China New Higher Education Group Limited
中國新高教集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 2001)

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

The Board of Directors is pleased to announce the interim results of the Group for the six months ended 28 February 2025.

HIGHLIGHTS

- The Group has been determined to consistently implement the high-quality development strategy, with the mission of "enabling every student to achieve career success and life fulfillment" and the vision of "building the most student-oriented university with a century-long vision", focusing on the core demands of students for "better learning outcomes, higher employment quality, better service experience and more beautiful campus environment". The Group continues to increase high-quality investment to comprehensively improve the quality of education and teaching as well as cultivation of talents, serving regional economic and social development, and contributing to the high-quality development of higher education in China.

- The Group has achieved remarkable results in high-quality employment. As of 31 December 2024, the final employment rate for the 2024 graduates reached 98.03%, maintaining a high level of employment rate for five consecutive years. The proportion of graduates with high-quality employment reached 37.72%, and the number of students employed by prestigious enterprises such as the Fortune Global 500 companies, China's Top 100 companies, and A-shares listed companies increased significantly by 90% compared to the same period of last year.

- Benefiting from prolonged policy support, the Group will continue to improve the education level of its schools. Guizhou School is progressing smoothly in its application to become an undergraduate-level university. Currently, the construction of the third phase of Guizhou School has been fully completed. Both Yunnan School and Northeast School have successfully obtained provincial-level approval for the establishment of new master's degree-granting units.

- The Group's financial performance has maintained a steady growth. For the six months ended 28 February 2025, we achieved a 7.8% period-on-period increase in the revenue from principal business of the Group to RMB1.413 billion, while the adjusted net profit grew by 7.0% period-on-period to RMB456 million.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Business Overview

The Group is a leading higher education group focusing on higher education for over 20 years which first put forward and propelled the school operation model of application-oriented universities. The Group's schools covered various regions of China, cumulatively cultivating over 450,000 high-quality talents with applied and technical skills for the society. As a leader of high-quality employment, the schools of the Group have been awarded the "Top 50 National Employment (全國就業工作50強)" by the Ministry of Education, and the employment rate of each school received top ranking from its provinces and regions respectively, with continuous improvement in high-quality employment rates.

Business Advantages

The Group has firmly upheld "enabling every student to achieve career success and life fulfillment" as its mission, "building the most student-oriented university with a century-long vision" as its vision. It continuously implements a high-quality development strategy and increases high-quality investments to achieve "better learning outcomes", realize "higher employment quality", provide "better service experience" and build "a more beautiful campus environment", to enhance the core competitiveness and steadfastly pursue a path of high-quality development.

Higher employment quality: upholding "high-quality employment as the foundation of the school"

The Group has achieved remarkable results in high-quality employment, with a continuous increase in its employment rate and high-quality employment ratio. As of 31 December 2024, the final employment rate for the 2024 graduates reached 98.03%, maintaining a high level of employment rate for five consecutive years. The proportion of graduates with high-quality employment reached 37.72%, and the number of students employed by prestigious enterprises such as the Fortune Global 500 companies, China's Top 100 companies and A-shares listed companies significantly increased by 90% compared to the same period of last year.

The Group consistently upholds the principle that "high-quality employment as the foundation of the school" and continues to increase high-quality employment investment. Four major initiatives empower higher-quality employment: First, the Group enhances training and promotion, by strict adherence to the concept of "high-quality employment as the foundation of the school" to achieve a high degree of consensus on this ideology. Second, by conducting "Employment Guidance Capabilities Enhancement Workshops," establishing special incentives and recognition for employed personnel, standardizing core employment workflows, building a unified employment information portal, and continuously promoting "exploring enterprises and expanding job opportunities" and other measures, we enhance the capabilities of the employment team and raise the remuneration of employed personnel, thereby empowering employment service management and strengthening the power of employment team. During the Reporting Period, the Group expanded its employment service center to the Sichuan-Chongqing region, continuously empowering high-quality employment through the employment service centers located in the Beijing-Tianjin-Hebei Region, Yangtze River Delta, Pearl River Delta, and Sichuan-Chongqing (the "**Four Centers**"). Among the 2024 graduates, one in every four graduates signed contracts with renowned enterprises at the "Four Centers." Third, we respond to the talent demands of national strategic regions such as Beijing-Tianjin-Hebei and the Yangtze River Delta, targeting the artificial intelligence and high-end equipment industry and other industries. We collaborate with leading companies like Huawei to co-develop talent cultivation standards and create job opportunities. Fourth, we gather outstanding graduates to give back to their alma mater by hosting various alumni events, expanding more job opportunities with prestigious companies, while strengthening the connections among alumni, their alma mater, alumni enterprises and local communities.

Better learning outcomes: steady improvement in level of teaching and learning

Enabling students to achieve better learning outcomes is the Group's top priority for high-quality development, and also an important manifestation of the Group's core competitiveness.

(I) Implementation of major construction reforms to optimize talent cultivation goals

During the Reporting Period, the Group initiated major construction reform and established a dedicated teaching reform center. Focusing on the recruitment needs of industry enterprises, it designed standardized analytical models and tools to conduct structural evaluations of all majors at eight institutions. Meanwhile, through a relationship matrix involving graduation requirements, curriculum systems and course content, continuous minor improvements were made to enhance students' employment competitiveness. Moreover, the Group has set up special subsidies for teaching reform personnel, resulting in an 18% period-on-period increase in their remuneration, to boost their motivation.

The Group's establishment of advantages programs has also achieved impressive results. The eight institutions concentrated on emerging industries that aligned with national strategies, establishing advantages programs such as "welding technology and engineering", and "mechanical design, manufacturing, and automation". These programs aim to cultivate industry talents in high-demand industries like "intelligent manufacturing, digital technology, and health services." Among the 39 academic competitions for university students that are the key focus of the Group and also recognized nationally, our students won a total of 222 national-level awards and 462 provincial-level awards, with the number of top awards increasing by 100% to 24. Among these, students in advantages programs won a total of 6 national first prizes, accounting for 25% of the total.

In addition, the Group has established in-depth collaborations with leading international institutions to continuously empower the cultivation of international talents. All eight institutions have organized international study programs, allowing students to engage in research exchanges at prestigious universities like the University of Cambridge, the University of Tokyo, etc. It can develop students' cross-cultural communication skills and improve their international competitiveness.

(II) Continuous investment in teaching hardware and teachers for the enhancement of education quality

The Group has continued to increase its investment in high-quality teaching. In terms of teaching hardware, it is advancing the construction of experimental training rooms and equipped with the latest smart blackboards, smart podiums, and overhead display screens and other teaching equipment, to enhance teaching effectiveness and improve student learning outcomes. In terms of forming teaching workforce, the Group is continuously introducing "Double-high" teachers, with a growing number of teaching workforce with high academic qualifications and high professional titles. Additionally, in order to motivate the teaching workforce, supervisory team, and counselors team, the Group is promoting the "Three Excellence" incentive program, which includes "Excellent Teaching Rewards", "Excellent Guidance Rewards" and "Excellent Learning Rewards", further stimulating teachers' enthusiasm for teaching, strengthening the construction of the supervisory team and encouraging counselors to focus on the comprehensive development of students. The Group has consistently ensured investment in teacher training, implementing the Instructional Skills Workshop (ISW) project during the Reporting Period to integrate a "student-oriented" approach into the classroom.

Our teachers have achieved excellent results in teaching competitions and skills competitions across various provinces. In the first half of the academic year, the Group received one special award, four first prizes, and five second prizes at the provincial level for teaching achievements. In three national authoritative teaching competitions, faculty members won a total of 29 awards, including three first prizes, ten second prizes, and sixteen third prizes. This reflects a further enhancement of teachers' professional and teaching standards.

Better service experience: student satisfaction continues to rise

The Group consistently values the on-campus experience of students and teachers, continually increasing high-quality investments to enhance student satisfaction. Centered around the "student-oriented" philosophy, the Group has established a platform for student feedback, guaranteeing a 100% prompt response to student opinions and achieving a 99% resolution rate for student suggestions. In terms of dining experience, each institution adheres to a "student-oriented" approach by establishing a "Student Meal Committee" and meanwhile continuously improves the dining environment in canteens, restaurants and other areas. Regarding accommodation experience, each institution is committed to building "five-star" student apartments. We have continued to upgrade the smart access control system to achieve automated access management of student apartments, while further enhancing the authority of teachers and counselors in the apartments to encourage personalized student experience initiatives. In terms of campus network speed, the Group has invested an additional RMB11.37 million to ensure stable internet connection during peak hour, while also enhancing network performance. It has resulted in a 40% reduction in average latency and a 30% increase in transmission speed, ensuring that effective utilization of digital applications such as online interactive teaching, HD video streaming, and real-time control of Internet of Things ("**IoT**") devices. In terms of commercial service experience, the Group continues to introduce 12 new brand merchants of "student preferences." For instance, Gansu School has introduced the first campus store of Three Squirrels in Gansu Province, building highly active campus consumption scenarios. In terms of event experience, the Group consistently organizes peak-value experience events. Those vibrant and engaging activities include orientation activities for new students, graduation seasons, concerts, etc. Student satisfaction with these activities reached to 89%.

More beautiful campus environment: committed to creating a first-class educational environment

A better campus environment is one of the important core competencies of the Group under the vision of "building the most student-oriented university with a century-long vision". A beautiful campus environment enables students to have better learning outcomes, living experiences, and activity engagement, achieving a subtle yet effective educational effect through the environment. Therefore, the Group has continued to increase high-quality investments in campus environment construction, creating beautiful architectural landscapes, vibrant social spaces, smart and convenient functional designs, and a rich cultural atmosphere. During the Reporting Period, the Group has continually improved campus landscapes, living environments, and self-study rooms. For instance, Northeast School has optimized and upgraded its libraries, Gansu School has constructed a new teaching building, and Guizhou School has built a smart gym, further solidifying support for the Group's high-quality development.

Continuous improvement in university rankings and steady increase in enrollment competitiveness

Under the guidance of the high-quality development strategy, the rankings of the Group's eight institutions are continuously improving. For example, in the 2025 China Private Universities Rankings by the Alumni Association, Yunnan School and Northeast School have risen to the 9th and the 13th place, respectively, both recognized as top application-oriented universities in China. In the 2025 National Higher Vocational College Rankings by the Alumni Association, Guizhou School significantly improved its ranking by 18 places to the 23rd place, being rated as a first-class higher vocational college in China.

The Group's enrollment competitiveness continues to increase, with the proportion of undergraduate students consistently increasing. In the 2024/2025 academic year, the total number of students in the Group's schools was approximately 139,000, with the proportion of new undergraduates among all newly enrolled students increased by 4 percentage points. In addition, the Group's schools continued to expand their national enrollment, with the proportion of cross-provincial enrollment steadily increasing. Among them, the undergraduate program of the Northeast School out of the provinces increased by 35% year-on-year. The minimum admission cut-off scores for our schools far exceeded the provincial admission score. For example, in the first year of enrollment for the major of dentistry at Central China School, the minimum admission cut-off scores exceeded the provincial admission score by 44 points and the minimum admission score ranked first among similar schools, with the registration rate of students reaching 100%. Guizhou School ranked first in terms of the minimum admission cut-off score among similar schools in the province in 2024.

Insisting on ESG-led and steadfastly promote sustainable development

The Group and its schools are committed to the environmental, social and governance ("**ESG**") philosophy and uses ESG as a guide to promote sustainable development. The Group's ESG performance remains outstanding. It achieved an ESG score of 37 from the S&P Global in 2025, ranked seventh globally and first in China in the diversified consumer goods industry and maintained the highest score in China's education sector. In addition, the Group has been selected for the S&P Global "Sustainability Yearbook (China Edition) 2025", marking its inclusion in the S&P Sustainability Yearbook for two consecutive years. At the same time, Morningstar Sustainalytics' ESG Risk Rating classifies the Group's ESG risk as low in the latest evaluation, with the risk score decreased to 16.7, placing it in the top 16% of the 15,000 companies assessed globally. Both of the above reflected the capital market's high recognition of the Group's ESG initiatives. Moreover, the ESG philosophy has been deeply integrated into the institutions. Yunnan School, Guizhou School, Central China School, Zhengzhou School, and Gansu School were selected as "Water-Saving Universities", Northeast School was selected as a "Green Campus", and Yunnan School was selected as a "Green and Beautiful Campus". The foundation for the Group and its schools' commitment to high-quality, long-term sustainable development is being continually strengthened.

FUTURE OUTLOOK

The high-quality development of the industry received prolonged support by the policy

Since August 2024, the government has issued a series of policies in the fields of vocational education and private education, covering various aspects such as construction of teaching workforce, integration of industry and education, and policy regulation. The implementation of these policies aims to enhance the quality of vocational education, while providing strong support for the development of private education. For example, in August 2024, the CPC Central Committee and the State Council issued the "Opinions on Advocating the Spirit of Educators and Strengthening the Building of the High-Quality Professional Teacher Workforce for the New Era" (《關於弘揚教育家精神加強新時代高素質專業化教師隊伍建設的意見》), which advocates for collaboration between high-level universities, higher vocational colleges and enterprises to jointly conduct integrated training for vocational education teachers, and implement projects aimed at improving the quality of vocational college teachers. In September 2024, the CPC Central Committee and the State Council issued the "Opinions on Implementing the Employment Priority Strategy to Promote High-quality and Full Employment" (《關於實施就業優先戰略促進高質量充分就業的意見》), emphasizing acceleration of modern vocational education development, integration between vocational education and general education, between industry and education, and between science and education, in order to cultivate more high-quality technical and skilled talents. In November 2024, the State Council issued the "Opinions on Promoting High-Quality Development of Service Consumption" (《關於促進服務消費高質量發展的意見》), which highlighted the need to improve the quality and efficiency of vocational education and establish vocational schools and programs with high standards.

Benefiting from prolonged policy support, the Group will continue to improve the education level of its schools. Guizhou School is progressing smoothly in its application to become an undergraduate-level university. Currently, the construction of the third phase of Guizhou School has been fully completed. Both Yunnan School and Northeast School have successfully obtained provincial-level approval for the establishment of new master's degree-granting units.

Future development: "Three Sustainability"

(I) Continue to follow the path of high-quality development

The Group has always insisted on being a long-term runner in the higher vocational education industry. The Group will continue to increase its investment and steadfastly follow the path of high-quality development supported by national policies to create and provide education opportunities with high-quality teaching, high-quality employment and high-quality experience for students of all our schools.

(II) Sustained and stable value creation under the ESG approach

The Group is committed to the ESG philosophy and uses ESG as a guide to integrate financial indicators such as stable performance, steady investment returns and abundant cash flow with ESG, so as to create value in a sustained and steady manner, thereby realizing long-term benefits and sustainable development, and achieving a win-win situation for both investors and the Group in the long run.

(III) Building the most student-oriented university with a century-long vision and continuing to provide education that meets the satisfaction of the people

In the face of the new development stage, new development pattern and new development opportunities of higher education, with "enabling every student to achieve career success and life fulfillment" as its mission, the Group is committed to "building the most student-oriented university with a century-long vision" and solidly execute the idea of "strengthening morality through education, teaching students in accordance with their aptitude, studying for the sake of application". The Group will continue to cultivate high-quality talents with applied and technical skills who have comprehensive development in morality, intelligence, physical fitness, aesthetics, and labor skills to meet the needs of local economic and social development, so as to assist in the strengthening of a strong country of education and create greater values for the society, and to provide education that meets the satisfaction of the people.

FINANCIAL REVIEW

The financial results for the six months ended 28 February 2025 and 29 February 2024 are as follows:

	Six months ended **28 February 2025** *RMB million*	**29 February 2024** *RMB million*	**Change** *(%)*
Total revenue^	**1,651.3**	1,482.3	11.4%
Revenue	**1,412.9**	1,310.8	7.8%
Cost of sales	**(868.7)**	(789.6)	10.0%
Gross profit	**544.2**	521.2	4.4%
Other income and gains	**238.4**	171.5	39.0%
Selling and distribution expenses	**(24.3)**	(22.4)	8.5%
Administrative expenses	**(62.9)**	(53.3)	18.0%
Other expenses	**(41.2)**	(28.0)	47.1%
Finance costs	**(59.4)**	(59.0)	0.7%
PROFIT BEFORE TAX	**594.8**	530.0	12.2%
Income tax expense	**(125.5)**	(98.0)	28.1%
Net profit	**469.3**	432.0	8.6%
Adjusted net profit#	**455.8**	426.1	7.0%

^ Total revenue = revenue + other income and gains

Adjusted net profit = net profit of RMB469.3 million for the six months ended 28 February 2025 less fair value gain of a swap derivative product of RMB18.3 million, plus exchange loss of RMB4.8 million arising from the USD syndicated loans (six months ended 29 February 2024: net profit of RMB432.0 million less exchange gain of RMB5.9 million arising from the USD syndicated loans)

Revenue

The Group's revenue reached RMB1,412.9 million for the Reporting Period, increased by 7.8% as compared to RMB1,310.8 million for the same period of last year, which was mainly attributable to steady growth of revenue from tuition fees and boarding fees driven by leveraging the advantages of centralized school operation and continuous high-quality connotation development.

Cost of Sales

The Group's cost of sales was RMB868.7 million for the Reporting Period, increased by 10.0% as compared to RMB789.6 million for the same period of last year, which was primarily due to (1) an increase of 13.5% in labor-related costs as compared to the same period of last year as the Group continued to enhance the remuneration and benefits of core teaching positions, actively introduce double-high teachers and strengthen the construction of a high quality teaching team; and (2) an increase of 9.4% in depreciation and amortization costs as compared to that for the same period of last year as the Group continued to upgrade and renovate its campus and upgrade its laboratory training equipment.

Gross Profit and Gross Profit Margin

The Group's gross profit was RMB544.2 million for the Reporting Period, increased by 4.4% as compared to RMB521.2 million for the same period of last year. The gross profit margin for the Reporting Period was 38.5%, representing a decrease of 1.3 percentage point as compared to the gross profit margin of 39.8% for the same period of last year. The decrease was mainly due to the Group's adherence to a connotation development strategy and the increasing investment in talents and teaching. As such, the growth of revenue for current stage was temporarily lower than the increase in cost of sales. The development strategy, which is based on high quality, will lay a solid foundation for the future organic growth.

Other Income and Gains

The Group's other income and gains reached RMB238.4 million for the Reporting Period, increased by 39.0% as compared to RMB171.5 million for the same period of last year, which was mainly due to (1) the strengthening of school-enterprise cooperation of the Group's institutions by capitalizing on their own professional advantages and the donation income from school-enterprise cooperation increased by 332.6% period-on-period; (2) fair value gain of RMB18.3 million and investment gain of RMB6.1 million incurred from a swap derivative product purchased by the Group to hedge its exposure to the risks of fluctuations in exchange rates and floating interest rates of USD loans during the Reporting Period; and (3) the integration of the Group's training resources accumulated over the years, exploring best practices and actively providing training services in vocational skills enhancement to the community and students, leading to a 10.5% increase in service revenue period-on-period.

Selling and Distribution Expenses

The Group's selling and distribution expenses were RMB24.3 million for the Reporting Period, increased by 8.5% as compared to RMB22.4 million for the same period of last year. This increase was primarily attributable to the Group's continuous efforts to strengthen brand building and enhance the schools' brand images. The expenses accounted for approximately 1.5% of the Group's total revenue for the Reporting Period, which remained stable with the historical level.

Administrative Expenses

The Group's administrative expenses were RMB62.9 million for the Reporting Period, increased by 18.0% as compared to RMB53.3 million for the same period of last year. Such increase was mainly due to (1) an increase in the proportion of base bonuses for executives of the Group to enhance its employer's image and the well-being of employees; and (2) an increase in commissioning fees paid to external agencies to promote Yunnan School's and Northeast School's applications for the right to grant master's degrees.

Other Expenses

The Group's other expenses were RMB41.2 million for the Reporting Period, increased by 47.1% as compared to RMB28.0 million for the same period of last year. Such increase was mainly due to (1) the rise in training cost driven by the growth in the training services income of the Group; and (2) the provision for exchange loss of RMB4.8 million arising from the USD syndicated loans because of the USD appreciation, as compared to the provision for exchange gain of RMB5.9 million for the same period of last year.

Finance Costs

The Group's finance costs were RMB59.4 million for the Reporting Period, increased by 0.7% as compared to RMB59.0 million for the same period of last year, which was mainly due to (1) the Group's continuous expansion of diversified loan products, which led to a decrease in finance costs by RMB3.5 million as compared to the same period of last year; and (2) a decrease in amount of capitalized interest by RMB3.9 million during the Reporting Period as compared to the same period of last year.

Profit before Tax

Due to the combined effects of revenue, costs and expenses mentioned above, the Group recognised a profit before tax of RMB594.8 million for the Reporting Period, representing an increase of 12.2% as compared to RMB530.0 million for the same period of last year.

Net Profit

As a result of the combined effects of revenue, costs and expenses mentioned above, the net profit of the Group was RMB469.3 million for the Reporting Period, representing an increase of 8.6% as compared to RMB432.0 million for the same period of last year.

Non-HKFRS Measures

To supplement our consolidated financial statements presented under HKFRS, we also use adjusted net profit as additional financial measures. The Company considers that these non-HKFRS measures can eliminate the potential impact of items that management believes are not reflective of the Group's operating performance and thus facilitate comparisons of operating performance from period to period.

The use of non-HKFRS measures has limitations as an analytical tool as these measures do not include all items that affect our results in the related period. In view of the limitations of the non-HKFRS measures above, Shareholders and potential investors should not read the non-HKFRS measures in isolation or as an alternative to our profit for the Reporting Period, or any other measure of operating performance calculated in accordance with HKFRSs, in assessing our operating and financial performance. In addition, as these non-HKFRS measures may be calculated differently by different companies, they should not be compared with similarly named measures used by other companies.

The calculation of adjusted net profit is as follows:

	For the six months ended	
	28 February 2025	29 February 2024
	RMB million	*RMB million*
Net profit	**469.3**	432.0
Adjusted item:		
Fair value (gain)/loss of a swap derivative product	**(18.3)**	–
Exchange loss/(gain) arising from the USD syndicated loans	**4.8**	(5.9)
Adjusted net profit	**455.8**	426.1

Total Capital

The total capital of the Group, which equals to the aggregate of cash and cash equivalents plus pledged and restricted deposits, time deposits, and financial assets at fair value through profit or loss was RMB1,208.0 million as of 28 February 2025 (31 August 2024: RMB2,321.7 million).

Financial Resources and Gearing Ratio

The Group's interest-bearing bank loans and other borrowings primarily consisted of short-term working capital loans and long-term project loans for our school buildings and facilities. The interest-bearing bank loans and other borrowings as well as lease liabilities amounted to RMB2,828.4 million as of 28 February 2025 (31 August 2024: RMB3,504.8 million), among which US$80.0 million was denominated in USD, while the remaining was denominated in Renminbi.

Interest-bearing debt equals to the total amount of interest-bearing bank loans and other borrowings and lease liabilities as of 28 February 2025. The Group's interest-bearing debt/total assets decreased from 31.8% as of 31 August 2024 to 28.0% as of 28 February 2025.

Net interest-bearing debt equals to the total interest-bearing bank loans and other borrowings and lease liabilities net of total capital as of 28 February 2025. The Group's net interest-bearing debt/total equity increased from 28.8% as of 31 August 2024 to 35.3% as of 28 February 2025, which was primarily attributable to the decrease in total capital and the increase in the size of the net interest-bearing debt. This is mainly due to continuous increase in investment in promoting Guizhou School's application as an undergraduate-level university and the applications of Yunnan School and Northeast School for the right to grant master's degrees.

Gearing ratio equals to the ratio of interest-bearing debt divided by total equity as of 28 February 2025. The Group's gearing ratio decreased from 85.2% as of 31 August 2024 to 61.6% as of 28 February 2025, primarily due to the combined effects of the decrease in the size of the Group's interest-bearing debt and the increase in the amount of total equity.

Capital Expenditures

During the Reporting Period, the Group's capital expenditures were RMB393.3 million, which was primarily used for the construction of our school buildings and facilities, land acquisition and purchase of furniture and equipment.

Capital Commitments

The Group's capital commitments were primarily used in the payment of construction and maintenance of school building and renovation projects. The following table sets out a summary of our capital commitments as of the dates indicated:

	As of 28 February 2025 *RMB million*	As of 31 August 2024 *RMB million*
Contracted but not provided for:		
Property, plant and equipment		
Within one year	**272.3**	214.5
Over one year	**54.0**	353.4
	326.3	567.9

As of 28 February 2025, the Group had no significant capital commitment authorized but not contracted for.

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this announcement, the Group did not have other future plans for material investments and capital assets as at 28 February 2025.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

No other significant investments and acquisitions or disposals of subsidiaries, associates or joint ventures were made by the Group during the Reporting Period.

FOREIGN EXCHANGE RISK MANAGEMENT

The functional currency of the Group is RMB and HKD. The majority of the Group's revenue and expenditures are denominated in RMB. As at 28 February 2025, certain bank loans and bank balances were denominated in USD and HKD. The Group had purchased a swap derivative product during July 2024 to hedge its exposure to the risks of fluctuations in exchange rates and floating interest rates of USD loans. In future, the management will continue to pay attention to the Group's foreign exchange risk exposure and consider adopting prudent measures as appropriate.

PLEDGE OF ASSETS

The pledged assets of the Group as at 28 February 2025 were as follows:

(i) equity interests of the Group's certain subsidiaries; and

(ii) deposits of the Group with an amount of RMB676,436,000 as at 28 February 2025 (31 August 2024: RMB928,105,000).

Contingent Liabilities

As of 28 February 2025, the Group did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of the Group.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the date of this announcement, the Group had not entered into any off-balance sheet transactions.

FAVOURABLE POLICIES TO FACILITATE THE DEVELOPMENT OF PRIVATE HIGHER VOCATIONAL EDUCATION

Recent Developments of Regulatory Framework

(I) Classified Registration

According to the Several Opinions of the State Council on Encouraging Social Powers to Set up Education to Promote the Healthy Development of Private Education (29 December 2016), a classification registration and management system shall be applicable to private schools, and private school sponsors can choose to run non-profit or for-profit private schools. The revised Laws for Promoting Private Education of the PRC (implemented on 1 September 2017) also promulgated the same provisions.

According to the Implemental Rules on Private School Classified Registration (30 December 2016), if an existing private school chooses to register as a non-profit private school, it should modify its article of association, continue to run the school and complete new registration procedures in accordance with relevant laws. If it chooses to register as a for-profit private school, it should conduct financial settlement, clarify the ownership of school land, school premises, school accumulation, and pay related taxes and fees, obtain a new permit in running a school, re-register and continue the operations for education.

In order to further implement the above requirements, government and relevant competent departments in the region where the Group runs schools have successively issued supporting measures, including (1) Implementation Opinions Issued by the People's Government of Yunnan Province on Encouraging Social Powers to Set up Education to Promote the Healthy Development of Private Education (18 December 2017), Notice of the Five Departments including Education Department of Yunnan Province on Steady and Orderly Promotion of Classified Registration and Management of Private Schools (12 June 2019); (2) Implementation Opinions Issued by the People's Government of Guizhou Province on Supporting and Regulating Social Forces to Set up Education to Promote the Healthy Development of Private Education (3 August 2018), Measures for the Implementation of Classified Examination and Approval of Registration and Supervision and Management of Private Schools in Guizhou Province (Trial) (11 June 2019); (3) Implementation Opinions Issued by Heilongjiang Province on Encouraging Social Powers to Set up Education to Promote the Healthy Development of Private Education, Measures for the Implementation of Classified Registration of Private Schools in Heilongjiang Province, and Measures for the Supervision and Administration of For-profit Private Schools in Heilongjiang Province (26 February 2019); (4) Implementation Opinions of the People's Government of Gansu Province on Further Promoting the Healthy Development of Private Education (8 November 2017), Measures for the Implementation of Classified Registration of Private Schools in Gansu Province (15 November 2018); (5) Implementation Opinions Issued by the People's Government of Guangxi Zhuang Autonomous Region on Encouraging Social Powers to Set up Education to Promote the Healthy Development of Private Education (2 July 2018), Measures for the Implementation of Classified Registration of Private Schools in Guangxi Zhuang Autonomous Region (10 October 2018), Measures for the Implementation of Supervision and Administration of For-profit Private Schools in Guangxi Zhuang Autonomous Region (16 October 2018), Measures for the Implementation of Classified Registration of Existing Private Schools in Guangxi Zhuang Autonomous Region (19 April 2022); (6) Implementation Opinions Issued by the People's Government of Hubei Province on Encouraging Social Powers to Set up Education to Promote the Healthy Development of Private Education (20 December 2017); (7) Implementation Opinions Issued by the People's Government of Henan Province on Encouraging Social Powers to Set up Education to Further Promote the Healthy Development of Private Education (2 February 2018).

The above local regulations only provide a procedure framework for the classification and registration of existing private schools in relevant provinces as for-profit private schools or non-profit private schools, but do not further specify the various preferential taxes and land use policies that can be enjoyed by for-profit and non-profit schools.

As of the date of this announcement, except that the Northeast School, Guangxi Schools, Yunnan School and Guizhou School are currently in the process of classified registration according to the guidance of the relevant provincial authorities, the Company has not commenced the process of classified registration for other schools under the Group. However, due to the uncertainties in the interpretation and application of the above requirements, there are uncertainties as to when the private schools under the Group can complete the classified registration, whether the relevant taxes and fees will need to be paid in accordance with local supporting rules in the process of classified registration in the future, and what kind of tax and land use policies and other aspects of government supports such schools will enjoy in the future. The Group will continue to pay close attention to any further development on the application of the above requirements.

(II) The 2021 Implementation Rules

On 14 May 2021, the State Council promulgated the Implementation Rules for the Laws for Promoting Private Education of the PRC (the "**2021 Implementation Rules**"), which has been implemented since 1 September 2021. The 2021 Implementation Rules stipulate that: (1) private schools may enjoy the preferential tax policies stipulated by the State, among which non-profit private schools may enjoy the same preferential tax policies as public schools; and (2) for the construction and expansion of non-profit private schools, the local people's governments shall grant preferential treatments in terms of land use by means of allocation in accordance with the principle of treating non-profit private schools equally as public schools. For the land use of private schools that implement preschool education and education for academic credentials, the governments may provide lands by means of agreement, bidding, auction and etc. according to the laws. Lands may also be supplied by long-term lease, lease and assignment, and combination of sale and rental. Charges for the assignment or rental of land may be paid in instalments within the specified time limit as agreed in the contract.

The 2021 Implementation Rules do not involve specific provisions on preferential taxation and land use policies. Therefore, there are still uncertainties as to what kind of tax and land use policies and other aspects of government supports the private schools under the Group will enjoy in the future.

The 2021 Implementation Rules further stipulate that: (1) the State encourages enterprises to establish or participate in the establishment of private schools that implement vocational education in various forms, such as sole proprietorship, joint venture or cooperation according to law; institutions that implement nationally recognized educational examinations, vocational qualification examinations and vocational skill level examinations shall comply with the relevant provisions of the State in the establishment or participation in the establishment of private schools related to the examination implemented by them; (2) private schools that provide compulsory education are not allowed to enter into transactions with their interested parties, and other private schools shall conduct transactions with their interested parties in a manner that is open, justified and fair, shall price such transactions reasonably, shall establish standardized decision-making for such transactions and shall not harm the interests of the State, schools and teachers and students. Private schools shall set up an information disclosure mechanism for dealing with their interested parties. The relevant governmental authorities, such as the education department, the human resources and social security departments and the financial departments, shall strengthen the supervision of the agreements entered into between non-profit private schools and their interested parties, and shall review the connected transactions annually; (3) if the sponsor is a legal person, its controlling shareholder and the actual controller must meet the requirements stipulated by laws and administrative regulations for the establishment of a private school, and any change of the controlling shareholder or the actual controller must be reported to the competent department for record-filing and publicity. Any social organizations and individuals shall not control private schools which provide compulsory education or non-profit private schools which implement preschool education through mergers and acquisitions or contractual agreements; and (4) the start-up capital and registered capital of a private school shall be compatible with the type, level and scale of the school and shall be paid in full when it is formally established.

Pursuant to the 2021 Implementation Rules, the Group is not prohibited from acquiring non-profit private schools providing higher education services or controlling them through structural contracts. As the Group has no plans to acquire private schools providing compulsory education or non-profit private schools providing preschool education, we do not consider that the 2021 Implementation Rules will have any adverse impact on the Group's future acquisitions.

The Structured Contracts may be considered as transactions with interested parties of private schools under the Group, and we may incur significant compliance costs due to the establishment of a disclosure mechanism. If the private school under the Group chooses to register as a non-profit private school, the competent government department shall review its relevant transactions annually. These processes may not be under our control and may be very complex and cumbersome, and may divert management attention. During the review process, government departments may require us to modify or terminate the Structured Contracts, which may lead to penalties, resulting in a material adverse impact on the operation of the Structured Contracts.

As at the date of this announcement, the Company's operations have not been affected by the 2021 Implementation Rules.

(III) Foreign Investment Law

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**Foreign Investment Law**") approved by the National People's Congress on 15 March 2019 has been implemented since 1 January 2020, and has become the basic law for foreign investment in China. According to this law, existing foreign-invested enterprises may maintain their existing organization structure within five years from the effective date of the Foreign Investment Law.

On 26 December 2019, the State Council issued the Implementation Regulations of the Foreign Investment Law of the PRC (the "**Implementation Regulations**"), which also came into effect on 1 January 2020, aiming to implement the legislative principles and purposes of the Foreign Investment Law.

The Foreign Investment Law clearly specifies three forms of foreign investment, but neither the Foreign Investment Law nor the Implementation Regulations explicitly stipulate contractual agreements as a form of foreign investment. As confirmed by our PRC Legal Advisors, as the Foreign Investment Law and the Implementation Regulations do not define contractual agreements as a form of foreign investment, if future laws, administrative regulations, and regulations of the State Council do not include contractual agreements as a form of foreign investment, the Structured Contracts as a whole and the agreements constituting the Structured Contracts will not be affected, and will continue to be legally valid, effective and binding on the parties. However, if future laws, administrative regulations, and regulations of the State Council stipulate contractual agreements as one of the ways of foreign investment, the Group may need to take relevant measures in accordance with the requirements of the laws, regulations and regulations of the State Council at that time. There will be uncertainty as to whether we can complete these measures in a timely manner or at all. Failure to take appropriate measures in a timely manner to address any of the compliance requirements in the above provisions may have a significant effect on our current group structure, corporate governance and business operations.

As at the date of this announcement, the Company's operations have not been affected by the Foreign Investment Law.

The Board will continue to monitor any updates regarding the Foreign Investment Law and seek guidance from our PRC Legal Advisors to ensure that the Company meets all relevant laws and regulations in China.

(IV) The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies

On 17 February 2023, the China Securities Regulatory Commission (the "**CSRC**") released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") and five supporting guidelines, which came into effect on 31 March 2023. The Overseas Listing Trial Measures will regulate both direct and indirect overseas offering and listing of PRC domestic companies' securities by adopting a filing-based regulatory regime. On the same day, the CSRC also held a press conference for the release of the Overseas Listing Trial Measures and issued the Notice on Administration for the Filing of Overseas Offering and Listing by Domestic Companies (《關於境內企業境外發行上市備案管理安排的通知》), which, among others, clarified that the domestic companies that have already been listed overseas on or before the effective date of the Overseas Listing Trial Measures (i.e. 31 March 2023) shall be deemed as existing applicants (存量企業), or the Existing Applicants. Existing Applicants are not required to complete the filling procedures immediately, and they shall be required to file with the CSRC when subsequent matters such as refinancing are involved. The Overseas Listing Trial Measures also requires subsequent reports to be filed with the CSRC on material events, such as change of control or voluntary or forced delisting of the issuer(s) who have completed overseas offerings and listings.

As at the date of this announcement, the Company's operations have not been affected by the Overseas Listing Trial Measures.

PAYMENT OF INTERIM DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the six months ended 28 February 2025.

HUMAN RESOURCES AND REMUNERATION POLICY

As of 28 February 2025, the Group had a total of 10,030 employees (10,080 as of 31 August 2024), which remained largely stable. As required by the PRC laws and regulations, the Group participates in various employee social security plans for our employees that are administered by local governments, including housing provident fund, pension, medical insurance, maternity insurance, work injury insurance, and unemployment insurance. The Group maintains a good working relationship with employees, and the Group did not experience any material labor disputes during the six months ended 28 February 2025.

The Group follows the remuneration policy of "contribution-driven, fair and competitive in the market" for employees. The remuneration policy is designed according to the different position sequences of the Group and its schools, and the salary is determined with reference to the capability, job responsibilities and contribution of its employees. At the same time, the Group has been actively cultivating the capabilities of its employees and has been providing external and internal training programs for employees to build a quality team to meet the development requirements of the Group.

CORPORATE GOVERNANCE

Corporate Governance Code

The Group is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organization which is open and accountable to the Shareholders. The Board strives for adhering to the principles of corporate governance and has adopted sound corporate governance practices to meet the legal and commercial standards, focusing on areas such as internal control, fair disclosure and accountability to all Shareholders to ensure the transparency and accountability of all operations of the Group. The Group believes that effective corporate governance is an essential factor to create more value for its Shareholders. The Board will continue to review and improve the corporate governance practices of the Group from time to time to ensure that the Group is led by an effective Board in order to optimize return for Shareholders.

The Group has complied with all applicable code provisions set out in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules during the Reporting Period.

As of 28 February 2025, the Group had three executive Directors (including Mr. Li) and three independent non-executive Directors, which have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning as well as a fairly strong independence element in the composition of the Board.

Model Code for Securities Transactions by Directors of Listed Issuers

The Company has also adopted the Model Code as its code of conduct regarding securities transactions by the Directors.

Having made specific enquiry of all Directors, all of them have confirmed that they have complied with the Model Code throughout the Reporting Period.

Purchase, Sale or Redemption of the Company's Listed Securities

During the Reporting Period, the Company repurchased a total of 1,552,000 Shares on the Stock Exchange for an aggregate consideration of HK$2,507,030 before expenses. All the repurchased Shares were subsequently cancelled.

Details of the Share repurchased during the Reporting Period are as follows:

Month of repurchase during the Reporting Period	**No. of Shares repurchased**	**Highest price paid per Share** *(HK$)*	**Lowest price paid per Share** *(HK$)*	**Aggregate consideration paid** *(HK$)*
September 2024	1,552,000	1.78	1.52	2,507,030
Total	1,552,000			2,507,030

The Directors believe that such Shares repurchased will increase the net asset value per Share and/or earnings per Share and increase the long-term value to the Shareholders, which is in the interest of the Company and its Shareholders as a whole.

As at 28 February 2025, the Company did not hold any treasury shares.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange (including sale or transfer of treasury shares) during the Reporting Period.

Events After the Reporting Period

On 14 April 2025, a school operation cooperation agreement was entered into among Hainan Provincial Department of Education (海南省教育廳), Haikou Municipal People's Government (海口市人民政府), Steinbeis School for Real Estate and Management Co., Ltd. (斯泰恩拜斯大學資產與管理學院有限責任公司), and Beijing Xingaojiao Culture Development Co., Ltd.* (北京新高教文化發展有限公司), a wholly-owned subsidiary of the Company for the purpose of organizing a higher education institution with independent legal status to provide education at undergraduate level and above in the Hainan Free Trade Port. For details, please refer to the announcement of the Company dated 14 April 2025.

Save as disclosed above, there were no significant events affecting the Group which have occurred since the end of the Reporting Period and up to the date of this announcement.

Interim Results Reviewed by the Audit Committee

The audit committee of the Company (the "**Audit Committee**") has reviewed and discussed with the management of the Company in relation to the accounting principles and practices adopted by the Company, the internal controls and financial statements matters (including the unaudited interim condensed consolidated results of the Group for the six months ended 28 February 2025), and the Company's policies and practices on corporate governance. There is no disagreement by the Audit Committee with the accounting treatment adopted by the Company.

Scope of Work of the Auditor

The financial information set out in this announcement does not constitute the Group's unaudited accounts for the six months ended 28 February 2025, but represents an extract from the interim condensed consolidated financial statements for the six months ended 28 February 2025 which have been reviewed by the auditor of the Company, Ernst & Young, in accordance with Hong Kong Standard on Review Engagements 2410 issued by the Hong Kong Institute of Certified Public Accountants. The financial information has been reviewed by the Audit Committee and approved by the Board.

Publication of Interim Results and Interim Report

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.xingaojiao.com). The interim report for the six months ended 28 February 2025 containing all the information required by Appendix D2 to the Listing Rules is expected to be published on the above websites in May 2025.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 28 FEBRUARY 2025

	Notes	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
REVENUE	4	**1,412,921**	1,310,811
Cost of sales		**(868,707)**	(789,596)
Gross profit		**544,214**	521,215
Other income and gains	4	**238,429**	171,450
Selling and distribution expenses		**(24,325)**	(22,414)
Administrative expenses		**(62,901)**	(53,261)
Other expenses		**(41,156)**	(28,016)
Finance costs	5	**(59,434)**	(58,960)
PROFIT BEFORE TAX	6	**594,827**	530,014
Income tax expense	7	**(125,540)**	(98,028)
PROFIT FOR THE PERIOD		**469,287**	431,986
Attributable to:			
Owners of the parent		**469,287**	431,986
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic and diluted *(RMB)*		**0.30**	0.28

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 28 FEBRUARY 2025

	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
PROFIT FOR THE PERIOD	**469,287**	431,986
OTHER COMPREHENSIVE INCOME		
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of financial statements	**14,785**	(7,036)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**484,072**	424,950
Attributable to:		
Owners of the parent	**484,072**	424,950

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

28 FEBRUARY 2025

	Notes	**28 February 2025 (Unaudited)** *RMB'000*	31 August 2024 (Audited) *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**6,163,245**	5,949,729
Investment properties		**385,080**	393,364
Right-of-use assets		**1,232,722**	1,100,718
Goodwill		**751,505**	751,505
Other intangible assets		**93,463**	88,771
Pledged and restricted deposits		**480,000**	100,000
Other non-current assets	*10*	**146,305**	293,244
Total non-current assets		**9,252,320**	8,677,331
CURRENT ASSETS			
Trade receivables, prepayments, other receivables and other assets	*11*	**126,056**	118,244
Financial assets at fair value through profit or loss		**3,000**	–
Derivative financial instruments	*12*	**2,118**	–
Pledged and restricted deposits		**202,108**	831,389
Time deposits		**–**	10,669
Cash and cash equivalents		**522,857**	1,379,606
Total current assets		**856,139**	2,339,908
CURRENT LIABILITIES			
Contract liabilities	*13*	**1,187,694**	1,690,074
Other payables and accruals	*14*	**717,482**	953,483
Derivative financial instruments	*12*	**–**	16,169
Interest-bearing bank and other borrowings		**961,402**	1,486,108
Lease liabilities		**2,876**	4,100
Deferred income		**14,660**	15,003
Tax payable		**249,600**	168,298
Total current liabilities		**3,133,714**	4,333,235
NET CURRENT LIABILITIES		**(2,277,575)**	(1,993,327)
TOTAL ASSETS LESS CURRENT LIABILITIES		**6,974,745**	6,684,004

	Notes	28 February 2025 (Unaudited) *RMB’000*	31 August 2024 (Audited) *RMB’000*
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**1,862,779**	2,013,331
Lease liabilities		**1,350**	1,297
Deferred income		**355,560**	362,856
Deferred tax liabilities		**161,514**	194,759
Total non-current liabilities		**2,381,203**	2,572,243
Net assets		**4,593,542**	4,111,761
EQUITY			
Equity attributable to owners of the parent			
Share capital	*15*	**1,058**	1,063
Treasury shares		**–**	(8,050)
Reserves		**4,592,484**	4,118,748
Total equity		**4,593,542**	4,111,761

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

28 FEBRUARY 2025

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 28 February 2025 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 August 2024.

The Group recorded net current liabilities of RMB2,277,575,000 as at 28 February 2025 (31 August 2024: RMB1,993,327,000), which included contract liabilities of RMB1,187,694,000 as at 28 February 2025 (31 August 2024: RMB1,690,074,000).

In view of the net current liabilities position, the directors of the Company (the "**Directors**") have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. Having considered the cash inflow from operations and its available resources of financing, the Directors are of the opinion that the Group is able to meet in full its financial obligations as they fall due for the foreseeable future and it is appropriate to prepare the interim condensed consolidated financial information on a going concern basis.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 August 2024, except for the adoption of Amendments to HKFRS 16, Amendments to HKAS 1, Amendments to HKAS 7 and HKFRS 7.

Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

The Group has assessed the impact of the adoption of these new and revised standards and concluded that these new and revised standards did not have any material impact on the financial position and performance of the Group.

3. OPERATING SEGMENT INFORMATION

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

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

Geographical information

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

Information about major customers

No revenue from sales to a single customer contributed to 10% or more of the total revenue of the Group during the period.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended 28 February 2025 (Unaudited) ***RMB'000***	For the six months ended 29 February 2024 (Unaudited) *RMB'000*
Revenue from contracts with customers		
Tuition fees	**1,273,756**	1,178,207
Boarding fees	**139,165**	132,604
Total revenue	**1,412,921**	1,310,811

Revenue from contracts with customers

(i) Disaggregated revenue information

	For the six months ended 28 February 2025 (Unaudited) ***RMB'000***	For the six months ended 29 February 2024 (Unaudited) *RMB'000*
Type of services		
Education services	**1,412,921**	**1,310,811**
Geographical market		
Mainland China	**1,412,921**	**1,310,811**
Timing of revenue recognition		
Services transferred over time	**1,412,921**	**1,310,811**

	For the six months ended 28 February 2025 (Unaudited) *RMB'000*	For the six months ended 29 February 2024 (Unaudited) *RMB'000*
Other income and gains		
Service income	**83,327**	75,424
Rental income	**67,648**	65,638
Government grants	**14,124**	10,111
Bank interest income	**15,061**	9,251
Donation income *(Note (a))*	**31,641**	7,314
Foreign exchange gain	**–**	1,981
Gain on wealth investment products	**308**	713
Fair value gains *(Note (b))*	**24,428**	–
Others	**1,892**	1,018
Total other income and gains	**238,429**	171,450

Note (a): The amount primarily consists of external donations of electronic devices and software related to teaching activities to promote integration between industry and education and cooperation between enterprises and colleges.

Note (b): The amount consists of changes in the fair value of non-hedging interest rate swaps and foreign exchange options amounting to RMB18,287,000, and proceeds from settlement of interest rate swaps amounting to RMB6,141,000.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 28 February 2025 (Unaudited) *RMB'000*	For the six months ended 29 February 2024 (Unaudited) *RMB'000*
Interest on bank and other loans	**70,551**	73,979
Interest on lease liabilities	**164**	178
Total interest expense on financial liabilities not at fair value through profit or loss	**70,715**	74,157
Less: Interest capitalised	**11,281**	15,197
Total	**59,434**	58,960

6. PROFIT BEFORE TAX

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

	For the six months ended 28 February 2025 (Unaudited) *RMB'000*	For the six months ended 29 February 2024 (Unaudited) *RMB'000*
Cost of services provided	**868,707**	789,596
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	**508,471**	445,717
Pension scheme contributions (defined contribution scheme)*	**33,373**	32,535
	541,844	478,252
Depreciation of property, plant and equipment	**122,578**	116,868
Depreciation of investment properties	**4,411**	4,149
Depreciation of right-of-use assets	**21,884**	17,356
Amortisation of other intangible assets	**16,838**	13,363
Rental income	**(67,648)**	(65,638)
Bank interest income	**(15,061)**	(9,251)
Fair value (gains)/losses	**(24,428)**	1,104
Loss on disposal of items of property, plant and equipment	**2,444**	410

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

7. INCOME TAX

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

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the period.

According to the Decision of the Standing Committee of the National People's Congress on Amending the Private Schools Promotion Law, which was promulgated on 7 November 2016 (the "**2016 Decision**"), and came into force on 1 September 2017, private schools are no longer being classified as either schools for which the school sponsor(s) require reasonable returns or schools for which the school sponsor(s) do not require reasonable returns. Instead, the school sponsor(s) of a private school may choose for the school to be a for-profit private school or a non-profit private school, with the exception that schools providing nine-year compulsory education must be non-profit.

On 14 May 2021, the State Council released the Implementation Rules for the Law for Promoting Private Education of the PRC with an effective date of 1 September 2021 (the "**2021 Implementation Rules**"). The 2021 Implementation Rules are the detailed implementation rules of the Law for Promoting Private Education of the PRC. Pursuant to the 2016 Decision and the 2021 Implementation Rules, a private school may enjoy the preferential tax policies, which are not defined under the 2016 Decision nor the 2021 Implementation Rules, as stipulated by the related government authorities and a non-profit school may enjoy the same tax policies as enjoyed by a public school.

As at the date of approval of these financial statements, the Group's schools in the People's Republic of China are still in the process of classification registrations.

According to the Circular on Issues Concerning Tax Policies for the In-depth Implementation of Western Development Strategies, certain qualifying entities/schools of the Group that are located in Yunnan, Guizhou, Guangxi, Gansu, Hubei Province and the Tibet Autonomous Region engaged in the encouraged business are entitled to a preferential corporate income tax rate of 15%. Huihuang Company was subject to the PRC income tax at 9% under the Tibet Autonomous Region's preferential investment policies for the six months ended 28 February 2025. According to the Preferential Policies for Key Pilot Zone of Development and Opening Up ("重點開發開放試驗區") in Ruili City, Yunnan Province, certain subsidiaries located in Ruili are entitled to a preferential corporate income tax rate of 9%. Other entities/schools of the Group established in Mainland China are subject to corporate income tax at a rate of 25% on their respective taxable income.

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

	For the six months ended 28 February 2025 (Unaudited)	For the six months ended 29 February 2024 (Unaudited)
	RMB'000	*RMB'000*
Current		
Charge for the period	**158,785**	104,562
Deferred	**(33,245)**	(6,534)
Total tax charge for the period	**125,540**	98,028

8. DIVIDENDS

The board has resolved not to declare any interim dividend in respect of the six months ended 28 February 2025 (for the six months ended 29 February 2024: nil).

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

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent of RMB469,287,000 (for the six months ended 29 February 2024: RMB431,986,000), and the weighted average number of ordinary shares of 1,542,993,297 (for the six months ended 29 February 2024: 1,555,250,630) in issue during the period.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 28 February 2025 and the six months ended 29 February 2024 in respect of a dilution as the exercise prices of the Company's outstanding share options were higher than the average market prices for the Company's shares during the period.

10. OTHER NON-CURRENT ASSETS

	28 February 2025 (Unaudited) *RMB'000*	31 August 2024 (Audited) *RMB'000*
Prepayment for land use rights	**138,773**	262,318
Prepayment for property, plant and equipment	**7,532**	30,926
Total	**146,305**	293,244

11. TRADE RECEIVABLES, PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	28 February 2025 (Unaudited) *RMB'000*	31 August 2024 (Audited) *RMB'000*
Trade receivables	**7,093**	5,439
Less: Allowance for credit losses	**(731)**	(1,387)
Net carrying amount	**6,362**	4,052
Advance and other receivables	**78,406**	75,220
Prepaid expenses	**5,862**	7,716
Deposits and other miscellaneous receivables	**28,133**	24,767
Staff advances	**7,293**	6,489
Total	**126,056**	118,244

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

	28 February 2025 (Unaudited) *RMB'000*	31 August 2024 (Audited) *RMB'000*
Within 1 year	**4,317**	2,373
1 to 2 years	**1,643**	906
2 to 3 years	**298**	379
Over 3 years	**104**	394
Total	**6,362**	4,052

All the receivables are interest-free and not secured with collateral.

12. DERIVATIVE FINANCIAL INSTRUMENTS

	28 February 2025 (Unaudited) Assets *RMB'000*	31 August 2024 (Audited) Liabilities *RMB'000*
Interest rate swaps and foreign exchange options	**2,118**	16,169

The interest rate swaps and foreign exchange options are not designated for hedge purposes and are measured at fair value through profit or loss. Changes in the fair value of non-hedging interest rate swaps and foreign exchange options amounting to RMB18,287,000 were charged to the statement of profit or loss during the period.

13. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

	28 February 2025 (Unaudited) *RMB'000*	31 August 2024 (Audited) *RMB'000*
Tuition fees	**1,049,304**	1,479,013
Boarding fees	**138,390**	211,061
Total contract liabilities	**1,187,694**	1,690,074

Contract liabilities include short-term advances received from students in relation to the proportionate services not yet provided. The Group receives tuition and boarding fees from students in advance prior to the beginning of each academic year. Tuition and boarding fees are recognised proportionately over the relevant period of the applicable programme. Students are entitled to a refund of the payment in relation to the proportionate services not yet provided.

14. OTHER PAYABLES AND ACCRUALS

	28 February 2025 (Unaudited) *RMB'000*	31 August 2024 (Audited) *RMB'000*
Payables for purchase of property, plant and equipment	**160,116**	212,204
Dividends payable	**–**	149,304
Other payables	**121,575**	137,443
Miscellaneous expenses received from students *(Note (a))*	**116,666**	109,526
Government subsidies payable to students and teachers	**92,077**	87,090
Deposits	**61,090**	66,563
Accrued bonus and social insurance	**98,307**	121,850
Advance from lessees	**50,850**	53,943
Accrued expenses	**11,474**	11,332
Payables to cooperative schools	**5,327**	4,228
Total	**717,482**	953,483

The above balances are unsecured and non-interest-bearing. The carrying amount of other payables and accruals at the end of the period approximated to their fair value due to their short-term maturity.

Note (a): The amount represents the miscellaneous expenses received from students which will be paid the behalf of students.

15. SHARE CAPITAL

	28 February 2025	31 August 2024
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Issued and fully paid:		
1,542,734,630 (2024: 1,549,622,630) ordinary shares	**1,058**	1,063

A summary of movements in the Company's issued capital is as follows:

	Number of shares	**Amount** *USD'000*	**Amount** *RMB'000 equivalent*
Registered:			
Issued and fully paid:			
At 1 September 2023	1,555,250,630	155	1,067
Shares repurchased	(5,628,000)	(1)	(4)
At 31 August 2024	1,549,622,630	154	1,063
Shares repurchased	(1,552,000)	–	(1)
Shares cancelled	(5,336,000)	–	(4)
At 28 February 2025	1,542,734,630	154	1,058

16. EVENTS AFTER THE REPORTING PERIOD

On 14 April 2025, a school operation cooperation agreement was entered into among (i) Hainan Provincial Department of Education; (ii) Haikou Municipal People's Government; (iii) Steinbeis School for Real Estate and Management Co., Ltd.; and (iv) Beijing Xingaojiao Culture Development Co., Ltd., a wholly-owned subsidiary of the Company (the "**Cooperation Agreement**") for the purpose of organizing a higher education institution with independent legal status to provide education at undergraduate level and above in the Hainan Free Trade Port.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

"Bei Ai Company"	Beijing Aiyinsheng Education Investment Co., Ltd.* (北京愛因生教育投資有限責任公司), a limited liability company established under the laws of the PRC on 16 October 2012, and wholly owned by Yun Ai Group. Bei Ai Company is the sole sponsor of Gansu School
"Beijing Daai Gaoxue"	Beijing Daai Gaoxue Education Technology Co., Ltd.* (北京大愛高學教育科技有限公司), a limited liability company established in the PRC on 23 March 2018. It is wholly owned by Yun Ai Group
"Board" or "Board of Directors"	the board of Directors of the Company
"Business Cooperation Agreement (2019)"	the business cooperation agreement entered into by and among Huihuang Company, the PRC Consolidated Affiliated Entities and the Registered Shareholders
"Central China School"	Hubei Enshi College (湖北恩施學院), formerly known as Science and Technology College of Hubei Minzu University* (湖北民族大學科技學院), an institution of higher education established under the laws of the PRC in 2003. Central China School is a consolidated affiliated entity of the Company
"China" or "PRC"	the People's Republic of China excluding for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan
"Company"	China New Higher Education Group Limited (中國新高教集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 8 July 2016
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules

"Director(s)"	the directors of the Company
"Directors' Powers of Attorney (2019)"	the school directors' power of attorney to be executed by each of the directors of each PRC Operating Schools
"Enchang Company"	Enshi Autonomous Prefecture Changqing Education Development Co., Ltd.* (恩施自治州常青教育發展有限責任公司), a limited liability company established under the laws of the PRC on 13 November 2014. It is wholly owned by Yun Ai Group. Enchang Company is the sole sponsor of Central China School
"Equity Pledge Agreement (2019)"	the equity pledge agreement entered into by and among the Registered Shareholders, Yun Ai Group, Huihuang Company and other parties
"Exclusive Call Option Agreement (2019)"	the exclusive call option agreement entered into by and among Huihuang Company, the PRC Consolidated Affiliated Entities and the Registered Shareholders
"Exclusive Technical Service and Management Consultancy Agreement (2019)"	the exclusive technical service and management consultancy agreement entered into by and among Huihuang Company and the PRC Consolidated Affiliated Entities
"Gansu School"	Lanzhou College of Information Science and Technology (蘭州信息科技學院), formerly known as College of Technology and Engineering of Lanzhou University of Technology* (蘭州理工大學技術工程學院), an institution of higher education established under the laws of the PRC in 2004. Gansu School is a consolidated affiliated entity of the Company
"Group", "we" or "us"	the Company, its subsidiaries, the PRC Operating Schools and the consolidated affiliated entities from time to time, or, where the context so requires in respect of the period before the Company became the holding company of the present subsidiaries, the entities which carried on the business of the present Group at the relevant time

"Guangxi Schools"	together, Guangxi Yinghua International Occupation College* (廣西英華國際職業學院), Guangxi Qinzhou Yinghua International Occupation and Technology School* (廣西欽州英華國際職業技術學校) and Guangxi Yinghua International Occupation Middle School* (廣西英華國際職業學院附屬中學). Guangxi Schools are consolidated affiliated entities of the Company
"Guizhou School"	Guizhou Technology and Business Institute* (貴州工商職業學院), a private institution of formal higher education established under the laws of the PRC on 3 July 2012 and a consolidated affiliated entity of the Company
"Haxuan Company"	Harbin Xuande Technology Co., Ltd.* (哈爾濱軒德科技有限公司), a limited liability company established under the laws of the PRC on 19 April 2016. Haxuan Company is the sole sponsor of the Northeast School
"Henan Rongyu"	Henan Rongyu Education Consulting Co., Ltd.* (河南榮豫教育諮詢有限公司), a limited liability company established in the PRC on 2 March 2017, and wholly-owned by Beijing Daai Gaoxue. Henan Rongyu is the sole sponsor of the Luoyang School
"HK$" or "HKD"	Hong Kong dollars, the lawful currency for the time being of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Huihuang Company"	Tibet Daai Huihuang Information and Technology Co., Ltd.* (西藏大愛輝煌信息科技有限公司), a limited liability company established under the laws of the PRC on 5 August 2016, which is a wholly owned subsidiary of the Group
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time

"Loan Agreement (2019)"	a loan agreement entered into by and among Huihuang Company, the PRC Operating Schools and Yun Ai Group
"Luoyang School"	Luoyang Science and Technology Vocational College* (洛陽科技職業學院), a private institution of formal higher education established under the laws of the PRC in June 2013. Luoyang School is a consolidated affiliated entity of the Company
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"Mr. Li"	Mr. Li Xiaoxuan (李孝軒), the founder, one of the Controlling Shareholders of the Company, chairman of the Board and an executive Director
"Northeast School"	Harbin Huade University* (哈爾濱華德學院), a private institute of higher education established under the laws of the PRC in 2004. Northeast School is a consolidated affiliated entity of the Company
"PRC Consolidated Affiliated Entities"	namely, the School Sponsors and the PRC Operating Schools, each a consolidated affiliated entity of the Company and other investment holding companies which were consolidated to the Group by virtue of the Structured Contracts, as amended from time to time
"PRC Legal Advisors"	Commerce & Finance Law Offices, the Company's legal advisors as to PRC Laws
"PRC Operating Schools"	the consolidated affiliated entities, namely, Yunnan School, Guizhou School, Gansu School, Luoyang School, Northeast School, Guangxi Schools, Central China School and Zhengzhou School and other schools which were consolidated to the Group by virtue of the Structured Contracts
"Qinzhou Yinghua"	Qinzhou Yinghua Datang Education Investment Company Limited* (欽州英華大唐教育投資有限公司), a limited liability company established under the laws of the PRC on 25 August 2017 and wholly owned by Songming Xinju. Qinzhou Yinghua is the sole sponsor of the Guangxi Schools

"Registered Shareholders"	Kunming Paiduipai Economic Information Consultancy Co., Ltd., Kunming Bamupu Technology Co., Ltd., Songming Dexue and Songming Zhongyi Enterprise Management and Consulting Services Co., Ltd.
"Reporting Period"	the six months ended 28 February 2025
"RMB" or "Renminbi"	Renminbi, the lawful currency for the time being of the PRC
"School Sponsors"	the current school sponsors, Yun Ai Group, Henan Rongyu, Haxuan Company, Qinzhou Yinghua, Enchang Company, Zhengzhou New Higher Education, Bei Ai Company, and other school sponsors which were consolidated to the Group by virtue of the Structured Contracts
"School Sponsors' and Directors' Rights Entrustment Agreement (2019)"	the school sponsors' and directors' rights entrustment agreement entered into by and among School Sponsors, the PRC Operating Schools, the relevant directors appointed by the School Sponsors and Huihuang Company
"School Sponsors' Powers of Attorney (2019)"	the school sponsors' power of attorney executed by the School Sponsors in favor of Huihuang Company
"Share(s)"	ordinary share(s) of US$0.0001 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Shareholders' Powers of Attorney (2019)"	the shareholders' power of attorney executed by the Registered Shareholders and Yun Ai Group and other shareholders which were consolidated to the Group by virtue of the Structured Contracts in favor of Huihuang Company
"Shareholders' Rights Entrustment Agreement (2019)"	the shareholders' rights entrustment agreement entered into by and among the Registered Shareholders, the School Sponsors and Huihuang Company
"Songming Dexue"	Songming Dexue Education Development Co., Ltd.* (嵩明德學教育發展有限公司), a limited liability company established under the laws of the PRC on 17 April 2019 and wholly owned by Mr. Li. Songming Dexue is one of the Registered Shareholders and owns 70.8305% equity interest of Yun Ai Group

"Spouse's Undertakings (2019)"	the spouse undertakings executed by Ms. Yang Xuqing (楊旭青), the spouse of Mr. Li
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Structured Contracts"	collectively, the Business Cooperation Agreement (2019), the Exclusive Technical Service and Management Consultancy Agreement (2019), the Exclusive Call Option Agreement (2019), the Equity Pledge Agreement (2019), the Shareholders' Rights Entrustment Agreement (2019), the School Sponsors' and Directors' Rights Entrustment Agreement (2019), the School Sponsors' Powers of Attorney (2019), the Directors' Powers of Attorney (2019), the Shareholders' Powers of Attorney (2019), the Loan Agreement (2019) and the Spouse's Undertakings (2019), and the various agreements entered into their connection, further details of which are set out in the announcements of the Company dated 26 August 2019, 6 December 2019, 8 May 2020, 29 July 2020, 27 August 2020, 4 February 2021, 20 April 2021, 25 May 2021, 28 September 2021 and 19 November 2021, respectively
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"USD" or "US$"	United States dollars, the lawful currency of the United States
"Yun Ai Group"	Yunnan Einsun Education Investment Group Co., Ltd.* (雲南愛因森教育投資集團有限公司), a limited liability company established under the laws of the PRC on 19 September 2005, which is owned as to 20.0568% by Kunming Paiduipai Economic Information Consultancy Co., Ltd., 5.7305% by Kunming Bamupu Technology Co., Ltd., 70.8305% by Songming Dexue and 3.3822% by Songming Zhongyi Enterprise Management and Consulting Services Co., Ltd. and the sole sponsor of Yunnan School and Guizhou School

"Yunnan School"	Yunnan Technology and Business University* (雲南工商學院) (formerly known as Yunnan Einsun Software Vocational College* (雲南愛因森軟件職業學院) ("**Software College**")), a private institution of formal higher education established under the laws of the PRC in 2005 and a consolidated affiliated entity of the Company
"Zhengzhou New Higher Education"	Zhengzhou New Higher Education Technology Limited* (鄭州新高教教育科技有限公司), a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of Yun Ai Group and the sole sponsor of Zhengzhou School
"Zhengzhou School"	Zhengzhou City Vocational College* (鄭州城市職業學院), a private higher vocational college located in Zhengzhou, Henan Province, the PRC and a consolidated affiliated entity of the Company
"%"	percent

If there is any inconsistency between the Chinese names of entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail. The English translation of company or entity names in Chinese marked with "" is for identification purpose only.*

By order of the Board of
China New Higher Education Group Limited
Li Xiaoxuan
Chairman

Hong Kong, 24 April 2025

As at the date of this announcement, the executive Directors are Mr. Li Xiaoxuan, Mr. Zhao Shuai and Mr. Chan Tung Hoi; and the independent non-executive Directors are Mr. Kwong Wai Sun Wilson, Dr. Pang Tsz Kit Peter and Ms. Wong Ka Ki Ada.