



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



2025

INTERIM REPORT

以誠心服務社會

以愛心培育人才



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Corporate Information

Board of Directors

Executive Directors

Ms. Li Suwen (*Chairperson of the Board*)
Mr. Liu Xuebin
Mr. Li Jiuchang

Independent Non-executive Directors

Prof. Sun Kai Lit Cliff *BBS, J.P.*
Mr. Poon Ha Fung
Mr. Huang Weiguo

Audit Committee

Mr. Poon Ha Fung (*Chairman*)
Prof. Sun Kai Lit Cliff *BBS, J.P.*
Mr. Huang Weiguo

Remuneration Committee

Prof. Sun Kai Lit Cliff *BBS, J.P. (Chairman)*
Mr. Liu Xuebin
Mr. Huang Weiguo

Nomination Committee

Mr. Huang Weiguo (*Chairman*)
Mr. Poon Ha Fung
Ms. Li Suwen

Company Secretary

Mr. Yu James

Authorized Representatives

Mr. Liu Xuebin
Mr. Yu James

Auditors

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

Legal Advisers

As to Hong Kong law
ALLEN OVERY SHEARMAN STERLING

As to PRC law
Commerce & Finance Law Offices

As to Cayman Islands law
Conyers Dill & Pearman

Principal Bankers

China CITIC Bank
The Hongkong and Shanghai Banking
Corporation Limited
Bank of China (Hong Kong) Limited
CMB Wing Lung Bank

Registered Office

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Headquarters and Principal Place of Business in the PRC

No. 68 Guangming Da Dao
Dongcheng District
Dongguan
The PRC

* Please refer to the Company's announcement dated 18 January 2024.



Corporate Information (Continued)

Principal Place of Business in Hong Kong

8/F
Times Media Centre
No.133 Wan Chai Road
Hong Kong

Stock Code

6068

Company Website

www.wisdomeducationintl.com

Principal Share Registrar and Transfer Office

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Hong Kong Share Registrar

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17/F
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Operational and Financial Highlights

Selected Financial Information RMB'000 (unless otherwise stated)	For the six months ended		Change	Percentage Change
	28 February 2025 (unaudited)	29 February 2024 (unaudited)		
Revenue	69,687	79,663	(9,976)	(12.5%)
Profit for the period	51,599	47,174	4,425	9.4%
Core net profit (Note 1)	29,555	16,598	12,957	78.1%
Basic earnings per share (RMB cents)	2.38	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 report.

	For the six months ended	
	28 February 2025 RMB'000 (unaudited)	29 February 2024 RMB'000 (unaudited)
Profit for the period	51,599	47,174
Adjustments for:		
Change in Financial guarantee contracts (Note 2)	(25,601)	(29,280)
Exchange loss (gain), net	3,082	(1,889)
Share-based payment expenses, net of reversal	475	593
Core net profit	29,555	16,598

Note 2: 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 17 to the unaudited condensed consolidated financial statements of the Group and the section headed "Contingent Liabilities" in this report.

Operational and Financial Highlights (Continued)

Selected Financial Information RMB'000 (unless otherwise stated)	As at		Change	Percentage Change
	28 February 2025 (unaudited)	31 August 2024 (audited)		
Bank balances and cash (including pledged bank deposits)	323,050	348,258	(25,208)	(7.2%)
Borrowings	230,650	254,285	(23,635)	(9.3%)
Gearing ratio (Note 3)	37.0%	46.1%		

Note 3: Gearing ratio is calculated as total borrowings and loan payables to a director divided by total equity at the end of the relevant period/year.



Corporate Profile

Overview

Established in 2003, we were mainly engaged in the provision of full spectrum private fundamental education, including primary, middle and high schools in the PRC and ancillary services to students. As a result of the issuance of the Implementation Regulations of the People's Republic of China (the "**PRC**") on the Law Regarding the Promotion of Private Education which came into effect on 1 September 2021, the business of provision of full spectrum private fundamental education in the PRC was deconsolidated from the Group on 31 August 2021 and we are no longer engaged in the operation of private schools providing compulsory education since 1 September 2021. 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.

We aim to offer high quality educational services to students as a valuable supplement to the curriculum educational services provided by schools to promote all-rounded development of students. Students' well-being is at the core of our values and we will continue to provide our educational services in a manner consistent with the values and attitudes in which we believe.

Our Educational Philosophy

Our educational objectives are "to serve the society with honesty and integrity through our services" and "to cultivate talents with a warm and loving heart" (以誠心服務社會，以愛心培育人才). To achieve our objectives, we have established the following educational philosophy: enhance morality and foster talents; nurture worthy and capable, sincere and upright graduates (賢良方正，立德樹人).



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 report.

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.

Management Discussion and Analysis (Continued)

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		For the six months ended 29 February 2024	
		% of Total		% 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.



Management Discussion and Analysis (Continued)

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 expected credit loss, 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.

Management Discussion and Analysis (Continued)

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 IFRS Accounting Standards 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:

	For the six months ended	
	28 February 2025 RMB'000	29 February 2024 RMB'000
Profit for the period	51,599	47,174
Adjustments for:		
Change in financial guarantee contracts (Note 1)	(25,601)	(29,280)
Exchange loss (gain), net	3,082	(1,889)
Share-based payment expenses, net of reversal	475	593
Core net profit	29,555	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 17 to the unaudited condensed consolidated financial statements of the Group and the section headed "Contingent Liabilities" in this report.

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.



Management Discussion and Analysis (Continued)

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.



Management Discussion and Analysis (Continued)

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 17 to the unaudited condensed consolidated financial statements of the Group, 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.

SIGNIFICANT INVESTMENTS HELD AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Company has no significant investments held, material acquisitions and disposals of subsidiaries, associates, joint ventures and future plans for material investments or capital asset 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.

Management Discussion and Analysis (Continued)

EVENTS AFTER THE REPORTING PERIOD

As at the date of this report, 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	Revised use of unutilised Net Placing Proceeds	Unutilised balance as at 1 September 2024	Utilised amount during the six months ended 28 February 2025	Total utilised amount as at 28 February 2025	Unutilised balance as at 28 February 2025	Expected timeline for full utilisation of the unutilised balance as previously disclosed
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	
Construction and development of schools	150.0	46.7	—	—	46.7	—	Not applicable
General corporate purpose	337.7	345.9	—	—	345.9	—	Not applicable
Subscription of the Fund	—	95.1	—	—	95.1	—	Not applicable
Total:	487.7	487.7	—	—	487.7	—	

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



Other Information

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 report. 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.

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

As at 28 February 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 Transaction by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long 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
Mr. Liu Xuebin ("Mr. Liu") (Note 1)	Interest of controlled corporation	930,000,000 (Note 2)	—	930,000,000	42.70%
	Beneficial interest	3,498,000	—	3,498,000	0.16%
Ms. Li Suwen ("Ms. Li") (Note 1)	Interest of controlled corporation	570,000,000 (Note 3)	—	570,000,000	26.17%
	Beneficial interest	3,428,000	—	3,428,000	0.16%
Mr. Li Jiuchang (Note 5)	Beneficial interest	600,000	—	600,000	0.03%

Notes:

- (1) Mr. Liu and Ms. Li are co-founders of the Group and are parties acting in concert with each other.
- (2) Mr. Liu holds the entire issued capital of Bright Education (Holdings) Co. Limited ("Bright Education Holdings"), a company incorporated in the British Virgin Islands, and is therefore deemed to be interested in 930,000,000 Shares held by Bright Education Holdings.
- (3) Ms. Li holds the entire issued capital of Bright Education Investment Co. Limited ("Bright Education Investment"), a company incorporated in the British Virgin Islands, and is therefore deemed to be interested in 570,000,000 Shares held by Bright Education Investment.
- (4) Mr. Liu is a director of Bright Education Holdings and Ms. Li is a director of Bright Education Investment.
- (5) Mr. Li Jiuchang, an executive Director of the Company, was granted not more than 1,500,000 Shares under the share award scheme of the Company as adopted on 7 June 2017 subject to vesting conditions.

Other Information (Continued)

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

As at 28 February 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 or underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions

Name of Shareholder	Capacity	Total interest in Shares and underlying Shares	Approximate percentage of interest in the Company
Bright Education Holdings (Note 1)	Beneficial interest	930,000,000	42.70%
Bright Education Investment (Note 2)	Beneficial interest	570,000,000	26.17%

Notes:

- (1) Bright Education Holdings is wholly-owned by Mr. Liu, and has a direct beneficial interest of 42.70% in the Company.
- (2) Bright Education Investment is wholly-owned by Ms. Li and has a direct beneficial interest of 26.17% in the Company.

Save as disclosed above, as at 28 February 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.

SHARE OPTION SCHEME

In order to provide incentives to our Directors, senior management, employees and other eligible persons for their contribution to the Group and to attract and retain suitable personnel of our Group, we adopted a pre-IPO share option scheme ("**Pre-IPO Share Option Scheme**") and a share option scheme ("**Share Option Scheme**") on 3 January 2017. For details of the terms of the Pre-IPO Share Option Scheme and the Share Option Scheme, please refer to Appendix V to the Prospectus.

As at 1 September 2024 and 28 February 2025, there are no outstanding options granted under the Pre-IPO Share Option Scheme or the Share Option Scheme. No share options were granted, exercised, cancelled or lapsed under the Pre-IPO Share Option Scheme or the Share Option Scheme during the six months ended 28 February 2025.

The total number of options available for grant under the scheme mandate limit of the Pre-IPO Share Option Scheme as at 1 September 2024 and 28 February 2025 should be the remainder of the scheme limit, representing nil of the share capital of the Company respectively. The number of Shares available for issue under the Pre-IPO Share Option Scheme as of the date of this report is 209,815,400 Shares, representing approximately 9.63% of the issued share capital of the Company.

The total number of shares available for grant under the scheme mandate limit of the Share Option Scheme as at 1 September 2024 and 28 February 2025 is 197,000,000 shares, representing approximately 9.04% of the total issued share capital of the Company. The number of Shares available for issue under the Share Option Scheme as of the date of this report is 214,815,400 Shares, representing approximately 9.86% of the total issued share capital of the Company.

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 of 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 to 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.

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

Dongguan, 25 April 2025

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 28 February 2025

	Notes	Six months ended	
		28 February 2025 RMB'000 (unaudited)	29 February 2024 RMB'000 (unaudited)
Revenue	3	69,687	79,663
Cost of revenue		(32,586)	(35,750)
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		(4,689)	(4,397)
Profit before taxation		57,643	57,390
Taxation	6	(6,044)	(10,216)
Profit and total comprehensive income for the period	7	51,599	47,174
EARNINGS PER SHARE			
Basic (RMB cents)	9	2.38	2.17
Diluted (RMB cents)	9	2.38	2.17

Condensed Consolidated Statement of Financial Position

As at 28 February 2025

	NOTES	At 28 February 2025 RMB'000 (unaudited)	At 31 August 2024 RMB'000 (audited)
Non-current Assets			
Property, plant and equipment	10	20,674	9,866
Right-of-use assets	10	105,266	101,688
Trade receivables, deposits, prepayments and other receivables	11	207,841	241,653
Financial assets at fair value through profit or loss ("FVTPL")		100	100
Deferred tax assets		1,133	1,302
		335,014	354,609
Current Assets			
Inventories — goods for sale		4,521	4,765
Trade receivables, deposits, prepayments and other receivables	11	601,122	568,695
Restricted bank deposits	12	258,806	301,238
Time deposits	13	38,110	—
Cash and cash equivalents	13	26,134	47,020
		928,693	921,718
Current Liabilities			
Contract liabilities	14	15,848	12,355
Trade and other payables and accrued expenses	15	175,290	190,498
Income tax payable		34,731	38,585
Lease liabilities		702	554
Borrowings	16	230,650	254,285
Financial guarantee contracts	17	148,459	174,060
		605,680	670,337
Net Current Assets		323,013	251,381
Total Assets Less Current Liabilities		658,027	605,990

Condensed Consolidated Statement of Financial Position (Continued)

As at 28 February 2025

	NOTE	At 28 February 2025 RMB'000 (unaudited)	At 31 August 2024 RMB'000 (audited)
Capital and Reserves			
Share capital	18	19,263	19,263
Reserves		634,240	582,166
		653,503	601,429
Non-current Liabilities			
Trade and other payables and accrued expenses	15	—	4,561
Lease liabilities		4,524	—
		4,524	4,561
		658,027	605,990

Condensed Consolidated Statement of Changes in Equity

For the six months ended 28 February 2025

	Share capital RMB'000	Share premium RMB'000	Merger reserve RMB'000 (Note i)	Statutory surplus reserve RMB'000 (Note ii)	Shares held for share award scheme reserve RMB'000	Accumulated profits RMB'000	Total RMB'000
At 1 September 2023	19,263	228,106	5,000	8,128	(26,989)	378,701	612,209
Profit and total comprehensive income for the period	—	—	—	—	—	47,174	47,174
Recognition of share-based payment expenses (note 19)	—	—	—	—	593	—	593
Dividend recognised as distribution (note 8)	—	(108,908)	—	—	—	—	(108,908)
At 29 February 2024 (unaudited)	19,263	119,198	5,000	8,128	(26,396)	425,875	551,068
At 1 September 2024	19,263	119,708	5,000	7,666	(25,914)	475,706	601,429
Profit and total comprehensive income for the period	—	—	—	—	—	51,599	51,599
Recognition of share-based payment expenses (note 19)	—	—	—	—	475	—	475
At 28 February 2025 (unaudited)	19,263	119,708	5,000	7,666	(25,439)	527,305	653,503

Notes:

- On 30 August 2023, Dongguan Ruixing Business Services Co., Ltd. (東莞瑞興商務服務有限公司) (“**Dongguan Ruixing**”), a wholly-owned subsidiary of the Company, had entered into contractual arrangements with Guangdong Guangzheng Educational Group Co., Ltd. (廣東光正教育集團有限公司) (“**Guangdong Guangzheng**”) and Zhongshan Wenrui Education Investment Co., Ltd. (中山市文睿教育投資有限公司) (“**Zhongshan Wenrui**”) (the “**Zhongshan Contractual Arrangement**”), which enabled Dongguan Ruixing and the Company to have control over Zhongshan Wenrui though the Company did not have any equity interest in Zhongshan Wenrui. Merger reserve represents the paid-in capital of Zhongshan Wenrui upon the Company becoming the holding company of Zhongshan Wenrui which was effective from the date of the Zhongshan Contractual Arrangement.
- 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 directors of the relevant PRC subsidiaries. For PRC subsidiaries with limited liability, it is required to make annual appropriations to general reserve of 10% of after-tax profits as determined under the PRC laws and regulations at each year-end until the balance reaches 50% of the relevant PRC entity’s registered capital.

Condensed Consolidated Statement of Cash Flows

For the six months ended 28 February 2025

	Six months ended	
	28 February 2025 RMB'000 (unaudited)	29 February 2024 RMB'000 (unaudited)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	17,125	(24,154)
INVESTING ACTIVITIES		
Interest received	5,873	6,235
Placement of restricted bank deposits	(250,000)	(6,155)
Withdrawal of restricted bank deposits	298,326	—
Placement of time deposits	(38,110)	—
Payments for acquisition of property, plant and equipment	(7,704)	(466)
Proceeds from disposal of property, plant and equipment	—	4
Dividends received from financial assets at FVTPL	—	1,055
Loans to third parties	(7,000)	(35,000)
Repayment from loan to a third party	6,500	—
Repayment from Affected Entities (as defined in note 11)	—	12,087
Deposit paid for acquisition of two entities	(9,750)	(15,000)
NET CASH USED IN INVESTING ACTIVITIES	(1,865)	(37,240)
FINANCING ACTIVITIES		
Proceeds from bank borrowings	230,650	—
Repayments of bank borrowings	(251,419)	(9)
Repayments of lease liabilities	(869)	(485)
Interest paid	(2,980)	(4,367)
Loans from a director	36,629	—
Repayment to a director	(48,400)	—
Repayment to Affected Entities	—	(45,457)
NET CASH USED IN FINANCING ACTIVITIES	(36,389)	(50,318)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(21,129)	(111,712)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	47,020	242,226
Effect of foreign exchange rate changes	243	(150)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, represented by bank balances and cash	26,134	130,364

Notes to the Condensed Consolidated Financial Statements

For the six months ended 28 February 2025

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 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 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.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 28 February 2025

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:

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

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 28 February 2025

3. Revenue and Segment Information (Continued)

Disaggregation of revenue from contracts with customers

The following is an analysis of the Group's revenue from its major services:

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

4. Other Income

	Six months ended	
	28 February 2025 RMB'000 (unaudited)	29 February 2024 RMB'000 (unaudited)
Amortised income of financial guarantee contracts (note 18)	11,958	12,538
Government grants (Note)	854	3,093
Others	329	157
	13,141	15,788

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.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 28 February 2025

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 (note 17)	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
	10,497	3,186

6. Taxation

	Six months ended	
	28 February 2025 RMB'000 (unaudited)	29 February 2024 RMB'000 (unaudited)
Taxation comprises		
Current tax:		
PRC Enterprise Income Tax ("PRC EIT")	5,875	10,400
Overprovision in prior years — Hong Kong Profits Tax	—	(4)
Deferred tax expenses (credit)	169	(180)
	6,044	10,216

The Company was incorporated in the Cayman Islands and Bright Education Co. Limited, a subsidiary of the Company, was incorporated in the British Virgin Islands ("BVI") that are tax exempted as no business carried out in the Cayman Islands and the BVI under the tax laws of the Cayman Islands and the BVI.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million 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%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 28 February 2025

6. Taxation (Continued)

Pursuant to the Announcement of (2020) No.23 promulgated by the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission in April 2020, the subsidiaries of the Group incorporated in Ganzhou, Jiangxi province, the PRC, are eligible to enjoy a reduced enterprise income tax rate of 15% and the relevant preferential tax policies will end on 31 December 2030.

Pursuant to the Yuecaifa (2017) No.11 issued by the Department of Finance of Guangdong Province, the Administration of Local Taxation of Guangdong Province, the State Administration of Taxation of Guangdong Province effective from 1 January 2018, the subsidiaries of the Group incorporated in particular areas of Qingyuan, Guangdong province, the PRC, is eligible to enjoy the exemption of the portion of enterprise income tax shared by the locality and accordingly apply a reduced enterprise income tax rate of 15% and the relevant preferential tax policies will end on 31 December 2025.

Other than disclosed above, all other subsidiaries of the Company established in the PRC are subject to the PRC EIT of 25% (2024: 25%) for the six months ended 28 February 2025.

7. Profit for the Period

	Six months ended	
	28 February 2025 RMB'000 (unaudited)	29 February 2024 RMB'000 (unaudited)
Profit for the period has been arrived at after charging (crediting):		
Staff costs, including directors' remuneration		
— salaries and other allowances	7,906	8,328
— retirement benefits scheme contributions	847	785
— share-based payment expenses, net of reversal	475	593
Total staff costs	9,228	9,706
Depreciation of property, plant and equipment	1,896	923
Depreciation of right-of-use assets	1,852	1,527
Total depreciation	3,748	2,450
Finance income:		
— bank interest income (note 13)	(7,196)	(3,421)
— interest income on financial assistance with affected Entities (note 11)	(4,483)	(10,474)
— interest income on loans to third parties (note 11)	(2,824)	(1,011)
Total finance income	(14,503)	(14,906)

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 28 February 2025

8. Dividends

During the six months ended 28 February 2025, 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.

9. 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:

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

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.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 28 February 2025

10. Movements in Property, Plant and Equipment/Right-of-use Assets

Additions of property, plant and equipment amounted to RMB12,704,000 for the six months ended 28 February 2025 (2024: RMB466,000).

No significant disposal of property, plant and equipment or right-of-use assets was made during the six months ended 28 February 2025 and 29 February 2024.

11. Trade Receivables, Deposits, Prepayments and Other Receivables

	At 28 February 2025 RMB'000 (unaudited)	At 31 August 2024 RMB'000 (audited)
Trade receivables (Note i)	27,703	15,876
Less: Allowance for credit losses	(611)	(605)
	27,092	15,271
Deposits paid for the acquisitions of two entities (Note ii)	57,000	47,250
Loans to third parties (Note iii)	128,026	126,329
Other receivables from a third party (Note iv)	8,621	35,268
Amounts due from Affected Entities (Note v)	398,723	395,522
Prepayments to third parties for leasehold improvements (Note vi)	13,596	18,579
Prepayments for construction of proposed zhongshan high school (Note vii)	178,481	175,824
Prepayments (Note viii)	1,662	1,246
Others	1,030	789
	787,139	800,807
Less: Allowance for credit losses	(5,268)	(5,730)
	781,871	795,077
Total trade receivables, deposits, prepayments and other receivables	808,963	810,348
Current	601,122	568,695
Non-current	207,841	241,653
	808,963	810,348

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 28 February 2025

11. Trade Receivables, Deposits, Prepayments and Other Receivables (Continued)

Notes:

- i The amounts 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.
- ii As at 28 February 2025, deposits of RMB57,000,000 (as at 31 August 2024: RMB47,250,000) have been paid to two independent third parties in relation to the acquisition of entities in Dongguan, Guangdong province.
- iii As at 28 February 2025, the amounts represent loans to third parties amounting to RMB128,026,000 (as at 31 August 2024: RMB126,329,000) that carry interest ranged from 4.0% to 5.0% (as at 31 August 2024: ranged from 4.0% to 5.0%) per annum and repayable within 12 months, which is non-trade in nature and unsecured.
- iv Other receivables from a third party represent the amounts held in a third party who manage the prepaid charge cards of consumers. The balance will be transferred back to the bank accounts of the Group upon the Group's instruction and based on the balance in the statement mutually agreed by the Group and the third party.
- v Guangdong Guangzheng and its subsidiaries (collectively referred to as the "**Affected Entities**"). As at 28 February 2025 and 31 August 2024, the amounts represent the amounts due from Affected Entities, which are non-trade in nature, unsecured, repayable on demand and interest bearing as set out in note 20.
- vi As at 31 August 2024, the amounts comprise prepayments of RMB13,596,000 (as at 31 August 2024: RMB13,579,000) paid to a third party in relation to the design, decoration and construction works to the Group's retail service centers served for students located in different schools, and prepayments of nil (as at 31 August 2024: RMB5,000,000) paid to a third party in relation to leasehold improvements of leased properties held by the third party.
- vii Prepayments for construction of proposed zhongshan high School represents the amounts paid to Affected Entities which would pay to relevant contractors on behalf of the Group for the construction of the proposed zhongshan high school. As at 28 February 2025, RMB176,086,000 has been paid to relevant contractors.
- viii Other prepayments mainly represent the advances paid to suppliers for purchasing of school supplies, school uniform, daily necessities and foods that have not been received.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 28 February 2025

11. Trade Receivables, Deposits, Prepayments and Other Receivables (Continued)

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 RMB'000 (unaudited)	At 31 August 2024 RMB'000 (audited)
Within 6 months	14,920	14,680
6 months to 1 year	11,581	564
Over 1 year	591	27
	27,092	15,271

12. Restricted Bank Deposits

Restricted bank deposits represent deposits pledged to banks to secure bank facilities granted to the Group, foreign exchange capital account and dormant account.

As at 28 February 2025, deposits amounting to RMB250,000,000 (as at 31 August 2024: RMB298,302,000) that have been pledged to secure bank borrowings. The classification as current assets and non-current assets portion is subject to the maturity of bank borrowings. The restricted bank deposits will be released upon the settlement of bank borrowings.

As at 28 February 2025, the restricted bank deposits carried a weighted-average interest rate of 1.5% (as at 31 August 2024: 2.13%) per annum.

13. Cash and Cash Equivalents and Time Deposits

Cash and cash equivalents

Cash and cash equivalents of the Group are comprised of cash on hand and bank balances. As at 28 February 2025, the Group's bank balances carried a weighted-average interest rate of 0.12% (as at 31 August 2024: 0.19%) per annum.

Time deposits

Time deposits with original maturity over 3 months carry interest rate of 1.4% per annum as at 28 February 2025.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 28 February 2025

14. Contract Liabilities

	At 28 February 2025 RMB'000 (unaudited)	At 31 August 2024 RMB'000 (audited)
School-related supply chain business	5,934	5,106
Comprehensive educational services	9,914	7,249
	15,848	12,355

Contract liabilities are classified as current based on the Group's earliest obligation to transfer goods/services to the customers.

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities.

	Six months ended 28 February 2025 RMB'000 (unaudited)	29 February 2024 RMB'000 (unaudited)
Revenue recognised that was included in the contract liability balance at the beginning of the period	10,180	11,630

Contract liability is recognised by the Group for the portion of fees that the Group collected from the customers in relation to performance obligations that have not been satisfied.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 28 February 2025

15. Trade and Other Payables and Accrued Expenses

	At 28 February 2025 RMB'000 (unaudited)	At 31 August 2024 RMB'000 (audited)
Trade payables (Note i)	53,332	64,200
Accrued staff benefits and payroll	10,147	8,261
Other tax payables	6,629	7,451
Deposits received	669	901
Amounts due to Affected Entities (Note ii)	84,413	84,413
Loan payable to a director	11,034	22,805
Other payables	9,066	7,028
	175,290	195,059
Current	175,290	190,498
Non-current	—	4,561
	175,290	195,059

Notes:

- i. 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.
- ii. At 28 February 2025 and 31 August 2024, the amounts are non-trade in nature, unsecured, repayable on demand and interest bearing as set out in note 20.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 28 February 2025

16. Borrowings

The borrowings carry interest with reference to the Hong Kong Interbank Offered Rate ranged from 3.9% to 4.0% as at 28 February 2025 (as at 31 August 2024: 2.5%).

As at 28 February 2025 and 31 August 2024, the Group's bank borrowings are secured by restricted bank deposits.

17. Financial Guarantee Contracts

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

The financial guarantee contracts provided to Affected Entities that 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 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.

18. Share Capital

	Par value	Number of shares	Nominal amount HK\$
Ordinary shares			
Authorised:			
At 1 September 2023 (audited),			
29 February 2024 (unaudited),			
1 September 2024 (audited) and			
28 February 2025 (unaudited)	HK\$0.01	10,000,000,000	100,000,000

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 28 February 2025

18. Share Capital (Continued)

	Par value	Number of shares	Nominal amount HK\$	Nominal amount equivalent to RMB	Shown in the condensed consolidated financial statements as RMB'000
Issued and fully paid:					
At 1 September 2023 (audited),					
29 February 2024 (unaudited),					
1 September 2024 (audited) and					
28 February 2025 (unaudited)	HK\$0.01	2,178,154,000	21,781,540	19,263,024	19,263

19. Share-based Payments

Share Award Scheme

The Company has adopted the share award scheme with effect from 7 June 2017 as means to recognise the contribution of and provide incentives for the key management personnel including directors and senior management and employees of the Group ("**Selected Participants**").

During the six months ended 28 February 2025 and 29 February 2024, no share has been purchased by the trustee. During the six months ended 28 February 2025, share-based payment expenses amounted to RMB475,000 (2024: RMB593,000) was recognised under the share award scheme. No shares were vested for the six months ended 28 February 2025 and 29 February 2024. As at 28 February 2025, the number of shares held by the Trustee was 10,195,000 shares (as at 31 August 2024: 10,195,000 shares), of which are 1,375,000 shares (as at 31 August 2024: 1,375,000 shares) have been vested and yet to transfer to the Selected Participants, the net total number of shares held by the Trustee was 8,820,000 shares (as at 31 August 2024: 8,820,000 shares) but have not yet vested under the share award scheme.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 28 February 2025

20. Related Party Transactions

During the periods, the Group entered into the following significant transactions with related parties:

Relationships	Nature of transactions	Six months ended	
		28 February 2025 RMB'000 (unaudited)	29 February 2024 RMB'000 (unaudited)
An entity controlled by Mr. Liu	Hospitality expenses	—	15
An entity controlled by Ms. Li Suwen ("Ms. Li")	Interest expenses on lease liabilities	111	31
Affected Entities controlled by Mr. Liu and Ms. Li	Interest income	4,483	10,474

Relationships	Nature of balances	At 28 February 2025 RMB'000	At 31 August 2024 RMB'000
An entity controlled by Ms. Li	Lease liabilities	77	554
An entity controlled by Ms. Li	Rental deposits	287	284
Mr. Liu	Amount due to a director (Note i)	997	985
Mr. Liu	Loans payable to a director (Note ii)	11,034	22,805

Notes:

- (i) The amount due to a director is non-trade in nature, unsecured, interest-free and repayable on demand and is included in the trade and other payables and accrued expenses in the condensed consolidated financial statements.
- (ii) The loans payable to a director are non-trade in nature, unsecured and carry interest at a fixed rate of 2% per annum.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 28 February 2025

20. Related Party Transactions (Continued)

The Affected Entities are controlled by Mr. Liu. and are therefore related parties of the Group.

Amounts due from/to Affected Entities

Details of balances with Affected Entities are set out in notes 11 and 15.

Guarantees in support of bank borrowings

Details of financial guarantee contracts in support of the bank borrowings of the Affected Entities provided by the Company and Dongguan Ruixing are set out in note 17.

Compensation of key management personnel

The remuneration of directors and other members of key management of the Group during the period is as follows:

	Six months ended	
	28 February 2025 RMB'000 (unaudited)	29 February 2024 RMB'000 (unaudited)
Short-term benefits	3,168	3,252
Post-employment benefits	17	16
Share-based payment expenses, net of reversal	169	212
	3,354	3,480

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 28 February 2025

21. Fair Value Measurements of Financial Instruments

This note provides information about how the Group determines fair values of various financial instruments. Some of the Group's financial instruments are measured at fair value for financial reporting purposes. In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Directors have considered the appropriate valuation techniques and inputs for fair value measurements.

The following table gives information about how the fair values of the financial asset and financial liability are determined (in particular, the valuation techniques and inputs used).

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	28 February 2025 RMB'000 (unaudited)	31 August 2024 RMB'000 (audited)		
Financial assets at FVTPL	100	100	Level 3	Market approach by reference to recent financing pricing of the investments.

Reconciliation of Level 3 fair value measurements

	Financial assets at FVTPL RMB'000
At 1 September 2023 (audited)	108,228
Change in fair value	(16,341)
At 29 February 2024 (unaudited)	91,887
At 1 September 2024 (audited)	100
Change in fair value	—
At 28 February 2025 (unaudited)	100

As at 28 February 2025, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.