this demand through our comprehensive educational offerings, including both English and Chinese curricula, complemented by ESL and CSL programs. This strategic advantage enables us to deliver international K-12 education that integrates Eastern and Western educational philosophies. Our expansion will also focus on developing school networks under the CIS and KIS brands across Southeast Asian markets.

In May 2024, Chinese Testing International Company Limited* (“**CTI**”, 漢考國際教育科技(北京)有限公司) authorised Maple Leaf to establish global Chinese learning and testing centres. Our Chinese textbook series have been officially renamed as “K12 Standard Chinese” and published by Beijing Language and Culture University Press* (北京語言大學出版社), becoming a cornerstone of this initiative. The Group’s collaboration with CTI further accelerates the global promotion of standardised Chinese language education. A significant milestone was achieved in August 2025 through an authorisation agreement with a Mongolian school, implementing the Maple Leaf CSL program for over 1,100 students since September 2025. This partnership provides valuable experience for our future international expansion and reinforces the Group’s leadership in global Chinese language education.

Conclusion

Guided by the Group’s Seventh Five-Year Plan, we will pursue a multi-faceted growth strategy to achieve our expansion targets across domestic and international markets. Our approach will focus on strategic levers including optimised student enrolment resources, appropriate tuition fee adjustments, well-planned capacity expansion of existing campuses and increasing the number of authorised schools. Through these initiatives and our continued commitment to educational excellence, the Group is positioned to advance toward its vision of becoming a leading global operator in the international education sector.



FINANCIAL REVIEW

Overview

The revenue of the Group was RMB1,180.0 million and RMB1,228.5 million for the financial years ended 31 August 2025 (“FY2025”) and 31 August 2024 (“FY2024”) respectively. The profit for FY2025 and FY2024 was RMB308.9 million and RMB15.5 million respectively.

Revenue

The Group derives revenue from tuition fees and boarding fees from the Group’s high schools, middle schools, elementary schools, preschools and foreign national schools, summer and winter camps, sales of textbooks, sales of goods and educational materials, catering services income, extracurricular activities and others.

The total revenue of the Group decreased by RMB48.5 million, or 3.9%, from RMB1,228.5 million for FY2024 to RMB1,180.0 million for FY2025. The decrease in revenue was primarily due to the decrease in tuition fee income which has remained as the principal source of revenue of the Group, in particular the decrease in the revenue contribution from the operations in CIS. Amongst the revenue of the Group for FY2025, RMB446.6 million (approximately 37.8%) was contributed by the operations in the PRC, and RMB733.4 million (approximately 62.2%) was contributed by the operations overseas.

Cost of Revenue

The Group’s cost of revenue primarily consists of (i) staff costs; (ii) depreciation and amortisation; and (iii) other costs. Cost of revenue decreased by RMB39.3 million, or 6.2%, from RMB635.5 million for FY2024 to RMB596.2 million for FY2025. The decrease in cost of revenue was largely due to good cost control measures.

Gross Profit and Gross Profit Margin

Gross profit decreased by RMB9.2 million, or 1.6% from RMB593.0 million for FY2024 to RMB583.8 million for FY2025. Gross profit margin increased from 48.3% for FY2024 to 49.5% for FY2025, primarily due to the decline in revenue outpaced the decline in cost of revenue due to the factors stated in the paragraph above.

Investment and Other Income

Investment and other income consist mainly of (i) interest income from our bank deposits, (ii) rental income from investment properties, and (iii) government grants. Investment and other income increased by 12.6% from RMB26.1 million for FY2024 to RMB29.4 million for FY2025. Bank interest income decreased by 16.7% from RMB9.6 million for FY2024 to RMB8.0 million for FY2025. Rental income increased from RMB10.4 million for FY2024 to RMB14.7 million for FY2025 due to lease of additional properties. Government grants increased from RMB3.8 million for FY2024 to RMB5.5 million for FY2025.

Other Gains and Losses

Other gains and losses consist primarily of (i) net foreign exchange (loss)/gain; (ii) gain arising from changes in fair value of financial assets measured at fair value through profit or loss; (iii) gain on bargain purchase of a subsidiary; and (iv) gain on derecognition of other payable to deregistered related parties. Other gains and losses changed from a loss of approximately RMB4.0 million for FY2024 to a gain of approximately RMB231.0 million for FY2025. Such a change was mainly attributable to (i) net foreign exchange changed from a gain of RMB14.6 million for FY2024 to a loss of RMB4.8 million for FY2025; (ii) an absence of the loss arising from fair value change of convertible bond for FY2025 as a result of the full repayment of convertible bonds during FY2024; (iii) gain on bargain purchase of a subsidiary of RMB190.8 million for FY2025 and there was no such gain for FY2024; and (iv) the gain on derecognition of other payable to deregistered related parties of RMB23.0 million for FY2025 and there was no such gain for FY2024.

Marketing Expenses

Marketing expenses consist mainly of (i) media and commercial channels expenses and expenses for producing, printing and distributing advertising and promotional materials; and (ii) salaries and benefits for personnel engaged in selling and marketing activities. Marketing expenses decreased by 2.6% from RMB22.9 million for FY2024 to RMB22.3 million for FY2025. Marketing expenses as a percentage of revenue remained flat at about 1.9% for both FY2024 and FY2025.

Administrative Expenses

Administrative expenses consist primarily of (i) salaries and other benefits for general and administrative staff; (ii) depreciation of property, plant and equipment and right-of-use assets; (iii) amortisation of other intangible assets; (iv) employee share-based payments; and (v) professional expenses. Administrative expenses decreased by 2.1% from RMB289.0 million for FY2024 to RMB283.0 million for FY2025, mainly due to the decrease in professional fee after the resumption of trading of Shares of the Company.

Finance Costs

Finance costs mainly represented (i) interest expenses for secured bank borrowings and other borrowings, and (ii) interest expenses for the convertible bonds for FY2024. Finance costs decreased from RMB213.1 million for FY2024 to RMB104.2 million for FY2025 primarily due to the decrease in interest expenses for secured bank borrowings and other borrowings and the absence of interest expense for convertible bonds for FY2025.

Profit before Taxation

The Group recorded a profit before taxation of RMB427.3 million for FY2025, compared to profit before taxation of RMB80.6 million for FY2024. Profit before taxation as a percentage of revenue of the Group was 36.2% for FY2025 and 6.6% for FY2024. The increase in profit before taxation for the current year is mainly attributable to (i) the change of other gains and losses from a loss of RMB4.0 million for FY2024 to a gain of RMB231.0 million for FY2025 and (ii) decrease in finance costs from RMB213.1 million for FY2024 to RMB104.2 million for FY2025.

Taxation

Income tax expense of the Group increased from RMB65.1 million for FY2024 to RMB118.4 million for FY2025, primarily due to the provision for withholding tax on undistributed earnings of PRC subsidiaries and consolidated affiliated entities which amounted to RMB49.0 million.



Profit for the Year

As a result of the above factors, the Group recorded a profit of RMB308.9 million and RMB15.5 million for FY2025 and FY2024 respectively.

Capital Expenditures

The Group incurred capital expenditures of RMB7.4 million for FY2025 which primarily related to the campus expansion of CIS (FY2024: RMB14.6 million).

Liquidity, Financial Resources and Capital Structure

As at 31 August 2025, the Group's bank balances and cash amounted to RMB901.3 million, which were mainly denominated in RMB, United States dollars ("USD"), Singapore dollars ("SGD") and Malaysian ringgit ("MYR"). Bank balances and cash was RMB564.8 million as at 31 August 2024. Net cash used in financing activities amounted to RMB127.4 million, which were primarily due to the repayment of certain bank and other borrowings and payments on repurchase of shares of the Company during the year ended 31 August 2025.

As at 31 August 2025, the Group's secured bank and other borrowings amounted to RMB1,638.6 million were mainly denominated in SGD and MYR with variable interest rates with reference to Singapore Interbank Offered Rate and with variable profit rate with reference to Malaysian bank's cost of fund. Of the Group's total borrowings as at 31 August 2025, RMB229.5 million or 14.0% (31 August 2024: RMB28.6 million or 1.8%) will mature within one year or on demand and the remaining will mature after one year. These bank and other borrowings were secured by certain properties and shares of certain offshore entities of the Group and carried certain financial covenants.

The Group expects that its future capital expenditures will primarily be financed by bank and other borrowings and its internal resources. The purpose of the Company's treasury policy is to manage liquidity risk and the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Gearing Ratio

The gearing ratio of the Group was calculated as total borrowings including secured bank and other borrowings and any outstanding balance of the Convertible Bonds divided by total equity as at the end of the relevant financial year. Gearing ratio decreased from 1.03 for the year ended 31 August 2024 to 0.88 for the year ended 31 August 2025 primarily due to the increase in total equity.

Foreign Exchange Exposure

The functional currency of the Company is RMB. Certain expenditures and liabilities of the Group are denominated in foreign currencies such as Hong Kong dollars ("HKD"), USD, Canadian dollars ("CAD"), MYR and SGD. As at 31 August 2025, certain bank balances and cash and liabilities were denominated in HKD, USD, CAD and SGD. The Group did not enter into any financial arrangement for hedging purposes as it is expected that its foreign exchange exposure will not be significant. However, the management of the Company monitors foreign exchange exposure of the Group and will consider to hedge significant foreign currency exposure when the need arises.

Contingent liabilities

As at 31 August 2025, the Group had no material contingent liabilities.

Pledge of Assets and Charges on Group Assets

As at 31 August 2025, the Group pledged debt service reserve account, certain properties and shares of the offshore entities of the Group to certain licensed banks for certain banking facilities. As at 31 August 2025, a bank borrowing of the Group was secured by, among others, certain fixed and floating charge and joint control and monitoring rights over cash accounts of certain subsidiaries of the Group and fixed and floating charge over all assets of certain subsidiaries of the Group.

Future Plans for Material Investments and Capital Assets

As at 31 August 2025, the Group did not have any plans for material investments and capital assets.

Material Acquisition and Disposal

The Group had no material acquisition and disposal during the year ended 31 August 2025.

Significant Investment Held

As at 31 August 2025, no significant investment was held by the Group.

Employee Benefits

As at 31 August 2025, the Group had 1,683 (as at 31 August 2024: 1,917) full-time employees. The Group provides external and internal training programs to its employees. The Group participates in various employee benefit plans, including provident fund, housing pension, medical, basic pension and unemployment benefit plans, occupational injury and maternity leave insurance. The Company also has a post-IPO share option scheme set up for its employees and other eligible people. Salaries and other benefits of the Group's employees are generally reviewed on a regular basis in accordance with individual qualifications and performance, results and performance of the Group and relevant market conditions. Total employees' remuneration (including directors' remuneration) for the year ended 31 August 2025 amounted to RMB484.8 million (for the year ended 31 August 2024: RMB512.9 million).



DIRECTORS AND SENIOR MANAGEMENT

OUR BOARD OF DIRECTORS

Name	Age	Position/Title	Date of Appointment
Mr. Shu Liang Sherman Jen	71	Executive Director, Chairman of the Board, CEO and President of China Operations	June 2007
Mr. James William Beeke	75	Executive Director and Superintendent of Global Education (other than the PRC)	April 2014 ⁽²⁾
Mr. King Pak Lau	53	Executive Director and Co-CFO	February 2023 ⁽³⁾
Mr. Peter Humphrey Owen	78	Independent Non-executive Director	June 2014 ⁽¹⁾
Dr. Kem Hussain (<i>resigned with effect from 31 August 2025</i>)	55	Non-executive Director	December 2022
Ms. Wai Fong Wong	65	Independent Non-executive Director	December 2022
Mr. Ming Sang Chow	52	Independent Non-executive Director	February 2024

Notes:

- (1) Effective from the listing of the Company's shares on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") on 28 November 2014.
- (2) Mr. James William Beeke worked for the Group from 2005 to 2009 and again from 2014 up to now, he was appointed as Director from 12 March 2008 to 20 January 2010 and reappointed on 25 April 2014.
- (3) Mr. King Pak Lau was re-designated from an independent non-executive Director to an executive Director and co-CFO with effect from 1 March 2024.



Executive Directors

Shu Liang Sherman Jen ("**Mr. Jen**"), aged 71, is our controlling Shareholder (the "**Controlling Shareholder**") and founder. Mr. Jen was appointed as a Director in June 2007 and was re-designated as an Executive Director and was appointed as chairman of the nomination and corporate governance committee of our Company, both taking effect on 28 November 2014, and is primarily responsible for the overall business and strategy of our Group, including the introduction of the dual diploma school model. His main contributions lead us to become one of the leading international school service providers in China. He has been the chairman of the Board, CEO of our Company since 2007, and co-chief executive officer ("**Co-CEO**") since March 2014. Mr. Jen was re-designated as CEO on 15 August 2016 following the resignation of the other Co-CEO and was appointed as the president of China operations on 1 September 2016.

Mr. Jen is also the president of Dalian Maple Leaf International School, a subsidiary of

the Company, since 1995, the chairman of Dalian Maple Leaf Educational Group Co., Ltd., a consolidated affiliated entity, since 2003, and the director of Maple Leaf Educational Systems Limited, a subsidiary of the Company, since 1992, Tech Global Investment Limited, a subsidiary of the Company, since 2007, Maple Leaf Education Asia Pacific Limited (formerly known as Hong Kong Maple Leaf Educational Systems Limited), a subsidiary of the Company, since 2009, Dalian Beipeng Educational Software Development Inc., a subsidiary of the Company, since 2011, Maple Leaf CIS Holdings Pte. Limited, a subsidiary of the Company, since March 2020. Mr. Jen was appointed as the executive director and the chairman of the board of directors of Kingsley Edugroup Limited ("**Kingsley**"), a subsidiary of the Company formerly listed on GEM of the Stock Exchange (former stock code: 8105) on 19 March 2020 and as a director of Kingsley International Sdn. Bhd., an indirect subsidiary of the Company on 30 April 2020. Mr. Jen remained as an executive director and chairman of Kingsley after it was delisted on 24 July 2020 until

DIRECTORS AND SENIOR MANAGEMENT

it was dissolved on 31 March 2021. Mr. Jen was also appointed as a director of Star Readers Pte. Ltd., an indirect subsidiary of the Company and Canadian International School Pte. Ltd., an indirect subsidiary of the Company, both on 26 August 2020. Mr. Jen is a director of Sherman International Investment Limited (“**Sherman Int’l**”) and Sherman Investment Holdings Limited (“**Sherman Investment**”), both of which have an interest in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance.

Mr. Jen has more than 30 years of experience in the education industry. In 2004, he was selected as one of the most influential figures in the private education industry in China by sohu.com.

In 2005, he received the Outstanding Chinese Entrepreneur Award from the Overseas Chinese Affairs Office of the State Council of the PRC. In 2011, he was honored as one of the “Top Ten Figures of our Time” by a group of media organizations and industry associations.

In 2013, he received the Governor General’s Medallion from Mr. David Johnston,

Governor General of Canada, for his contributions to international education.

In October 2014, he received the Chinese Government Friendship Award from the then PRC Premier Mr. Keqiang Li and two Vice Premiers, which is the highest honor awarded by the Chinese government to foreign experts for their outstanding contributions to the modernized development of the PRC.

In 2019, he was recognised as one of the “Top 10 Most Influential Education leaders in China” by Knowledge Review, a United Kingdom leading education magazine, and was honorably featured on the cover of the August 2019 edition.

Mr. Jen received his Bachelor of Arts degree in English Language and Arts from Beijing Foreign Languages University, the PRC in May 1978, his Master of Business Administration by distance learning from the University of Wales, New Port, the United Kingdom in September 2005 and an Honorary Doctor of Laws degree (Hon. LL.D.) from Royal Roads University in British Columbia, Canada in June 2013. Mr. Jen is a resident of Hong Kong. Mr. Jen is not a resident of Canada for Canadian taxation purposes.





James William Beeke (“**Mr. Beeke**”), aged 75, is our Executive Director and superintendent of global education (other than the PRC) of the Group. He was appointed as a Director in April 2014 and was re-designated as an Executive Director taking effect on 28 November 2014. Mr. Beeke has been appointed as a member of our remuneration committee with effect from 26 August 2020. Mr. Beeke was also appointed as a director of Canadian International School Pte. Ltd., an indirect subsidiary of the Company, on 26 August 2020. Mr. Beeke previously served as the vice chairman of the Board and the superintendent of the British Columbia Program (“**BC Program**”) of the Group from 2005 to 2009 and again from 2014 to 2016. Mr. Beeke was appointed as the superintendent of global education (other than the PRC) of the Group and ceased to be the superintendent of the BC Program of the Group with effect from 15 August 2016. Mr. Beeke is primarily responsible for overseeing the development of the Group’s educational programs outside of the PRC.

Prior to joining our Group, Mr. Beeke was employed by the British Columbia (“**BC**”) provincial government as deputy inspector, and later, inspector for the Ministry of Education of the BC provincial government from 1996 to 1998 and from 1998 to 2005, respectively. As inspector, he was responsible

for the inspection, certification and funding of all independent schools in the province, and developed and directed BC’s Offshore School Certification Program. Since September 2009, he has been president of Signum International Educational Services Inc., a company which provides educational consultant services to schools in Canada and internationally, where he was responsible for assisting schools with board governance and strategic development planning, performing school reviews, conducting principal evaluations and providing analysis and comparisons of provincial curricula. Mr. Beeke has not held any directorship roles in any other listed companies in the last three years.

Mr. Beeke received his Bachelor of Arts degree and Master of Arts degree from Western Michigan University in Michigan, United States, in December 1971 and August 1973, respectively. He received the Certificate of Qualification from the British Columbia Teachers in June 1991, Certificate of Recognition from the British Columbia Minister of Education in 1991, Certificates of Recognition from the Chinese Consulate (Vancouver, Canada) and from British Columbia Ministry of Education in June 2005 and Certificate of Honorary Award from Liaoning Provincial Government of the PRC in 2006.

DIRECTORS AND SENIOR MANAGEMENT

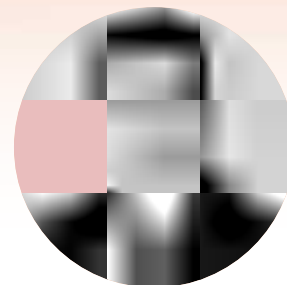
King Pak Lau (“**Mr. Lau**”), aged 53, was appointed as an Independent Non-executive Director with effect from 28 February 2023. Following Ms. Jingxia Zhang’s resignation with effect from 1 March 2024, Mr. Lau was re-designated from an independent non-executive Director to an executive Director. In connection with such re-designation which took effect on 1 March 2024, Mr. Lau was also appointed as the Co-CFO.

Mr. Lau has more than 27 years’ experience in the accounting and auditing industry. Mr. Lau obtained a bachelor degree of Business Administration in Accounting from the Hong Kong University of Science and Technology in 1995.

Mr. Lau worked at KPMG from August 1995 to January 1997, with his last position as accountant. Mr. Lau worked in Beijing office of Ernst & Young from September 2000 to April 2011, with his last position as a partner. Mr. Lau joined Deloitte and was a partner from April 2011 to January 2021. He was a managing director of MC CPA Ltd, a certified public accountant firm in Hong Kong from January 2022 to November 2022.

Mr. Lau is a practicing member of the Hong Kong Institute of Certified Public Accountants and holds a Certified Public Accountant (Practising) certificate issued by Accounting and Financial Reporting Council.

Mr. Lau previously served as a non-executive director, member of the audit committee, the nomination committee and the remuneration committee of DreamEast Group Limited (Stock Code: 593), the shares of which are listed on the Stock Exchange, from 17 June 2022 to 28 June 2023.





Non-Executive Director

Kem Hussain (“**Dr. Hussain**”), aged 55, was appointed as a Non-executive Director with effect from 1 January 2023. Dr. Hussain was responsible for supervising the overall management and strategic planning of the Group. With effect from 31 August 2025, he resigned as a non-executive Director.

Dr. Hussain has around 22 years of experience in education and management of educational institutions. From 2002 to 2003, Dr. Hussain worked at the Florida International University as an adjunct professor and a lecturer. From 2005 to 2019, Dr. Hussain worked at the Universal Academy of Florida, with the last position as the president and superintendent. From 2008 to 2022, Dr. Hussain worked at the Nova Southeastern University as an adjunct professor. Dr. Hussain was also the superintendent at Garden of the Sahaba

Academy from 2009 to 2020 and at Salah Tawfik Elementary & Middle School from 2008 to 2020. Dr. Hussain has been the director and vice president of Cognia, Inc. (formerly known as AdvancED) since 2008. Dr. Hussain is also currently the president and chief executive officer of Rise University Systems, a registered postsecondary institution in San Jose, California.

Dr. Hussain obtained a Bachelor’s Degree from the Faculty of Arabic Language of the Islamic University of Medina in 1993 and a Master of Arts from The University of Manchester in 1995. Dr. Hussain also obtained a Doctor of Education from the Nova Southeastern University in 2004, after which he completed his postdoctoral studies at the Independent Schools Institute of the Harvard Graduate School of Education in 2008.



Independent Non-executive Directors

Peter Humphrey Owen (“**Mr. Owen**”), aged 78, was appointed as an Independent Non-executive Director in June 2014, and was appointed as a chairman of our remuneration committee and a member of our audit committee and nomination and corporate governance committee, all taking effect on 28 November 2014. Mr. Owen is primarily responsible for supervising and providing independent judgment to our Board.

Prior to joining the Group, Mr. Owen served as the vice chair of the Workers Compensation Review Board of BC in 1986. He subsequently held various positions at the Ministry of Education of the BC provincial government until May 2011, including the positions of director, executive director, and assistant deputy minister, responsible for education related legislation, governance, international education, policy and planning, and a variety of program areas. Mr. Owen has not held any directorship roles in any other listed companies in the last three years.

Mr. Owen received a Bachelor of Arts degree from Simon Fraser University, Canada in May 1976 and a Bachelor of Laws degree (LLB) from the University of British Columbia, Canada in May 1979.

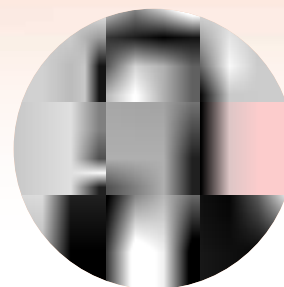
DIRECTORS AND SENIOR MANAGEMENT

Wai Fong Wong (“**Ms. Wong**”), aged 65, was appointed as an Independent Non-executive Director with effect from 1 January 2023. Ms. Wong is primarily responsible for supervising and providing independent judgment to the Board. Ms. Wong was appointed as a member of each of the audit committee, the remuneration committee, the nomination and corporate governance committee with effect from 31 August 2023.

Ms. Wong has 43 years of global financial experience covering central banks, multinational corporations, listed companies and family offices. Ms. Wong joined The Hongkong and Shanghai Banking Corporation Limited (“**HSBC**”) as a Foreign Exchange Dealer Trainee in September 1982, becoming the first woman foreign exchange bank dealer in Hong Kong and was subsequently seconded to HSBC London in 1983. After the secondment, her last position with the HSBC group was Senior Dealer – Treasury Products (Foreign Exchange & Treasury Department) in April 1990. Since then, she has worked and held different senior management positions with various global banks, which included the Hongkong Bank of Canada (now known as HSBC Bank Canada) (“**HSBC Canada**”), the National Westminster Bank PLC’s Hong Kong office, the Hong Kong office of Westdeutsche Landesbank Girozentrale (WestLBAG) Bank, a German state-backed merchant

bank, and Standard Chartered Bank (Hong Kong) Limited. In 2007, Ms. Wong joined Goldman Sachs (Asia) L.L.C. in Hong Kong as an executive director of the Institutional Wealth Management of the Investment Management Division. She subsequently acted as an executive director at the Investment Banking Division of Goldman Sachs (Asia) L.L.C. in Hong Kong from 2011 to 2016. Ms. Wong has been a co-founder and managing partner of Alpha Grand Consulting Group Ltd and Alpha Grand Real Estate Ltd, global financial consultancy firms headquartered in Hong Kong with representatives in Italy and Canada covering the European and North American markets since January 2017. She is responsible for managing proprietary real estate investment portfolios in the UK and Canada.

Ms. Wong obtained a Bachelor of Social Sciences from the University of Hong Kong in 1982. She obtained a Master of Business Administration from the Chinese University of Hong Kong and a Master of Laws in Corporate and Financial Law from the University of Hong Kong in 1989 and 2020 respectively. Ms. Wong obtained the Diploma in Management Consulting and Change from The University of Hong Kong and The Poon Kam Kai Institute of Management in 1999. She completed the Harvard Negotiation Master Class from Harvard Law School with a Certificate in 2021.





Ming Sang Chow (“Mr. Chow”), aged 52, was appointed as an Independent Non-executive Director and chairman of the audit committee with effect from 1 March 2024. Mr. Chow is primarily responsible for supervising and providing independent judgment to the Board.

Mr. Chow obtained his bachelor degree of Business Administration in Accounting from The Hong Kong University of Science and Technology in 1995. Mr. Chow is a fellow member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants and a Certified Internal Auditors.

Mr. Chow has over 28 years working experience in various industries in auditing, corporate governance and risk management advisory. He worked at Ernst & Young (China) Advisory Limited from January 2007 to September 2018 and he was the advisory partner of Ernst & Young (China) Advisory Limited since 2007 and was responsible for managing the Risk Advisory sub-service line’s strategic growth and development in various regions of Mainland China since 2011.

From 2014 to 2016, Mr. Chow became the Committee member of The Internal Controls General Standards Committee* of The Ministry of Finance of the People’s Republic of China (中華人民共和國財政部企業內部控制標準委員會委員), the only Hong Kong resident and Big Four partner being appointed as a committee member.

Mr. Chow was the general manager of the Risk and Control Department of 泰禾集團 (Tahoe Group*) (the shares of which are

listed on the Shenzhen Stock Exchange with stock code 000732) from September 2018 to June 2019, overseeing the company’s risk management and corporate governance of all business sectors like residential, commercial, hotel, education, insurance, medical, estate management and ageing care. Since December 2023, Mr. Chow has been an independent director of 牧原食品股份有限公司 (Muyuan Foods Co., Ltd.*, the shares of which are listed on the Shenzhen Stock Exchange with stock code 002714). Mr. Chow is currently the managing director of 北京信實安業管理諮詢有限公司 (Beijing Xinshi Anye Management Consulting Co., Ltd*) where he provides capital market related advisory services to companies mostly in Mainland China.

Mr. Chow has been an independent non-executive director in a number of Hong Kong listed companies, namely China Modern Dairy Holdings Ltd. (Stock code: 1117) since 1 July 2021, Redco Healthy Living Company Limited (Stock code: 2370) since 14 March 2022, China Rundong Auto Group Limited (previous stock code: 1365, the shares of which were delisted with effect from 31 October 2022) from 18 December 2020 to 31 August 2022, Teamway International Group Holdings Limited (Stock code: 1239) from 21 June 2019 to 31 August 2025, and XtalPi Holdings Limited (formerly known as QuantumPharm Inc.) (Stock code: 2228) since 12 June 2024, the shares of these companies are/were listed on the main board of the Stock Exchange.

* For identification purpose only

OUR SENIOR MANAGEMENT

Name	Age	Position
Mr. Shu Liang Sherman Jen	71	CEO and President of China Operations
Mr. King Pak Lau	53	Co-CFO
Mr. James William Beeke	75	Superintendent of Global Education (other than the PRC)
Dr. Patrick Thalheimer	65	Superintendent (the PRC)

The biography of each member of the senior management team (other than our Executive Directors) is set out below:

Patrick Thalheimer (“**Dr. Thalheimer**”), aged 65, was appointed as superintendent of the BC program in China and Maple Leaf World School Program on 15 August 2023, overseeing the educational program for the Group’s schools in the PRC. He joined the Group on 15 August 2021 as principal of Wuhan Maple Leaf International School, and then assumed the role of assistant superintendent on April 1, 2022.

Dr. Thalheimer has 33 years of experience in public education in Canada, with 28 years in administrative roles in schools. He

has also worked overseas as a principal in Guangzhou, China and Bahrain for 3 years. He has given presentations at both national and international conferences in Canada and China.

Dr. Thalheimer earned a Bachelor of Education degree from the University of Calgary in 1984, a Master of Education degree in Curriculum and Administration from Gonzaga University in 1991, and an education Doctorate from the University of Calgary in 2015.



COMPANY SECRETARY

Shu Ling Jen (“**Ms. Jen**”), has been appointed as the company secretary and authorised representative of the Company for the purpose of Rule 3.05 of the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”) since 28 April 2021. Ms. Jen joined the Group in February 2010 and is currently the assistant to Co-CFO. Ms. Jen is a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered

Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom.

Ms. Jen holds a degree of Master of Corporate Governance and a degree of Bachelor of Science with Honours in Accounting.



REPORT OF THE DIRECTORS

The Board of China Maple Leaf Educational Systems Limited present their report together with the audited consolidated financial statements of the Group for the year ended 31 August 2025.

GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 5 June 2007 as an exempted company with limited liability. The principal place of business of the Company in Hong Kong is located at Room 2402, 24/F, Admiralty Centre Tower Two, 18 Harcourt Road, Admiralty, Hong Kong.

The Company's shares ("**Shares**") were listed (the "**Listing**") on the Main Board of the Stock Exchange on 28 November 2014 ("**Listing Date**").

PRINCIPAL ACTIVITIES AND SUBSIDIARIES

The Group operates international K-12 schools under three principal brands: "Maple Leaf" in China, delivering the World School Program; CIS in Singapore, offering the IB program; and KIS in Malaysia, providing the A-Level program. The Maple Leaf World School Program represents China's first internationally accredited curriculum with self-developed intellectual property, achieving recognition alongside established programs such as A-Level and IB, and has filled the gap in China's international education program. A list of the Company's principal subsidiaries, including their dates and places of incorporation, operational jurisdiction, and principal activities, etc., is provided in note 45 to the consolidated financial statements.

RESERVES AND DISTRIBUTABLE RESERVES

As at 31 August 2025, the reserves available for distribution to the Shareholders were approximately RMB564.3 million. Details of the movements in the reserves of the Group for the year ended 31 August 2025 are set out in the consolidated statement of changes in equity on page 82 of this report.

BUSINESS REVIEW

A fair review of the business of the Group during the year as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including an analysis of the Group's financial performance, an indication of likely future developments in the Group's business and the Group's key relationships with its stakeholders who have a significant impact on the Group and on which the Group's success depends, is set out in the sections headed "Letter from the Chairman" and "Management Discussion and Analysis" of this report. These discussions form part of this report.

Principal Risks and Uncertainties

Save as disclosed in the section headed "Risks relating to the Contractual Arrangements" under "Contractual Arrangements" in this report, the following list is a summary of certain principal risks and uncertainties facing the Group.

- Our operations and business prospects;
- Our business and operating strategies and our ability to implement such strategies;
- Our ability to develop and manage our operation and business;
- Our business depends on the market recognition of our Maple Leaf brand, CIS brand and KIS brand;
- Our ability to maintain or increase student enrolment in our schools;
- Our ability to maintain or increase tuition fees;

REPORT OF THE DIRECTORS

- Our ability to control our operating costs;
- Competition in the education industry where we serve;
- Our business depends on our ability to recruit and retain dedicated and capable teachers and other school personnel;
- Ability to obtain or renew the necessary licenses or government approvals for our business and operations;
- Changes to regulatory and operating conditions in the education industry where we serve, in particular, the regulatory changes under the new law and new policies; and
- The recognition of the World School Program.

Some of the above risks and uncertainties are beyond the Group's control and should any of these occur, the Group's business, financial position and results of operation may be materially adversely affected.

The Group is exposed to various market risks arising from its operations, including credit, liquidity, interest rate, and currency risks. To address these challenges, the Group has implemented the following risk management framework and measures:

- the Board is responsible for and has general powers over the management and operation of our schools and oversees the overall risk control of the Group. Any significant business decision involving material risks, such as decisions to expand into new geographic regions or to raise tuition fees, is reviewed, analysed and approved at the board level to ensure a thorough examination of the associated risks at the Group's highest corporate governance body;
- the Group maintains insurance coverage which we believe is in line with the customary practice in the PRC education industry. The Group also adopts health and safety measures on our campuses to safeguard our students' wellbeing; and
- the Group has arranged with banks to ensure that the Group is able to obtain credits to support its business operation and expansion.

However, the above list is not exhaustive. Investors are advised to make their own judgment or consult their own investment advisors before making any investment in the Shares. As recommended under "Review of Issuer's Annual Reports" issued by the Stock Exchange from time to time, the Company discussed specifically how the major risk areas would affect the business operations, the potential financial impact, and whether they had undertaken any measure to manage risk areas.

Environmental Policies and Performance

The Group recognises that environmental protection is integral to its long-term sustainability. We have implemented comprehensive energy conservation and emission reduction systems across our headquarters and schools, with particular focus on managing canteen operations' environmental impact. These initiatives are designed to optimise resource utilisation and minimize our ecological footprint. Our operations strictly adhere to all applicable Environmental Protection Law of the People's Republic of China* (中華人民共和國環境保護法). During the financial year ended 31 August 2025, the Group maintained full compliance with all health, safety and environmental requirements, with no material fines or penalties incurred. Detailed information on our environmental initiatives and performance is available in our Environmental, Social and Governance ("ESG") Report for the year ended 31 August 2025, which will be published concurrently with this annual report on both the Company's website under the "Investors" section and the website of the Stock Exchange.

* For identification purposes only

Compliance with Relevant Laws and Regulations

During the year ended 31 August 2025, the Group maintained full compliance with all applicable laws and regulations. No material instances of non-compliance that would significantly impact the Group's business operations were identified.

Relationships with employees, customers and suppliers

(a) Employees

The Group considers its employees to be valuable assets and maintains a competitive remuneration structure designed to attract and retain qualified professionals. Compensation packages are regularly reviewed and adjusted to align with market standards. Through comprehensive staff development program and supportive working environment, the Group provides rewarding career paths for all employees. Additional details regarding employee benefits are available in the "Management Discussion and Analysis – Employee Benefits" section of this report.

(b) Customers

The Group maintains its commitment to educational excellence through continuous curriculum development and instructional material updates, ensuring its academic standards align with global benchmarks. Our focus on achieving strong university admission outcomes reinforces our competitive position in the international education sector. As at the date of this report, 662 Maple Leaf Class 2025 students received 2,474 offer letters from 151 universities and colleges in 17 countries and regions. Notably, 49 graduates secured offers from QS Top 10 universities, including world-renowned universities such as University College London and Imperial College London in the United Kingdom. Furthermore, 614 graduates, representing 92.7% of the Class of 2025 Students, received at least one offer letter from universities ranked within the Maple Leaf Educational Systems Global Top 100 universities, reaffirming the strong international recognition and competitive edge of our educational programs.

(c) Suppliers

The Group maintains long-term partnerships with suppliers who share our commitment to quality standards and ethical business practices. These collaborative relationships form an integral component of our sustainable business model, ensuring consistent delivery of high-quality educational services and operational support. Through established procurement frameworks and ongoing supplier engagement, the Group works to align its supply chain with institutional values and operational requirements. This approach supports business continuity while maintaining the standards expected by our students, parents, and other stakeholders.

Save for the disclosure in this report, there were no material and significant disputes between the Group and its employees, customers and/or suppliers during the financial year ended 31 August 2025.

FINANCIAL RESULTS

The financial performance of the Group for the year ended 31 August 2025 is detailed in the consolidated statement of profit or loss and other comprehensive income on page 79 of this annual report.

DIVIDENDS

The Board has resolved not to recommend any dividend for the year ended 31 August 2025.

Dividend Policy

On 9 November 2018, the Board adopted a dividend policy which sets out the principles and guidelines of the Group. The Company intends to distribute no less than 40% of its annual adjusted net profits as dividends to its Shareholders. The declaration and payment of dividends shall be determined at the sole and absolute discretion of the Board which shall take into account the Company's financial results, cash flow position, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, interests of the Shareholders, any restrictions on dividend payment and any other factors considered relevant by the Board. A dividend may be proposed and/or declared by the Board for a financial year or period as interim dividend, final dividend, special dividend and any distribution of net profits deemed appropriate by the Board.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the financial performance and assets and liabilities of the Group for the five years ended 31 August 2025 is set out in the section headed "Five-Year Financial Summary" on pages 8-11 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment during the year are set out in note 16 to the consolidated financial statements.

INVESTMENT PROPERTIES

Details of investment properties as at 31 August 2025 are set out in note 19 to the consolidated financial statements.

BANK LOANS AND OTHER BORROWINGS

As at 31 August 2025, the Group maintained variable interest rate bank loans secured by certain properties and shares of the offshore subsidiaries, which were utilized to finance the acquisition of overseas schools.

DISCLOSURE PURSUANT TO RULES 13.18 AND 13.21 OF THE LISTING RULES – SPECIFIC PERFORMANCE OBLIGATION ON CONTROLLING SHAREHOLDER

2024 Term Loan Facility

On 22 July 2024, Canadian International School Pte Limited (as a borrower) ("**Borrower**"), among others, and certain lenders ("**2024 Term Loan Lenders**") entered into the term loan facility agreement ("**2024 Term Loan Facility Agreement**") pursuant to which the 2024 Term Loan Lenders agreed to make available the term loan facility ("**2024 Term Loan Facility**") in an aggregate amount up to SGD280,000,000 with a final maturity date being five years from the date of the 2024 Term Loan Facilities Agreement. As of the date of this report, CIS has fully utilised the 2024 Term Loan Facility. The 2024 Term Loan Facility Agreement imposes, among other things, specific performance obligations on the controlling shareholder of the Company. Pursuant to the 2024 Term Loan Facility Agreement, a change of control event occurs (among other matters) if Mr. Jen and the family members of Mr. Jen (including spouse, children and siblings of Mr. Jen) cease to collectively, directly or indirectly be the single largest shareholder of the Company.

If a change of control event abovementioned occurs:

- (a) the Borrower shall promptly notify the agent upon becoming aware of that event;
- (b) 2024 Term Loan Lenders shall not be obliged to fund a drawdown of the 2024 Term Loan Facilities; and
- (c) the agent shall, by not less than three business days' notice to the Borrower, cancel the 2024 Term Loan Facility and declare the outstanding loan, together with accrued interest, and all other amounts accrued under the finance documents immediately due and payable, whereupon the 2024 Term Loan Facility will be cancelled and all such outstanding amounts will become immediately due and payable.

For details, please refer to the announcement of the Company dated 22 July 2024.

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 32 to the consolidated financial statements.

PERMITTED INDEMNITY

In accordance with article 33.1 of the Company's articles of association ("**Articles of Association**"), every Director, auditor or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him/her as a Director, auditor or other officer of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his/her favour, or in which he/she is acquitted. Such permitted indemnity provision for the benefit of the Directors was in force during the year and has remained in force as of the date of this annual report.

DIRECTORS

The Directors during the year ended 31 August 2025 and up to the date of this report were as follows:

Executive Directors:

Mr. Shu Liang Sherman Jen (*Chairman*)
 Mr. King Pak Lau
 Mr. James William Beeke

Non-executive Director:

Dr. Kem Hussain (*resigned with effect from 31 August 2025*)

Independent Non-executive Directors:

Mr. Peter Humphrey Owen
 Ms. Wai Fong Wong
 Mr. Ming Sang Chow

In accordance with article 16.18 of the Company's Articles of Association, Dr. Hussain, Ms. Wong and Mr. Chow had retired by rotation at the annual general meeting of the Company held on 21 February 2025 ("**AGM**") and, being eligible, had offered themselves for re-election at the AGM. In accordance with article 16.18 of the Articles of Association, Mr. Jen and Mr. Beeke will retire by rotation at the forthcoming annual general meeting to be held in 2026 and, being eligible, will offer themselves for re-election.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the Independent Non-executive Directors, a confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. Based on such confirmations, the Company considers that all Independent Non-executive Directors are independent.

DIRECTORS' SERVICE CONTRACTS

Each of our Executive Directors has entered into a service contract with our Company pursuant to which they agreed to act as Executive Directors until the year ending 31 August 2026, except that Mr. King Pak Lau's service contract with the Company will end on 28 February 2027. Either the Company or the Director has the right to give the other party not less than one month to three months prior written notice to terminate the agreement.

The then Non-executive Director signed a letter of appointment with our Company. The term of office of the then Non-executive Director ended on 31 August 2025. Either the Company or the Director had the right to give the other party not less than three months prior written notice to terminate the agreement. Dr. Hussain resigned from the Company with effect from 31 August 2025.

Each of our Independent Non-executive Directors has signed a letter of appointment with our Company. The term of office of our Independent Non-executive Directors will end on 31 August 2026, except that, the letter of appointment of Mr. Chow with the Company will end on 28 February 2027. Either the Company or the Director has the right to give the other party not less than one month to three months prior written notice to terminate the agreement.

None of the Directors proposed for re-election at the forthcoming annual general meeting has entered into any service contract with the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and those of the five highest paid individuals of the Group for the year ended 31 August 2025 are set out in note 13 to the consolidated financial statements. Save as disclosed in note 13 to the consolidated financial statements, there has been no arrangement under which any Director has waived or agreed to waive any emoluments.

Directors' remuneration is determined by the Board, or the Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided amongst the Directors in such proportions and in such manner as they may agree, or failing agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in the Company may be entitled by reason of such employment or office. The Directors anticipate that they will periodically review the compensation levels of key executives of the Group. Based on the Group's performance and the executives' respective contributions to the Group, the Directors may, with the approval of the Company's remuneration committee, grant salary increases or pay bonuses to executives. All Directors receive reimbursements from the Company for expenses which are necessarily and reasonably incurred for providing services to the Company or executing matters in relation to the operations of the Company.

DIRECTORS' INTERESTS IN CONTRACTS AND COMPETING BUSINESSES

Save as disclosed in note 40 to the consolidated financial statements headed "Related Party Transactions and Balances" and the section headed "Contractual Arrangements" of this annual report below, neither Director nor any entity connected with any of our Directors had a material interest, whether directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party as at 31 August 2025 or at any time during the year ended 31 August 2025.

During the year ended 31 August 2025, neither our Controlling Shareholders (as defined in the Listing Rules) nor any of our Directors were interested in the business of operating international schools or educational institutions, other than our Group, which, competes or is likely to compete, either directly or indirectly, with our Group's business and which requires disclosure pursuant to Rule 8.10 of the Listing Rules.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

No contract of significance has been entered into among the Company or any of its subsidiaries and the Controlling Shareholders or any of their subsidiaries during the year ended 31 August 2025.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Share Incentive Schemes" of this report, at no time during the year ended 31 August 2025 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or the chief executive of the Company or their respective spouses or children under 18 years of age to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

EQUITY-LINKED AGREEMENTS

Save as disclosed in the sections headed "Share Incentive Schemes" of this report, there was no equity-linked agreement entered into by the Company during the year ended 31 August 2025 or subsisting at the end of this financial year. The disclosure in the aforementioned section in the "Management Discussion and Analysis" forms part of this report.

CONTRACTUAL ARRANGEMENTS

Due to restrictions in the PRC laws and regulations on foreign investment in schools that offer compulsory education and not-for-profit preschools in China, we have entered into a number of continuing agreements and arrangements ("**Contractual Arrangements**" or "**VIE Agreements**") with certain consolidated affiliated entities in the PRC solely for the purpose of operating the Group's relevant business in China. Some of these agreements and arrangements have been entered into with our connected persons in our ordinary and usual course of business, which constitute continuing connected transactions under the Listing Rules. We set out below details of the Contractual Arrangements.

Reasons for the Contractual Arrangements

The PRC laws and regulations currently prohibit foreign participation in private schools that provide compulsory education and not-for-profit preschools by means of mergers and acquisitions, contractual agreements and related parties transactions. Furthermore, although the PRC laws and regulations allow foreign investment in foreign national schools and high schools, government authorities either impose restrictions in this respect or, as a matter of policy, withhold approval for such ventures altogether (as discussed further below in the section headed “Updates in Relation to the Qualification Requirement”). The Contractual Arrangements among us, Dalian Beipeng Educational Software Development Inc. (“**Beipeng Software**”), Shenzhen Beipeng Educational Software Development Inc. (“**Shenzhen Beipeng Software**”), our consolidated affiliated entities and shareholders of our consolidated affiliated entities are therefore necessary to achieve our business objectives, although they have been as narrowly tailored as possible so as to minimise potential conflict with current PRC laws and regulations.

Particulars of the consolidated affiliated entities and their registered shareholders are as follows:

- (1) Dalian Maple Leaf Education Group Co., Ltd* (大連楓葉教育集團有限公司, “**Dalian Educational Group**”) is a limited liability company established in the PRC on 23 May 2003, the registered shareholders of which is Ms. Shu'E Ren (the “**Founder's Sister**”), a sister of Mr. Shu Liang Sherman Jen (“**Founder**”), and Ms. Yanru Zhang (“**Ms. Zhang**”), an independent third party. Dalian Educational Group is principally engaged in investment in private K-12 education in the PRC.
- (2) Shenzhen Maple Leaf Education Group Co., Ltd* (深圳楓葉教育集團有限公司, “**Shenzhen Educational Group**”) is a limited liability company established in the PRC on 1 June 2021, the registered shareholders of which are Mr. Fengjun Yan (“**Mr. Yan**”) and Mr. Yisheng Tang (“**Mr. Tang**”), both are independent third parties. Shenzhen Educational Group is principally engaged in investment in private K-12 education in the PRC.
- (3) Dalian Youwen Science and Education Co., Ltd.* (大連優文教育科技有限公司, “**Dalian Youwen**”) (formerly known as Dalian Maple Leaf Science and Education Co., Ltd.*, 大連科教有限公司) is a limited liability company established in the PRC on 9 January 2003, the registered shareholders of which are Ms. Shu'E Ren and Dalian Educational Group. Dalian Youwen is principally engaged in investment in private K-12 education in the PRC.

Our Directors (including the Independent Non-executive Directors) consider that the Contractual Arrangements have been entered into: (i) in the ordinary and usual course of business of the Company; (ii) on normal commercial terms; and (iii) in accordance with the respective agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Risks relating to the Contractual Arrangements

We believe the following risks are associated with the Contractual Arrangements. Further details of these risks are set out on pages 26 to 32 of the Company's prospectus dated 18 November 2014 (“**Prospectus**”).

1. If the PRC government finds that the agreements that establish the structure for operating our business in China do not comply with applicable PRC laws and regulations, we could be subject to significant penalties and our business may be materially and adversely affected.
2. Our Contractual Arrangements may not be as effective in providing control over our consolidated affiliated entities as equity ownership.
3. Any failure by our consolidated affiliated entities or their respective ultimate shareholders to perform their obligations under our Contractual Arrangements would potentially lead to us having to incur additional costs and expend substantial resources to enforce such arrangements, temporary or permanent loss of control over our primary operations or loss of access to our primary sources of revenue.

4. The ultimate owners of our consolidated affiliated entities may have potential conflicts of interest with us, which may materially and adversely affect our business and financial condition.
5. Certain terms of our Contractual Arrangements may not be enforceable under PRC laws.
6. The Contractual Arrangements between Beipeng Software and our consolidated affiliated entities and Dalian Maple Leaf International School* (High School) (大連楓葉國際學校, “**Dalian Maple Leaf High School**”) may subject our Group to increased income tax due to the different income tax rates applicable to Beipeng Software and our consolidated affiliated entities and Dalian Maple Leaf High School, which may adversely affect our results of operations.
7. Our Contractual Arrangements may be subject to scrutiny by the PRC tax authorities, and a finding that we owe additional taxes could substantially reduce our net income and the value of our investment.
8. We rely on dividends and other payments from Beipeng Software and Shenzhen Beipeng Software to pay dividends and other cash distributions to our shareholders.
9. Our consolidated affiliated entities and Dalian Maple Leaf High School may be subject to significant limitations on their ability to operate private education or make payments to related parties or otherwise be materially and adversely affected by changes in the PRC laws and regulations.
10. The discontinuation of any preferential tax treatments currently available to us, in particular, the tax exemption status of our schools, could result in a decrease of our net income and materially and adversely affect our results of operations.
11. If any of our PRC subsidiaries or consolidated affiliated entities becomes the subject of a bankruptcy or liquidation proceeding, we may lose the ability to use and enjoy certain important assets, which could reduce the size of our operations and materially and adversely affect our business, ability to generate revenue and the market price of our Shares.
12. Our exercise of the option to acquire the equity interests of our consolidated affiliated entities may be subject to certain limitations and the ownership transfer may subject us to substantial costs.

Contractual Arrangements in Place

The Contractual Arrangements that were in place as at 31 August 2025 are as follows:

- (i) an exclusive management consultancy and business cooperation agreement dated 11 May 2014 and entered into by and among Beipeng Software, Dalian Educational Group and its subsidiary entities, including but not limited to companies, schools and other entities which it directly or indirectly holds more than 50% interests of, and Founder’s Sister, pursuant to which Dalian Educational Group and the Founder’s Sister agreed to engage Beipeng Software as the exclusive service provider to provide Dalian Educational Group and its subsidiary entities with comprehensive business management consultancy and educational consultancy services, intellectual property licenses, technical support and business support services, and in return, Beipeng Software will charge for the services; and various letters of acceptance of rights and obligations* (權利義務承受函) entered into between Dalian Educational Group and its subsidiary entities, pursuant to which each of the newly added subsidiary entities became a party to the said exclusive management consultancy and business cooperation agreement with all the rights and obligations of a party thereunder at any time after the said exclusive management consultancy and business cooperation agreement took effect;

* For identification purposes only

REPORT OF THE DIRECTORS

- (ii) an exclusive management consultancy and business cooperation agreement dated 11 May 2014 and entered into by and between Beipeng Software and Dalian Maple Leaf High School, pursuant to which Dalian Maple Leaf High School agreed to engage Beipeng Software as the exclusive service provider to provide Dalian Maple Leaf High School with comprehensive educational consultancy services, intellectual property licenses and technical support and business support services, and in return, Beipeng Software will charge for the services;
- (iii) an exclusive management consultancy and business cooperation agreement dated 22 August 2014 and entered into by and among Beipeng Software, Dalian Maple Leaf Foreign Nationals School (大連楓葉外籍人員子女學校, “**Dalian Foreign School**”), Wuhan Maple Leaf Foreign Nationals School* (武漢楓葉外籍人員子女學校, “**Wuhan Foreign School**”) and the Founder, pursuant to which Dalian Foreign School, Wuhan Foreign School and the Founder agreed to engage Beipeng Software as the exclusive service provider to provide Wuhan Foreign School and Dalian Foreign School with comprehensive educational consultancy services, intellectual property licenses and technical support and business support services, and in return, Beipeng Software will charge for the services;
- (iv) an exclusive call option agreement dated 11 May 2014 and entered into by and among our Company, Dalian Educational Group and the Founder’s Sister, pursuant to which the Founder’s Sister granted, at nil consideration, an exclusive, unconditional and irrevocable option to our Company or our nominee to acquire from the Founder’s Sister part or all of her equity interests in Dalian Educational Group for nil consideration or the minimum amount of consideration permitted by applicable PRC laws and regulations;
- (v) an exclusive call option agreement dated 11 May 2014 and entered into by and among our Company, Dalian Youwen and the Founder’s Sister, pursuant to which the Founder’s Sister granted, at nil consideration, an exclusive, unconditional and irrevocable option to our Company or our nominee to acquire from the Founder’s Sister part or all of her equity interests in Dalian Youwen for nil consideration or the minimum amount of consideration permitted by applicable PRC laws and regulations;
- (vi) an exclusive call option agreement dated 22 August 2014 and entered into by and among our Company, the Founder and Wuhan Foreign School, pursuant to which the Founder granted, at nil consideration, an exclusive, unconditional and irrevocable option to our Company or our nominee to acquire from the Founder part or all of his sponsor interests in Wuhan Foreign School for nil consideration or the minimum amount of consideration permitted by applicable PRC laws and regulations;
- (vii) an exclusive call option agreement dated 11 May 2014 and entered into among our Company, the Founder and Dalian Foreign School, pursuant to which the Founder granted, at nil consideration, an exclusive, unconditional and irrevocable option to our Company or our nominee to acquire from the Founder part or all of his sponsor interests in Dalian Foreign School for nil consideration or the minimum amount of consideration permitted by applicable PRC laws and regulations;
- (viii) an equity pledge agreement dated 26 May 2014 and entered into by and among Beipeng Software, Dalian Educational Group and the Founder’s Sister, pursuant to which the Founder’s Sister pledged all of her equity interests in Dalian Educational Group to Beipeng Software to guarantee the performance of the obligations of the Founder’s Sister and Dalian Educational Group and its subsidiary entities under the exclusive management consultancy and business cooperation agreement (as described in item (i)), the exclusive call option agreement (as described in item (iv)), and power of attorney (as described in item (x));
- (ix) an equity pledge agreement dated 26 May 2014 and entered into by and among Beipeng Software, Dalian Youwen and the Founder’s Sister, pursuant to which the Founder’s Sister pledged all of her equity interests in Dalian Youwen to Beipeng Software to guarantee the performance of the obligations of Dalian Youwen and its subsidiary entities under the exclusive management consultancy and business cooperation agreement (as described in item (i)), the exclusive call option agreement (as described in item (v)) and power of attorney (as described in item (x));

- (x) a power of attorney executed by the Founder's Sister dated 11 May 2014 appointing Beipeng Software, or nominee(s) of Beipeng Software, as her attorney-in-fact to exercise the shareholder's rights in Dalian Educational Group and Dalian Youwen;
- (xi) a power of attorney executed by the Founder dated 11 May 2014 appointing Beipeng Software, or nominee(s) of Beipeng Software, as his attorney-in-fact to exercise the shareholder's rights in Dalian Foreign School and Wuhan Foreign School (items (i) to (xi) collectively referred to as the "**2014 Contractual Arrangements**").

On 22 September 2017, Education Department of Zhejiang Province issued an administrative licensing decision (Zhe Jiao Xu Ke [2017] No. 23) approving to change the sponsor of Yiwu Maple Leaf Foreign Nationals School* (義烏外籍人員子女學校, "**Yiwu Foreign School**") from the Founder to Beipeng Software. Yiwu Foreign School, Beipeng Software, the Company and the Founder entered into a VIE termination agreement on 8 November 2018, which terminated the relevant VIE agreements for Yiwu Foreign School ("**Termination**"), including: (i) the exclusive management consultancy and business cooperation agreement entered into among Beipeng Software, Yiwu Foreign School and the Founder on 22 June 2016, (ii) the exclusive call option agreement entered into among the Company, the Founder and Yiwu Foreign School on 22 June 2016, and (iii) the power of attorney executed by the Founder on 22 June 2016. Upon the completion of the Termination, Yiwu Foreign School was transferred to the Group and as at the date of this report, Yiwu Foreign School is directly held by Beipeng Software and not subject to VIE Agreements;

- (xii) an exclusive management consultancy and business cooperation agreement dated 30 August 2021 and entered into by and among Shenzhen Beipeng Software, Shenzhen Educational Group and its subsidiary entities, including but not limited to companies, schools and entities which it directly or indirectly holds more than 50% interests of, pursuant to which Shenzhen Educational Group agreed to engage Shenzhen Beipeng Software as the exclusive service provider to provide Shenzhen Educational Group and its subsidiary entities with comprehensive business management consultancy and educational consultancy services, intellectual property licenses, technical support and business support services, and in return, Shenzhen Beipeng Software will charge for the services;
- (xiii) an exclusive call option agreement dated 30 August 2021 and entered into by and among our Company, Shenzhen Educational Group, Ms. Lihua Liu ("**Ms. Liu**"), and Ms. Tingting Sun ("**Ms. Sun**"), pursuant to which Ms. Liu and Ms. Sun granted, at nil consideration, an exclusive, unconditional and irrevocable option to our Company or our nominee to acquire from Ms. Liu and Ms. Sun part or all of the equity interests in Shenzhen Educational Group for nil consideration or the minimum amount of consideration permitted by applicable PRC laws and regulations;
- (xiv) an equity pledge agreement dated 30 August 2021 and entered into by and among Shenzhen Educational Group, Ms. Liu, Ms. Sun and Shenzhen Beipeng Software, pursuant to which Ms. Liu and Ms. Sun pledged all of the equity interests in Shenzhen Educational Group to Shenzhen Beipeng Software to guarantee the performance of the obligations of Ms. Liu, Ms. Sun and Shenzhen Educational Group and its subsidiary entities under the exclusive management consultancy and business cooperation agreement (as described in item (xii)), the exclusive call option agreement (as described in item (xiii)), and power of attorney (as described in item (xv));
- (xv) a power of attorney executed by Ms. Liu and Ms. Sun dated 30 August 2021 appointing Shenzhen Beipeng Software, or nominee(s) of Shenzhen Beipeng Software, as the attorney-in-fact to exercise the shareholders' rights in Shenzhen Educational Group (items (xii) to (xv) collectively referred to as the "**2021 Contractual Arrangements**");
- (xvi) on 18 November 2022, a share transfer agreement entered into between Ms. Sun and Mr. Tang, pursuant to which Ms. Sun transferred 0.01% equity interest in Shenzhen Educational Group to Mr. Tang. An equity pledge agreement dated 18 November 2022 entered into by and among Shenzhen Educational Group, Ms. Liu, Mr. Tang and Shenzhen Beipeng Software, pursuant to which Ms. Liu and Mr. Tang pledged all of the equity interests in Shenzhen Educational Group to Shenzhen Beipeng Software to guarantee the performance of the obligations of Ms. Liu, Mr. Tang and Shenzhen Educational Group and its subsidiary entities under the exclusive management consultancy and business cooperation agreement (as described in item (xii));

REPORT OF THE DIRECTORS

- (xvii) on 18 November 2022, a change of entity of contract to the exclusive call option agreement entered into by and among our Company, Shenzhen Educational Group, Ms. Liu, Ms. Sun and Mr. Tang, pursuant to which from 18 November 2022, the unexercised rights and obligations of Ms. Sun were transferred to Mr. Tang in full;
- (xviii) on 18 November 2022, a change of entity of contract to the power of attorney entered into by and among Shenzhen Beipeng Software, Ms. Liu, Ms. Sun and Mr. Tang, pursuant to which from 18 November 2022, the unexercised rights and obligations of Ms. Sun under the power of attorney exercised by Shenzhen Beipeng Software, was transferred to Mr. Tang in full (items (xvi) to (xviii) collectively referred to as the “**2022 Contractual Arrangements**”);
- (xix) on 10 April 2023, Dalian Educational Group, Founder’s Sister and Ms. Zhang entered into a capital increase and share expansion agreement agreeing that Ms. Zhang would subscribe for Dalian Educational Group’s newly added registered capital of RMB20,000. After this capital increase, Ms. Zhang holds 0.01% of the shares of Dalian Educational Group. Founder’s Sister holds 99.99% of the shares of Dalian Educational Group;
- (xx) a supplemental agreement dated 10 April 2023 to the exclusive management consultancy and business cooperation agreement dated 11 May 2014 (as described in item (i)) and entered into by and among Beipeng Software, Founder’s Sister, Ms. Zhang and Dalian Educational Group and its subsidiary entities, pursuant to which Ms. Zhang as a new shareholder of Dalian Educational Group became a party to the exclusive management consultancy and business cooperation agreement dated 11 May 2014 with all the rights and obligations of a party thereunder;
- (xxi) a supplemental agreement dated 10 April 2023 to the exclusive call option agreement dated 11 May 2014 (as described in item (iv)) and entered into by and among our Company, Dalian Educational Group, Founder’s Sister and Ms. Zhang, pursuant to which Ms. Zhang as a new shareholder of Dalian Educational Group became a party to the exclusive call option agreement dated 11 May 2014 with all the rights and obligations of a party thereunder;
- (xxii) a power of attorney dated 10 April 2023 executed by Ms. Zhang, appointing Beipeng Software, or nominee(s) of Beipeng Software, as her attorney-in-fact to exercise the shareholder’s rights in Dalian Educational Group;
- (xxiii) an equity pledge agreement dated 10 April 2023 and entered into by and among Dalian Educational Group, Ms. Zhang and Beipeng Software, pursuant to which Ms. Zhang pledged all of the equity interests in Dalian Educational Group to Beipeng Software to guarantee the performance of the obligations of Ms. Zhang and Dalian Educational Group and its subsidiary entities under the exclusive management consultancy and business cooperation agreement dated 11 May 2014 (as described in item (i)), the exclusive call option agreement dated 11 May 2014 (as described in item (iv)), the supplemental agreement dated 10 April 2023 to the exclusive management consultancy and business cooperation agreement (as described in item (xx)), the supplemental agreement dated 10 April 2023 to the exclusive call option agreement (as described in item (xxi)), and power of attorney dated 10 April 2023 (as described in item (xxii)) collectively referred to as the “**2023 Contractual Arrangements**”);
- (xxiv) on 26 December 2024, a share transfer agreement entered into between Ms. Liu and Founder’s Sister, pursuant to which Ms. Liu transferred 99.99% equity interest in Shenzhen Educational Group to Founder’s Sister. An equity pledge agreement dated 25 February 2025 entered into by and among Shenzhen Educational Group, Founder’s sister, Mr. Tang and Shenzhen Beipeng Software, pursuant to which Founder’s Sister and Mr. Tang pledged all of the equity interests in Shenzhen Educational Group to Shenzhen Beipeng Software to guarantee the performance of the obligations of Founder’s Sister, Mr. Tang and Shenzhen Educational Group and its subsidiary entities under the exclusive management consultancy and business cooperation agreement (as described in item (xii)). On 25 February 2025, Founder’s Sister and Mr. Tang completed the registration procedures for the aforesaid equity pledge agreement;
- (xxv) on 26 December 2024, a change of entity of contract II to the exclusive call option agreement entered into by and among our Company, Shenzhen Educational Group, Ms. Liu, Founder’s Sister and Mr. Tang, pursuant to which from 26 December 2024, all the unexercised rights and obligations by Ms. Liu under the exclusive call option agreement, were transferred to Founder’s Sister in full;

- (xxvi) on 26 December 2024, a change of entity of contract II to the power of attorney entered into by and among Shenzhen Beipeng Software, Ms. Liu, Founder's Sister and Mr. Tang, pursuant to which from 26 December 2024, the unexercised rights and obligations of Ms. Liu under the power of attorney were transferred to Founder's Sister (items (xxiv) to (xxvi) collectively referred to as the "**2024 Contractual Arrangements**");
- (xxvii) on 31 May 2025, a share transfer agreement entered into between Founder's Sister and Mr. Yan, pursuant to which Founder's Sister transferred 99.99% equity interest in Shenzhen Educational Group to Mr. Yan. An equity pledge agreement dated 13 August 2025 entered into by and among Shenzhen Educational Group, Founder's Sister, Mr. Tang and Shenzhen Beipeng Software, pursuant to which Mr. Yan and Mr. Tang pledged all of the equity interests in Shenzhen Educational Group to Shenzhen Beipeng Software to guarantee the performance of the obligations of Mr. Yan, Mr. Tang and Shenzhen Educational Group and its subsidiary entities under the exclusive management consultancy and business cooperation agreement (as described in item (xii)). On 13 August 2025, Mr. Yan and Mr. Tang completed the registration procedures for the aforesaid equity pledge agreement;
- (xxviii) on 31 May 2025, a change of entity of contract III to the exclusive call option agreement entered into by and among our Company, Shenzhen Educational Group, Founder's Sister, Mr. Yan and Mr. Tang, pursuant to which from 31 May 2025, the unexercised rights and obligations of Founder's Sister were transferred to Mr. Yan in full; and
- (xxiv) on 31 May 2025, a change of entity of contract III to the power of attorney entered into by and among Shenzhen Beipeng Software, Founder's Sister, Mr. Yan and Mr. Tang, pursuant to which from 31 May 2025, the unexercised rights and obligations of Founder's Sister under the power of attorney were transferred to Mr. Yan in full (items (xxvii) to (xxiv) collectively referred to as the "**2025 Contractual Arrangements**").

Apart from the above, there are no other new Contractual Arrangements entered into, renewed or reproduced between the Group and the PRC consolidated affiliated entities during the financial year ended 31 August 2025 and up to the date of this report. Save as disclosed in this report, there was no material change in the Contractual Arrangements under which they were adopted for the year ended 31 August 2025, except that Pingdingshan Fengsheng Technology Co., Ltd. has been added as subsidiary entities of Dalian Educational Group pursuant to the requirements of the management consultancy and business cooperation agreement in (i) above.

For the year ended 31 August 2025, none of the Contractual Arrangements has been terminated as none of the restrictions that led to the adoption of structured contracts under the Contractual Arrangements has been removed.

For the year ended 31 August 2025, the Group has adopted various measures to ensure the effective operation of the Group with the implementation of the Contractual Arrangements and the Group's compliance with the Contractual Arrangements including the review of the overall performance of and compliance with the structured contracts under the Contractual Arrangements by the Board at least once a year.

We have been advised by our PRC legal advisor that the Contractual Arrangements do not violate the relevant PRC regulations as at 31 August 2025.

On 14 May 2021, the PRC State Council announced the Implementation Regulations, which came into effect on 1 September 2021. The restrictions in the Implementation Regulations on the prohibition of foreign participation in private schools that provide compulsory education and not-for-profit preschools by means of mergers and acquisitions, contractual agreements and related party transactions. The restrictions are intended to ensure the legitimate rights and interests of not-for-profit schools, especially to protect the property rights and interests of not-for-profit schools and to avoid the improper transfer of proceeds from the operation of not-for-profit schools.

The Implementation Regulations stipulate that no social organisation or individual may control a private school that is an elementary school or middle school (learning stages) or not-for-profit preschools by means of mergers and acquisitions, contractual agreements and related party transactions, etc. As advised by our PRC legal advisor, PRC laws and regulations do not have retrospective effect, except for the special provisions developed for the better protection of the rights and interests of citizens, legal persons, and other organisations. According to our PRC legal advisor, the Implementation Regulations should be subject to further laws, regulations or rules (if any) by relevant local competent regulatory authorities or other organs of state power, rendering it retrospective. As a result, there are uncertainties concerning the validity and enforceability of the current Contractual Arrangements between the Group and the Affected Schools and therefore it could not be concluded that they are legally binding and enforceable upon the Implementation Regulations becoming effective on 1 September 2021.

Revenue, profit before taxation and assets subject to the Contractual Arrangements

For the year ended 31 August 2025, the revenue and profit before taxation subject to the Contractual Arrangements are RMB264.3 million and RMB59.7 million, respectively. As at 31 August 2025, the total assets subject to the Contractual Arrangements are RMB1,122.5 million.

Listing Rules Implications

The 2014 Contractual Arrangements

As the Founder is our Controlling Shareholder and our chairman of the Board, he is therefore our connected person pursuant to Rule 14A.07(1) of the Listing Rules. The Founder's Sister is the sister of the Founder and is therefore an associate of the Founder and our connected person pursuant to Rules 14A.12(2)(a) and 14A.07(4) of the Listing Rules. Dalian Educational Group is owned as to 99.99% by the Founder's Sister and is therefore an associate of the Founder and our connected person pursuant to Rules 14A.12(2)(b) and 14A.07(4) of the Listing Rules. Dalian Youwen is 95.3% indirectly owned by the Founder's Sister via Dalian Educational Group, which she controls, and is therefore an associate of the Founder and our connected person pursuant to Rules 14A.12(2)(b) and 14A.07(4) of the Listing Rules. Each of Wuhan Foreign School and Dalian Foreign School is wholly owned by the Founder and is therefore an associate of the Founder and our connected person pursuant to Rules 14A.12(1)(c) and 14A.07(4) of the Listing Rules. Accordingly, the 2014 Contractual Arrangements constitute connected transactions of the Company under the Listing Rules.

The 2021 Contractual Arrangements, the 2022 Contractual Arrangements, the 2023 Contractual Arrangements and 2025 Contractual Arrangements

Mr. Yan, Mr. Tang and Ms. Zhang are independent third parties. Shenzhen Education Group is owned as to 99.99% and 0.01% by Mr. Yan and Mr. Tang respectively, and Dalian Educational Group is owned as to 0.01% by Ms. Zhang. The 2021 Contractual Arrangements, the 2022 Contractual Arrangements, the 2023 Contractual Arrangements and the 2025 Contractual Arrangements do not constitute notifiable or connected transactions of the Company under Chapters 14 and 14A of the Listing Rules.

Waiver from the Stock Exchange and Annual Review

The Stock Exchange has granted a specific waiver to the Company from strict compliance with the connected transactions requirement of Chapter 14A of the Listing Rules in respect of the 2014 Contractual Arrangements, including (i) the announcement and independent Shareholders' approval requirements, (ii) the requirement of setting an annual cap for the fees payable to Beipeng Software under the 2014 Contractual Arrangements and (iii) the requirement of limiting the term of the 2014 Contractual Arrangements to three years or less, for so long as the Shares are listed on the Stock Exchange, subject however to the condition that the 2014 Contractual Arrangements subsist and that the consolidated affiliated entities will continue to be consolidated into our Group's financial results as if they were our Group's subsidiaries. If any terms of the 2014 Contractual Arrangements are altered or if the Group enters into any new agreements with any connected persons in the future, the Group must fully comply with the relevant requirements under the Listing Rules unless we obtain a separate waiver from the Stock Exchange.

Agreements with Beipeng Software

Pursuant to the exclusive management consultancy and business cooperation agreements entered into by and among (i) Beipeng Software, Dalian Educational Group and any of its subsidiaries and schools and the Founder's Sister on 11 May 2014 and (ii) Beipeng Software, Wuhan Foreign School, Dalian Foreign School and the Founder on 22 August 2014, each of which superseded all previous agreements among the parties with respect to subject matters thereof, Beipeng Software has the exclusive right to provide, or designate any third party to provide each of the Group's consolidated affiliated entities with intellectual property development and licensing services as well as comprehensive technical and educational consultancy services (the "**Services**"). Such Services include educational software and course materials, research and development, employee training, technology development, transfer and consulting services, public relation services, market survey, research and consulting services, market development and planning services, human resource and internal information management, network development, upgrade and ordinary maintenance services, sales of proprietary products, and software and trademark and know-how licensing and other additional services as the parties may mutually agree from time to time.

For the year ended 31 August 2025, the Services provided by Beipeng Software to Dalian Educational Group and its subsidiaries, Wuhan Foreign School and Dalian Foreign School amounted to RMB21.8 million.

Agreements with Shenzhen Beipeng Software

Pursuant to the exclusive management consultancy and business cooperation agreement entered into by and among Shenzhen Beipeng Software and Shenzhen Educational Group and any of its subsidiaries and schools on 30 August 2022, Shenzhen Beipeng Software has the exclusive right to provide, or designate any third party to provide Services to each of the Group's consolidated affiliated entities. Such Services include educational software and course materials, research and development, employee training, technology development, transfer and consulting services, public relation services, market survey, research and consulting services, market development and planning services, human resource and internal information management, network development, upgrade and ordinary maintenance services, sales of proprietary products, and software and trademark and know-how licensing and other additional services as the parties may mutually agree from time to time.

For the year ended 31 August 2025, the Services provided by Shenzhen Beipeng Software to Shenzhen Educational Group and its subsidiaries and schools amounted to RMB4.1 million.

Confirmation from Independent Non-executive Directors

Our Independent Non-executive Directors have reviewed the Contractual Arrangements and confirmed that (i) the transactions carried during the year ended 31 August 2025 have been entered into in accordance with the relevant provisions of the Contractual Arrangements and that the profit generated by the consolidated affiliated entities was substantially retained by the Group, (ii) no dividends or other distributions have been made by the consolidated affiliated entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group during the year ended 31 August 2025, (iii) in respect of the 2014 Contractual Arrangements, the 2021 Contractual Arrangements, the 2022 Contractual Arrangements, the 2023 Contractual Arrangements, and the 2025 Contractual Arrangements, no new contracts were entered into, renewed or reproduced during the year ended 31 August 2025, and (iv) the Contractual Arrangements were entered into in the ordinary and usual course of business of the Group, on normal commercial terms and are fair and reasonable and in the interests of the Shareholders as a whole.

Confirmations from the Company's Independent Auditors

The auditors of the Company have confirmed in a letter to the Board that, with respect to the aforesaid continuing connected transactions entered into in the year ended 31 August 2025:

1. nothing has come to their attention that causes the auditors to believe that the disclosed continuing connected transactions have not been approved by the Board; and
2. nothing has come to their attention that causes the auditors to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements under the Contractual Arrangements governing such transactions;

In light of the deconsolidation of the Affected School on 31 August 2021, the Group is now assessing the Listing Rules' implications on the related party transactions and balances as disclosed in note 40 to the consolidated financial statements. Save as aforesaid, during the year ended 31 August 2025, no related party transactions disclosed in note 40 to the consolidated financial statements constituted a connected transaction or continuing connected transaction which should be disclosed pursuant to the Listing Rules. The Company has complied with the disclosure requirements set out in Chapter 14A of the Listing Rules.

Updates in Relation to the Qualification Requirement

Our PRC legal advisor has advised us that there have not been changes in the relevant regulatory developments and guidance relating to the Qualification Requirement since the publication of the Prospectus and the amendment in 2019.

Efforts and Actions Undertaken to Comply with the Qualification Requirement

Up to the date of this annual report, apart from the steps taken as disclosed in the Prospectus and previous years' annual reports, the Group is still in the progress of working on different ways of obtaining the Qualification Requirement.

Impact of the Implementation Regulations on the Contractual Arrangements

As disclosed in the section headed "Update on the Regulations for the Implementation of the Private Education Promotion Law of the People's Republic of China" in Management Discussion and Analysis, based on the advice of our PRC legal advisor, there are uncertainties concerning the validity and enforceability of the current contractual arrangements between the Group and the Affected Schools and therefore it could not be concluded that they are legally binding and enforceable upon the Implementation Regulations becoming effective on 1 September 2021. By the end of 31 August 2021, it was no longer practicable for the Group to make relevant decisions to obtain significant variable returns from the Affected Schools. Consequently, the Group lost control over the Affected Schools on 31 August 2021 and the Affected Schools were deconsolidated from the consolidated financial statements of the Company for the year ended 31 August 2021 and the operations of the Affected Schools were classified as discontinued operations as of 31 August 2021.

As at the date of this report, Xi'an Maple Leaf School has been re-consolidated into the Group's financial statements since the end of 2021/2022 school year. Separately, Shanghai School has obtained both a private school operating license as an Independent High School and a registration certificate as a private non-enterprise entity, authorising its operation as an Independent High School. Consequently, the financial results and the financial position of Shanghai School have been re-consolidated into the Group's financial statements since and as the case may be, in August 2025. The Group will continue to monitor the implementation of the relevant Implementation Regulations across different regions and assess any subsequent impact on the Company's operations and will make further announcement(s) as and when appropriate.

MANAGEMENT CONTRACTS

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

CUSTOMERS AND SUPPLIERS

Our customers primarily consist of our students and their parents or other guardians. We did not have a single customer who accounted for more than 5% of our revenue for the two years ended 31 August 2025 and 2024.

For the year ended 31 August 2025, our five largest suppliers in aggregate accounted for approximately 3.6% (2024: 3.5%) of our cost of revenue and our largest supplier accounted for approximately 1.4% (2024: 0.9%) of our cost of revenue. None of our Directors, their respective close associates, or any Shareholder of the Company who, to the knowledge of our Directors, owns more than 5% of our issued capital, has any interest in any of our five largest suppliers.

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

As at 31 August 2025, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”), Chapter 571 of the Laws of Hong Kong) which (a) were 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 have taken, or are deemed to have taken, under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register required to be kept by the Company; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long/short positions in Shares and underlying Shares of the Company

Name of Director/ Chief executive	Capacity	Interest in Shares	Interest in underlying Shares	Total interest in Shares and underlying Shares	Approximate percentage of shareholding as at 31 August 2025 (Note 1)	Long position/ Short position
Shu Liang Sherman Jen ("Mr. Jen")	Founder of a discretionary trust who can influence how the trustee exercises his discretion	1,483,639,818 (Note 2)	–	1,483,639,818	50.60%	Long position
	Beneficial interest	101,528,850	–	101,528,850	3.46%	Long position
James William Beeke	Interest of controlled corporation	884,000 (Note 4)	–	884,000	0.03%	Long position
	Beneficial interest	51,342	–	51,342	0.00%	Long position
Peter Humphrey Owen	Beneficial interest	121,342	–	121,342	0.00%	Long position
King Pak Lau	Beneficial interest	–	3,000,000 (Note 3)	3,000,000	0.10%	Long position

Notes:

- The total number of 2,932,104,920 Shares in issue as at 31 August 2025 has been used for the calculation of the approximate percentage.
- Sherman Investment is a company incorporated in the British Virgin Islands, which is indirectly wholly owned by a discretionary trust. Mr. Jen is the founder of the discretionary trust who can influence how the trustee exercises his discretion and is deemed to be interested in the long position in 1,483,639,818 Shares held by Sherman Investment.
- These interests in underlying Shares represent the interests in outstanding options (being regarded as unlisted physically settled equity derivatives) granted pursuant to the Post-IPO share option scheme approved and adopted by the Company on 10 November 2014 (“Post-IPO Share Option Scheme”) to subscribe for the relevant number of Shares.
- These Shares were held by Signum International Educational Services Inc. (“Signum Services”), a company which is owned as to 51% by Mr. James William Beeke and 49% by his spouse. Mr. James William Beeke is deemed to be interested in all the Shares held by Signum Services.

Interest in shares of associated corporation

Name of Director	Name of associated corporation	Capacity	Number of issued shares	Percentage of total issued shares of the associated corporation as at 31 August 2025	Long position/ short position
Mr. Jen	Sherman Investment	Founder of a discretionary trust who can influence how the trustee exercises his discretion*	50,000	100%	Long position

* A discretionary trust has been set up and the entire issued capital of Sherman Investment was transferred from Mr. Jen to Sherman Int'l, the shares of which form the assets of a trust, of which Mr. Jen is the Founder.

Save as disclosed above, as at 31 August 2025, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (a) were 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 have taken, or are deemed to have taken, under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register required to be kept by the Company; or (c) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 August 2025, the following persons or corporations, other than the Directors or the chief executive of the Company, had interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Capacity	Total interest in Shares and underlying Shares	Approximate percentage of interest in the Company as at 31 August 2025 (Note 1)	Long position/ Short position
Sherman Investment (Note 2)	Beneficial interest	1,483,639,818	50.60%	Long position
Sherman Int'l (Note 3)	Interest of controlled corporation	1,483,639,818	50.60%	Long position
HSBC International Trustee Limited ("HSBC Trustee") (Note 4)	Trustee	1,484,039,818	50.61%	Long position
Mei Chen Amy Yan ("Ms. Yan") (Note 5)	Interest of spouse	1,585,168,668	54.06%	Long position

Notes:

- (1) The total number of 2,932,104,920 Shares of the Company in issue as at 31 August 2025 has been used for the calculation of the approximate percentage.
- (2) Sherman Investment is indirectly wholly owned by a discretionary trust. Mr. Jen is the founder of the discretionary trust who can influence how the trustee exercises his discretion.
- (3) Sherman Int'l owns 100% shareholding in Sherman Investment and is therefore deemed to be interested in all the Shares which Sherman Investment is interested by virtue of the SFO.
- (4) HSBC Trustee is the trustee of a discretionary trust, of which Mr. Jen is the founder, owns 100% shareholding in Sherman Int'l and is therefore deemed to be interested in all the Shares which Sherman Int'l is interested by virtue of the SFO.
- (5) Ms. Yan is the spouse of Mr. Jen and, therefore, Ms. Yan is deemed to be interested in all the Shares and underlying Shares in which Mr. Jen is interested or deemed to be interested by virtue of the SFO.

Save as disclosed above, as at 31 August 2025, no other person or corporation, other than the Directors or the chief executive of the Company, had an interest or short position in the Shares or underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

REMUNERATION POLICY

The Group maintains a merit-based system for employee selection, compensation, and advancement, with decisions based on qualifications, demonstrated competence, and individual contributions to the Group. For key management personnel, compensation package are determined by the Company's remuneration committee through a structured review process that evaluates both the Group's overall performance and the executives' personal contribution to achieving strategic goals.

The Company also has a provident fund set up for its employees and share incentive schemes as described below.

SHARE INCENTIVE SCHEMES

To incentivise Directors, senior management, employees, and consultants while supporting talent tension, the Group maintains several equity-based compensation programs. These include: the Post-IPO Share Option Scheme, adopted on 10 November 2014; the Share Award Scheme (originally implemented as a restricted share units scheme and modified by the Board on 28 April 2015); and Employee Share Purchase Plan, adopted on 12 October 2020. These programs are designed to align the interests of participants with long-term value creation for the Group. From 1 January 2023, the Company will rely on the transitional arrangements provided for the existing share incentive schemes and will comply with the new Chapter 17 of the Listing Rules accordingly (effective from 1 January 2023).

Details on the movement of the relevant scheme for the year ended 31 August 2025 is set out in note 35 to the consolidated financial statements.

1. Post-IPO Share Option Scheme

(a) Purpose of the Post-IPO Share Option Scheme

The Company adopted the Post-IPO Share Option Scheme on 10 November 2014 to enable our Group to grant options to selected participants as incentives or rewards for their contributions to our Group. Our Directors consider the Post-IPO Share Option Scheme, with its broadened basis of participation, will enable our Group to reward our employees, Directors and other selected participants for their contributions to our Group. Given that our Directors are entitled to determine the performance targets to be achieved as well as the minimum period that an option must be held before an option can be exercised on a case by case basis, and that the exercise price of an option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by our Directors, it is expected that grantees of an option will make an effort to contribute to the development of our Group so as to bring about an increased market price of the Shares in order to capitalize on the benefits of the options granted.

(b) Who may join

Our Directors (which expression shall, for the purpose of this paragraph, include a duly authorised committee thereof) may, at their absolute discretion, invite any person belonging to any of the following classes of participants, who our Board considers, in its sole discretion, have contributed or will contribute to our Group, to take up options to subscribe for Shares:

- (i) any Directors (including Executive Directors, Non-executive Directors and Independent Non-executive Directors) and employees of any member of our Group; and
- (ii) any advisers, consultants, distributors, contractors, customers, suppliers, agents, business partners, joint venture business partners, service providers of any member of our Group.

For the purposes of the Post-IPO Share Option Scheme, the options may be granted to any company wholly owned by one or more people belonging to any of these classes of participants. For the avoidance of doubt, the grant of any options by our Company for the subscription of Shares or other securities of our Group to any person who falls within any of these classes of participants shall not, by itself, unless our Directors are otherwise so determined, be construed as a grant of option under the Post-IPO Share Option Scheme.

The eligibility of any of these classes of participants to the grant of any option shall be determined by our Directors from time to time based on our Directors' opinion as to the participant's contribution to the development and growth of our Group.

(c) Maximum number of Shares

The maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Post-IPO Share Option Scheme and any other share option scheme of our Group shall not in aggregate exceed 10% of the shares in issue of our Company.

The total number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Scheme and any other share option scheme of our Group shall not in aggregate exceed 10% of the Shares in issue on the Listing Date, such 10% limit represents 266,800,000 Shares (the “**General Scheme Limit**”) but excluding any Shares which may be issued upon the exercise of the over-allotment option for the Listing. There was no service provider sublimit under the Post-IPO Share Option Scheme.

As at the date of this report, the Company had a total of 190,637,168 Shares available for issue under the Post-IPO Share Option Scheme (representing approximately 6.50% of the issued Shares as at the date of this report).

Subject to paragraph (a) above and without prejudice to paragraph (d) below, our Company may issue a circular to its Shareholders and seek approval of its Shareholders in a general meeting to extend the General Scheme Limit provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Scheme and any other share option scheme of our Group shall not exceed 10% of the Shares in issue as at the date of approval of the limit and, for the purpose of calculating the limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Post-IPO Share Option Scheme and any other share option scheme of our Group) previously granted under the Post-IPO Share Option Scheme and any other share option scheme of our Group will not be counted. The circular sent by our Company to its Shareholders shall contain, among other information, the information required under the Listing Rules.

Subject to paragraph (a) above and without prejudice to paragraph (c) herein, our Company may seek separate Shareholders’ approval in a general meeting to grant options beyond the General Scheme Limit or, if applicable, the extended limit referred to in paragraph (c) herein to participants specifically identified by our Company before such approval is sought. In such event, our Company must send a circular to its Shareholders containing a general description of the specified participants, the number and terms of options to be granted, the purpose of granting options to the specified participants with an explanation as to how the terms of the options serve such purpose and such other information required under the Listing Rules.

(d) Maximum entitlement of each participant

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Post-IPO Share Option Scheme and any other share option scheme of our Company (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of our Company for the time being (the “**Individual Limit**”). Any further grant of options in aggregate in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular to our Shareholders and our Shareholders’ approval in general meeting of our Company with such participant and his associates abstaining from voting. The number and terms (including the exercise price) of options to be granted to such participants must be fixed before Shareholders’ approval and the date of board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under note (1) to Rule 17.03(9) of the Listing Rules.

(e) Grant of options to connected persons

Any grant of options under the Post-IPO Share Option Scheme to a Director, chief executive or Substantial Shareholder of our Company or any of their respective associates must be approved by our Independent Non-executive Directors (excluding any Independent Non-executive Director who is the proposed grantee of the options).

Where any grant of options to a substantial Shareholder of our Company or an Independent Non-executive Director or any of their respective associates would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet as at the date of the offer of grant, in excess of HK\$5 million (or such other higher amount as may from time to time be specified by the Stock Exchange);

such further grant of options must be approved by our Shareholders in a general meeting. Our Company must send a circular to its Shareholders. All connected persons of our Company must abstain from voting at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular. Any vote taken at the general meeting to approve the grant of such options must be taken in a poll.

Any change in the terms of options granted to a substantial Shareholder or an Independent Non-executive Director or any of their respective associates must be approved by our Shareholders in a general meeting.

(f) Time of acceptance and exercise of option

An option may be accepted by a participant within five business days from the date of the offer of grant of the option.

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

(g) Subscription price for Shares

The subscription price per Share under the Post-IPO Share Option Scheme will be a price determined by our Directors, but shall not be less than the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day;
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the offer of grant (provided that in the event that any option is proposed to be granted within a period of less than five business days after the trading of the Shares first commences on the Stock Exchange, the new issue price of the Shares for the Listing shall be used as the closing price for any business day falling within the period before Listing); and
- (iii) the nominal value of a share on the date of grant.

A nominal consideration of HK\$1.00 is payable upon acceptance of the grant of an option.

(h) Restriction on the time of grant of options

No offer for grant of options shall be made after an inside information event has occurred or an inside information matter has been the subject of a decision until such inside information has been announced in accordance with the requirements of the Securities and Futures Ordinance and the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of the meeting of our Directors (as such date is first notified to the Stock Exchange in accordance with the requirements of the Listing Rules) for the approval of our Company's results for any year, half-year, quarter or any other interim period (whether or not required under the Listing Rules), and (ii) the last date on which our Company must publish its announcement of its results for any year, half-year, quarter or any other interim period (whether or not required under the Listing Rules), and ending on the date of the announcement of the results, no offer for grant of options may be made.

Our Directors may not grant any option to a participant who is a Director during the period or time in which Directors are prohibited from dealing in shares pursuant to the Model Code prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by our Company.

(i) Period of the Post-IPO Share Option Scheme

The Post-IPO Share Option Scheme would remain in force for a period of 10 years from 10 November 2014. Accordingly, the Post-IPO Share Option Scheme expired on 10 November 2024. The options granted prior to the expiration remain valid for exercise and no further option under the Post-IPO Share Option Scheme would be granted.

(j) Outstanding Share Options

The following table discloses movements in the outstanding share options granted to all grantees under the Post-IPO Share Option Scheme as at 31 August 2025. No Options were granted under the Post-IPO Share Option Scheme during the financial year ended 31 August 2025. Both the number of options available for grant under the Post-IPO Share Option Scheme mandate at the beginning and the end of the reporting period were 190,637,168.

Grantees (Note 1)	Date of grant	Number of share options					Outstanding as at 31 August 2025	Exercise period/date	Exercise price (Note 2)	Vesting period/date
		Outstanding as at 1 September 2024	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year				
Director										
King Pak Lau	4 March 2024	1,000,000	-	-	-	-	1,000,000	4 March 2025-3 March 2026	HK\$0.52	4 March 2025
	4 March 2024	1,000,000	-	-	-	-	1,000,000	4 March 2026-3 March 2027	HK\$0.52	4 March 2026
	4 March 2024	1,000,000	-	-	-	-	1,000,000	4 March 2027-3 March 2028	HK\$0.52	4 March 2027
Sub-total		3,000,000	-	-	-	-	3,000,000			
Employees										
Jingxia Zhang	4 March 2024	3,000,000	-	-	-	-	3,000,000	4 March 2025-3 March 2030	HK\$0.52	4 March 2025
Ninth tranche	10 May 2024	600,000	-	-	-	-	600,000	10 May 2025-9 May 2026	HK\$0.381	10 May 2025
	10 May 2024	600,000	-	-	-	-	600,000	10 May 2026-9 May 2027	HK\$0.381	10 May 2026
	10 May 2024	600,000	-	-	-	-	600,000	10 May 2027-9 May 2028	HK\$0.381	10 May 2027
	10 May 2024	600,000	-	-	-	-	600,000	10 May 2028-9 May 2029	HK\$0.381	10 May 2028
	10 May 2024	600,000	-	-	-	-	600,000	10 May 2029-9 May 2030	HK\$0.381	10 May 2029
Sub-total		6,000,000	-	-	-	-	6,000,000			
Total		9,000,000	-	-	-	-	9,000,000			

Notes:

- The five highest paid individuals of the Group included two Directors for the year ended 31 August 2025, share options granted to one of the Directors remained outstanding. The remaining three individuals were not granted any share options since the adoption of the Post-IPO Share Option Scheme and up to the date of this report.
- The closing price of the Share immediately before the date on which the options were granted on 4 March 2024 and 10 May 2024 was HK\$0.54 and HK\$0.385 respectively.
- The other principal terms of the Post-IPO Share Option Scheme are set out in the Prospectus.
- No performance target is required to be met before exercising the share options. The Remuneration Committee and the Board considered that notwithstanding the absence of performance target, the grant of the share options aligns with the purpose of the Post-IPO Share Option Scheme.
- Please refer to the corporate governance report of this annual report for a summary of material matters relating to the share schemes reviewed by the remuneration committee of the Board.

Information on the accounting standard and policy for share options granted and the fair value of options at the date of grant are provided in note 34 to the consolidated financial statements.

2. Share Award Scheme

The Share Award Scheme was adopted by the Company on 10 November 2014 and modified by the Board on 28 April 2015.

(a) Purpose of the Share Award Scheme

The grant of share awards (the “**Awards**”) recognises the contribution of the Directors, executive officers, senior management, employees and consultants of the Company and of its subsidiaries and consolidated affiliated entities (collectively, “**Scheme Companies**” and each, a “**Scheme Company**”) to the historical achievements of the Company. The Company has the intention to continue exploring ways to incentivise, retain and reward Scheme Companies’ directors, executive officers, senior management and employees and may implement other share award schemes or other share-based remuneration schemes in the future.

(b) Awards

Each Award is a right to receive a Share at the end of the vesting period, subject to vesting conditions provided for under the Share Award Scheme. For each Award, the Eligible Participants (as defined below) may receive, subject to vesting, one Share.

Awards cannot be sold, pledged or transferred by the Eligible Participants by any means, except by inheritance.

(c) Grant of Awards

The Share Award Scheme provides for the grant of Awards by the Company to beneficiaries (the “**Beneficiaries**”) selected at the discretion of the Board from among the directors, executive officers, senior management, employees and consultants of the Scheme Companies (the “**Eligible Participants**”). Shares will not be released under the Awards until the applicable vesting conditions have been satisfied.

(d) Shares underlying the Awards

The Company will from time to time transfer the necessary funds and instruct the scheme trustee (“**Scheme Trustee**”) to acquire Shares through on-market transactions so as to satisfy Awards.

The Share Award Scheme Shares will be held on trust by the Scheme Trustee until their release to the Beneficiaries upon vesting of their Awards.

The grant of Awards by the Company to a connected person of the Company will be subject to the requirements of Chapter 14A of the Listing Rules.

(e) Restrictions on grants and Share purchases

No instructions may be given to the Scheme Trustee to acquire Shares and no Award may be granted when the Board is in possession of unpublished inside information in relation to the Scheme Companies or when dealings by Directors are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time.

(f) Vesting of Awards

Vesting of Awards is subject to continued employment of the Beneficiaries with a Scheme Company over the vesting period as determined by the Board. Upon vesting, the Company will instruct the Scheme Trustee to release Share Award Scheme Shares to the Beneficiary on its behalf.

In the event of termination of the employment or corporate officer's mandate of a Beneficiary with a Scheme Company, his or her Awards will be forfeited: (i) in the case of employment contracts, such forfeiture shall take effect on the date of receipt of the dismissal letter or the submission of the resignation letter (as the case may be), notwithstanding any period of notice (regardless of whether it has been given or satisfied), or on the date of the termination of the employment agreement for other circumstances, and (ii) in the case of corporate officer's mandate, such forfeiture shall take effect on the date of the expiration of the term of the mandate, or on the date of the dismissal or notification of such dismissal.

In the case of retirement or early retirement of the Beneficiary, Awards are not forfeited. However, the Shares are not released until they vest on the grantee.

If a Beneficiary's employer ceases to be a Scheme Company during the vesting period, the continued employment condition will be deemed not to have been satisfied.

No consideration is paid or payable by the grantees for the Shares to be issued under the Share Award Scheme.

(g) Limit for each Beneficiary

Pursuant to a resolution passed at a meeting of the Board on 29 November 2016, the maximum number of Awards which may be granted to a Beneficiary but unvested under the Share Award Scheme was revised to not exceed 1% of the Shares in issue from time to time.

(h) The Share Award Scheme Period

The Share Award Scheme shall be valid and effective from 28 April 2015 and end on the earlier of (i) the business day immediately prior to the tenth anniversary of 28 April 2015 except in respect of any non-vested Awards granted prior to the expiration of the Share Award Scheme, for the purpose of giving effect to the vesting of such Awards or otherwise as may be required in accordance with the provisions of the Share Award Scheme; and (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Beneficiary in respect of the Awards already granted. The Share Award Scheme was terminated with effect from 17 October 2022.

(i) Outstanding Shares awarded

In July 2015, the Scheme Trustee purchased a total of 62,160,000 Shares on the Stock Exchange at a total consideration of approximately HK\$74.7 million (equivalent to approximately RMB59.0 million). During the year ended 31 August 2025, no share award was granted, vested, cancelled or lapsed under the Share Award Scheme. Both the number of share award available for grant under the scheme mandate as at 1 September 2024 and 31 August 2025 were 0. There was no service provider sublimit under the Share Award Scheme.

The Company did not expect to grant further Share awards under the Share Award Scheme prior to its expiry on 27 April 2025 and to reduce administrative cost of the Company, the Board has resolved to terminate the trust of the Share Award Scheme with effect from 17 October 2022. In accordance with the rules of the Share Award Scheme, the total of 24,309,988 Shares (representing approximately 0.83% of the issued Shares as at the date of this annual report) were resettled and transferred to the ESPP Trust established for Employee Share Purchase Plan on 3 November 2022.

3. Employee Share Purchase Plan (“ESPP”)

The Company’s ESPP was approved and adopted on 12 October 2020 which provides eligible employees with the opportunity to acquire proprietary interests in the Company and to encourage eligible employees to work towards enhancing the value of the Company and the Shares for the benefit of the Company and the Shareholders as a whole. Chinese employees in the PRC who have been employed by the Group for three years or more are eligible to participate in the ESPP. The ESPP was effective for a period of 5 years from the adoption date. Accordingly, the ESPP expired on 12 October 2025.

Each year employees may make contributions according to their respective ranks, and a trustee will be responsible for purchasing Shares on their behalf. Under the ESPP, eligible employees of the Group may elect to purchase the Company’s shares (“**Employee Contribution Share(s)**”) and, through the grant of matching restricted share units (“**Matching RSUs**”), receive one matching share (“**Matching Share(s)**”) for every three shares purchased and held until the end of the vesting period. Each eligible employee’s participation level is capped at RMB2,000 or RMB1,000 per calendar month for senior and middle management and RMB1,000 or RMB500 per calendar month for general employees. No consideration is payable by participants on grant of Matching RSUs. The vesting period with respect to a Matching RSU is the period commencing on the first allocation date (i.e. the 1st day of each March and September) of the offering period in which such Matching RSU was granted to a participant and ending on the third anniversary of such date. On the allocation date within an offering period, the trustee shall purchase, in one or more tranches, as many Shares as may be purchased by using all of the Employee Contributions made for the preceding six months and held under the trust on such date.

Upon vesting of the Matching RSUs (i.e. three years from the first share purchase date in a plan year), those employees who are still employed with the Group will receive one Matching Share for each RSU granted to him or her. The Matching Shares can either be provided to recipients through the issuance of new shares by the Company or be purchased on market by the trustee of the ESPP.

For the year ended 31 August 2025, no Matching Shares were granted under the ESPP, no Matching RSUs were granted and no Matching RSUs were vested. Since the adoption date of the ESPP, no new Shares were issued under the ESPP. As at 31 August 2025, nil Shares are available for issue under the ESPP. Both the number of Matching RSUs available for grant under the ESPP as of 1 September 2024 and 31 August 2025 were nil.

The number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the year ended 31 August 2025 divided by the weighted average number of shares of the relevant class in issue (excluding treasury shares) for the year ended 31 August 2025 is 0.

Contingent Liabilities

As at 31 August 2025, the Group had no material contingent liabilities.

PURCHASE, SALES OR REDEMPTION OF OUR COMPANY'S SHARES

During the year ended 31 August 2025, the Company has repurchased a total of 92,152,000 shares ("Repurchased Shares") on the Stock Exchange at an aggregate consideration of HK\$28,823,546.90 (inclusive of the payment of trading fees, levies and commissions in the aggregate amount of HK\$105,373.39). Up to 31 August 2025, 63,216,000 Repurchased Shares were cancelled.

Month	No. of Repurchased Shares	Price paid per Repurchased Shares		Aggregate Consideration (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
December 2024	5,770,000	0.290	0.248	1,532,844.22
January 2025	22,496,000	0.300	0.255	6,365,509.55
February 2025	19,804,000	0.305	0.295	5,966,182.09
March 2025	17,904,000	0.315	0.300	5,483,172.73
June 2025	8,732,000	0.315	0.315	2,759,315.97
July 2025	4,028,000	0.370	0.335	1,428,581.78
August 2025	13,418,000	0.400	0.365	5,287,940.56
Total	92,152,000			28,823,546.90

Save as disclosed above, during the year ended 31 August 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company (including sale of treasury share). As at 31 August 2025, the Company held 28,936,000 Repurchased Shares pending cancellation and the Company did not hold any treasury shares (for the purpose of the Listing Rules).

Such repurchases were out of the confidence of the Company's prospects and the recognition of the Company's value, with an aim at aligning the interests of investors, stabilising and enhancing the value of each share of the Company.

PROFESSIONAL TAX ADVICE RECOMMENDED

The Company is not aware of any tax relief or exemption available to the Shareholders by reason of their holding of the Company's securities.

If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the Shares, they are advised to consult an expert.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company has maintained the prescribed public float under the Listing Rules as at the date of this report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the laws of the Cayman Islands or under the Company's Articles of Association that require the Company to offer new Shares on a pro-rata basis to its existing Shareholders.

LITIGATION

The Group did not have any material litigation outstanding as at 31 August 2025.

CONTINUING DISCLOSURE PURSUANT TO LISTING RULES

Save as disclosed in the other sections of this annual report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

CHANGE IN DIRECTORS' INFORMATION

Please refer to the section headed "Change of Director and Change in Director's Information" in this report for details of the change of Directors and change in Director's information during the reporting period.

Save as disclosed above and the section headed "Directors and Senior Management", there is no other information in respect of Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

The Group has no subsequent events after the reporting period and up to the date of this report which required disclosure.

NON-COMPETITION UNDERTAKING

In March 2008, each of the Founder, Ms. Yan, Ms. Shu Ling Jen and Sherman Investment undertook to the Company and among others not to establish new entities or schools that are in competition with the entities or schools directly or indirectly controlled by us without our consent ("**Non-competition Undertaking**").

The Founder, Ms. Yan, Ms. Shu Ling Jen and Sherman Investment undertook to the Company and among others have confirmed their compliance with the Non-competition Undertaking throughout the period from the Listing Date to 31 August 2025. The Independent Non-executive Directors have also reviewed the compliance with the Non-competition Undertaking and are satisfied that they have complied with the undertakings.

AUDIT COMMITTEE

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 August 2025 and has met with the independent auditors, Moore CPA Limited ("**Moore**"). The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Company.

AUDITORS

The Company has undergone several changes in its auditor appointments in recent years. Deloitte Touche Tohmatsu resigned as auditor of the Company effective 25 March 2022, with SHINEWING (HK) CPA Limited (“**SHINEWING**”) appointed as the successor auditor on 8 April 2022. SHINEWING subsequently resigned effective 15 July 2022, and ZHONGHUI ANDA CPA Limited (“**ZHONGHUI**”) was appointed on 25 July 2022. Following ZHONGHUI’s resignation effective 27 August 2024, Moore was appointed as the Company’s auditor on 28 August 2024.

The consolidated financial statements for the year ended 31 August 2025 have been audited by Moore. Moore will hold office until conclusion of the next annual general meeting of the Company.

Save as disclosed above, there has been no other change in the auditor of the Company in any of the preceding three years.

On behalf of the Board

Shu Liang Sherman Jen

Chairman and Chief Executive Officer

Hong Kong, 28 November 2025

CORPORATE GOVERNANCE REPORT

The Board of China Maple Leaf Educational Systems Limited is pleased to present this Corporate Governance Report in the Company's annual report for the year ended 31 August 2025.

PURPOSE, VALUES AND STRATEGY

Maple Leaf's Corporate Culture

Maple Leaf is driven by our passionate belief that education is the most important factor that enhances the life opportunities of children. All Maple Leaf Directors and employees work together in a visionary, entrepreneurial, problem-solving, results-oriented, accountable and professional manner to meet the challenges of implementing our purpose, values and beliefs. The Board and all Maple Leaf employees adhere to a strict code of ethics and principles that define business practices, professional relationships, decision-making, and individual roles and responsibilities. Maple Leaf values diversity in the workplace; and is driven by continuous improvement and ongoing professional development. We believe in operational transparency and proactive, open communications with our employees and stakeholders.

Maple Leaf's Purpose

Maple Leaf's purpose is to provide high-quality, academically-focused, educational programming that blends the best of Eastern and Western educational thinking to graduate students who will be successful in their studies in top universities around the world and become global leaders and contributing citizens.

Maple Leaf's Values and Beliefs

Maple Leaf believes that all children can succeed, and that education is the most important factor that enhances the life opportunities of children. Understanding the thinking of East and West, experiencing teachers from different cultures, and completing educational programs in different languages, prepares students well for the global world of tomorrow.

We believe in the importance of student engagement in learning, and in educating the whole child. We highly value moral and ethical behaviour in a diverse, respectful, safe and supporting educational and workplace environment. We value integrity, responsibility and accountability in one's actions and act as role models for our community. We are all part of the Maple Leaf team and rely on each other for our success. We have a passion for education and set high expectations and goals for students.

Maple Leaf's Corporate Strategy

Our purpose, values and beliefs underlie everything that we do and find full expression in our corporate culture. We are driven by the pursuit of excellence and are accountable to the Maple Leaf community to uphold and model our values as we strive to achieve our purpose. We develop transparent policies and procedures to give effect to our beliefs and seek to continuously improve our governance model.

In addition to our focus on individual schools, we provide oversight at a systems level to provide policies, procedures, and assessment standards, as well as guidance and advice to our educational enterprise.

Maple Leaf encourages the Shareholders to engage actively with the Company and is committed to providing effective communication with the Shareholders and other stakeholders. Maple Leaf provides balanced and understandable information about the Company to enable the Shareholders to effectively exercise their rights.

At Maple Leaf we have zero tolerance for any sort of fraud and ensure that all employees, (including Directors, supervisors, and middle and senior managers), establish a work style of integrity, diligence, dedication, honesty, fairness, impartiality, and ethical business practices. All our staff comply with relevant laws and regulations, professional ethics, and the internal management system.

We expect and encourage all our employees, as well as other parties whom we deal with, to report any concerns including actual or suspected misconduct, malpractice, impropriety, fraud or irregularity by any employee or other stakeholder. We provide reporting channels and guidance on reporting possible improprieties; and reassurance to people reporting concerns of the protection against unfair disciplinary action or victimisation for any genuine reports made.

Maple Leaf values the independent views of Directors and to ensure that independent views are available to the Board, we appoint at least three independent non-executive directors, representing at least one-third of the Board.

Maple Leaf recognises and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining our competitive advantage. We regularly assess the diversity profile of the Board and, where applicable, senior management, by considering several aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, and skills, knowledge, industry, and regional experience.

CORPORATE GOVERNANCE CODE

The Board has committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders and to enhance corporate value and accountability. The corporate governance principles of the Company put an emphasis on an effective Board with a high level of integrity, comprehensive internal controls, and a high degree of transparency and accountability, which enhances corporate value for Shareholders and protects the long-term sustainability of the Group and thereby achieving sustainable business growth and generating values over the longer term and the strategy for delivering the Group's objective. The Board has played a proactive role in the development of effective and sustainable business strategies and in aligning the Group's culture with the Group's purpose, values and strategy.

During the year ended 31 August 2025 and up to the date of this annual report, the Company has applied the principles as set out in the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") contained in Appendix C1 to the Listing Rules and has complied with all the applicable code provisions, save and except for code provision C.2.1.

Code provision C.2.1 of Part 2 of the CG Code stipulates that the roles of chairman and CEO should not be performed by the same individual. Mr. Jen performs the dual roles of both chairman and CEO. The Board believes that by vesting the roles of both chairman and CEO in the same person, the Company derives the benefit of ensuring consistent leadership within the Group, which in turn enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively.

The Board will continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

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 securities dealing code to regulate all dealings by Directors and relevant employees of securities in the Company and other matters covered by the Model Code.

Specific enquiries have been made of all the Directors and the relevant employees and they have confirmed that they have complied with the Model Code during the year ended 31 August 2025.

The Company has maintained an effective system in monitoring the dealings by Directors (including a notification mechanism) to ensure compliance with the Model Code. In particular, the Company has notified all Directors the prohibition period before the commencement of such prohibition period. The Board is of the view that the guidelines and procedures for the director's dealings of shares in the Company are adequate and effective.

BOARD OF DIRECTORS

The Board currently comprises six members, consisting of three Executive Directors and three Independent Non-executive Directors.

The composition of the Board as at the date of this report is as follows:

Executive Directors

Mr. Shu Liang Sherman Jen (*Chairman and Chief Executive Officer*)

Mr. King Pak Lau (*Co-Chief Financial Officer*)

Mr. James William Beeke

Independent Non-executive Directors

Mr. Peter Humphrey Owen

Ms. Wai Fong Wong

Mr. Ming Sang Chow

The biographical information of the Directors is set out in the section headed "Directors and Senior Management" in this annual report.

None of the members of the Board is related to one another.

Chairman and Chief Executive Officer

Code provision C.2.1 of Part 2 of the CG Code stipulates that the roles of chairman and chief executive should not be performed by the same individual.

The Board does not have a separate chairman and CEO. Mr. Jen performs the dual roles of both chairman and CEO. The Board believes that by vesting the roles of both chairman and CEO in the same person, the Company derives the benefit of ensuring consistent leadership within our Group, which in turn enables more effective and efficient overall strategic planning for our Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively.

Board Meetings and Shareholders' Meetings Held

During the year ended 31 August 2025 the Board convened four Board meetings and the Company convened the AGM. A summary of the attendance record of the Directors is set out in the following table:

Name of Director	Board Meetings	AGM
Executive Directors		
Mr. Shu Liang Sherman Jen	4/4	0/1
Mr. King Pak Lau	4/4	1/1
Mr. James William Beeke	4/4	1/1
Non-executive Director		
Dr. Kem Hussain (<i>resigned with effect from 31 August 2025</i>)	2/4	1/1
Independent Non-executive Directors		
Mr. Peter Humphrey Owen	4/4	1/1
Ms. Wai Fong Wong	4/4	1/1
Mr. Ming Sang Chow	4/4	1/1

The Board will meet at least four times in each financial year at approximately quarterly intervals in accordance with code provision C.5.1 of Part 2 of the CG Code.

Apart from regular Board meetings, the Chairman also held a meeting with the Independent Non-executive Directors without the presence of other Directors during the year ended 31 August 2025.

Independent Non-executive Directors

The Board always met the requirements of the Listing Rules relating to the appointment of at least three Independent Non-executive Directors representing more than one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received from each Independent Non-executive Director a written annual confirmation in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. Based on such confirmation, the Board considers that all Independent Non-executive Directors are independent.

Non-executive Directors and Directors' Re-election

Code provision B.2.2 of Part 2 of the CG Code states that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

All Directors including Independent Non-executive Directors have been appointed for a fixed term of not more than three years. Mr. Peter Humphrey Owen, Ms. Wai Fong Wong and Mr. Ming Sang Chow, the Independent Non-executive Directors, were appointed for terms from two years to three years commencing on 1 September 2022, 1 January 2023 and 1 March 2024 respectively. As the existing letter of appointment entered into between the Company and each of Mr. Peter Humphrey Owen and Ms. Wai Fong Wong in respect of their corresponding appointment as an independent non-executive Director expired on 31 August 2025, the appointment of each of Mr. Peter Humphrey Owen and Ms. Wai Fong Wong as an independent non-executive Director was renewed for a term of one year commencing from 1 September 2025. Each of the Directors is subject to retirement by rotation once every three years in accordance with the Articles of Association. The Articles of Association requires that at every annual general meeting of the Company one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. The Board takes decisions objectively in the interests of the Company.

All Directors, including Independent Non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

All Directors have full and timely access to all the information about the Company as well as the services and advice from the company secretary and senior management. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his/her responsibilities to the Company.

The Board reserves the discretion to make decisions on all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operations and management of the Company are delegated to the management.

Continuous Professional Development of Directors

Directors shall keep abreast of responsibilities as a Director of the Company and of the conduct, business activities and development of the Group.

Every newly appointed Director will receive a formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Group and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

In accordance with code provision C.1.4 of Part 2 of the CG Code regarding continuous professional development, Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. All Directors are encouraged to attend relevant training courses at the Company's expense.

During the year ended 31 August 2025, the key methods of attaining continuous professional development by each of the Directors are summarized as follows:

Name of Director	Attending courses/ seminars/ Conferences	Reading books/ journals/ articles
Mr. Shu Liang Sherman Jen	✓	✓
Mr. King Pak Lau	✓	✓
Mr. James William Beeke	✓	✓
Mr. Peter Humphrey Owen	✓	✓
Dr. Kem Hussain (<i>resigned with effect from 31 August 2025</i>)	✓	✓
Ms. Wai Fong Wong	✓	✓
Mr. Ming Sang Chow	✓	✓

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination and Corporate Governance Committee, to oversee specific aspects of the Company's affairs. Each of these committees was established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

Majority of the members of each Board committee are Independent Non-executive Directors and the list of the chairman and members of each Board committee is set out in the section headed "Corporate Information" in this report.

Audit Committee

The Company has established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the CG Code. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control procedures and risk management systems of our Group, to oversee the audit process and the relationship with external auditor, to review arrangements enabling employees of the Group to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company and to perform other duties and responsibilities as assigned by our Board.

As at 31 August 2025, the Audit Committee consisted of three members: Mr. Chow, Mr. Peter Humphrey Owen and Ms. Wai Fong Wong, all of whom are Independent Non-executive Directors. Mr. Chow was the chairman of the Audit Committee.

During the year ended 31 August 2025, the Audit Committee held two meetings. The attendance record of the meetings is set out in the table below:

Name of Committee Member	Attendance/Number of meetings
Mr. Peter Humphrey Owen	2/2
Ms. Wai Fong Wong	2/2
Mr. Ming Sang Chow	2/2

During the meetings, the Audit Committee met with external auditor and discussed the status of the outstanding financial reporting of the Company and met with internal audit department to discuss issues on annual internal audit for the year ended 31 August 2024.

Remuneration Committee

The Company has established a Remuneration Committee with written terms of reference in compliance with paragraph E.1 of the CG Code. The primary duties of the Remuneration Committee include but are not limited to, (i) making recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration; (ii) making recommendations to the Board on the remuneration packages of all Directors and senior management; (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time; and (iv) reviewing and approving the terms of incentive schemes and Directors' service contracts.

As at 31 August 2025, the Remuneration Committee consisted of three members: Mr. Peter Humphrey Owen, Mr. James William Beeke and Ms. Wai Fong Wong. Mr. Beeke was an Executive Director and Mr. Owen and Ms. Wong were Independent Non-executive Directors. Mr. Owen was the chairman of the Remuneration Committee.

During the year ended 31 August 2025, the Remuneration Committee held two meetings. The attendance record of the meetings is set out in the table below:

Name of Committee Member	Attendance/Number of meetings
Mr. Peter Humphrey Owen	2/2
Mr. James William Beeke	2/2
Ms. Wai Fong Wong	2/2

During the meeting, the Remuneration Committee reviewed the terms of reference of Remuneration Committee, the remuneration package of independent non-executive directors, its role in the consideration of senior management and other related matters of the Company. The Remuneration Committee also reviewed the annual performance of the Remuneration Committee.

During the year ended 31 August 2025, the total remuneration paid/payable to the senior management (including all Executive Directors) by band expressed in Hong Kong dollars is set out below:

Band	Number of senior management
HK\$1,500,001 to HK\$2,000,000	2
HK\$3,000,001 to HK\$3,500,000	1
HK\$3,500,001 to HK\$4,000,000	1
HK\$4,000,001 to HK\$4,500,000	1

Summary of material matters relating to the share schemes reviewed by the Remuneration Committee

The Remuneration Committee did not review any material matters relating to the share schemes of the Company during the year ended 31 August 2025 due to no grants of share options/ share awards/ Matching RSUs during the year ended 31 August 2025 and the termination or expiry of all share schemes of the Company. The Company did not make any grant of share options to the directors and/or senior managers of the Group as set forth in Rules 17.03F, 17.06B(7) and 17.06B(8) of the Listing Rules during the year ended 31 August 2025.

Nomination and Corporate Governance Committee

The Company has established a Nomination and Corporate Governance Committee (“N&CGC”) with written terms of reference in compliance with paragraphs B.3 and A.2 of the CG Code. The N&CGC has the following two main functions: (i) nomination function including reviewing the structure, size, composition and performance of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company’s corporate strategy, identifying individuals suitably qualified to become board members and select or make recommendations to the Board on the selection of individuals nominated for directorships, assessing the independence of Independent Non-executive Directors and making recommendations to the Board on matters relating to the appointment of Directors; and (ii) corporate governance function including developing and reviewing the Company’s corporate governance policies and practices and making recommendations to the Board, reviewing and monitoring the training and continuous professional development of Directors and senior management, reviewing and monitoring the Company’s policies and practices on compliance with legal and regulatory requirements, developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and directors and reviewing the Company’s compliance with the CG Code and disclosure in the Corporate Governance Report.

As at 31 August 2025, the N&CGC consisted of three members: Mr. Shu Liang Sherman Jen, Mr. Peter Humphrey Owen and Ms. Wai Fong Wong. Mr. Jen was an Executive Director and Mr. Owen and Ms. Wong were Independent Non-executive Directors. Mr. Jen was the chairman of the N&CGC.

Director Nomination Policy

On 9 November 2018, the Company adopted a director nomination policy which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors. When assessing and selecting candidates of directors, the N&CGC and the Board will consider the character, integrity, qualifications, including professional qualifications, skills, knowledge and experience and diversity elements as described in the Board Diversity Policy of the candidates. For appointment of Independent Non-executive Directors, the Company will also consider the independence of the candidates in accordance with the Listing Rules and the commitment of sufficient time in order to discharge the duties as the member of the Board and the Board Committees.

For appointment of directors, the N&CGC should recommend to the Board to appoint suitable candidates for directorship. For person nominated by shareholders for election as a director at the general meeting of the Company, the N&CGC and/or the Board should assess such candidate based on the above selection criteria to determine the eligibility of such candidate to be appointed as a director, and thus make recommendation to the shareholders on the proposal of election of director at the general meeting.

For re-election of directors at the general meeting, the N&CGC and/or the Board should review the overall contribution and services made by the retired directors to the Company and consider whether their level of engagement and performance in the Board meet the above standards and make recommendation to the shareholders on the proposed re-election of directors at the general meeting.

During the year ended 31 August 2025, the N&CGC held two meetings. The attendance record of the meetings is set out in the table below:

Name of Committee Member	Attendance/Number of meetings
Mr. Shu Liang Sherman Jen	2/2
Mr. Peter Humphrey Owen	2/2
Ms. Wai Fong Wong	2/2

During the year ended 31 August 2025, the N&CGC reviewed the structure, size, composition and diversity of the Board, assessed the independence of independent non-executive Directors, made recommendation to the Board for the re-election of directors, reviewed the Company's policies and practices on corporate governance and on compliance with legal and regulatory requirements and discussed the adequacy on the training and continuous professional development of Directors and senior management.

Board Diversity Policy

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance and strives to maintain a Board with diverse perspectives at all levels, in particular, those aligning with the Company's strategies and objectives. In determining the composition of the Board and the nomination of directors, the Company takes into consideration a number of factors, including but not limited to gender, age, cultural and educational background, professional qualifications and skills, knowledge and industries and regional experience. Measurable objectives are adopted for achieving diversity of the Board. As at the date of this report, the Board comprises six Directors comprising one female Director and five male Directors. Gender diversity in respect of the Board has been achieved to a certain extent, as opposed to a single-gender board. The Board would continue to take initiatives to identify suitable candidates so as to appoint at least one additional female Director on the Board in the next 5 years. For succession planning to maintain gender diversity on the Board, the Board will ensure, by upholding an open, fair and reasonable human resource policy with equal opportunities for talent attraction and promotion regardless of gender, that a diverse pipeline of candidates is available to take up leadership positions when any vacancy arises.

As at 31 August 2025, for the gender ratio in the workforce, 32.4% were male and 67.6% were female. Our approach for talent recruitment and retention is to employ a diverse team that works together collaboratively and encourage differences and individuality in employees with respect to equal opportunities, diversity and anti-discrimination. To enhance efficiency, we have not set a measurable objective for achieving gender diversity at the workforce level, the Company is determined to commit to adopting the meritocratic and diverse approach which provides equal consideration and opportunities to all qualified candidates regardless of gender in terms of hiring and promotion process. The Company will conduct regular assessment on the diversity perspective, measurable objectives and progress in achieving the objective of diversity.

The N&CGC is responsible for monitoring and reviewing the Board Diversity Policy annually. During the year ended 31 August 2025, the N&CGC reviewed the implementation and effectiveness of the Board Diversity Policy and the results were satisfactory and the N&CGC was satisfied with the diversity of the existing Board and did not recommend any change of the size of the Board.

Workforce Diversity Policy

To align with the changes to the CG Code which took effect on 1 July 2025, the Company adopted a workforce diversity policy (“**Workforce Diversity Policy**”) and amended the terms of reference of the N&CGC in June 2025. The Workforce Diversity Policy outlines the Group’s approach and commitment to inclusion and diversity in the workforce (including senior management).

DIRECTORS’ RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 August 2025.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern.

The statement of the independent auditors of the Company about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor’s Report on page 76 to page 78 in this report.

AUDITORS’ REMUNERATION

The Company appointed Moore as the external auditors for the year ended 31 August 2025. During the year ended 31 August 2025, the total fees paid/payable, excluding disbursements, in respect of audit and non-audit services provided by the Group’s external auditors are set out below:

Items of auditors’ services	Amount RMB’000
Audit service:	
Annual audit service	2,008
Non-audit service:	
Transfer pricing service	78
Review of interim results	551
Total	2,637

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board highly values and has the overall responsibility for establishing and maintaining adequate and effective risk management and internal control systems of the Group to safeguard the Group's assets and stakeholders' interests and reviewing their effectiveness annually. The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives. Management has the responsibility to carry out the decisions of the Board of Directors in the design, implementation and monitoring of the risk management and internal control systems of the Group.

The Group's risk management and internal control systems include a management structure with defined lines of responsibility and limits of authority. These systems only aim to provide reasonable, but not absolute, assurance that assets are safeguarded against misappropriations or loss, transactions are executed in accordance with the management's authorisation, and accounting records are reliable and proper for preparing financial information and are not materially misstated. The systems are designed to identify, evaluate and manage risks effectively rather than to eliminate the risk of failure to achieve business objectives.

The Group has established a risk management framework in providing direction in identifying, evaluating and managing significant risks. Risks that would adversely affect the achievement of the Group's objectives are identified and assessed and prioritised according to a set of standard criteria. Risk mitigation plans and risk owners are then established for those risks which are considered to be significant. The Company's internal audit function is performed by the internal audit department. During the year under review, the Board conducted review to assess the effectiveness of the risk management and internal control systems through the reviews performed by the Audit Committee, executive management, internal audit department, external internal control consultant and external auditors.

Management confirmed that they have performed their duties to maintain effective risk management and internal control systems, and have ensured the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial report functions, as well as those relating to the Company's ESG performances and reporting. The Board has received a confirmation from the management on the effectiveness of the Company's risk management and internal control systems. By taking into account all material controls, including financial, operational and compliance controls, the Board considered that the risk management and internal control systems are effective and adequate and is committed to improve the Group's risk management and internal control systems on an ongoing basis. The Board is satisfied that the Group has fully complied with the code provisions on risk management and internal controls as set out in the CG Code during the reporting period.

The Group discloses inside information to the public as soon as reasonably practicable in accordance with the requirements of the SFO and the Listing Rules unless the information falls within any of the safe harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensuring that information contained in announcements is not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

COMPANY SECRETARY

Ms. Jen was appointed as the company secretary of the Company and the authorised representative of the Company for the purpose of Rule 3.05 of the Listing Rules. Ms. Jen fulfills the requirement of Rule 3.28 of the Listing Rules and details of her professional qualifications are set out in the section headed "Directors and Senior Management" in this report.

Ms. Jen undertook no less than 15 hours of relevant professional training during the year ended 31 August 2025.

SHAREHOLDERS' RIGHTS

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

Convening an Extraordinary General Meeting ("EGM") and Putting Forward Proposals at EGM

Pursuant to article 12.3 of the Articles of Association, the Board may, whenever it thinks fit, convene an EGM.

General meetings shall also be convened on the written requisition of any two or more members deposited at the principal place of business of the Company in Hong Kong or, in the event the Company ceases to have such a principal place of business, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists hold as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company.

If the Board does not within one month from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further one month, the requisitionists themselves or any of them holding not less than one-tenth of the paid-up capital of the Company which carry the right of voting at general meetings of the Company, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Board shall be reimbursed to them by the Company.

The requisition must state clearly the name of the requisitionists, their shareholding in the Company, the reason(s) to convene an EGM, the agenda proposed to be included and the details of the business(es) proposed to be transacted in the EGM and signed by the requisitionists.

Putting Forward Enquiries to the Board

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

Contact Details

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

Address: No. 13, Baolong First Road, Baolong Street, Longgang District, Shenzhen, Guangdong Province 518116, China
Investor Relations Department

Email: ir@mapleleaf.net.cn

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

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business, performance and strategies. The Company endeavors to maintain an ongoing dialogue with Shareholders and in particular, through annual general meetings and other general meetings. The chairman of the Board, the chairmen of the Audit Committee, Remuneration Committee and N&CGC, or, in their absence, other members of the respective committees, will make themselves available at the annual general meetings to meet Shareholders and answer their enquiries.

OTHER RELATED MATTERS

The Company has adopted the following measures to align with the changes to the CG Code which took effect on 1 January 2022:

(1) Anti-fraud System (《楓葉教育集團反舞弊制度》) (“Anti-fraud System”)

The Board has updated the Anti-fraud System which outlines the goals and policies of the Group in prevention and crackdown of corruption behaviour. The Anti-fraud System sets out the basic standard of conduct which applies to all directors, officers and employees of the Group (collectively known as “employees”) and external parties doing business with the Company and those acting in an agency or fiduciary capacity on behalf of the Company (e.g. agents, consultants and contractors) (“Other Stakeholders”). It also provides guidance to all employees on acceptance of advantage and handling of conflict of interest when dealing with the Company's business. The Company also encourages and expects Other Stakeholders to abide by the principles of the Anti-fraud System. Since May 2023, the updated Anti-fraud System has become effective.

(2) Whistleblowing policy (“Whistleblowing Policy”)

The Board has adopted the Whistleblowing Policy which sets out, among other matters, the reporting and investigation procedures for the employees of the Group and those who deal with the Company to raise concerns about possible improprieties in matters related to the Group. Since October 2022, the Whistleblowing Policy has become effective.

(3) Policy in relation to independent views available to the Board (“Independent View Policy”)

The Board has adopted the Independent View Policy which sets out the principles and guidelines for the Company to ensure independent view and input to be available to the Board, including but not limited to the requirements in relation to the Independent Non-executive Directors. Since October 2022, the Independent View Policy has become effective.

(4) Shareholders' communication policy

The Board has updated the shareholders' communication policy (“Updated Shareholders Communication Policy”) since October 2022. With the objective of ensuring that the Shareholders and potential investors are provided with timely access to information about the Company, the Company has established several channels to communicate with the Shareholders and solicit and understand the views of Shareholders.

The Company reviewed the implementation and effectiveness of the Updated Shareholders Communication Policy and considered the policy to be effective for the year ended 31 August 2025 after reviewing the Shareholder and investor communication activities conducted in the reporting period.

INDEPENDENT AUDITOR'S REPORT



Moore CPA Limited

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**TO THE SHAREHOLDERS OF
CHINA MAPLE LEAF EDUCATIONAL SYSTEMS LIMITED**
(Incorporated in Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of China Maple Leaf Educational Systems Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 79 to 154, which comprise the consolidated statement of financial position as at 31 August 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

**TO THE SHAREHOLDERS OF
CHINA MAPLE LEAF EDUCATIONAL SYSTEMS LIMITED**

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

How our audit addressed the key audit matter

Impairment assessment of Goodwill and Trademark

We identified impairment assessment of goodwill and trademark as a key audit matter due to the significance of the balances to the consolidated financial statements as a whole and significant judgments and estimations involved when preparing the value in use calculation by the management to assess their impairment.

Goodwill and trademark (included in other intangible assets) with indefinite useful lives are subject to impairment test annually, or when there are indicators that they might be impaired. The Group's goodwill and trademark are allocated mainly to Star Readers Pte. Ltd. and Kingsley Edugroup Berhad (collectively, the "CGUs") in respect of their operations in Singapore and Malaysia.

The management assesses impairment of goodwill and trademark by comparing their carrying amounts and the recoverable amounts of the relevant CGU, which are determined with reference to the value in use calculation derived from cash flow projection of the respective CGU.

Significant judgment and assumptions, including local economic development, growth rates of number of students, tuition fee and discount rates, are required when preparing the value in use calculation. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flow or upward revision of discount rate, there will be a change of recoverable amount, and impairment loss may arise.

As at 31 August 2025, the Group's goodwill and trademark allocated to the CGUs are amounted to RMB2,187,766,000 and RMB640,279,000 respectively, as set out in notes 20 and 21 to the consolidated financial statements. No impairment had been provided during the year.

Our procedures in relation to impairment assessment of goodwill and trademark included:

- Understanding and assessing the design and implementation of key internal controls of the management's impairment assessment process;
- Assessing the identification of the related cash generating units;
- Obtaining the value in use calculation from the management and checking its mathematical accuracy;
- Evaluating the competence, capabilities and objectivity of the independent qualified professional valuer and obtaining an understanding of its scope of work and terms of engagement;
- Challenging the reasonableness of the key assumptions and inputs, including local economic development, growth rates of number of students, tuition fee and discount rates;
- Evaluating the reliability of the Group's management's cash flow projections by comparing the actual performance during the year, with the cash flow included in the prior year's forecasts; and
- Involving our internal valuation specialists to assess the reasonableness of discount rates used in the value in use calculations.

TO THE SHAREHOLDERS OF CHINA MAPLE LEAF EDUCATIONAL SYSTEMS LIMITED

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

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

**TO THE SHAREHOLDERS OF
CHINA MAPLE LEAF EDUCATIONAL SYSTEMS LIMITED**

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED
FINANCIAL STATEMENTS (Continued)**

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

TO THE SHAREHOLDERS OF
CHINA MAPLE LEAF EDUCATIONAL SYSTEMS LIMITED

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Moore CPA Limited

Certified Public Accountants

Registered Public Interest Entity Auditors

Lai Hung Wai

Practising Certificate Number: P06995

Hong Kong, 28 November 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 August 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	6	1,180,049	1,228,462
Cost of revenue		(596,201)	(635,483)
Gross profit		583,848	592,979
Investment and other income	8	29,409	26,145
Other gains and losses	9	230,980	(3,990)
Impairment losses under expected credit loss model, net of reversal		(7,463)	(9,588)
Marketing expenses		(22,344)	(22,884)
Administrative expenses		(282,967)	(288,988)
Finance costs	10	(104,208)	(213,062)
PROFIT BEFORE TAXATION		427,255	80,612
Taxation	11	(118,378)	(65,099)
PROFIT FOR THE YEAR	12	308,877	15,513
PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		308,877	15,513
Other comprehensive income:			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange differences on translation of financial statements of foreign operations		34,668	41,209
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		343,545	56,722
Earnings per share			
– basic (RMB cents)	15	10.54	0.52
– diluted (RMB cents)	15	10.54	0.52

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 August 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	16	2,059,033	2,146,794
Right-of-use assets	17	94,659	91,897
Investment properties	19	255,098	158,581
Goodwill	20	2,188,803	2,153,640
Other intangible assets	21	732,403	756,530
Prepayments for acquisition of property and equipment		1,785	3,995
Books for lease		–	22
Deferred tax assets	30	–	3,969
		5,331,781	5,315,428
CURRENT ASSETS			
Inventories		8,719	12,536
Deposits, prepayments, trade and other receivables	23	58,115	47,453
Financial assets at fair value through profit or loss	24	12,106	49,435
Amounts due from related parties	40	116,981	179,712
Pledged bank deposits	25	33,052	32,328
Bank balances and cash	25	901,327	564,788
		1,130,300	886,252
CURRENT LIABILITIES			
Contract liabilities	26	454,360	482,164
Other payables and accrued expenses	27	238,614	231,814
Lease liabilities	28	4,600	4,326
Income tax payable		82,861	85,698
Bank and other borrowings	29	229,512	28,624
Amounts due to related parties	40	595,298	625,289
		1,605,245	1,457,915
NET CURRENT LIABILITIES		(474,945)	(571,663)
TOTAL ASSETS LESS CURRENT LIABILITIES		4,856,836	4,743,765

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 August 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT LIABILITIES			
Deferred tax liabilities	30	277,984	234,282
Bank and other borrowings	29	1,409,059	1,573,755
Lease liabilities	28	18,417	20,998
Amounts due to related parties	40	1,281,097	1,363,376
		2,986,557	3,192,411
NET ASSETS			
		1,870,279	1,551,354
EQUITY			
Share capital	32	9,111	9,309
Reserves		1,861,168	1,542,045
TOTAL EQUITY			
		1,870,279	1,551,354

The consolidated financial statements on pages 79 to 154 were approved and authorised for issue by the Board of Directors on 28 November 2025 and are signed on its behalf by:

Shu Liang Sherman Jen
Director

King Pak Lau
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 August 2025

	Attributable to owners of the Company									
	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000 (Note c)	Other reserve RMB'000	Shares held for restricted share award scheme reserve RMB'000 (Note a)	Translation reserve RMB'000	Statutory Surplus reserve RMB'000 (Note b)	Share-based payment reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 September 2023	9,309	1,013,030	-	10,742	(22,280)	21,223	184,477	63,399	217,616	1,497,516
Profit for the year	-	-	-	-	-	-	-	-	15,513	15,513
Other comprehensive income for the year	-	-	-	-	-	41,209	-	-	-	41,209
Total comprehensive income for the year	-	-	-	-	-	41,209	-	-	15,513	56,722
Transfer upon deregistration of subsidiaries	-	-	-	-	-	(3,603)	(914)	-	914	(3,603)
Appropriation to statutory surplus reserve	-	-	-	-	-	-	8,236	-	(8,236)	-
Share-based payments (Note 12)	-	-	-	-	-	-	-	719	-	719
At 31 August 2024 and 1 September 2024	9,309	1,013,030	-	10,742	(22,280)	58,829	191,799	64,118	225,807	1,551,354
Profit for the year	-	-	-	-	-	-	-	-	308,877	308,877
Other comprehensive income for the year	-	-	-	-	-	34,668	-	-	-	34,668
Total comprehensive income for the year	-	-	-	-	-	34,668	-	-	308,877	343,545
Appropriation to statutory surplus reserve	-	-	-	-	-	-	26,074	-	(26,074)	-
Repurchase of shares	-	-	(26,355)	-	-	-	-	-	-	(26,355)
Cancellation of shares repurchased	(198)	(72,379)	16,907	-	-	-	-	-	55,670	-
Share-based payments (Note 12)	-	-	-	-	-	-	-	1,735	-	1,735
At 31 August 2025	9,111	940,651	(9,448)	10,742	(22,280)	93,497	217,873	65,853	564,280	1,870,279

Notes:

- (a) Shares held for the restricted share award scheme reserve is comprised of shares purchased from open market that are to be used for the share award scheme approved by the directors of the Company on 10 November 2014 (the "Share Award Scheme").
- (b) Pursuant to the relevant laws in the People's Republic of China (the "PRC"), the Company's subsidiaries in the PRC shall make appropriations from after-tax profit to non-distributable reserve funds as determined by the board of the directors of the relevant PRC subsidiaries. These reserves include (i) the general reserve of the limited liability companies and (ii) the development fund of schools:
- (i) In accordance with relevant PRC regulations, for PRC subsidiaries with limited liability, it is required to make annual appropriations to statutory surplus reserve of 10% of after-tax profits as determined in accordance with PRC accounting standards for each calendar year until the balance reaches 50% of the relevant PRC entity's registered capital.
- (ii) According to the relevant PRC laws and regulations, a private school that does not require for reasonable return is required to appropriate to development fund of not less than 25% of the annual increase in net assets of the relevant school as determined in accordance with generally accepted accounting principles in the PRC. The development fund is for the construction or maintenance of the school or the procurement or the upgrading of educational equipment.
- (c) During the year ended 31 August 2025, the Company repurchased 92,152,000 shares of the Company from the market. The total amount paid to acquire the shares was RMB26,355,000 including transaction costs attributable to the repurchase of shares amounting to RMB81,000, which have been deducted from the shareholders' equity. The weighted average price for these buy-backs was RMB0.29 per share.

During the year ended 31 August 2025, the Company cancelled 63,216,000 shares of the Company.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 August 2025

	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	427,255	80,612
Adjustments for:		
Amortisation of books for lease	22	499
Amortisation of other intangible assets	35,781	48,464
Depreciation of investment properties	6,096	4,274
Depreciation of property, plant and equipment	109,868	114,552
Depreciation of right-of-use assets	6,864	7,171
Dividend income from financial assets at fair value through profit or loss	(633)	(636)
Loss arising from fair value changes of convertible bonds	–	28,174
Gain on early termination of lease contract	–	(86)
Gain on disposal of property, plant and equipment	(964)	(770)
Interest expenses	104,208	213,062
Interest income	(8,003)	(9,566)
Impairment losses under expected credit loss model, net of reversal	7,463	9,588
Gain on fair value changes of		
financial assets at fair value through profit or loss	(3,001)	(2,027)
Gain on derecognition of other payable to deregistered related parties	(23,023)	–
Gain on bargain purchase of a subsidiary	(190,841)	–
Gain on disposal of a subsidiary	(3,300)	–
Net foreign exchange loss/(gain)	4,768	(14,623)
Share-based payments	1,735	719
Operating profit before working capital changes	474,295	479,407
Change in inventories	3,817	(586)
Change in deposits, prepayments, trade and other receivables	(17,623)	27,475
Change in amounts due from related parties	33,108	2,593
Change in contract liabilities	(42,688)	(31,395)
Change in other payables and accrued expenses	(37,407)	(18,823)
Cash generated from operations	413,502	458,671
Income tax paid	(78,182)	(55,485)
Net cash generated from operating activities	335,320	403,186

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 August 2025

	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Placement of time deposits with original terms of over three months	(49,798)	(67,115)
Withdrawal of time deposits with original terms of over three months	67,115	–
Dividends received from financial assets at fair value through profit or loss	633	636
Proceeds from disposal of property, plant and equipment	1,889	1,756
Purchase of financial assets at fair value through profit or loss	–	(99,945)
Proceeds from redemption of financial assets at fair value through profit or loss upon the maturity date	40,330	59,426
Purchase of property, plant and equipment	(5,153)	(23,225)
Net cash inflow on acquisition of subsidiaries	80,799	–
Net cash inflow on disposal of a subsidiary	3,300	–
Placement of pledged bank deposits	–	(32,328)
Bank interest received	7,838	9,566
Net cash from/(used in) investing activities	146,953	(151,229)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from new bank and other borrowings	–	3,148,665
Repayment of bank and other borrowings	(16,579)	(2,731,105)
Repayment of convertible bonds	–	(532,770)
Repayment of lease liabilities	(4,366)	(5,051)
Repayment of amounts due to related parties	(4,012)	(12,311)
Interest paid	(76,732)	(152,753)
Payments on repurchase of shares	(25,679)	–
Transaction costs attributable to repurchase of shares	(81)	–
Net cash used in financing activities	(127,449)	(285,325)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	354,824	(33,368)
Effect of foreign exchange	(968)	3,000
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	497,673	528,041
CASH AND CASH EQUIVALENTS AT END OF YEAR	851,529	497,673
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	851,529	497,673

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

1. GENERAL INFORMATION

China Maple Leaf Educational Systems Limited (the “**Company**” together with its subsidiaries collectively referred to as the “**Group**”) was incorporated in the Cayman Islands as an exempted company with limited liability under Companies Law Chapter 22 of the Cayman Islands on 5 June 2007. Its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Its parent is Sherman Investment Holdings Limited incorporated in the British Virgin Islands (“**BVI**”), and its ultimate controlling party is Mr. Shu Liang Sherman Jen, who is also the Chairman of the board and Chief Executive Officer of the Company. The address of the registered office of the Company is Maples Corporate Services Limited, PO Box 309, Ugland House, the Grand Cayman, KY1-1104, Cayman Islands and the address of principal place of business of the Company is No.13, Baolong First Road, Baolong Street, Longgang District, Shenzhen, Guangdong Province 518116, the People’s Republic of China (“**PRC**”).

The Group operates a network of bilingual private schools and preschools in the PRC under the “Maple Leaf” brand and in other Asia Pacific countries under the brand “Canadian International School” and “Kingsley International School”, focusing on high schools that offer World School Program and bilingual education mainly within the PRC and other Asia Pacific countries.

The consolidated financial statements are presented in thousands of Renminbi (“**RMB’000**”), unless otherwise stated.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (“**IASB**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 September 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (Continued)

New and Amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ³
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 ³
Amendments to IAS 21	Lack of Exchangeability ²
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ⁴
IFRS 18	Presentation and Disclosure in Financial Statements ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

Except for the new IFRS Accounting Standards mentioned below, the directors of the Company (the “**Directors**”) anticipate that the application of all other amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 “Presentation and Disclosure in Financial Statements”, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 “Presentation of Financial Statements”. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 “Statement of Cash Flows” and IAS 33 “Earnings per Share” are also made. IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the consolidated statement of profit or loss and other comprehensive income and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group’s consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the material accounting policy information set out in Note 4.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Contractual arrangements

Due to regulatory restrictions on foreign ownership in the schools in the PRC, the Group conducts a substantial portion of the business through Dalian Maple Leaf Educational Group Co., Ltd (“**Dalian Educational Group**”), Shenzhen Maple Leaf Educational Group Co., Ltd (“**Shenzhen Educational Group**”), Dalian Maple Leaf Foreign National School (“**Dalian Foreign School**”) and Wuhan Maple Leaf Foreign National School (“**Wuhan Foreign School**”) (collectively referred to as “**Consolidated Affiliated Entities**”) in the PRC. The wholly-owned subsidiaries, Dalian Beipeng Educational Software Development Inc. (“**Dalian Beipeng Software**”), Shenzhen Beipeng Educational Software Development Inc. (“**Shenzhen Beipeng Software**”) (collectively referred to as “**Beipeng Software**”), have entered into the contractual arrangements (the “**Contractual Arrangements**”) with the Consolidated Affiliated Entities and their respective equity holders, which enable Beipeng Software and the Group to:

- exercise effective financial and operational control over the Consolidated Affiliated Entities;
- exercise equity holders’ voting rights of the Consolidated Affiliated Entities;
- receive substantially all of the economic interest returns generated by the Consolidated Affiliated Entities in consideration for the business support, technical and consulting services provided by Beipeng Software;
- obtain an irrevocable and exclusive right to purchase all or part of equity interests in the Consolidated Affiliated Entities from the respective equity holders at nil consideration or a minimum purchase price permitted under PRC laws and regulations. Beipeng Software may exercise such options at any time until it has acquired all equity interests and/or all assets of the Consolidated Affiliated Entities. In addition, the Consolidated Affiliated Entities are not allowed to sell, transfer, or dispose any assets, or make any distributions to their equity holders without prior consent of Beipeng Software; and obtain a pledge over the entire equity interest of Dalian Educational Group and Shenzhen Educational Group from their equity holders as collateral security for all of Dalian Educational Group and Shenzhen Educational Group’s payments due to Beipeng Software and to secure performance of Dalian Educational Group, Shenzhen Educational Group and their respective subsidiaries obligations under the Contractual Arrangements.

There are no pledge agreements for Dalian Foreign School and Wuhan Foreign School due to the PRC law restriction. To further enhance the Company’s security over Dalian Foreign School and Wuhan Foreign School, the Company segregated the duties of different people and functions to ensure that the company seals of Dalian Foreign School and Wuhan Foreign School are properly secured, are within the full control of the Company and cannot be used without its permission.

The Group does not have any equity interest in the Consolidated Affiliated Entities. However, as a result of the Contractual Arrangements, the Group has power over the Consolidated Affiliated Entities, has rights to variable returns from its involvement with the Consolidated Affiliated Entities and has the ability to affect those returns through its power over the Consolidated Affiliated Entities and is considered to have control over the Consolidated Affiliated Entities. Consequently, the Company regards the Consolidated Affiliated Entities as indirect subsidiaries. The Group has consolidated the assets and liabilities and income and expenses of the Consolidated Affiliated Entities (other than the Affected Schools, see below) in the consolidated financial statements of the Group.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Implementation regulations of the PRC for the law for promoting of private education (the “Implementation Regulations”) issued in 2021

The PRC State Council issued the Implementation Regulations with effective on 1 September 2021. The key provisions of the Implementation Regulations include, but not limited to: (1) prohibiting foreign investors from controlling private schools that provides compulsory education (which includes the six years primary school education and the three years middle school education provided to PRC residents) and not-for-profit schools that provides pre-school education (the “Affected Schools”) by means of merger, acquisition and contractual arrangements, and (2) prohibiting private schools providing compulsory education from conducting transactions with the related parties. Therefore, the Contractual Arrangements with the Affected Schools is considered not enforceable upon the effective of the Implementation Regulations. Based on its reassessment of the Contractual Arrangements and the profound implication of the Implementation Regulations, the Directors considered that, the Group’s ability to use its power from the Contractual Arrangements to direct the relevant activities of and its ability to affect its variable returns from the Affected Schools had ceased by 31 August 2021 immediately before the Implementation Regulations became effective. By the end of 31 August 2021, it was no longer practicable for the Group to make relevant decision to obtain significant variable returns from the Affected Schools. Consequently, the Group lost control over the Affected Schools on 31 August 2021 immediately before the Implementation Regulations became effective, and deconsolidated the Affected Schools as at 31 August 2021.

To mitigate the impact of the Implementation Regulations, the Group has taken measures to optimise its operating structure. Such measures include, among others, transferring current students from high schools that are under the same operating licences as private schools providing compulsory education and/or not-for-profit preschools in the PRC (the “Mixed High Schools”) to high schools that have their own operating licences in the PRC (the “Independent High Schools”), and making registrations and filings with the relevant local government departments in the PRC to obtain individual operating licences for the Independent High Schools.

As of 31 August 2025, each of Xi’an Maple Leaf School and Shanghai Maple Leaf Bilingual School (“Shanghai School”) had obtained operating license as an Independent High School. Accordingly, the Group is in a position to exercise control through the Contractual Arrangements and has regained control over and has consolidated these schools since the respective private school operating licenses have been obtained.

4. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Basis of consolidation (Continued)

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

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

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

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

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

Business combinations

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Business combinations (Continued)

Business combinations (Continued)

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the “Conceptual Framework for Financial Reporting” (the “**Conceptual Framework**”) except for transactions and events within the scope of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” or IFRIC-Int 21 “Levies”, in which the Group applies IAS 37 or IFRIC-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 “Income Taxes” and IAS 19 “Employee Benefits” respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 “Share-based Payment” at the acquisition date (see the accounting policy below);
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16 “Leases”) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Business combinations (Continued)

Business combinations (Continued)

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost less accumulated impairment losses, if any.

Interests in subsidiaries

Interests in subsidiaries are stated at cost less any accumulated impairment loss.

Revenue from contracts with customers

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

Output method

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases

The Group as a lessee

Short-term leases and leases of low-value assets

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

Right-of-use assets

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

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets that do not meet the definition of investment property as a separate line item on the consolidated statement of financial position.

Lease liabilities

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

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

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

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term.

Rental income which are derived from the Group's ordinary course of business are presented as revenue.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Goodwill arising on an acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Borrowing costs

Borrowing costs directly attributable to the construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets until such time as the assets are substantially ready for their intended use.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no further related costs are recognised in profit or loss in the period in which they become receivable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Taxation

Income tax expense represents the sum of current and deferred income tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from (loss)/profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Building in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs included any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

If a property becomes an investment property because its use has changed as evidenced by end of owner-occupation, the carrying amount of the owner-occupied property at the date of transfer becomes the deemed cost of the investment property for subsequent accounting under the cost model. Transfers do not change the carrying amount of the property or its cost for measurement or disclosure purposes, and depreciation continues from the transfer date.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are initially measured at cost including any directly attributable expenditure.

Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is calculated using the straight-line method to allocate the cost after taking into accounting of their estimated residual value, over their estimated useful life.

Intangible assets

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Impairment on tangible and intangible assets

Goodwill and trademark

For the purposes of impairment testing, goodwill and trademark are allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill and trademark are monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill and trademark have been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and trademark and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

Property, plant and equipment, investment properties, right-of-use assets and, intangible assets other than goodwill and trademark

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, investment properties and right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment, investment properties and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted-average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 *Revenue from contracts with customers*. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss (“FVTPL”)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(ii) Financial assets at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "Other gains and losses" line item.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade and other receivables, pledged bank deposits, bank balances and amounts due from related parties) and rental receivables which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL is assessed individually for trade receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition in which case, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

- (i) Significant increase in credit risk (Continued)
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
 - an actual or expected significant deterioration in the operating results of the debtor; or
 - an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

- (ii) Definition of default
- For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

- (iii) Credit-impaired financial assets
- A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:
- (a) significant financial difficulty of the issuer or the borrower;
 - (b) a breach of contract, such as a default or past due event;
 - (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
 - (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's other receivables are assessed as a separate group);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

For trade receivables, the ECL of the Group is recognised through a loss allowance account.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Share-based payments

Equity-settled share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payment reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve. For equity-settled share-based payments that vest immediately at the date of grant, the fair value of the equity-settled share-based payments granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share-based payments reserve will be transferred to share premium. When restricted shares are vested, the amount previously recognised in shares held for restricted share award scheme reserve will be transferred to share premium with any difference recognised to retained profits.

Employee benefits

(i) Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as expenses when employees have rendered services entitling them to the contributions.

(ii) Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employee rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires to permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leaves and sick leave) after deducting any amount already paid.

(iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION

In the application of the Group's material accounting policy information, which are described in Note 4, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

Legal rights of certain buildings

As stated in Note 16, the Group was still in the process of obtaining the legal titles of certain properties located in the PRC as at 31 August 2025. Despite the Group has not obtained the relevant legal titles, the Directors determine to recognise those buildings as the Group's property, plant and equipment on the basis that the Group is in substance controlling those buildings and they have legal rights to these properties.

Contractual arrangements

As disclosed in Note 3, the Group conducts a substantial portion of the business through the Consolidated Affiliated Entities in the PRC due to regulatory restrictions on foreign ownership in the Group's schools in the PRC. The Group does not have any equity interest in the Consolidated Affiliated Entities. The Directors assessed whether or not the Group has control over the Consolidated Affiliated Entities based on whether the Group has the power over the Consolidated Affiliated Entities, has rights to variable returns from its involvement with the Consolidated Affiliated Entities and has the ability to affect those returns through its power over the Consolidated Affiliated Entities. After assessment, the Directors concluded that the Group has control over the Consolidated Affiliated Entities other than the Affected Schools as a result of the Contractual Arrangements and other measures and accordingly, the Group has consolidated the financial information of the Consolidated Affiliated Entities in the consolidated financial statements other than the Affected Schools.

Nevertheless, the Contractual Arrangements and other measures may not be as effective as direct legal ownership in providing the Group with direct control over the Consolidated Affiliated Entities other than the Affected Schools and uncertainties presented by the PRC legal system could impede the Group's beneficiary rights of the results, assets and liabilities of the Consolidated Affiliated Entities other than the Affected Schools. The Directors, based on the advice of its legal counsel, consider that the Contractual Arrangements among Beipeng Software, the Consolidated Affiliated Entities other than the Affected Schools and their equity holders are in compliance with the relevant PRC laws and regulations and are legally enforceable.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION (Continued)

Critical judgments in applying accounting policies (Continued)

Contractual arrangements (Continued)

With regard to the Affected Schools, the Directors reassessed whether the Group could control the Affected Schools upon the effective of the Implementation Regulations based on analysis and judgment as (1) the Group's power over the Affected Schools; (2) the Group's exposure or rights to variable returns from its involvement with the Affected Schools; and (3) the Group's ability to use its power over the Affected Schools to affect the amount of the Group's returns. In making such judgment, the Directors has considered the requirements of the Implementation Regulations and legal opinion from its legal advisor. Based on the legal opinion, whether general grandfather rule could apply to the Contractual Arrangements established prior to the effective of the Implementation Regulations was not specially addressed in the Implementation Regulation which may subject to further interpretation of relevant government authorities, as such, the legal advisor could not conclude that the current Contractual Arrangement between the Group and the Affected Schools are legally binding and legally enforceable upon the effective of the Implementation Regulations. Consequently, the Directors consider that by the end of 31 August 2021, it was no longer practicable for the Group to make and enforce relevant decision for its own benefit as principal in accordance with the Contractual Arrangement to direct the relevant activities to affect and obtain the variable return from the Affected Schools and the Group lost control over the Affected Schools on 31 August 2021 immediately before the Implementation Regulations became effective, and deconsolidated the Affected Schools as of 31 August 2021.

Regaining of control and consolidation of Shanghai School

In preparing the consolidated financial statements, significant judgment is required in determining the point at which the Group is in a position to exercise control through the Contractual Arrangements and has regained control over the entity, enabling its re-consolidation as a subsidiary under IFRS 10 *Consolidated Financial Statements* and the application of business combinations for the accounting treatment of the reacquisition. This judgement affects the basis of consolidation, the scope of the Group's consolidated financial statements, and the recognition of assets, liabilities, goodwill (or bargain purchase gain), and related impacts on the consolidated statement of comprehensive income and consolidated statement of financial position. During the year ended 31 August 2025, Shanghai School obtained an operating licence as an Independent High School. The Group is able to exercise control through the Contractual Arrangements as detailed in note 3. Therefore, the Group has regained control over Shanghai School, and the financial position of Shanghai School was consolidated with that of the Group as of 31 August 2025.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment assessment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Directors have to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group's management estimates the recoverable amount of the cash generating unit to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

As at 31 August 2025, the carrying amounts of property, plant and equipment and right-of-use assets subject to impairment assessment were approximately RMB2,059,033,000 and RMB94,659,000 (2024: RMB2,146,794,000 and RMB91,897,000) respectively. Details of the impairment assessment are disclosed in Note 18.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION (Continued)

Key sources of estimation uncertainty (Continued)

Impairment assessment of goodwill and trademark

Determining whether goodwill and trademark is impaired requires an estimation of the value in use of the cash-generating unit (“CGU”) to which goodwill and trademark has been allocated. Significant judgment and assumptions were required by the management of the Group in assessing the recoverable amounts of CGUs. The recoverable amounts are determined with reference to the value-in-use of the relevant CGU derived from respective cash flow projection, which required significant judgment and assumptions including local economic development, growth rates of number of students, tuition fee and discount rates during the forecasting period in order to derive the net present value of the discounted future cash flow analysis. Where the actual future cash are less than expected, or change in facts and circumstances which results in downward revision of future cash flow or upward revision of discount rate, there will be a change of recoverable amount, and impairment loss may arise.

As at 31 August 2025, the carrying amounts of goodwill and trademark subject to impairment assessment were approximately RMB2,188,803,000 and RMB640,279,000 (2024: RMB2,153,640,000 and RMB630,024,000), respectively. Details of the impairment assessment are disclosed out in Note 22.

Deferred taxation in respect of temporary differences attributable to the undistributed profits of subsidiaries and consolidated affiliated entities in the PRC

Under the EIT law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. In prior years, deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated undistributed profits of the PRC subsidiaries and consolidated affiliated entities amounting to RMB388,810,000 at 31 August 2024 as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. In the current year, the management has reassessed the Group’s operation plans and funding requirements and revised the dividend distribution plan of the subsidiaries in the PRC. Based on the new dividend distribution plan, retained profits as at 31 August 2025 amounting to approximately RMB489,684,000 (2024: nil) are likely distributable as dividends in the foreseeable future, while the remaining retained profits amounting to approximately RMB163,228,000 (2024: RMB388,810,000) has been set aside for capital and reinvestment and will not be distributed in the foreseeable future. Accordingly, deferred taxation relating to taxable temporary differences recognised and not recognised as at 31 August 2025 are approximately RMB49,000,000 (2024: nil) and approximately RMB16,323,000 (2024: RMB388,810,000) respectively.

Estimated useful lives of trademarks

Trademarks represent the use of the names of Kingsley International School and Canadian International School which the Group’s management considers to have indefinite useful lives due to the enduring nature of the brand. These estimates are based on the historical experience of the actual useful lives of trademarks of similar nature and functions. Periodic review could result in a change in useful lives and consequently amortisation expenses in future periods. As at 31 August 2025, the carrying amounts of trademark were approximately RMB640,279,000 (2024: RMB630,024,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

6. REVENUE

Revenue represents (i) service income from tuition fees and boarding fees, (ii) fees from summer and winter camps provided to students, (iii) fees from selling textbooks and educational materials to students, (iv) fees from sales of goods and materials to students, (v) catering services income, (vi) fees from extracurricular activities, and (vii) other fees and income.

The revenues attributable to the Group's service lines are as follows:

Disaggregation of revenue from contracts with customers

	2025 RMB'000	2024 RMB'000
Types of goods or services		
Tuition and boarding fees	907,311	948,634
Summer and winter camps	33,130	40,187
Sales of textbooks	25,898	24,416
Sales of goods and materials	40,008	41,605
Catering services income	54,433	69,262
Extracurricular activities	35,233	29,251
Others (Note)	84,036	75,107
	1,180,049	1,228,462
Timing of revenue recognition		
Over time	1,000,050	1,064,337
At a point in time	179,999	164,125
	1,180,049	1,228,462

Note:

The amount mainly represents non-refundable fee received for application and reservation for school admission, service fee for arranging public or overseas examinations, consultation fee for overseas studies, management fee received from courses provided by third parties and other miscellaneous income.

Performance obligations for contracts with customers

Tuition and boarding fees (revenue recognised over time)

For tuition and boarding services, the Group provides classroom education services and boarding services through the Group's high schools, middle schools, elementary schools, preschools and foreign schools to customers (individual students) during the service period for a fixed fee. These services are mainly paid in advance prior to the beginning of each school year. The service period for tuition and boarding services is the related school year. A contract liability is recognised for fee received whereas revenue has yet been recognised.

The Directors have determined that the performance obligation of education related services is satisfied over time as customers simultaneously receive and consume the benefits of these services throughout the service period. Accordingly, the tuition and boarding fee will be recognised proportionately over the relevant academic periods.

6. REVENUE (Continued)

Performance obligations for contracts with customers (Continued)

Revenue from summer and winter camps and extracurricular activities (revenue recognised over time)

Other education related services include summer and winter camps, educational vacation activities and extracurricular activities provided to students for a fixed fee. These services are mainly paid in advance prior to the service is provided. The service period for other education related services is the duration of the summer and winter camps or educational vacation activities. A contract liability is recognised for fee received whereas revenue has yet been recognised.

The Directors have determined that the performance obligation of other education related services is satisfied over time as customers simultaneously receive and consume the benefits of these services throughout the service period.

Sales of textbooks (revenue recognised at a point in time)

The Group sells textbooks and other educational materials to students which are purchased from third parties. The Group recognises revenue from sales of textbooks and educational materials at a point in time when the control of textbooks and educational materials are passed to students. The Group considers that it is acting as the principal in the transaction as the Group controls the specific goods before it is transferred to the customer after taking into considerations indicators such as the Group is primarily responsible for fulfilling the promise to provide the goods to its customers and has the inventory risk. Therefore, the Group recognises revenue from sales of textbooks and educational materials on a gross basis.

Sales of goods and materials (revenue recognised at a point in time)

The Group sells goods and materials at the supermarkets and stationery stores, as well as the clothing to the students which are purchased from third parties. The Group recognises revenue from sales of goods and materials at a point in time when the control of goods, materials and clothing are passed to students. The Group considers that it is acting as the principal in the transaction as the Group controls the specific goods before it is transferred to the customer after taking into considerations indicators such as the Group is primarily responsible for fulfilling the promise to provide the goods to its customers and has the inventory risk. Therefore, the Group recognises revenue from sales of goods and materials on a gross basis.

Revenue from catering services income (revenue recognised over time)

The Group provides both catering services directly to students in schools and management services to school canteens operated by third party service providers under which the management fee is charged at certain rates on the gross income generated by the third party service providers.

The Directors have determined that the performance obligation of providing catering services is satisfied over time as customers simultaneously receive and consume the benefits of these services throughout the service period.

Others (including revenue recognised overtime and at a point in time)

Others represent revenue from fees from overseas studies consulting service, admission application, confirmation fees and student enrichment programme fees, which individually are not material. For student enrichment programme fees received, the Group recognises revenue over time through the duration of the service period; and for fees from overseas studies consulting service, and admission application and confirmation fees, the Group recognises revenue at a point in time when the control of the goods and services are passed to students.

Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 August 2025 is expected to be recognised within one year amounted to RMB454,360,000 (2024: RMB482,164,000). As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts are not disclosed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

7. OPERATING SEGMENTS

Information reported to the Group's Chief Executive Officer, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on locations of goods and services provided.

The Group's reportable segments under IFRS 8 are as follows:

- (i) PRC Segment
- (ii) Overseas Segment, including Singapore, Malaysia and other Asia Pacific countries

The Group is mainly engaged in international school education in the PRC and other Asia Pacific countries. The CODM reviews revenue analysis by service lines when making decisions about allocating resources and assessing performance of the Group.

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments:

For the year ended 31 August 2025

	PRC Segment RMB'000	Overseas Segment RMB'000	Total RMB'000
Revenue from external customers	446,626	733,423	1,180,049
Segment profit	143,934	182,321	326,255
Unallocated items:			
Other gains and losses			230,980
Finance costs			(104,208)
Directors' and chief executive's emoluments			(9,245)
Corporate administrative expense			(16,527)
Group's profit before taxation			427,255

7. OPERATING SEGMENTS (Continued)

Segment revenues and results (Continued)

For the year ended 31 August 2024

	PRC Segment RMB'000	Overseas Segment RMB'000	Total RMB'000
Revenue from external customers	472,308	756,154	1,228,462
Segment profit	140,846	183,628	324,474
Unallocated items:			
Other gains and losses			(3,990)
Finance costs			(213,062)
Directors' and chief executive's emoluments			(9,263)
Corporate administrative expense			(17,547)
Group's profit before taxation			80,612

The accounting policies of the operating segments are the same as the Group's accounting policies in Note 4. Segment profit represents the profit earned by each segment without allocation of corporate administrative expense and directors' and chief executive's emoluments. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

	2025 RMB'000	2024 RMB'000
Segment assets		
PRC Segment	2,073,498	1,846,631
Overseas Segment	4,388,583	4,355,049
Consolidated assets	6,462,081	6,201,680
Segment liabilities		
PRC Segment	2,398,132	2,429,888
Overseas Segment	2,193,670	2,220,438
Consolidated liabilities	4,591,802	4,650,326

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities are allocated to operating segments. Assets and liabilities used jointly by operating segments are allocated to the PRC segment for consistency of presentation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

7. OPERATING SEGMENTS (Continued)

Major customers

No single customer contributed 10% or more of total revenue of the Group for the years ended 31 August 2025 and 2024.

Geographical information

The Group primarily operates in the PRC and other Asia Pacific countries. Information about the Group's revenue from external customers and non-current assets other than deferred tax assets are presented based on the location of the assets.

	Revenue from external customers		Non-current assets	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
PRC	446,626	472,308	1,167,379	1,100,945
Singapore	640,947	679,593	3,666,827	3,711,604
Malaysia	92,395	71,633	436,110	434,364
Others	81	4,928	61,465	64,546
	1,180,049	1,228,462	5,331,781	5,311,459

8. INVESTMENT AND OTHER INCOME

	2025 RMB'000	2024 RMB'000
Bank interest income	8,003	9,566
Government grant (Note)	5,543	3,791
Rental income	14,687	10,440
Dividend income from financial assets at FVTPL	633	636
Others	543	1,712
	29,409	26,145

Note:

The Group obtained government grants and subsidies from (i) the government of Singapore in relation to the salary support scheme; and (ii) the local government of the PRC in relation to their business development in several PRC regions. In the opinion of the Directors, the Group has fulfilled all conditions pertained to the government grants and subsidies for the years ended 31 August 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

9. OTHER GAINS AND LOSSES

	2025 RMB'000	2024 RMB'000
Loss arising from fair value changes of convertible bonds	–	(28,174)
Gain arising from changes in fair value of financial assets measured at FVTPL	3,001	2,027
Gain on disposal of property, plant and equipment	964	770
Net foreign exchange (loss)/gain	(4,768)	14,623
Gain on bargain purchase of a subsidiary (Note 41)	190,841	–
Gain on derecognition of other payable to deregistered related parties	23,023	–
Gain on disposal of a subsidiary (Note)	3,300	–
Sponsorship income	6,986	–
Others	7,633	6,764
	230,980	(3,990)

Note:

The amount represents a gain on disposal of a subsidiary whose net assets amounted to nil, for a cash consideration of RMB3,300,000.

10. FINANCE COSTS

	2025 RMB'000	2024 RMB'000
Interest on bank and other borrowings	103,454	188,862
Interest on convertible bond	–	23,104
Leases interests	754	1,096
	104,208	213,062

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

11. TAXATION

	2025 RMB'000	2024 RMB'000
Current tax:		
Enterprise income tax ("EIT")		
Provision for the year	24,845	23,922
Underprovision in prior years	553	1,207
Singapore enterprise income tax		
Provision for the year	41,640	44,639
(Overprovision)/underprovision	(113)	1,770
Malaysia enterprise income tax		
Provision for the year	401	264
Underprovision in prior years	5	–
	67,331	71,802
Withholding tax*	7,360	–
Deferred tax (Note 30)	43,687	(6,703)
	118,378	65,099

* Withholding tax mainly represents the tax on income from software licensing fees, student registration fees, and 5% on dividend income from the PRC.

11. TAXATION (Continued)

The income tax expense for the year can be reconciled to the profit before taxation as follows:

	2025 RMB'000	2024 RMB'000
Profit before taxation	427,255	80,612
Tax at PRC EIT rate of 25%	106,814	20,153
Tax effect of preferential tax rate granted	(5,081)	(7,672)
Tax effect of different tax rates of subsidiaries operating in other jurisdictions	(6,548)	1,641
Tax effect of tax loss not recognised	3,883	15,472
Utilisation of tax loss previously not recognised	(3,989)	(2,100)
Tax effect of income not taxable for tax purposes	(90,244)	(41,278)
Tax effect of expenses not deductible for tax purposes	56,738	75,906
Tax effect of underprovision in prior years	445	2,977
Withholding tax	7,360	–
Withholding tax on undistributed earnings of PRC subsidiaries and consolidated affiliated entities	49,000	–
Tax charge for the year	118,378	65,099

The Company was incorporated in the Cayman Islands and Maple Leaf Educational Systems Limited was incorporated in the BVI, both are tax exempted as no business is carried out in the Cayman Islands or the BVI under the tax laws of the Cayman Islands or the BVI, respectively.

No provision for Hong Kong Profits Tax has been made as the Group's operation in Hong Kong had no assessable profit for the years ended 31 August 2025 and 2024. Under the two-tiered profits tax rates regime, the first HKD2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HKD2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The Inland Revenue Board, an agency of the Ministry of Finance in Malaysia, is responsible for the administration of direct taxes enacted under the Income Tax Act. The standard corporate tax rate in Malaysia is 24%.

The standard corporate tax rate in Singapore is 17% and Singapore follows a single-tier corporate tax system.

Dalian Beipeng Software is entitled to High and New Technology Enterprise (“HNTE”) status starting from the calendar year of 2017. Dalian Beipeng Software is eligible for a preferential enterprise income tax rate of 15% starting from the calendar year of 2017. The HNTE status is valid for three years, and was renewed on 14 December 2022.

According to the Implementation Regulations for the Law for Promoting Private Education, private schools for which the sponsors do not require reasonable returns are eligible to enjoy the same preferential tax treatment as public schools, subject to review by relevant tax bureaus each year.

Taxation arising in other jurisdictions is calculated as the rates prevailing in the relevant jurisdictions.

During the year ended 31 August 2025, non-taxable tuition income was RMB144,948,000 (2024: RMB155,264,000), and the expense of RMB108,647,000 incurred by the relevant schools (2024: RMB88,895,000) was not deductible.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

12. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging/(crediting):

	2025 RMB'000	2024 RMB'000
Staff costs, including directors' remuneration		
– salaries and other allowances	460,031	487,227
– retirement benefit scheme contributions	23,075	24,939
– share-based payments	1,735	719
Total staff costs	484,841	512,885
Less: Staff costs included in cost of revenue	(357,377)	(388,283)
Staff costs included in administrative and marketing expenses	127,464	124,602
Gross rental income from investment properties	(14,687)	(10,440)
Less: Direct operating expenses incurred for investment properties (included in administrative expenses)	2,297	890
Net rental income	(12,390)	(9,550)
Depreciation of property, plant and equipment	109,868	114,552
Amortisation of other intangible assets (included in cost of revenue)	35,781	48,464
Depreciation of right-of-use assets	6,864	7,171
Depreciation of investment properties	6,096	4,274
Auditors' remuneration	2,662	2,658
Amortisation of books for lease	22	499
Cost of inventories recognised as an expense (included in cost of revenue)	62,581	69,902

13. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

Directors and chief executive

Details of the emoluments paid to the Directors and the chief executive of the Company are as follows:

For the year ended 31 August 2025

	Notes	Directors' Fee RMB'000	Salaries and other allowances RMB'000	Share-based payments RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
Executive directors						
Sherman Jen	(a)	–	3,694	–	–	3,694
King Pak Lau	(b)	–	2,753	348	17	3,118
James William Beeke		–	1,025	–	–	1,025
Non-executive director						
Kem Hussain	(e)	330	–	–	–	330
Independent non-executive directors						
Peter Humphrey Owen		362	–	–	–	362
Ming Sang Chow	(c)	376	–	–	–	376
Wai Fong Wong		340	–	–	–	340
Total		1,408	7,472	348	17	9,245

For the year ended 31 August 2024

	Notes	Directors' Fee RMB'000	Salaries and other allowances RMB'000	Share-based payments RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
Executive directors						
Sherman Jen	(a)	–	3,386	–	–	3,386
King Pak Lau	(b)	183	1,376	241	8	1,808
Jingxia Zhang	(d)	–	1,368	402	–	1,770
James William Beeke		–	1,059	–	–	1,059
Non-executive director						
Kem Hussain	(e)	339	–	–	–	339
Independent non-executive directors						
Peter Humphrey Owen		362	–	6	–	368
Ming Sang Chow	(c)	194	–	–	–	194
Wai Fong Wong		339	–	–	–	339
Total		1,417	7,189	649	8	9,263

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

13. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

Directors and chief executive (Continued)

Notes:

- (a) Mr. Sherman Jen has been Chairman of the board and the chief executive officer of the Company for both years, and his emoluments disclosed above include those for services rendered by him as the chief executive officer.
- (b) Mr. King Pak Lau was redesignated as an executive director and a co-chief financial officer of the Company with effect from 1 March 2024.
- (c) Mr. Ming Sang Chow was appointed as an independent non-executive director of the Company with effect from 1 March 2024.
- (d) Ms. Jingxia Zhang resigned as an executive director of the Company with effect from 1 March 2024.
- (e) Mr. Kem Hussain resigned as a non-executive director of the Company with effect from 31 August 2025.
- (f) The amounts of emoluments of the Directors disclosed above represent emoluments paid or receivable in respect of their services as a Director. During the year ended 31 August 2025, there were no retirement benefits paid to Directors in respect of the services as a director of the Company (2024: nil).

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.

Employees

The five highest paid individuals of the Group included two Directors for the year ended 31 August 2025 (2024: two) whose emoluments are included in the disclosures above. The emoluments of the remaining three individuals for the year ended 31 August 2025 (2024: three), are as follows:

	2025 RMB'000	2024 RMB'000
Salaries and other benefits	6,581	6,970
Retirement benefit scheme contribution	83	91
	6,664	7,061

The emoluments of the five highest paid individuals, other than directors, were within the following bands:

	2025	2024
HKD1,500,001 to HKD2,000,000	2	–
HKD2,000,001 to HKD2,500,000	–	2
HKD3,500,001 to HKD4,000,000	1	1
	3	3

No inducement paid or payable by the Group to the Directors and these five highest paid individuals to join or upon joining the Group or as compensation for loss of office and Mr. Sherman Jen had waived a total of HKD333,000 remuneration for the year ended 31 August 2024. During the year ended 31 August 2025, no payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the Directors (2024: nil) and no consideration provided to or receivable by third parties for making available directors' services (2024: nil).

14. DIVIDENDS

No dividend in respect of the years ended 31 August 2025 and 2024 have been proposed by the Directors.

15. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

Earnings figures are calculated as follows:

	Year ended 31 August	
	2025	2024
	RMB'000	RMB'000
Earnings for the purpose of basic and dilutive earnings per share	308,877	15,513

Number of shares:

	At 31 August	
	2025	2024
	'000	'000
Weighted average number of ordinary shares for the purpose of basic and dilutive earnings per share	2,931,841	2,971,011

The weighted average number of ordinary shares adopted in the calculation of the basic earnings per share for the years ended 31 August 2025 and 2024 have been arrived at after eliminating the ungranted or unvested shares of the Company held under the Share Award Scheme and deducted shares repurchased by the Group.

The number of shares adopted in the computation of diluted earnings per share for each of the year ended 31 August 2025 and 2024 does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price of shares for the years ended 31 August 2025 and 2024.

The computation of diluted earnings per share for the year ended 31 August 2024 does not assume the conversion of the Company's outstanding convertible bonds since the assumed exercise would result in an increase in earnings per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

16. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Leasehold improvements RMB'000	Motor vehicles RMB'000	Furniture and fixtures RMB'000	Computer equipment RMB'000	Construction in progress RMB'000	Total RMB'000
COST							
At 1 September 2023	3,149,185	22,990	6,209	32,164	52,030	15,027	3,277,605
Additions	611	1,637	495	2,295	4,496	5,057	14,591
Transfer from construction in progress	5,043	–	–	–	–	(5,043)	–
Disposals	(2,192)	(775)	(1,611)	(200)	(3,231)	–	(8,009)
Transfer to investment properties (note 19)	(20,830)	–	–	–	–	–	(20,830)
Exchange adjustment	36,738	639	20	571	228	45	38,241
At 31 August 2024 and 1 September 2024	3,168,555	24,491	5,113	34,830	53,523	15,086	3,301,598
Additions	1,677	626	65	2,009	1,571	1,415	7,363
Deemed acquisition of a subsidiary (note 41)	87,990	–	58	120	998	–	89,166
Transfer from construction in progress	4,432	–	–	–	4,535	(8,967)	–
Disposals	(284)	(1,007)	(817)	(3,686)	(1,490)	–	(7,284)
Transfer to investment properties (note 19)	(172,307)	–	–	–	–	–	(172,307)
Exchange adjustment	24,178	248	19	275	180	(296)	24,604
At 31 August 2025	3,114,241	24,358	4,438	33,548	59,317	7,238	3,243,140
DEPRECIATION AND IMPAIRMENT							
At 1 September 2023	982,315	11,432	1,889	4,918	36,565	6,938	1,044,057
Provided for the year	97,920	3,256	300	5,686	7,390	–	114,552
Transfer to investment properties (note 19)	(1,187)	–	–	–	–	–	(1,187)
Eliminated on disposals	(2,145)	(725)	(1,530)	(177)	(2,446)	–	(7,023)
Exchange adjustment	3,861	416	22	216	109	(219)	4,405
At 31 August 2024 and 1 September 2024	1,080,764	14,379	681	10,643	41,618	6,719	1,154,804
Provided for the year	94,319	2,343	265	6,987	5,954	–	109,868
Transfer to investment properties (note 19)	(78,674)	–	–	–	–	–	(78,674)
Eliminated on disposals	(22)	(956)	(703)	(3,277)	(1,401)	–	(6,359)
Exchange adjustment	4,419	185	18	49	49	(252)	4,468
At 31 August 2025	1,100,806	15,951	261	14,402	46,220	6,467	1,184,107
CARRYING VALUES							
At 31 August 2025	2,013,435	8,407	4,177	19,146	13,097	771	2,059,033
At 31 August 2024	2,087,791	10,112	4,432	24,187	11,905	8,367	2,146,794

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment after taking into account the residual values, are depreciated on a straight-line basis at the following rates:

Buildings	1.9% to 4.0%
Leasehold improvements	The shorter of useful life or lease term
Motor vehicles	19.0% to 20.0%
Furniture and fixtures	11.9% to 48.0%
Computer equipment	19.0% to 20.0%

The Group's buildings situated on land in the PRC are held by the Group under medium-term lease.

At 31 August 2025, the Group was in the process of obtaining the property certificates for certain buildings located in the PRC with carrying values of RMB308,291,000 (2024: RMB265,151,000).

17. RIGHT-OF-USE ASSETS

	Leasehold lands RMB'000	Buildings RMB'000	Total RMB'000
As at 31 August 2025			
Carrying amount	73,669	20,990	94,659
As at 31 August 2024			
Carrying amount	68,063	23,834	91,897
For the year ended 31 August 2025			
Depreciation charge	1,980	4,884	6,864
For the year ended 31 August 2024			
Depreciation charge	2,197	4,974	7,171
		2025 RMB'000	2024 RMB'000
Expense relating to short-term leases		8,517	7,269
Total cash outflow for leases		13,637	13,416
Additions to right-of-use assets		1,945	5,524
Additions to right-of-use asset through deemed acquisition of a subsidiary (Note 41)		16,730	–

The Group leases various leasehold land and buildings for its operations. Lease contracts are entered into fixed periods of 12 months to 15 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Details of impairment of right-of-use assets are set out in Note 18.

The Group regularly entered into short-term leases for educational buildings and ancillary premises and car. As at 31 August 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

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For the year ended 31 August 2025

18. IMPAIRMENT TESTING ON NON-CURRENT ASSETS

As disclosed in Note 3, the Group had deconsolidated the Affected Schools on 31 August 2021. There were certain property and equipment and right-of-use assets held by the Consolidated Affiliated Entities (other than the Affected Schools) occupied by the Affected Schools before the deconsolidation and were expected to be continuously occupied by the Affected Schools subsequent to the deconsolidation. The Group concluded that impairment indicators existed in relation to such assets due to the Implementation Regulations and deconsolidation of the Affected Schools, and performed an impairment assessment on such assets with carrying amounts (before impairment) of RMB545,230,000 and RMB46,798,000, for property and equipment and right-of-use assets, (together, the **"Occupied Assets"**) respectively.

When determining the recoverable amount of the Occupied Assets, the Directors considered (1) currently, there's no rental agreement with the Affected Schools on the use of the Occupied Assets, (2) the fact that the Implementation Regulations prohibit the Affected Schools to conduct transactions with the related parties, as a result, upon the effective of the Implementation Regulations the Group could not charge fees to the Affected Schools for the use of the Occupied Assets, and (3) it was not practicable for the Group to remove such occupation which imposes significant restriction on the Occupied Assets, and such restriction was a characteristic of the Occupied Assets and not entity specific.

Based on the above assessment of the implications of the Implementation Regulations, and the related facts and circumstances of the Occupied Assets, full impairment was made for the Occupied Assets as at 31 August 2021. Impairment losses of RMB545,230,000 and RMB46,798,000 were recognised against the carrying amounts of property and equipment and right-of-use assets, respectively.

19. INVESTMENT PROPERTIES

The Group leases out various property units under operating leases with rentals payable monthly. The leases typically run for an initial period of 1 to 10 years.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

	RMB'000
COST	
At 1 September 2023	155,567
Transfer from property, plant and equipment (Note 16)	19,643
Exchange adjustments	(200)
At 31 August 2024 and 1 September 2024	175,010
Transfer from property, plant and equipment (Note 16)	93,633
Transfer from right-of-use asset	9,144
Exchange adjustments	(198)
At 31 August 2025	277,589
DEPRECIATION	
At 1 September 2023	12,176
Provided for the year	4,274
Exchange adjustments	(21)
At 31 August 2024 and 1 September 2024	16,429
Provided for the year	6,096
Exchange adjustments	(34)
At 31 August 2025	22,491
CARRYING VALUES	
At 31 August 2025	255,098
At 31 August 2024	158,581

Notes:

- (a) The above investment properties are depreciated on a straight-line basis at 2.0% to 3.2% per annum (2024: 2.0% to 3.2% per annum). The Group's investment properties are situated on land in the PRC and Canada (2024: PRC and Canada).
- (b) For the year ended 31 August 2025, the Group's educational buildings and ancillary premises located in the PRC, with a carrying amount of RMB93,633,000 (2024: RMB19,643,000), along with the related leasehold land at carrying amount of RMB9,144,000 (2024: nil), were leased out to certain independent school operators. The corresponding portions of buildings and leasehold land were transferred from property, plant and equipment and right-of-use assets to investment properties from the date of commencement of the lease arrangements.

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For the year ended 31 August 2025

19. INVESTMENT PROPERTIES (Continued)

Notes: (Continued)

- (c) The fair value at level 3 hierarchy of the Group's investment properties as at 31 August 2025 was RMB381,217,923 (2024: RMB272,465,000). The fair value has been arrived based on a valuation carried out by Cushman & Wakefield Limited for investment properties located in the PRC (2024: Cushman & Wakefield Limited) and the management of the Group for investment properties located in Canada (2024: Norton Appraisals Holdings Limited ("Norton")). Cushman & Wakefield Limited and Norton are independent firms of chartered surveyors who have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

The fair values were determined by capitalising the rental income derived from the existing tenancies or market data with due provision for the reversionary income potential of the property interests. The key inputs are term capitalisation rate and market unit rent of individual unit.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

- (d) The Group's future undiscounted lease payments under operating leases are receivable as follows:

	2025 RMB'000	2024 RMB'000
Within one year	19,508	11,026
In the second year	20,166	10,811
In the third year	11,609	8,959
In the fourth year	11,137	–
In the fifth year	11,353	–
After five years	60,153	–
	133,926	30,796

20. GOODWILL

	2025 RMB'000	2024 RMB'000
COST AND CARRYING VALUES		
At 1 September 2024 or 2023	2,153,640	2,122,393
Arising on acquisition of a subsidiary (Note)	1,037	–
Exchange adjustment	34,126	31,247
	2,188,803	2,153,640

Note:

On 15 May 2025, the Group completed an acquisition of 100% equity interest in the Shenzhen Jinhang International Travel Agency Company Limited ("Jinhang"), whose net assets amounted to nil, for a consideration of approximately RMB1,037,000. Jinhang is principally engaged in the travel agency business in the PRC.

Particulars regarding impairment testing on goodwill are disclosed in Note 22.

21. OTHER INTANGIBLE ASSETS

	Student base RMB'000	Licence RMB'000	Trademark RMB'000	Total RMB'000
COST				
At 1 September 2023	346,145	71,784	621,797	1,039,726
Exchange adjustment	5,318	2,552	10,757	18,627
At 31 August 2024 and 1 September 2024	351,463	74,336	632,554	1,058,353
Exchange adjustment	5,559	1,449	10,313	17,321
At 31 August 2025	357,022	75,785	642,867	1,075,674
AMORTISATION AND IMPAIRMENT				
At 1 September 2023	176,012	68,896	2,385	247,293
Provided for the year	45,556	2,908	–	48,464
Exchange adjustment	3,389	2,532	145	6,066
At 31 August 2024 and 1 September 2024	224,957	74,336	2,530	301,823
Provided for the year	35,781	–	–	35,781
Exchange adjustment	4,160	1,449	58	5,667
At 31 August 2025	264,898	75,785	2,588	343,271
CARRYING VALUES				
At 31 August 2025	92,124	–	640,279	732,403
At 31 August 2024	126,506	–	630,024	756,530

The trademark of Kingsley International School and Canadian International School has a legal life of 10 years and is renewable every 10 years at minimal cost. The Directors are of the opinion that the Group would renew the trademark continuously and has the ability to do so. Various studies including product life cycle studies, market, competitive and environmental trends, and brand extension opportunities have been performed by the management of the Group, which supports that the trademark has no foreseeable limit to the period over which the trademarked products are expected to generate net cash inflows for the Group.

As a result, the trademark is considered by the Directors as having an indefinite useful life because it is expected to contribute to net cash inflows indefinitely. The trademark will not be amortised until its useful life is determined to be finite. Instead it will be tested for impairment annually and whenever there is an indication that it may be impaired. Particulars of the impairment testing are disclosed in Note 22.

All of the Group's student base, trademark and licence were acquired through business combination. Trademark has an infinite estimated useful life. Student base has a finite estimated useful life of 14-15 years and are amortised on expected usage of the intangible assets. Licence has a finite estimated useful life of 1.75-4 years and it is amortised on the straight-line basis over the estimated useful life.

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22. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

The carrying amounts of goodwill and trademark (net of accumulated impairment losses) allocated to the CGUs are as follows:

	Goodwill		Trademark	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
CGUs:				
Kingsley Edugroup Berhad ("Kingsley")	–	–	35,287	34,470
Star Readers Pte. Ltd. ("STAR")	2,187,766	2,153,640	604,992	595,554
Jinhang	1,037	–	–	–
	2,188,803	2,153,640	640,279	630,024

The calculation of value in use (the recoverable amount of each CGU) uses cash flow projections based on financial budgets approved by the management covering a five-year period and applicable discount rate. Extrapolated growth rate used in cash flow projections is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash flows which include local economic development, growth rates of number of students, tuition fee and discount rates, and such estimation is based on each CGU's past performance and the management's expectations for future market development.

Kingsley and STAR

The following table sets out the key assumptions for the Kingsley and STAR that have significant goodwill allocated to them:

Year ended 31 August 2025	Kingsley	STAR
Average revenue growth rates (%)	7.0%	6.4%
EBIT margin (% of revenue) (%)	33.5%	37.9%
Long-term growth rate (%)	3.0%	3.0%
Pre-tax discount rate (%)	15.5%	14.6%
Year ended 31 August 2024	Kingsley	STAR
Average revenue growth rates (%)	8.7%	6.7%
EBIT margin (% of revenue) (%)	33.8%	37.9%
Long-term growth rate (%)	3.0%	3.0%
Pre-tax discount rate (%)	16.0%	13.3%

22. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES (Continued)

Kingsley and STAR (Continued)

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Revenue growth rates	Revenue growth rate is for the five-year forecast period. It is based on past performance and management's expectations of market development.
EBIT margin	Based on past performance and management's expectations for the future.
Long-term growth rate	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.
Pre-tax discount rates	The discount rate used reflects specific risks relating to the CGU.

The recoverable amounts of the Kingsley and STAR and the headroom are as follows:

	Recoverable amount RMB'000	Headroom RMB'000
For the year ended 31 August 2025		
Kingsley	406,403	25,767
STAR	3,390,771	41,731
For the year ended 31 August 2024		
Kingsley	411,226	40,047
STAR	3,887,889	517,570

The Group tests goodwill and trademarks annually for impairment or more frequently if there are indicators that goodwill and trademark might be impaired.

The impairment assessment were performed by the management of the Group with assistance from an independent professional valuer not connected with the Group, Norton (2024: Norton), who possesses appropriate qualification and relevant experiences.

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22. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES (Continued)

Kingsley and STAR (Continued)

During the year ended 31 August 2025, there was a slight decrease in revenue and a marginal drop in segment profit for the overseas segment operations of Kingsley and STAR, primarily attributable to temporary fluctuations in international student mobility amid ongoing global economic uncertainties. Despite this, the overall performance of Kingsley and STAR remained resilient. For sustaining and enhancing student enrolment numbers, the Group will continue to strengthen its student recruitment strategies and elevate the schools' influence in the international education market by intensifying global marketing efforts, hosting additional multinational education exhibitions, and executing targeted online and offline promotional campaigns. The Group will also emphasise the promotion of its high-quality educational offerings, including the IB curriculum framework, by introducing expanded bilingual education pathways and tailored academic programmes to appeal to diverse international families from varied cultural backgrounds. There were no material changes in the value of inputs or key assumptions adopted in the valuation, except for a minor downward revision of the average revenue growth rate in the forecast period to reflect a steady and conservative projection for the number of international students inflows into the countries where the CGU operates. Based on the above assessment, the Directors considered that no impairment of goodwill and trademarks directly attributable to Kingsley and STAR was required for the year ended 31 August 2025 (2024: nil).

Besides, in the opinion of the directors of the Company, reasonably possible change in the key assumptions on which the management had based its determination of the Kingsley and STAR recoverable amount would not cause an impairment loss.

Impact of possible changes in key assumptions

For the year ended 31 August 2025

The following changes in assumptions, while other parameters remain constant, would cause the recoverable amounts equal its respective carrying amounts:

	Kingsley		STAR	
	From	To	From	To
Average revenue growth rates (%)	7.0%	6.3%	6.4%	6.2%
EBIT margin (% of revenue) (%)	33.5%	30.7%	37.9%	37.3%
Long-term growth rate (%)	3.0%	2.0%	3.0%	2.8%
Pre-tax discount rate (%)	15.5%	16.4%	14.6%	14.8%

22. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES (Continued)

Kingsley and STAR (Continued)

Impact of possible changes in key assumptions (Continued)

For the year ended 31 August 2024

The following changes in assumptions, while other parameters remain constant, would cause the recoverable amounts equal its respective carrying amounts:

	Kingsley		STAR	
	From	To	From	To
Average revenue growth rates (%)	8.7%	7.7%	6.7%	5.2%
EBIT margin (% of revenue) (%)	33.8%	29.4%	37.9%	31.7%
Long-term growth rate (%)	3.0%	1.6%	3.0%	1.2%
Pre-tax discount rate (%)	16.0%	17.4%	13.3%	14.8%

Jinhang

The recoverable amount of the Jinhang has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management that cover a 5-year period, and use a discount rate of 13.4%. The Jinhang's cash flows beyond the 5-year period are extrapolated using a steady 3.0% growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development.

For the year ended 31 August 2025, management of the Group determined that there is no impairment on the goodwill arising from the acquisition of Jinhang.

The recoverable amount is greater than the carrying amount of the Jinhang.

Management of the Group believes that any reasonably possible change in any of these assumptions would not result in impairment of goodwill.

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23. DEPOSITS, PREPAYMENTS, TRADE AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Prepaid rent and other prepaid expenses	16,355	7,936
Trade receivables net of allowance for credit losses (Note a)	7,973	11,787
Deposits	23,934	9,319
Staff advances	573	211
Management fees receivables	1,742	3,317
Rental receivables	1,708	–
Receivable from a third party (Note b)	–	6,433
Others	5,830	8,450
	58,115	47,453

As at 1 September 2023, the carrying amount of trade receivables amounted to RMB12,643,000.

Notes:

- (a) Loss allowance for trade receivables has been measured at an amount equal to lifetime ECL. The ECL on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast directions of conditions at the reporting date. The Group has recognised a loss allowance of 100% against all receivables over 365 days past due because historical experience has indicated that these receivables are generally not recoverable.

The following table details the risk profile of trade receivables from contracts with customers based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer bases. The following is an analysis of trade receivables by age, presented based on the dates the students were informed for payment.

	2025 RMB'000	2024 RMB'000
Not past due	2,347	10,462
0-30 days	3,667	655
31-60 days	2	11
61-90 days	174	–
Over 90 days	1,783	659
	7,973	11,787

- (b) The original receivable amount represented a short-term loan of RMB12,000,000 to an independent third party in 2018. The loan had an interest rate of 4.35% per annum, which was the base rate published by the People's Bank of China at that time, and it was due in one year. After the counterparty failed to repay at maturity, the loan was extended but remained unrecovered. The Group's management has assessed the recoverability of the loan and related accrued interest and recognised an ECL provision of RMB6,433,000 and RMB7,900,000 in the profit or loss for the year ended 31 August 2025 and 2024 respectively.

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24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 RMB'000	2024 RMB'000
Listed securities:		
– Equity securities listed in the Stock Exchange	12,106	9,131
Wealth management products issued by banks	–	40,304
	12,106	49,435

Listed securities and wealth management products are classified as current as the Directors expects to realise these financial assets within twelve months after the reporting period.

25. PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH

	2025 RMB'000	2024 RMB'000
Pledged bank deposits	33,052	32,328
Cash and cash equivalents	851,529	497,673
Time deposits with original terms of over three months	49,798	67,115
Bank balances and cash	901,327	564,788
Pledged bank deposits and bank balances and cash	934,379	597,116

The pledged bank deposits were held as security for certain banking facilities granted to the Group. Details are disclosed in Note 29.

Cash and cash equivalents include demand deposits and short term deposits with maturity of three months or less for the purpose of meeting the Group's short term cash commitments, which carry interest at market rates range from 0.01% to 3.91% (2024: 0.01% to 4.25%).

The Group's time deposits with original terms of over three months carry an interest rate of 6.0% (2024: ranging from 1.65% to 4.88%).

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26. CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000
Tuition and boarding fees	413,782	446,454
Others	40,578	35,710
	454,360	482,164

Significant changes in contract liabilities are analysed as follows:

	2025 RMB'000	2024 RMB'000
Balance at 1 September 2024 or 2023	482,164	513,559
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	(482,164)	(513,559)
Deemed acquisition of a subsidiary (Note 41)	10,504	–
Increase due to cash received, excluding amounts recognised as revenue during the year	443,856	482,164
Balance at 31 August 2025 or 2024	454,360	482,164

27. OTHER PAYABLES AND ACCRUED EXPENSES

	2025 RMB'000	2024 RMB'000
Payables for purchase of property, plant and equipment	47,052	64,563
Miscellaneous expenses received from students (Note)	42,811	45,200
Accrued payroll	17,672	24,788
Deposits received from students upon school admission	23,747	29,616
Acquisition consideration payable	9,269	9,269
Payables for purchase of goods	3,837	4,342
Accrued operating expenses	42,304	24,489
Prepayment from lessee	598	6,055
Other tax payables	1,246	1,376
Others	50,078	22,116
	238,614	231,814

Note:

The amount represents expenses such as fees for courses, public examination fee, purchase of hardware, meal fee and other miscellaneous items from students which will be paid out on behalf of students.

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28. LEASE LIABILITIES

	Lease payments		Present value of lease payments	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year	5,272	5,088	4,600	4,326
Within a period of more than one year but not exceeding two years	5,556	4,804	5,045	4,200
Within a period of more than two years but not exceeding five years	8,706	10,544	7,870	9,519
Within a period of more than five years	5,748	7,723	5,502	7,279
	25,282	28,159	23,017	25,324
Less: Future finance charges	(2,265)	(2,835)	N/A	N/A
Present value of lease obligations	23,017	25,324	23,017	25,324
Less: Amounts due within one year shown under current liabilities			(4,600)	(4,326)
Amounts shown under non-current liabilities			18,417	20,998

The weighted average incremental borrowing rates applied to lease liabilities range from 2.87% to 3.81% (2024: from 2.87% to 5.0%).

29. BANK AND OTHER BORROWINGS

	2025	2024
	RMB'000	RMB'000
Bank and other borrowings	1,638,571	1,602,379
The carrying amounts of the above borrowings are repayable:		
On demand or within one year	229,512	28,624
Within a period of more than one year but not exceeding two years	183,770	214,558
Within a period of more than two years but not exceeding five years	1,225,289	1,359,197
	1,638,571	1,602,379
Less: Amounts due within one year shown under current liabilities	(229,512)	(28,624)
Amounts shown under non-current liabilities	1,409,059	1,573,755

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29. BANK AND OTHER BORROWINGS (Continued)

Notes:

- (a) On 22 July 2024, Canadian International School (“CIS”) entered into a term loan facility agreement (the “**2024 Term Loan Facilities**”) which was arranged by certain financial institutions, with an aggregate amount up to SGD280,000,000 (approximately RMB1,528,464,000), CIS has fully utilised the 2024 Term Loan Facilities and as at 31 August 2025 the outstanding carrying amount of the borrowing amounted to approximately SGD277,874,000 (equivalent to approximately RMB1,540,895,000) (2024: approximately SGD273,109,000 (equivalent to approximately RMB1,490,849,000)). The 2024 Term Loan Facilities were secured by pledged bank deposits of approximately SGD4,827,000 (equivalent to approximately RMB26,769,000) (2024: approximately SGD4,827,000 (equivalent to approximately RMB26,351,000)) held by CIS and guaranteed by two subsidiaries of the Group and are repayable after 18 months, and up to 5 years, from the utilisation date of the 2024 Term Loan Facilities, specifically from January 2026 to July 2029, with the final repayment date on 24 July 2029. The proceeds of the 2024 Term Loan Facilities were used to fully refinance the then existing indebtedness of the Group.

The 2024 Term Loan Facilities carries variable interest rate based on the aggregate of (i) SORA Reference Rate for the interest period; and (ii) an interest margin of 3.30% per annum for the first twelve months of borrowing and interest margin range of 2.50% to 3.30% after twelve months of borrowing. As at 31 August 2025, the effective borrowing rate was at the rate of 4.9% (2024: 6.9%) per annum.

- (b) As of 31 August 2025, the outstanding of the bank borrowing amounting to approximately MYR29,194,000 (equivalent to approximately RMB49,315,000) (2024: approximately MYR39,240,000 (equivalent to approximately RMB64,750,000)) was secured by (1) pledge of debt service reserve account held by Kingsley International Sendirian Berhad (a subsidiary owned by Kingsley an indirectly wholly-owned subsidiary of the Company); (2) pledged bank deposits of approximately MYR3,720,000 (equivalent to approximately RMB6,283,000) (2024: approximately MYR3,622,000 (equivalent to approximately RMB5,977,000)); and (3) debenture incorporating fixed and floating charge over all assets and undertakings of Kingsley.

This bank borrowing carried variable interest rate ranging from 6.19% to 6.30% (2024: ranging from 5.91% to 6.19%) per annum, and is repayable from 30 September 2025 to 31 May 2028.

- (c) As of 31 August 2025, the Group’s other borrowings consist of two loans from an independent third party, totaling approximately RMB48,361,000 (2024: RMB46,780,000). Both loans are unsecured and carry a fixed interest rate of 3.65% (2024: 3.65%) per annum. The loans are repayable on the third anniversary from the first date of loan drawdown on 11 December 2025 and 9 April 2026, respectively.
- (d) In respect of bank borrowings with carrying amount of SGD277,874,000 (equivalent to approximately RMB1,540,895,000) as at 31 August 2025 (2024: approximately SGD273,109,000 (equivalent to approximately RMB1,490,849,000)), the Group is required to comply with certain financial covenants which are tested on a quarterly basis and annual basis. The Group has complied with the relevant covenants at each test date on or before the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

30. DEFERRED INCOME TAX

The following are the major deferred tax assets/(liabilities) recognised and movements thereon during the current and prior years:

	Deferred tax assets			Deferred tax liabilities				Total RMB'000
	Investment tax allowance RMB'000	Impairment provision of trade receivables RMB'000	Lease liabilities RMB'000	Accelerated tax depreciation RMB'000	Fair value adjustment on assets acquired through business combination RMB'000	Withholding tax on undistributed earnings RMB'000	Right-of-use assets RMB'000	
At 1 September 2023	35,298	106	5,671	(19,212)	(247,667)	-	(5,671)	(231,475)
(Charge)/credit to profit or loss (Note 11)	(4,783)	56	(144)	(7,801)	19,231	-	144	6,703
Exchange adjustments	1,885	9	17	(1,589)	(5,846)	-	(17)	(5,541)
At 31 August 2024 and 1 September 2024	32,400	171	5,544	(28,602)	(234,282)	-	(5,544)	(230,313)
(Charge)/credit to profit or loss (Note 11)	(2,167)	165	(1,133)	(4,258)	11,573	(49,000)	1,133	(43,687)
Exchange adjustments	727	7	11	(759)	(3,959)	-	(11)	(3,984)
At 31 August 2025	30,960	343	4,422	(33,619)	(226,668)	(49,000)	(4,422)	(277,984)

The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2025 RMB'000	2024 RMB'000
Deferred tax assets	-	3,969
Deferred tax liabilities	(277,984)	(234,282)
	(277,984)	(230,313)

No deferred tax asset has been recognised in respect of RMB384,716,000 (2024: RMB387,777,000) of unutilised tax losses due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of RMB160,285,000 (2024: RMB164,136,000) that will expire in one to five years. Other tax losses may be carried forward indefinitely.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

31. CONVERTIBLE BONDS

On 12 January 2021, the Company entered into a subscription agreement with UBS AG Hong Kong Branch for the proposed issue of convertible bonds totalling USD125,000,000 (the “**Bonds**”) due in 2026.

The Bonds were issued on 27 January 2021 (the “**Issue Date**”), with proceeds of USD125,000,000 (equivalent to RMB808,551,000) received. Issuance costs of approximately USD1,250,000 (RMB8,138,000) were charged to finance costs. The Bonds were recognized and measured as financial liabilities at FVTPL, where the fair value as of the Issue Date was RMB808,551,000.

The Bonds bear interest at 2.25% per annum, payable semi-annually in arrears on 27 January and 27 July, commencing on 27 July 2021.

Under the subscription agreement, the Bonds are convertible at the holder’s option into ordinary shares with par value of USD0.0005 each of the Company at an initial conversion price of HKD2.525 per share, from 9 March 2021 up to seven days before 27 January 2026 (the “**Maturity Date**”) (both days inclusive). The conversion price is subject to adjustment as per the terms and conditions of the Bonds.

The Company may redeem the bonds at its option, at any time after 11 February 2024 and prior to the Maturity Date. The Bonds may be redeemed by the holder following relevant events or on 27 January 2024, the optional put date, upon notice.

During the year ended 31 August 2022, an Applicable Relevant Event occurred on 23 May 2022 (as a result of the suspension of trading of the Shares on the Stock Exchange commencing from 3 May 2022 in connection with the Company’s delay in the publication of the unaudited interim results of the Group for the six months ended 28 February 2022) and the holder of each Bond will have the right, at such holder’s option (the “**Bondholder Put Option**”), to require the Company to redeem all or some only of such holder’s Bond on the relevant event redemption date at the early redemption amount together with interest accrued but unpaid to (but excluding) such date in accordance with the Bond Conditions by submitting to the specified office of the paying agent (the “**Paying Agent**”) a relevant event redemption notice (the “**Relevant Event Redemption Notice**”) within the applicable time period specified in Bond Conditions. Notices covering principal amount of USD125,000,000 were received, but the Company failed to pay the amount due by 14 August 2022.

On 15 August 2022, the Company and holders who held approximately 70% of the principal amount entered a standstill and consent solicitation support agreement (the “**Standstill Agreement**”) with waivers (the “**Proposed Waivers**”) and amendments agreed in an Extraordinary Meeting on 23 September 2022. The waivers included consent for default event Proposed Waivers related to redemption for the Applicable Relevant Event and the Standstill Agreement.

Due to PRC foreign exchange controls, the Company failed to make the Second Mandatory Redemption on 27 June 2023, causing another default. On 11 September 2023, holders approved waivers for these defaults and postponed the Second Mandatory Redemption to 27 January 2024.

All outstanding principal and interest were repaid by the Company on 9 February 2024.

32. SHARE CAPITAL

	Number of shares '000	Amount USD'000	Show in the consolidated financial statement as RMB'000
Ordinary shares of USD0.0005 each Authorised At 1 September 2023, 31 August 2024, 1 September 2024 and 31 August 2025	8,000,000	4,000	
Issued and fully paid At 1 September 2023, 31 August 2024 and 1 September 2024	2,995,321	1,498	9,309
Shares repurchased and cancelled	(63,216)	(32)	(198)
At 31 August 2025	2,932,105	1,466	9,111

As at 31 August 2025, the Company held approximately 23,746,000 shares of the Company (2024: approximately 23,746,000 shares) under the previous share award scheme. The total amount paid in prior years to acquire the shares was approximately RMB22,280,000 and has been deducted from the shareholders' equity.

33. RETIREMENT BENEFIT PLANS

The employees of the Group in the PRC, Malaysia and Singapore are members of a state-managed retirement benefits scheme operated by the PRC, Malaysia and Singapore Government. The Group is required to contribute a specified percentage of payroll costs as determined by respective local government authority to the retirement benefits scheme to fund the benefit scheme. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions under the scheme.

The total expense recognised in profit or loss in respect of contributions paid or payable to the schemes by the Group for the year ended 31 August 2025 is RMB23,075,000 (2024: RMB24,939,000).

34. SHARE-BASED PAYMENTS

Employee Share Purchase Plan

The Company's Employee Share Purchase Plan (the "ESPP") was approved and adopted by the Company on 12 October 2020 to take effect for the purpose of providing the selected participants with the opportunity to acquire proprietary interests in the Company and to encourage the selected participants by permitting the selected participants to purchase shares of the Company and by awarding matching restricted shares, which upon vesting are settled in shares.

During the year ended 31 August 2024, no material matching shares under the ESPP were granted. The ESPP was terminated in June 2024 prior to its expiry on 12 October 2025 and the vesting of the last batch of matching shares has been accelerated to June 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

34. SHARE-BASED PAYMENTS (Continued)

Post-IPO Share Option Scheme

The Company's post-IPO share option scheme (the "Post-IPO Share Option Scheme") was approved and adopted by the Company on 10 November 2014 to take effect from 28 November 2014 for the purpose of enabling the Company to grant options to the selected participants as incentives or rewards for their contributions to the Group. The Post-IPO Share Option Scheme expired on 10 November 2024. The options granted prior to the expiration remain valid for exercise and no further option under the Post-IPO Share Option Scheme would be granted.

The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Post-IPO Share Option Scheme and any other share option scheme of the Company shall not in aggregate exceed 10% of the issued share capital of the Company from time to time.

Movements of the Company's share options granted under the Post-IPO Share Option Scheme are as follows:

For the year ended 31 August 2025

	Date of grant	Option type	Outstanding at 1 September 2024	Granted during the year	Forfeited during the year	Lapsed during the year	Outstanding at 31 August 2025
Executive director:							
King Pak Lau	4 March 2024	Post-IPO-7th	3,000,000	-	-	-	3,000,000
Employees of the Group							
In aggregate	4 March 2024	Post-IPO-8th	3,000,000	-	-	-	3,000,000
In aggregate	10 May 2024	Post-IPO-9th	3,000,000	-	-	-	3,000,000
Total			9,000,000	-	-	-	9,000,000
Exercisable at the end of the year							4,600,000
Weighted average exercise price			HK\$0.47	N/A	N/A	N/A	HK\$0.47

34. SHARE-BASED PAYMENTS (Continued)**Post-IPO Share Option Scheme (Continued)**

For the year ended 31 August 2024

	Date of grant	Option type	Outstanding at 1 September 2023	Granted during the year	Forfeited during the year	Lapsed during the year	Outstanding at 31 August 2024
Executive director:							
King Pak Lau	4 March 2024	Post-IPO-7th	-	3,000,000	-	-	3,000,000
Independent non-executive director:							
Peter Humphrey Owen	28 June 2019	Post-IPO-6th	60,000	-	-	(60,000)	-
Employees of the Group							
In aggregate	4 March 2024	Post-IPO-8th	-	3,000,000	-	-	3,000,000
In aggregate	10 May 2024	Post-IPO-9th	-	3,000,000	-	-	3,000,000
Total			60,000	9,000,000	-	(60,000)	9,000,000
Exercisable at the end of the year							-
Weighted average exercise price			HK\$3.11	HK\$0.47	N/A	HK\$3.11	HK\$0.47

During the year ended 31 August 2024, options were granted on 4 March 2024 and 10 May 2024 (2025: nil). The estimated fair values of the options granted on those dates are RMB1,589,000 and RMB582,000, respectively.

The share options outstanding at 31 August 2025 had a weighted average remaining contractual life of 2.9 years (2024: 3.9 years).

These fair values were calculated using binomial option pricing model. The inputs into the model were as follows:

Weighted average share price	HK\$0.375 – HK\$0.52
Exercise price	HK\$0.381 – HK\$0.52
Expected volatility	96.92% – 109.83%
Expected life	2 – 6 years
Risk-free rate	3.43% – 4.10%
Expected dividend yield	0.00%

Expected volatility was determined by using the historical volatility of the Company's share price over the previous 6 years. The expected life used in the model has been adjusted, based on the Directors' best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

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For the year ended 31 August 2025

34. SHARE-BASED PAYMENTS (Continued)

Post-IPO Share Option Scheme (Continued)

Details of specific categories of options are as follows:

	Number of options to be vested	Vesting period	Exercise period	Exercise price
Post-IPO-7th	1,000,000	4 March 2024 to 3 March 2025	4 March 2025 to 3 March 2026	HK\$0.52
	1,000,000	4 March 2024 to 3 March 2026	4 March 2026 to 3 March 2027	HK\$0.52
	1,000,000	4 March 2024 to 3 March 2027	4 March 2027 to 3 March 2028	HK\$0.52
Post-IPO-8th	3,000,000	4 March 2024 to 3 March 2025	4 March 2025 to 3 March 2030	HK\$0.52
Post-IPO-9th	600,000	10 May 2024 to 9 May 2025	10 May 2025 to 9 May 2026	HK\$0.381
	600,000	10 May 2024 to 9 May 2026	10 May 2026 to 9 May 2027	HK\$0.381
	600,000	10 May 2024 to 9 May 2027	10 May 2027 to 9 May 2028	HK\$0.381
	600,000	10 May 2024 to 9 May 2028	10 May 2028 to 9 May 2029	HK\$0.381
	600,000	10 May 2024 to 9 May 2029	10 May 2029 to 9 May 2030	HK\$0.381

The Group recorded share-based payment expense of RMB1,735,000 for the year ended 31 August 2025 (2024: RMB719,000), in relation to the share options granted under the Post-IPO Share Option Scheme.

35. SHARE AWARD SCHEME

The Share Award Scheme was adopted by the Company on 10 November 2014 and modified by the Board on 28 April 2015.

The grant of share awards (the “**Awards**”) recognises the contribution of the Directors, executive officers, senior management, employees and consultants of the Company and of its subsidiaries and consolidated affiliated entities (collectively, “**Scheme Companies**” and each, a “**Scheme Company**”) to the historical achievements of the Company. The Company has the intention to continue exploring ways to incentivise, retain and reward Scheme Companies’ directors, executive officers, senior management and employees and may implement other share award schemes or other share-based remuneration schemes in the future.

Awards

Each Award is a right to receive a Share at the end of the vesting period, subject to vesting conditions provided for under the Share Award Scheme. For each Award, the Eligible Participants (as defined below) may receive, subject to vesting, one Share.

Awards cannot be sold, pledged or transferred by the Eligible Participants by any means, except by inheritance.

35. SHARE AWARD SCHEME (Continued)

Grant of Awards

The Share Award Scheme provides for the grant of Awards by the Company to beneficiaries (the “**Beneficiaries**”) selected at the discretion of the Board from among the directors, executive officers, senior management, employees and consultants of the Scheme Companies (the “**Eligible Participants**”). Shares will not be released under the Awards until the applicable vesting conditions have been satisfied.

Awards cannot be sold, pledged or transferred by the Eligible Participants by any means, except by inheritance.

Shares underlying the Awards

The Company will from time to time transfer the necessary funds and instruct the scheme trustee (“**Scheme Trustee**”) to acquire Shares through on-market transactions so as to satisfy Awards.

The Share Award Scheme Shares will be held on trust by the Scheme Trustee until their release to the Beneficiaries upon vesting of their Awards.

The grant of Awards by the Company to a connected person of the Company will be subject to the requirements of Chapter 14A of the Listing Rules.

Restrictions on grants and Share purchases

No instruction may be given to the Scheme Trustee to acquire Shares and no Award may be granted when the Board is in possession of unpublished inside information in relation to the Scheme Companies or when dealings by Directors are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time.

Vesting of Awards

Vesting of Awards is subject to continued employment of the Beneficiaries with a Scheme Company over the vesting period as determined by the Board. Upon vesting, the Company will instruct the Scheme Trustee to release Share Award Scheme Shares to the Beneficiary on its behalf.

In the event of termination of the employment or corporate officer’s mandate of a Beneficiary with a Scheme Company, his or her Awards will be forfeited: (i) in the case of employment contracts, such forfeiture shall take effect on the date of receipt of the dismissal letter or the submission of the resignation letter (as the case may be), notwithstanding any period of notice (regardless of whether it has been given or satisfied), or on the date of the termination of the employment agreement for other circumstances, and (ii) in the case of corporate officer’s mandate, such forfeiture shall take effect on the date of the expiration of the term of the mandate, or on the date of the dismissal or notification of such dismissal.

In the case of retirement or early retirement of the Beneficiary, Awards are not forfeited. However, the Shares are not released until they vest on the grantee.

If a Beneficiary’s employer ceases to be a Scheme Company during the vesting period, the continued employment condition will be deemed not to have been satisfied.

No consideration is paid or payable by the grantees for the Shares to be issued under the Share Award Scheme.

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For the year ended 31 August 2025

35. SHARE AWARD SCHEME (Continued)

Limit for each Beneficiary

Pursuant to a resolution passed at a meeting of the Board on 29 November 2016, the maximum number of Awards which may be granted to a Beneficiary but unvested under the Share Award Scheme was revised to not exceed 1% of the Shares in issue from time to time.

The Share Award Scheme Period

The Share Award Scheme shall be valid and effective from 28 April 2015 and end on the earlier of (i) the business day immediately prior to the tenth anniversary of 28 April 2015 except in respect of any non-vested Awards granted prior to the expiration of the Share Award Scheme, for the purpose of giving effect to the vesting of such Awards or otherwise as may be required in accordance with the provisions of the Share Award Scheme; and (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Beneficiary in respect of the Awards already granted.

Outstanding Shares awarded

In July 2015, the Scheme Trustee purchased a total of 62,160,000 Shares on the Stock Exchange at a total consideration of approximately HK\$74.7 million (equivalent to approximately RMB59.0 million). During the years ended 31 August 2025 and 2024, the Scheme Trustee did not purchase any Share on the Stock Exchange or grant any Share to the Eligible Participants of the Group under the Share Award Scheme and there was no movement in the outstanding Shares under the Share Award Scheme. As at 31 August 2025 and 2024, there was no outstanding Share granted to the Eligible Participants of the Group under the Share Award Scheme.

As at 31 August 2025 and the date of this report, there were a total of 23,746,247 Shares available under the Share Award Scheme (representing approximately 0.81% (2024: 0.79%) of the issued Shares as at the date of this report).

36. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of pledged bank deposits, bank balances and cash, amounts due from/(to) related parties, bank and other borrowings and equity attributable to equity holders of the Company, comprising capital, reserves and retained profits.

The Directors review the capital structure on a continuous basis taking into account the cost of capital and the risks associated with each class of capital. Based on recommendations of the Directors, the Group will balance its overall capital structure through repurchase of shares or issuance of new shares.

37. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2025 RMB'000	2024 RMB'000
Financial assets		
Financial assets at FVTPL		
– Listed equity securities	12,106	9,131
– Wealth management products	–	40,304
Financial assets at amortised cost	1,092,547	816,133
Financial liabilities		
Liabilities measured at amortised cost	3,648,219	3,718,034

(b) Financial risk management objectives and policies

The Group's major financial instruments include deposits, trade and other receivables, financial assets at FVTPL, pledged bank deposits, bank balances and cash, amounts due from/(to) related parties, other payables, bank and other borrowings, lease liabilities and convertible bonds. Details of these financial instruments are disclosed in the respective notes. These risks include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

The Group conducts its business mainly in the PRC and other Asia Pacific countries. The majority of the Group's revenue and expenditures are denominated in RMB, SGD and MYR. The Company and several subsidiaries of the Company have cash and cash equivalents, other receivables, other payables and borrowings which are denominated in foreign currencies. The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

	Liabilities		Assets	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
HKD	1,356	830	33,262	5,439
SGD	–	–	264	391
CAD	–	–	5,438	259
USD	9,950	7,137	36,611	19,826
	11,306	7,967	75,575	25,915

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For the year ended 31 August 2025

37. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Currency risk (Continued)

Sensitivity analysis

The Group is mainly exposed to the currency of HKD, SGD, CAD and USD (2024: HKD, SGD, CAD and USD). The following table details the Group's sensitivity to a 5% (2024: 5%) increase and decrease in RMB against HKD, SGD, CAD and USD (2024: HKD, SGD, CAD and USD). 5% (2024: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts the translation at the year end for a 5% (2024: 5%) change in foreign currency rates. A positive number below indicates a decrease in profit before tax where RMB strengthens 5% against HKD, SGD, CAD and USD (2024: HKD, SGD, CAD and USD). For a 5% (2024: 5%) weakening of RMB against HKD, SGD, CAD and USD (2024: HKD, SGD, CAD and USD), there would be an equal and opposite impact on the profit, and the balances below would be negative.

	2025 RMB'000	2024 RMB'000
Profit or loss related to HKD	1,595	230
Profit or loss related to SGD	13	20
Profit or loss related to CAD	272	13
Profit or loss related to USD	1,333	1,348

In the opinion of the Directors, the sensitivity analysis is unrepresentative of the inherent foreign currency risk as the exposure at the end of the reporting year does not reflect the exposure for the full year.

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank and other borrowings (see Note 29 for details) and lease liabilities (see Note 28 for details). The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank and other borrowings (see Note 29 for details). The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances and SORA arising from the Group's Singapore dollar denominated borrowings. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The management will review the proportion of borrowings in fixed and floating rates and ensure they are within reasonable range.

37. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Interest rate risk (Continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable interest rate bank balances and borrowings. If interest rates had been 50 basis points higher/lower and all other variables were held consistent, the Group's post-tax profit for the year ended 31 August 2025 would decrease/increase by RMB3,080,000 (2024: decrease/increase by RMB4,196,000).

(iii) Other price risk

The Group is exposed to equity price risk through its investments in listed equity securities measured at FVTPL. The management manages the exposure to equity price risk of investments in listed equity securities by closely monitoring fluctuation of these investments.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks relating to held-for-trading equity instruments investments at the reporting date.

If the price of the respective equity instruments had been 5% (2024: 5%) higher/lower, post-tax profit for the year would increase/decrease by RMB605,000 (2024: RMB457,000) as a result of the changes in fair value.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to wealth management products, deposits, trade and other receivables, pledged bank deposits, bank balances and amounts due from related parties. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Except for investment in wealth management products and listed securities which is subsequently measure at FVTPL, the Group performed impairment assessment for financial assets under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

Pledged bank deposits and bank balances

Credit risk on pledged bank deposits and bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by credit agencies. The Group assessed 12m ECL for pledged bank deposits and bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on pledged bank deposits and bank balances is considered to be insignificant.

37. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Other receivables and deposits

For other receivables and deposits, the Directors make periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The Directors believe that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the years ended 31 August 2025 and 2024, the Group assessed the ECL for other receivables and deposits were insignificant except a credit-impaired short-term loan to an independent third party as disclosed in Note 23(b).

Amounts due from related parties

The Group regularly monitors the business performance of these related parties. The Group's credit risk on these balances is mitigated through the value of the assets held by these entities and their actual operating results. The Directors believe that there is no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the years ended 31 August 2025 and 2024, the Group assessed the ECL for amounts due from related parties were insignificant.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Directors monitors the utilisation of borrowings and ensures compliance with loan covenants.

The amount of net current liabilities of the Group is approximately RMB474,945,000 (2024: RMB571,663,000) as at 31 August 2025.

The Group's bank balances and cash as at 31 August 2025 amounted to approximately RMB901,327,000 as compared to the Group's amounts due to related parties of RMB1,876,395,000 (with current portion of RMB595,298,000) ("**Relevant Balances**"). These conditions may indicate the existence of uncertainties on the Group's ability to continue as a going concern.

In view of the above, the Directors have undertaken a number of plans and measures to improve the Group's liquidity and financial position, including: (i) communicating with the Affected School for repayment of borrowings; (ii) discussing with local government departments to comply with the Implementation Regulations and (iii) adjusting the strategy to focus on development of high schools and overseas schools which are not affected by the Implementation Regulations.

37. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The Directors consider that the Group can continue as a going concern based on the fact that they have successfully carried out their previous financial plans, and which was built on the assumptions that no further rules and interpretation from the government would adversely affect the continuing operations. When preparing the Group's consolidated financial statements on the going concern basis, Directors have also taken into account the cash flow forecast of the Group prepared by the management of the Company, and the nature of current liabilities. The Directors expect that operating activities of the Group can contribute substantial cash inflow to repay all liabilities when fall due and meeting the Group's short term cash commitments. At the date of this report, the Affected Schools with Relevant Balances to the Group have agreed not to demand for repayment until 1 September 2026.

The following tables detail the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. The interest rates as at the end of the reporting period are used for the cash flow calculation in relation to variable rate interest bearing financial liabilities.

	Weighted average Interest rate %	On demand or less than 1 year RMB'000	1-2 years RMB'000	2-3 years RMB'000	3-5 years RMB'000	Over 5 years RMB'000	Undiscounted cash flows RMB'000	Total carrying amount RMB'000
Non derivative financial liabilities:								
Other payables	-	110,236	-	-	-	-	110,236	110,236
Amounts due to related parties	-	595,298	1,281,097	-	-	-	1,876,395	1,876,395
Lease liabilities	3.27	5,272	5,556	3,948	4,758	5,748	25,282	23,017
Fixed and variable interest rates borrowings	4.90	320,101	263,644	256,875	1,099,391	-	1,940,011	1,638,571
At 31 August 2025		1,030,907	1,550,297	260,823	1,104,149	5,748	3,951,924	3,648,219
Non derivative financial liabilities:								
Other payables	-	101,666	-	-	-	-	101,666	101,666
Amounts due to related parties	4.75	753,309	1,390,831	-	-	-	2,144,140	1,988,665
Lease liabilities	3.57	5,088	4,804	5,088	5,456	7,723	28,159	25,324
Fixed and variable interest rates borrowings	6.81	137,862	317,733	287,900	1,383,560	-	2,127,055	1,602,379
At 31 August 2024		997,925	1,713,368	292,988	1,389,016	7,723	4,401,020	3,718,034

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 August 2025

38. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

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.

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

The fair values of the non-current portion of amounts due to related parties and interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

In estimating the fair values of financial assets at FVTPL and Convertible Bond, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

38. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)**Fair value hierarchy**

The following table illustrate the fair value measurement hierarchy of the Group's financial instruments measured at fair value:

Financial assets	Fair value as at 31 August		Fair value hierarchy	Valuation techniques and inputs
	2025 RMB'000	2024 RMB'000		
Financial assets at FVTPL – listed equity securities (Note 24)	12,106	9,131	Level 1	Quoted bid prices in an active market
Financial assets at FVTPL – wealth management products (Note 24)	–	40,304	Level 2	Discounted cash flow, future cash flows are estimated based on contractual terms of the wealth management products and discounted at a rate that reflects that credit risk of the counterparties

Reconciliation of Level 3 fair value measurements of financial liabilities

	Convertible bonds RMB'000
At 1 September 2023	515,921
Repayment	(532,770)
Total losses:	
in profit or loss	28,174
Exchange adjustments	(11,325)
At 31 August 2024	–

The total gains or losses recognised in profit or loss including those for liabilities held at 31 August 2023 are presented in loss arising from fair value changes of convertible bonds.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

There were no transfers between Level 1, Level 2 and Level 3 for the years ended 31 August 2025 and 2024.

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For the year ended 31 August 2025

39. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Convertible bonds RMB'000	Bank and other borrowings RMB'000	Lease liabilities RMB'000	Amounts due to related parties RMB'000	Total RMB'000
At 1 September 2023	515,921	1,144,292	27,412	1,956,047	3,643,672
Financing cash flows	(532,770)	417,560	(5,051)	(12,311)	(132,572)
Lease termination	–	–	(2,654)	–	(2,654)
Interest paid	(23,104)	(128,553)	(1,096)	–	(152,753)
Inception of lease	–	–	5,524	–	5,524
Interest expenses	23,104	143,933	1,096	44,929	213,062
Loss arising from changes in fair value	28,174	–	–	–	28,174
Foreign exchange translation	(11,325)	25,147	93	–	13,915
At 31 August 2024 and 1 September 2024	–	1,602,379	25,324	1,988,665	3,616,368
Financing cash flows	–	(16,579)	(4,366)	(4,012)	(24,957)
Interest paid	–	(75,978)	(754)	–	(76,732)
Inception of lease	–	–	1,945	–	1,945
Interest expenses	–	103,454	754	–	104,208
Non-cash transaction*	–	–	–	(19,051)	(19,051)
Reclassification to other payables	–	–	–	(26,446)	(26,446)
Derecognition of other payable to deregistered related parties	–	–	–	(23,023)	(23,023)
Deemed acquisition of a subsidiary (Note 41)	–	–	–	(39,738)	(39,738)
Foreign exchange translation	–	25,295	114	–	25,409
At 31 August 2025	–	1,638,571	23,017	1,876,395	3,537,983

* During the year ended 31 August 2025, the amounts due to related parties were offset against the amounts due from related parties, amounting to RMB19,051,000.

40. RELATED PARTY TRANSACTIONS AND BALANCES

Other than as disclosed elsewhere in these consolidated financial statements, the Group has following transactions and balances with related parties:

(i) During the year, the Group entered into the following balances and transactions with related parties:

Relationships	Nature of balances/transactions	2025 RMB'000	2024 RMB'000
The Affected Schools	Amounts due from (current)	116,981	179,712
The Affected Schools	Amounts due to (non-current)	1,281,097	1,363,376
The Affected Schools	Amounts due to (current)	595,298	625,289
The Affected Schools	Sale of educational software*	2,978	–
The Affected Schools	Provision of technical consultancy services*	1,198	–

* These transactions were conducted at arm's length with certain preschools of the Affected Schools.

The above amounts due from/to the Affected Schools represent balances between the Group and the Affected Schools. Prior to 31 August 2021, these balances were eliminated upon consolidation of the Affected Schools by the Group. The Group deconsolidates the Affected Schools on 31 August 2021, and these balances were no longer eliminated and shown as amounts due to or amounts due from the Affected Schools. As of 31 August 2021, the Affected Schools are legally owned by the affiliated entities of the Group, consequently the Affected Schools are related parties of the Group.

The current portion of the amounts due from/to the Affected Schools represent balances which are due within one year or repayable on demand. The non-current portion of the amounts due to the Affected Schools represent long-term borrowings from Affected Schools which the Company has obtained consents from the respective Affected Schools that they would not demand for repayment of such amounts due by the Group within one year from 31 August 2025. The amounts due from/to the Affected Schools are non-trade nature.

(ii) Compensation of key management personnel

The remuneration of Directors and other members of key management of the Group during the financial year are as follows:

	2025 RMB'000	2024 RMB'000
Short-term benefits	15,262	15,387

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For the year ended 31 August 2025

41. DEEMED ACQUISITION OF A SUBSIDIARY

During the year ended 31 August 2025, Shanghai School obtained an operating licence as an Independent High School. The Group is able to exercise control through the Contractual Arrangements as detailed in note 3. Therefore, the Group has regained control over Shanghai School as at 31 August 2025, and the financial position of Shanghai School was consolidated with that of the Group as of 31 August 2025.

The fair values of identifiable assets acquired and liabilities recognised at the date of deemed acquisition:

	RMB'000
Property, plant and equipment	89,166
Right-of-use assets	16,730
Deposits, prepayments and other receivables	41
Amount due from a related party	39,738
Cash and cash equivalents	81,836
Amount due to a related party	(10,572)
Contract liabilities	(10,504)
Other payables and accrued expenses	(15,594)
Net assets recognised at the date of deemed acquisition	190,841

Gain on bargain purchase arising from the deemed acquisition of Shanghai School:

	RMB'000
Net assets acquired	190,841
Less: cash consideration paid	–
Gain on bargain purchase on deemed acquisition of Shanghai School	190,841

Net cash inflow on the deemed acquisition of Shanghai School:

	RMB'000
Cash consideration paid	–
Add: cash and cash equivalent balances acquired	81,836
Net cash inflow on deemed acquisition of Shanghai School	81,836

The fair values of the identifiable assets and liabilities were assessed by the management of the Group with the assistance of Norton, an independent qualified professional valuation specialist not connected with the Group. Since the fair value of the net identifiable assets and liabilities acquired exceeded the purchase consideration, this resulted in a gain on bargain purchase of approximately RMB190,841,000, which is recognised in Other gains and losses.

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For the year ended 31 August 2025

42. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2025 RMB'000	2024 RMB'000
Non-Current Assets		
Investments in subsidiaries	17,870	17,870
Amounts due from subsidiaries	1,858,081	1,947,795
Property and equipment	2	4
	1,875,953	1,965,669
Current Assets		
Deposits, prepayments and other receivables	735	772
Financial assets at fair value through profit or loss	12,106	49,435
Amounts due from related parties	29,093	55,829
Time deposits with original terms of over three months	49,798	7,115
Bank balances and cash	132,905	5,946
	224,637	119,097
Current Liabilities		
Other payables and accrued expenses	15,977	12,052
Contract liabilities	9,652	6,376
Amounts due to related parties	–	6,007
Amounts due to subsidiaries	889,314	855,361
	914,943	879,796
Net Current Liabilities	(690,306)	(760,699)
Total Assets Less Current Liabilities	1,185,647	1,204,970
Capital and Reserves		
Share capital (Note 32)	9,111	9,309
Reserves	1,176,536	1,195,661
	1,185,647	1,204,970

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For the year ended 31 August 2025

42. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

Movement in reserves is as follows:

	Share premium RMB'000	Treasury shares RMB'000	Share held for Restricted share award scheme RMB'000	Share-based payment reserve RMB'000	Retained profits/ (accumulated losses) RMB'000	Total RMB'000
At 1 September 2023	1,013,030	-	(22,280)	63,399	(328,001)	726,148
Profit for the year	-	-	-	-	468,074	468,074
Total comprehensive income for the year	-	-	-	-	468,074	468,074
Transfer to a subsidiary for the purpose of holding on behalf of the Company	-	-	720	-	-	720
Share-based payments	-	-	-	719	-	719
At 31 August 2024 and 1 September 2024	1,013,030	-	(21,560)	64,118	140,073	1,195,661
Profit for the year	-	-	-	-	6,017	6,017
Total comprehensive income for the year	-	-	-	-	6,017	6,017
Transfer from a subsidiary for the purpose of holding on behalf of the Company	-	-	(720)	-	-	(720)
Repurchase of shares	-	(26,355)	-	-	-	(26,355)
Cancellation of shares repurchased	(72,379)	16,907	-	-	55,670	198
Share-based payments	-	-	-	1,735	-	1,735
At 31 August 2025	940,651	(9,448)	(22,280)	65,853	201,760	1,176,536

43. CONTINGENT LIABILITIES

As at 31 August 2025, the Group had no material contingent liabilities (2024: nil).

44. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in the notes to the consolidated financial statements, there were no material events after the reporting period to be disclosed.

45. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Name of subsidiary	Date of incorporation/ Establishment and place of operation and incorporation	Issued and fully paid share capital/Registered capital	Proportion of ownership interests and voting power held by the		Principal activities
			Group as at 31 August 2025	2024	
Maple Leaf International School – Dalian 大連楓葉國際學校	15 April 1996 The PRC	RMB43,309,000	100%	100%	High school education
Dalian Beipeng Educational Software Development Inc. 大連北鵬教育軟件開發有限公司 (Note ii)	10 March 2008 The PRC	USD20,000,000	100%	100%	Software development and technical support
Shenzhen Beipeng Educational Software Development Inc. 深圳北鵬教育軟件開發有限公司 (Note ii)	31 May 2021 The PRC	RMB100,000,000	100%	100%	Technical support
Dalian Youwen Educational Technology Company Limited (former name: Dalian Maple Leaf Science and Education Co., Ltd.) 大連優文教育科技有限公司 (前稱：大連楓葉科教有限公司)	9 January 2003 The PRC	RMB8,500,000	100%	100%	Investment holding
Dalian Educational Group 大連楓葉教育集團有限公司	23 May 2003 The PRC	RMB140,020,000	100%	100%	Investment holding
Shenzhen Educational Group 深圳楓葉教育集團有限公司	1 June 2021 The PRC	RMB100,000,000	100%	100%	Investment holding
Maple Leaf International School – Wuhan 武漢楓葉國際學校	26 June 2007 The PRC	RMB21,303,454	100%	100%	High school education
Dalian Maple Leaf Supermarket Co., Ltd. 大連楓葉紅超市有限公司 (Note ii)	29 April 2015 The PRC	RMB2,000,000	100%	100%	Retail business
Dalian Maple Leaf Clothing Co., Ltd. 大連楓葉紅服裝有限公司 (Note ii)	26 August 2015 The PRC	RMB3,000,000	100%	100%	Clothing related services
Maple Leaf Education North America Limited (Note iii)	4 February 2016 Canada	Nil	100%	100%	Education related services
Kingsley Edugroup Berhad	14 December 2016 Malaysia	MYR1	100%	100%	Investment holding
Kingsley International Sdn Bhd	2 December 2010 Malaysia	MYR17,500,000	100%	100%	High, middle and elementary school education
Star Readers Pte. Ltd.	25 February 2010 Republic of Singapore	USD78,649,493	100%	100%	Investment holding
Canadian International School Pte Ltd.	12 May 1990 Republic of Singapore	SGD300,000	100%	100%	High, middle and elementary school education

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45. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

Notes:

- (i) *The English names of the subsidiaries established in the PRC are for identification purposes only. The official names of these subsidiaries are in Chinese.*
- (ii) *The legal forms of Beipeng Software, Dalian Maple Leaf Supermarket Co., Ltd. and Dalian Maple Leaf Clothing Co., Ltd. were limited liability companies incorporated in the PRC. All other entities established in the PRC are schools, including high schools and preschools.*
- (iii) *The registered capital of these subsidiaries are nil as there is no capital requirement under the local laws and regulations.*
- (iv) *None of the subsidiaries have issued any debt securities as at 31 August 2025 and 2024.*

46. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 28 November 2025.