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**Wisdom Education International Holdings Company Limited**  
**光正教育國際控股有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 6068)**

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

**HIGHLIGHTS**

	<b>For the six months ended</b>		<b>Change RMB'000</b>	<b>Percentage Change</b>
	<b>28 February</b>	<b>29 February</b>		
	<b>2025</b>	<b>2024</b>		
	<b>RMB'000</b>	<b>RMB'000</b>		
<b>Revenue</b>	<b>69,687</b>	79,663	(9,976)	(12.5%)
<b>Profit for the period</b>	<b>51,599</b>	47,174	4,425	9.4%
<b>Core net profit</b> <i>(Note 1)</i>	<b>29,555</b>	16,598	12,957	78.1%
<b>Basic earnings per share</b>				
<i>(RMB cents)</i>	<b>2.38</b>	2.17	0.21	9.7%

*Note 1:* Core net profit was derived from profit for the period after adjusting for items that are not indicative of the Group's operating performance. This is not an IFRS Accounting Standards measure. For details, please refer to the following reconciliation and the section headed "Financial Review" in this announcement.

	<b>For the six months ended</b>	
	<b>28 February</b>	<b>29 February</b>
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Profit for the period	<b>51,599</b>	47,174
Adjustments for:		
Change in financial guarantee contracts <i>(Note 2)</i>	<b>(25,601)</b>	(29,280)
Exchange loss (gain), net	<b>3,082</b>	(1,889)
Share-based payment expenses, net of reversal	<b>475</b>	593
Core net profit	<b><u>29,555</u></b>	<b><u>16,598</u></b>
<i>Note 2:</i> The adjustment represented the reversal of expected credit loss for financial guarantee contracts of RMB13,643,000 (2024: RMB16,742,000) less amortised income of financial guarantee contracts of RMB11,958,000 (2024: RMB12,538,000). For details, please refer to note 11 to the financial information and the section headed “Contingent Liabilities” in this announcement.		

## INTERIM RESULTS FOR THE SIX MONTHS ENDED 28 FEBRUARY 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Wisdom Education International Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended 28 February 2025. These interim results have been reviewed by the Company’s audit committee (the “**Audit Committee**”).

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 28 FEBRUARY 2025

		Six months ended	
	NOTES	28 February 2025 RMB'000 (unaudited)	29 February 2024 RMB'000 (unaudited)
Revenue	3	69,687	79,663
Cost of revenue		<u>(32,586)</u>	<u>(35,750)</u>
Gross profit		37,101	43,913
Other income	4	13,141	15,788
Other gains and losses	5	10,497	3,186
Administrative expenses		(12,910)	(16,006)
Finance income		14,503	14,906
Finance costs		<u>(4,689)</u>	<u>(4,397)</u>
Profit before taxation		57,643	57,390
Taxation	6	<u>(6,044)</u>	<u>(10,216)</u>
Profit and total comprehensive income for the period		<u>51,599</u>	<u>47,174</u>
EARNINGS PER SHARE			
Basic (RMB cents)	8	<u>2.38</u>	<u>2.17</u>
Diluted (RMB cents)	8	<u>2.38</u>	<u>2.17</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 28 FEBRUARY 2025**

		At 28 February 2025 <i>RMB'000</i> (unaudited)	At 31 August 2024 <i>RMB'000</i> (audited)
	<i>NOTES</i>		
<b>Non-current Assets</b>			
Property, plant and equipment		20,674	9,866
Right-of-use assets		105,266	101,688
Trade receivables, deposits, prepayments and other receivables	9	207,841	241,653
Financial assets at fair value through profit or loss ("FVTPL")		100	100
Deferred tax assets		1,133	1,302
		<u>335,014</u>	<u>354,609</u>
<b>Current Assets</b>			
Inventories – goods for sale		4,521	4,765
Trade receivables, deposits, prepayments and other receivables	9	601,122	568,695
Restricted bank deposits		258,806	301,238
Time deposits		38,110	–
Cash and cash equivalents		26,134	47,020
		<u>928,693</u>	<u>921,718</u>
<b>Current Liabilities</b>			
Contract liabilities		15,848	12,355
Trade and other payables and accrued expenses	10	175,290	190,498
Income tax payable		34,731	38,585
Lease liabilities		702	554
Borrowings		230,650	254,285
Financial guarantee contracts	11	148,459	174,060
		<u>605,680</u>	<u>670,337</u>
<b>Net Current Assets</b>		<u>323,013</u>	<u>251,381</u>
<b>Total Assets Less Current Liabilities</b>		<u>658,027</u>	<u>605,990</u>

		At 28 February 2025 RMB'000 (unaudited)	At 31 August 2024 RMB'000 (audited)
	<i>NOTE</i>		
<b>Capital and Reserves</b>			
Share capital		19,263	19,263
Reserves		<u>634,240</u>	<u>582,166</u>
		<u>653,503</u>	<u>601,429</u>
<b>Non-current Liabilities</b>			
Trade and other payables and accrued expenses	<i>11</i>	–	4,561
Lease liabilities		<u>4,524</u>	<u>–</u>
		<u>4,524</u>	<u>4,561</u>
		<u>658,027</u>	<u>605,990</u>

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* issued by the International Accounting Standards Board (“IASB”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These condensed financial statements should be read in conjunction with the 2024 annual financial statements. The accounting policies (including the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 August 2024.

## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of new and amendments to IFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 28 February 2025 are the same as those presented in the Group’s annual financial statements for the year ended 31 August 2024.

### Application of new and amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following new and amendments to IFRS Accounting Standards issued by IASB, for the first time, which are mandatorily effective for the annual period beginning on 1 September 2024 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Single 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 new and amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

## 3. REVENUE AND SEGMENT INFORMATION

The Group provides different kinds of services and sales of goods to its customers, including school-related supply chain business, e.g. sales of daily necessities and other educational materials; and comprehensive educational services, e.g. provision of extracurricular activities program, study tours and etc.

Revenue represent income from school-related supply chain business and comprehensive educational services less returns and sales related tax.

The Group's chief operating decision maker ("CODM") has been identified as the chief executive officer who reviews revenue analysis of the Group as a whole. For the purposes of resource allocation and assessment of segment performance, the CODM reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and no other discrete financial information is provided to the CODM. Accordingly, the Group has only one operating and reportable segment and no further analysis of this single segment is presented.

The management of the Group assesses the performance of the reportable segment based on the revenue and gross profit for the period of the Group as presented in the condensed consolidated statement of profit or loss and other comprehensive income. The accounting policies of the reportable segment are the same as the Group's accounting policies. No analysis of the Group's assets and liabilities is regularly provided to the management of the Group for review.

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

	<b>Six months ended</b>	
	<b>28 February 2025</b>	<b>29 February 2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
School-related supply chain business	<b>34,078</b>	52,872
Comprehensive educational services	<b>35,609</b>	26,791
	<b>69,687</b>	<b>79,663</b>

#### **Disaggregation of revenue from contracts with customers**

	<b>Six months ended</b>	
	<b>28 February 2025</b>	<b>29 February 2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<i>Recognised at a point of time</i>		
– School-related supply chain business	<b>33,912</b>	48,994
<i>Recognised over time</i>		
– School-related supply chain business	<b>166</b>	3,878
– Comprehensive educational services	<b>35,609</b>	26,791
	<b>69,687</b>	<b>79,663</b>

#### 4. OTHER INCOME

	Six months ended	
	28 February 2025 RMB'000 (unaudited)	29 February 2024 RMB'000 (unaudited)
Amortised income of financial guarantee contracts ( <i>note 11</i> )	11,958	12,538
Government grants ( <i>Note</i> )	854	3,093
Others	329	157
	<b>13,141</b>	<b>15,788</b>

*Note:* Government grants mainly represent unconditional subsidies granted by certain local governments for encouraging domestic business development and giving financial support to the Group's operations. There are no unfulfilled conditions or contingencies relating to the above subsidies.

#### 5. OTHER GAINS AND LOSSES

	Six months ended	
	28 February 2025 RMB'000 (unaudited)	29 February 2024 RMB'000 (unaudited)
Exchange (loss) gain, net	(3,082)	1,889
Reversal of expected credit loss ("ECL") for financial guarantee contracts ( <i>note 11</i> )	13,643	16,742
Loss on change in fair value of financial assets at FVTPL	–	(16,596)
Dividend income from financial assets at FVTPL	–	1,055
Others, net	(64)	96
	<b>10,497</b>	<b>3,186</b>

#### 6. TAXATION

	Six months ended	
	28 February 2025 RMB'000 (unaudited)	29 February 2024 RMB'000 (unaudited)
Taxation comprises		
Current tax:		
People's Republic of China ("PRC") Enterprise Income Tax	5,875	10,400
Overprovision in prior years – Hong Kong Profits Tax	–	(4)
Deferred tax expenses (credit)	169	(180)
	<b>6,044</b>	<b>10,216</b>



## 7. DIVIDENDS

During the six months ended 28 February 2025, there has no final dividend in respect of the year ended 31 August 2024 (2024: a final dividend in respect of the year ended 31 August 2023 of RMB0.05 per share (equivalent to HK\$0.055 per share) amounting to RMB108,908,000 (equivalent to HK\$119,798,000)) was declared to the shareholders of the Company.

The board of directors has resolved not to declare the payment of any interim dividends for the six months ended 28 February 2025 and 29 February 2024.

## 8. EARNINGS PER SHARE

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

	<b>Six months ended</b>	
	<b>28 February 2025</b>	<b>29 February 2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Earnings</b>		
Profit for the period attributable to owners of the Company for the purposes of basic and diluted earnings per share	<b>51,599</b>	<b>47,174</b>
	<b>Six months ended</b>	<b>Six months ended</b>
	<b>28 February 2025</b>	<b>29 February 2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<b>2,169,334</b>	<b>2,168,969</b>

For the six months ended 28 February 2025 and 29 February 2024, the weighted average number of ordinary shares for the purpose of basic earnings per share shown above have been arrived at after deducting shares held by a share award scheme trust.

## 9. TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	<b>At 28 February 2025</b>	<b>At 31 August 2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(unaudited)</b>	<b>(audited)</b>
Trade receivables	<b>27,703</b>	<b>15,876</b>
Less: Allowance for credit losses	<b>(611)</b>	<b>(605)</b>
	<b>27,092</b>	<b>15,271</b>

Trade receivables mainly represent receivables from customers, which were from contracts for provision of goods and services. Receivables from sales of goods and services fee is received in accordance with the terms of the relevant agreements, the customers are allowed a credit period of 30 to 60 days from date of revenue recognition.

The following is an analysis of trade receivables net of allowance for credit losses, by age, presented based on date of revenue recognition.

	At 28 February 2025 <i>RMB'000</i> (unaudited)	At 31 August 2024 <i>RMB'000</i> (audited)
Within 6 months	14,920	14,680
6 months to 1 year	11,581	564
Over 1 year	591	27
	<u>27,092</u>	<u>15,271</u>

#### 10. TRADE AND OTHER PAYABLES AND ACCRUED EXPENSES

The credit period granted by suppliers on purchase of goods is 30 to 180 days. The Group has financial risk management policies to settle payables within the credit timeframe. As at 28 February 2025 and 31 August 2024, the trade payables were aged within 180 days based on invoice date.

#### 11. FINANCIAL GUARANTEE CONTRACTS

	At 28 February 2025 <i>RMB'000</i> (unaudited)	At 31 August 2024 <i>RMB'000</i> (audited)
Financial guarantee contracts	<u>148,459</u>	<u>174,060</u>

The financial guarantee contracts provided to Guangdong Guangzheng Educational Group Co., Ltd. (廣東光正教育集團有限公司) and its subsidiaries (collectively referred to as the “**Affected Entities**”) were recognised in the condensed consolidated financial statements as at 28 February 2025 and 31 August 2024. As at 28 February 2025, the aggregate amount of outstanding financial guarantees issued to banks in respect of banking facilities granted to the Affected Entities that the Group could be required to pay upon amounted to RMB3,741,032,000 (as at 31 August 2024: RMB3,934,939,000) if the guarantees were called upon in entirety, RMB2,316,802,000 (as at 31 August 2024: RMB2,510,709,000) of the outstanding financial guarantees has been utilised by the Affected Entities.

During the six months ended 28 February 2025, amortised income of financial guarantee contracts amounting to RMB11,958,000 (2024: RMB12,538,000) is recognised in other income and ECL for financial guarantee contracts amounting to RMB13,643,000 (2024: RMB16,742,000) is reversed in other gains and losses, which are set out in notes 4 and 5, respectively.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

We are mainly engaged in the school-related supply chain business and provision of comprehensive educational services to students of primary, middle and high schools and other customers in the PRC. During the six months ended 28 February 2025, the performance of our business segment of comprehensive educational services was moderate. On the other hand, although the business segment of school-related supply chain encountered a mild drop in performance during the six months ended 28 February 2025, it remains a stable source of revenue for the Group. For further details, please refer to the section headed “Financial Review” in this announcement.

### **FUTURE PROSPECTS**

We are well-prepared to capture the opportunities and challenges ahead for our comprehensive educational services segment. We will continue to offer high quality educational services to students as a valuable supplement to the standard curriculum provided by schools to promote all-rounded development of students.

Leveraging on the years of experience in the education industry and school-related supply chain management, we will strive to fully integrate our resources to build an educational service platform. The specific services include providing comprehensive educational management services, sales of daily necessities and other educational materials, etc.

In addition, management of the Group is continuing to explore the feasibility of spinning off the high school portion from the schools that have been deconsolidated from the Group since 31 August 2021 as a separate for-profit high school entity, to resume its control over such high school entity, in a manner that is in compliance with the applicable laws and regulations.

## FINANCIAL REVIEW

For the six months ended 28 February 2025, total revenue decreased by 12.5% to RMB69.7 million and profit increased by 9.4% to RMB51.6 million, as compared with that of the corresponding period in 2024.

### Revenue

During the six months ended 28 February 2025, revenue consists of (i) school-related supply chain business, sales of daily necessities and other educational materials; and (ii) comprehensive educational services. A further analysis of our revenue by each service line is presented as follows:

By service lines	For the six months ended 28 February 2025	% of Total	For the six months ended 29 February 2024	% of Total
School-related supply chain business	34,078	48.9%	52,872	66.4
Comprehensive educational services	35,609	51.1%	26,791	33.6
Total revenue	69,687	100	79,663	100

Revenue from school-related supply chain business decreased significantly by RMB18.8 million or 35.5% from RMB52.9 million for the six months ended 29 February 2024 to RMB34.1 million for the six months ended 28 February 2025.

There was a significant increase of revenue from comprehensive educational services by RMB8.8 million or 32.9% during the current period as compared with the prior period.

As a result of the foregoing, total revenue during the six months ended 28 February 2025 decreased by 12.5% to RMB69.7 million as compared with the prior period.

## **Cost of Revenue**

Our cost of revenue primarily consists of cost of material for the supply chain business and costs to other third party service suppliers in cooperation.

Cost of revenue decreased by RMB3.2 million, or 8.9%, from RMB35.8 million for the six months ended 29 February 2024 to RMB32.6 million for the six months ended 28 February 2025. The decrease was largely due to the reduction in cost of material for the school-related supply chain business.

## **Gross Profit**

Gross profit decreased by 15.5% from RMB43.9 million for the six months ended 29 February 2024 to RMB37.1 million for the six months ended 28 February 2025, and gross profit margin was decreased from 55.1% for the six months ended 29 February 2024 to 53.2% for the six months ended 28 February 2025.

## **Other Income**

Other income mainly includes amortised income of financial guarantee contracts and government grants, which represents subsidies granted by certain local governments for encouraging domestic business development and unconditional subsidies for the purpose of giving financial support to the Group's operations. There are no unfulfilled conditions or contingencies relating to the above subsidies.

The decrease of other income is mainly due to the government grants of RMB0.9 million for the six months ended 28 February 2025 (for the six months ended 29 February 2024: RMB3.1 million).

## **Other Gains and Losses**

Other gains and losses primarily consist of (i) reversal of expected credit loss for financial guarantee contracts of RMB13.6 million; (ii) net exchange loss of RMB3.1 million resulting from the appreciation of Hong Kong dollars (HK\$) against RMB during the six months ended 28 February 2025.

## **Administrative Expenses**

Administrative expenses primarily consist of (i) salaries and other benefits for general and administrative staff, (ii) travel expenses, (iii) entertainment expenses, and (iv) other expenses, which mainly consist of repair and maintenance expenses, utilities, legal and professional fees, and other administrative expenses.

Administrative expenses decreased by 19.3% from RMB16.0 million for the six months ended 29 February 2024 to RMB12.9 million for the six months ended 28 February 2025 primarily due to the decrease of ECL, staff costs and professional fees in current period.

## **Finance Income**

Finance income primarily consists of interest income from bank deposits, restricted bank deposits, loans to third parties and amounts due from Affected Entities. Finance income decreased from RMB14.9 million for the six months ended 29 February 2024 to RMB14.5 million for the six months ended 28 February 2025 was primarily due to the decrease in interest income from Affected Entities during the current period.

## **Finance Costs**

Finance costs consist of the interest expenses for bank borrowings and interest on lease liabilities.

## **Profit before Taxation**

As a result of the foregoing, profit before taxation slightly increase from RMB57.4 million for the six months ended 29 February 2024 to RMB57.6 million for the six months ended 28 February 2025.

## **Taxation**

Income tax expense of the Group decreased by 40.8% from RMB10.2 million for the six months ended 29 February 2024 to RMB6.0 million for the six months ended 28 February 2025. The effective tax rate of the Group for the six months ended 28 February 2025 and the six months ended 29 February 2024 was 10.5% and 17.8%, respectively.

## **Profit for the Period**

As a result of the above factors, profit for the period slightly increased from RMB47.2 million for the six months ended 29 February 2024 to RMB51.6 million for the six months ended 28 February 2025.

## Core Net Profit

The Group defines its core net profit as its profit for the period after adjusting for those items which are not indicative of the Group's operating performances as presented in the table below. This is not an IFRSs measure. The Group has presented this item because the Group considers it an important supplemental measure of the Group's operational performance used by the Group as well as analysts or investors. The following table reconciles from profit for the period to core net profit for the two financial periods presented below:

	<b>For the six months ended</b>	
	<b>28 February 2025 RMB'000</b>	<b>29 February 2024 RMB'000</b>
Profit for the period	<b>51,599</b>	47,174
Adjustments for:		
Change in financial guarantee contracts <i>(Note 1)</i>	<b>(25,601)</b>	(29,280)
Exchange loss/(gain), net	<b>3,082</b>	(1,889)
Share-based payment expenses, net of reversal	<b>475</b>	593
Core net profit	<b>29,555</b>	16,598

*Note 1:* The adjustment represented the reversal of expected credit loss for financial guarantee contracts of RMB13,643,000 (2024: RMB16,742,000) less amortised income of financial guarantee contracts of RMB11,958,000 (2024: RMB12,538,000). For details, please refer to note 11 to the financial information and the section headed "Contingent Liabilities" in this announcement.

Core net profit for the period increased by RMB13.0 million, or 78.1%, from RMB16.6 million for the six months ended 29 February 2024 to RMB29.6 million for the six months ended 28 February 2025. Core net profit margin increase from 20.8% for the six months ended 29 February 2024 to 42.4% for the six months ended 28 February 2025.

## Capital Expenditure

We operate under an asset-light model. During the six months ended 28 February 2025, the Group paid approximately RMB7.7 million for the acquisition of property, plant and equipment.

## Liquidity, Financial Resources and Capital Structure

The Group recorded net cash inflow from operating activities of RMB17.1 million for the six months ended 28 February 2025.

The Group's cash flow from investing activities for the six months ended 28 February 2025 primarily consists of (i) a net inflow for withdrawal of restricted bank deposits of RMB48.3 million which includes withdrawal of restricted bank deposits of RMB298.3 million and placement of restricted bank deposits of RMB250.0 million, (ii) placement of time deposits of RMB38.1 million and (iii) deposit of RMB9.8 million paid for acquisition of two entities.

The Group's cash flow from financing activities for the six months ended 28 February 2025 primarily consists of (i) net outflow for repayment of bank borrowings of RMB20.8 million and (ii) net outflow for repayment of loans to a director of RMB11.8 million.

Primarily due to the above activities, the Group recorded a net decrease in cash and cash equivalents of RMB21.1 million during the six months ended 28 February 2025.

As at 28 February 2025, the Group's total restricted bank deposits, time deposits and cash and cash equivalents amounted to RMB323.1 million, of which the majority were denominated in RMB (as at 31 August 2024: RMB348.3 million).

As at 28 February 2025, the Group's total bank borrowings amounted to RMB230.7 million repayable within one year. The Group's bank borrowings carried interest rates ranging from 3.9% to 4.0% per annum. Bank borrowings of RMB230.7 million were denominated in HK\$.

The Group recorded net current assets of RMB323.0 million as at 28 February 2025 (as at 31 August 2024: RMB251.4 million).

### **Gearing Ratio**

The Group's gearing ratio is calculated as total bank borrowings and loan payable to a director divided by total equity at the end of the relevant period/year. The Group's gearing ratio as at 28 February 2025 was 37.0% (as at 31 August 2024: 46.1%). The decrease in gearing ratio was mainly due to a decrease in the amount of total bank borrowings and the increment of total equity during the six months ended 28 February 2025.

Taking into consideration the total restricted bank deposits, time deposits and cash and cash equivalents of RMB323.1 million, the Group does not have any net borrowings balance as at 28 February 2025 which is calculated as total bank borrowings and loan payable to a director, net of restricted bank deposits, time deposits and cash and cash equivalent.

### **Foreign Exchange Exposure**

The majority of the Group's revenue and expenditures are denominated in RMB, the functional currency of the Company, except that certain income and expenditures are denominated in HK\$. As at 28 February 2025, certain bank balances and cash and investment products were denominated in HK\$ or United States Dollars. The Group did not enter into any financial instrument for hedging purpose. The Group will continue to monitor the foreign exchange rate risk and consider hedging significant foreign currency exposure should the need arises.

### **Contingent Liabilities**

Save for the financial guarantee provided to the Affected Entities in support of bank borrowings of the Affected Entities as disclosed in note 11 to the financial information, the Group did not have any material contingent liabilities that are required to be disclosed. Prior to 31 August 2021, the Affected Entities were regarded as subsidiaries of the Group and the financial guarantee contracts were initially recognised upon the deconsolidation of the Affected Entities on 31 August 2021.



During the six months ended 28 February 2025, no additional new financial guarantees have been provided by the Group to the Affected Entities. As at 28 February 2025, the aggregate amount of outstanding financial guarantees issued to banks in respect of banking facilities granted to the Affected Entities that the Group could be required to be paid has been reduced from RMB3,934.9 million as at 31 August 2024 to RMB3,741.0 million as at 28 February 2025 following by certain repayments of the existing loan balances by the Affected Entities during the period.

### **Pledge of Assets**

As at 28 February 2025, the Group's bank borrowings were secured by restricted bank deposits.

### **REGULATORY UPDATE**

There has been no significant update since the publication of the Company's annual report for the year ended 31 August 2024 (the "**2024 Annual Report**"). Please refer to the 2024 Annual Report for details of the regulatory update.

### **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

There has been no material acquisition and disposal of subsidiaries, associates or joint ventures during the six months ended 28 February 2025.

### **EMPLOYEE BENEFITS**

As at 28 February 2025, the Group had approximately 131 employees. The Group participates in various employee benefit plans, including provident fund, housing, pension, medical insurance and unemployment insurance. The Company has also adopted a pre-IPO share option scheme, a share option scheme and a share award scheme for its employees and other eligible persons. Salaries and other benefits of the Groups' employees are generally reviewed on a regular basis in accordance with individual qualifications and performance, result performance of the Group and other relevant market conditions. The Group also provides internal and external training programs to its employees.

Total employee remuneration (including directors' remuneration) for the six months ended 28 February 2025 amounted to approximately RMB9.2 million (for the six months ended 29 February 2024: RMB9.7 million). Total employee remuneration for the six months ended 28 February 2025 included an amount of RMB0.5 million (for the six months ended 29 February 2024: RMB0.6 million) of share-based payment expenses.

### **EVENTS AFTER THE REPORTING PERIOD**

As at the date of this announcement, the Group had no significant events after the reporting period that are required to be disclosed.

## USE OF PROCEEDS

On 18 August 2020, the Company completed the placing of 130,000,000 new shares at HK\$4.24 per new share (the “**Placing**”) to no less than six placees, who and whose respective ultimate beneficial owners are independent of the Company and the connected persons of the Company. The net proceeds from the Placing were approximately HK\$545.7 million (equivalent to approximately RMB487.7 million) (“**Net Placing Proceeds**”). The Company intended to use the net proceeds from the Placing for construction and development of the Group’s schools in the PRC and general corporate purpose. Details of the Placing are set out in the Company’s announcements dated 11 August 2020 and 18 August 2020 respectively.

As a result of the deconsolidation of the Group’s schools operated through the Affected Entities as of 31 August 2021, the Company believes that there is currently no longer an immediate need to apply any remaining net proceeds for construction and development of the schools in the PRC. Therefore, the Company has reallocated the unutilised Net Placing Proceeds in the amount of approximately RMB95.1 million to be used for subscription of a fund (the “**Fund**”) during the year ended 31 August 2022. For details, please refer to the Company’s announcement dated 14 April 2022 and the 2022 Annual Report.

The revised use of the Net Placing Proceeds is set forth below:

	Intended use of Net Placing Proceeds <i>RMB million</i>	Revised use of unutilised Net Placing Proceeds <i>RMB million</i>	Unutilised balance as at 1 September 2024 <i>RMB million</i>	Utilised amount during the six months ended 28 February 2025 <i>RMB million</i>	Total utilised amount as at 28 February 2025 <i>RMB million</i>	Unutilised balance as at 28 February 2025 <i>RMB million</i>	Expected timeline for full utilisation of the unutilised balance as previously disclosed
Construction and development of schools	150.0	46.7	–	–	46.7	–	Not applicable
General corporate purpose	337.7	345.9	–	–	345.9	–	31 August 2024
Subscription of the Fund	–	95.1	–	–	95.1	–	Not applicable
Total:	<u>487.7</u>	<u>487.7</u>	<u>–</u>	<u>–</u>	<u>487.7</u>	<u>–</u>	

All the Net Placing Proceeds were utilised in accordance with the expected timeline and intentions as previously disclosed by the Company.

## INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 28 February 2025.

## SHARE AWARD SCHEME

The Company has adopted a share award scheme (the “**Scheme**”) as a means to recognise the contribution of, and provide incentives for the key management personnel including Directors and senior management and employees of the Group. The shares (“**Shares**”) to be awarded under the Scheme will be purchased by a trustee (the “**Trustee**”) from the open market or subscribed from the Company as new Shares out of cash contributed by the Group and be held on trust for the selected participants (“**Selected Participants**”) until such Shares are vested with the relevant Selected Participants in accordance with the provisions of the Scheme. The Scheme shall be subject to administration of the Board and the Trustee in accordance with the Scheme rules and the trust deed dated 7 June 2017.

As at 28 February 2025, the Trustee has purchased a total of 11,704,000 Shares (as at 31 August 2024: 11,704,000 Shares) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). On 6 September 2018, the Board resolved to grant a total of not more than 8,400,000 Shares (the “**Awarded Shares**”) to 12 Selected Participants. The Awarded Shares represent approximately 0.39% of the total issued shares of the Company as at the date of this announcement. Subject to the acceptance of grant of the Awarded Shares by the Selected Participants and the terms and conditions of the Scheme, the Awarded Shares will be vested in full in ten years according to the respective vesting schedule for the grant.

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

During the six months ended 28 February 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the Company’s code for dealings in securities of the Company by the Directors. Having made specific enquiry to all the Directors, they have confirmed that they have complied with the Model Code during the six months ended 28 February 2025.

## CORPORATE GOVERNANCE

The Board has committed to achieving high corporate governance standards in order to safeguard the interests of Shareholders and to enhance corporate value and accountability. The Company has applied the principles as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 of the Listing Rules and has complied with all the applicable code provisions, save and except for code provision C.2.1 which stipulates that the roles of chairman and chief executive (“**CEO**”) should not be performed by the same individual.

Ms. Li Suwen (“**Ms. Li**”) was appointed as the chairperson of the Board (“**Chairperson**”) following the step down of Mr. Liu Xuebin from the position of chairman of the Board on 28 September 2018. Ms. Li performs the dual roles of both Chairperson and CEO. The Board believes that it is in the interest of the Company and its Shareholders for Ms. Li to assume the responsibilities of such positions, given that Ms. Li is one of the co-founders of the Group and has extensive experience in the operation and management of the Group as an executive Director and CEO. The Board also considers that such arrangement will not impair the balance of power and authority between the Board and the management as the Board comprises five other experienced individuals including two other executive Directors and three independent non-executive Directors. In addition, for major decisions of the Group, the Company will consult Board committees and senior management as and when appropriate. The Board will review such arrangement from time to time and will continue to review and monitor the corporate governance practices of the Company for the purpose of maintaining high corporate governance standards.

## **AUDIT COMMITTEE**

The Company has established the Audit Committee with written terms of reference in accordance with the Listing Rules and the CG Code. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control procedures and risk management system of the Group, overseeing the audit process and performing other duties and responsibilities as assigned by the Board. The Audit Committee comprises three members, namely, Mr. Poon Ha Fung, Prof. Sun Kai Lit Cliff, *BBS, J.P.*, and Mr. Huang Weiguo, all being independent non-executive Directors of the Company. Mr. Poon Ha Fung is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 28 February 2025. 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.

## **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 for the six months ended 28 February 2025.

## **PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim results announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.wisdomeducationintl.com](http://www.wisdomeducationintl.com). The interim report of the Group for the six months ended 28 February 2025 will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched to Shareholders in due course.

By Order of the Board  
**Wisdom Education International Holdings Company Limited**  
**Li Suwen**  
*Chairperson*

Dongguan, 25 April 2025

*As at the date of this announcement, the Board comprises three executive Directors, namely Ms. Li Suwen, Mr. Liu Xuebin and Mr. Li Jiuchang; and three independent non-executive Directors, namely Prof. Sun Kai Lit Cliff, BBS, J.P., Mr. Poon Ha Fung and Mr. Huang Weiguo.*