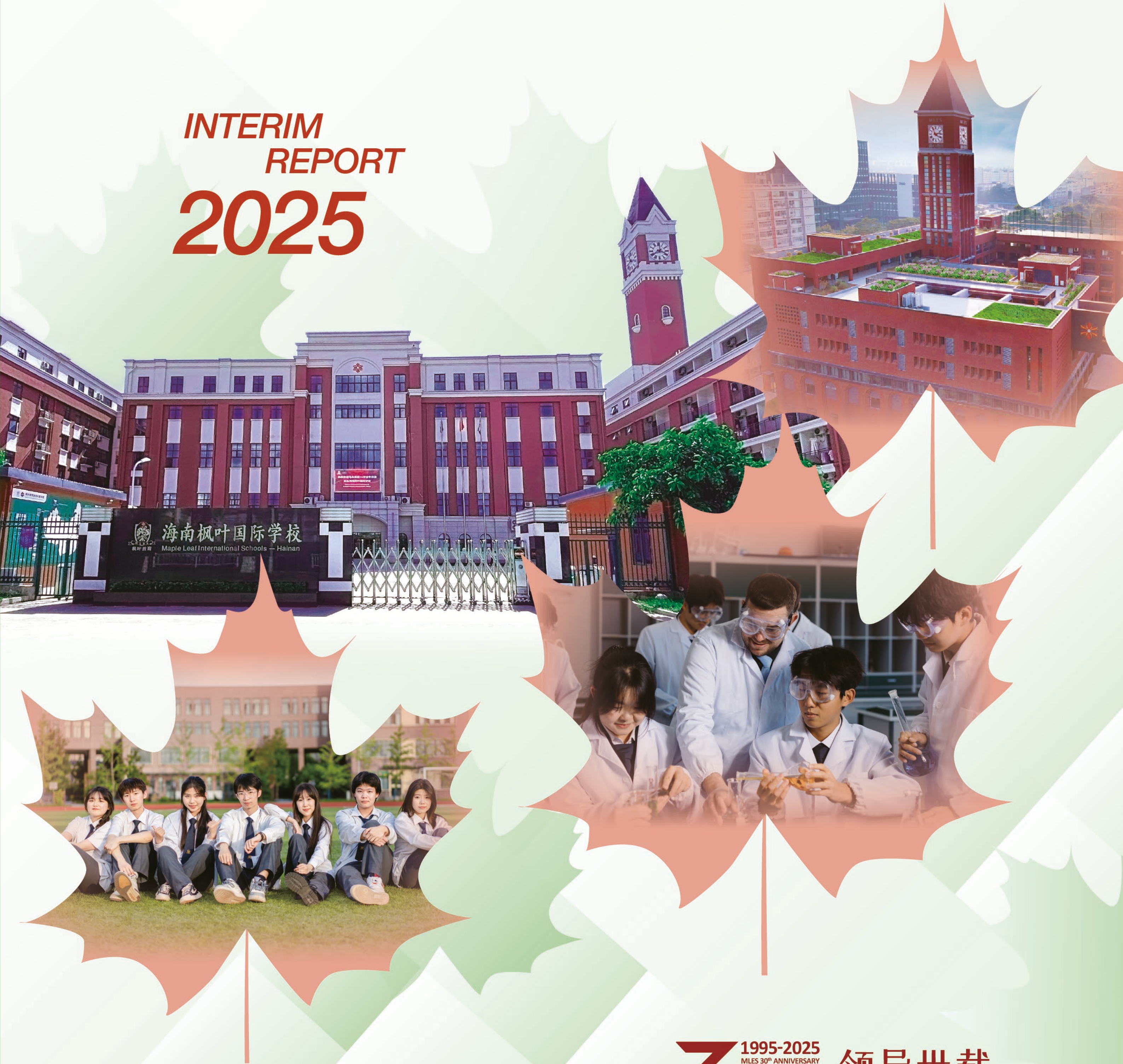
China Maple Leaf Educational Systems Limited
中國楓葉教育集團有限公司*

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

# INTERIM REPORT 2025

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LEADING EDUCATIONAL INNOVATION

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**CHINA MAPLE LEAF EDUCATIONAL SYSTEMS LIMITED**
2025 INTERIM REPORT



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. Shu Liang Sherman Jen
*(Chairman and Chief Executive Officer ("**CEO**"))*
Mr. King Pak Lau
*(Co-Chief Financial Officer ("**Co-CFO**"))*
Mr. James William Beeke

### Non-executive Director

Dr. Kem Hussain

### Independent Non-executive Directors

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

## AUDIT COMMITTEE

Mr. Ming Sang Chow *(Chairman)*
Mr. Peter Humphrey Owen
Ms. Wai Fong Wong

## REMUNERATION COMMITTEE

Mr. Peter Humphrey Owen *(Chairman)*
Mr. James William Beeke
Ms. Wai Fong Wong

## NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

Mr. Shu Liang Sherman Jen *(Chairman)*
Mr. Peter Humphrey Owen
Ms. Wai Fong Wong

## COMPANY SECRETARY

Ms. Shu Ling Jen

## AUTHORIZED REPRESENTATIVES

Mr. King Pak Lau
Ms. Shu Ling Jen

## AUDITORS

Moore CPA Limited
*Certified Public Accountants*

## LEGAL ADVISORS

**As to Hong Kong law**
LCH Lawyers LLP

**As to PRC law**
Jingtian & Gongcheng

**As to Cayman Islands law**
Maples and Calder (Hong Kong) LLP

# CORPORATE INFORMATION

## REGISTERED OFFICE

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

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN CHINA

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Baolong Street, Longgang District
Shenzhen, Guangdong Province 518116
China

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

## HONG KONG BRANCH SHARE REGISTRAR

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

## STOCK CODE

1317

## COMPANY WEBSITE

www.mapleleaf.cn

# CORPORATE PROFILE

## CORPORATE PROFILE

With over 30 years of experience in operating international schools in the People's Republic of China (the "**PRC**" or "**China**"), the Group is one of the leading international school operators in China in terms of student enrolment, offering high-quality and bilingual education, combining the merits of both Western and Eastern educational philosophies. We also operate international schools in Malaysia and Singapore.

Maple Leaf World School Program ("**World School Program**" or "**MLWSP**") is the first international program with oriental cultural characteristics in the world. It cooperates with two of the world's largest educational institutions, benchmarked by ECCTIS and accredited by Cognia. ECCTIS has completed the benchmarking of the World School Program which marks that World School Program has become a globally certified course after A-Level and International Baccalaureate (the "**IB**") programs, and has filled the gap in China's international education program.

Our overseas school, Kingsley International School ("**KIS**") offers A-Level program from preschool to Year 12 students ("**K-12**") in Malaysia. KIS targets mainly local students as well as international students primarily from Asian countries. Canadian International School ("**CIS**") offers IB curriculum for K-12 students in Singapore. CIS is one of the largest for-profit premium international schools in Singapore in terms of revenue and student enrolment, and targets expatriate families employed in Singapore, especially those from the United States of America (the "**United States**" or "**US**"), India and other Asian countries. CIS is well known for its highly acclaimed bilingual English/Chinese program where students are fully immersed culturally and taught by qualified native English speakers who are also IB certified. As at 28 February 2025, the Group employed 256 IB certified teachers (as at 29 February 2024: 279 IB certified teachers).

# FINANCIAL AND OPERATIONAL HIGHLIGHTS

## RESULTS

| | Six months ended 28 February 2025 RMB'000 (Unaudited) | Six months ended 29 February 2024 RMB'000 (Unaudited) | Change RMB'000 | Percentage change |
|---|---|---|---|---|
| Revenue | **633,904** | 657,987 | (24,083) | -3.7% |
| PRC | **237,354** | 237,474 | (120) | -0.1% |
| Overseas | **396,550** | 420,513 | (23,963) | -5.7% |
| Gross profit | **328,123** | 331,626 | (3,503) | -1.1% |
| Profit/(loss) for the period | **117,380** | (42,232) | 159,612 | +377.9% |
| EBITDA (Non-IFRS measure)# | **280,422** | 221,199 | 59,223 | +26.8% |
| Adjusted EBITDA (Non-IFRS measure)# | **281,188** | 249,379 | 31,809 | +12.8% |
| **Profitability Margins** | | | | |
| Gross profit margin | **51.8%** | 50.4% | +1.4% | +2.8% |
| Net profit/(loss) margin | **18.5%** | -6.4% | +24.9% | +389.1% |
| EBITDA margin | **44.2%** | 33.6% | +10.6% | +31.5% |
| Adjusted EBITDA margin | **44.4%** | 37.9% | +6.5% | +17.2% |
| **Earnings/(loss) per share (RMB cents)** | | | | |
| Basic | **3.96** | -1.42 | +5.38 | +378.9% |
| Diluted | **3.96** | -1.42 | +5.38 | +378.9% |

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

## CALCULATION OF EBITDA AND ADJUSTED EBITDA

The following table reconciles profit/(loss) for the period to EBITDA and adjusted EBITDA for both periods:

| | Six months ended 28 February 2025 RMB'000 | Six months ended 29 February 2024 RMB'000 |
|---|---|---|
| **Profit/(loss) for the period** | **117,380** | (42,232) |
| Add: | | |
| Finance costs | **55,374** | 146,876 |
| Taxation | **29,258** | 30,532 |
| Depreciation of property, plant and equipment | **55,306** | 54,323 |
| Amortisation of other intangible assets (included in cost of revenue) | **17,613** | 25,217 |
| Depreciation of right-of-use assets | **3,524** | 3,952 |
| Depreciation of investment properties | **1,945** | 2,514 |
| Amortisation of books for lease | **22** | 17 |
| **EBITDA** | **280,422** | 221,199 |
| Add: | | |
| Change in fair value of the convertible bonds *(Note 1)* | **–** | 28,174 |
| Share-based payments *(Note 2)* | **766** | 6 |
| **Adjusted EBITDA** | **281,188** | 249,379 |

# FINANCIAL AND OPERATIONAL HIGHLIGHTS

*Notes:*

1. *Change in fair value of the convertible bonds is measured at fair value through profit or loss, which is non-cash in nature and non-indicative to the Group's operating performances.*

2. *Share-based payments recognised for share options granted to directors and employees are non-cash in nature and non-indicative to the Group's operating performances.*

## Non-IFRS measures

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

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

## OPERATIONAL DATA

| | As at the end of | | | |
|---|---|---|---|---|
| | **28 February** | 29 February | | |
| | **2025** | 2024 | **Change** | **Percentage Change** |
| Total student enrolment | **8,709** | 9,475 | -766 | -8.1% |
| PRC | **4,631** | 5,006 | -375 | -7.5% |
| Overseas | **4,078** | 4,469 | -391 | -8.7% |
| Total number of schools | **28** | 31 | -3 | -9.7% |
| PRC | **20** | 22 | -2 | -9.1% |
| Overseas | **8** | 9 | -1 | -11.1% |

# MANAGEMENT DISCUSSION AND ANALYSIS

## The Group's Market Position

With over 30 years of experience in operating international schools in China, the Group is one of the leading international school operators in China in terms of student enrolment, offering high-quality and bilingual education, combining the merits of both Western and Eastern educational philosophies. We also operate international schools in Malaysia and Singapore.

World School Program is the first international program with oriental cultural characteristics in the world. It cooperates with two of the world's largest educational institutions, benchmarked by ECCTIS, and accredited by Cognia. ECCTIS has completed the benchmarking of the World School Program which marks that the World School Program has become a globally certified course after A-Level and IB programs and has filled the gap in China's international education program.

World School Program is in line with the national strategy in education, namely, Opinions of eight government departments including the Ministry of Education on accelerating and expanding the opening-up of education in the new era* (《教育部等八部門關於加快和擴大新時代教育對外開放的意見》) (the "**Opinion**") issued by the Ministry of Education in June 2020. In the Opinion, it is clearly proposed to establish an upgraded version of the educational action along "Belt and Road". In particular, it is determined to establish an international curriculum development and promotion system with Chinese characteristics at national level.

Our high schools in China have provided World School Program since the commencement of the 2020/2021 school year. The unique programs and systems are designed to cultivate elite talents with a global perspective and proficiency in Chinese culture and wisdom. The combination of "Chinese language curriculum" and "English academic curriculum" is a set of "curricula for Chinese plus high school subjects" which happens to be suitable for international students in China and students around the globe preparing for undergraduate study in China from a multi-dimensional perspective.

The Group relocated its headquarters to Shenzhen in March 2021. Shenzhen headquarters was officially launched at the commencement of 2022/2023 school year. The relocation of the Group's headquarters to Shenzhen is a strategic move intended to bolster the Group's further development and ensure the success of the Group's sixth five-year plan (from 2020/2021 to 2024/2025 school years) (the "**Sixth Five-Year Plan**") and strengthen its ability to recruit and retain talents for its expansions in China and overseas. Moreover, the new headquarters will increase the brand awareness of the "Maple Leaf" brand and accelerate our business development in first-tier cities in China, especially in the Greater Bay Area.

Our overseas school, KIS, offers A-Level program to K-12 students in Malaysia. KIS targets mainly local as well as international students primarily from Asian countries. CIS offers IB curriculum for K-12 students in Singapore. CIS is one of the largest for-profit premium international schools in Singapore in terms of revenue and student enrolment, and targets expatriate families employed in Singapore, especially those from the United States, India and other Asian countries. CIS is well known for its highly acclaimed bilingual English/Chinese program where students are fully immersed culturally and taught by qualified native English speakers who are also IB certified.

# MANAGEMENT DISCUSSION AND ANALYSIS

## University Placements

The quality of Maple Leaf education is reflected in the achievements of our students. For the six months ended 28 February 2025, 662 Maple Leaf high school students of the class of 2025 ("**Class 2025 Students**") received over 2,087 offer letters from universities in 12 countries. Moreover, 40 of our Class 2025 Students received offer letters from Quacquarelli Symonds ("**QS**") Top 10 universities including prestigious University College London and Imperial College London in the United Kingdom. In addition, 562 students, representing approximately 82.9% of our Class 2025 Students, received at least one offer letter from the Maple Leaf Educational Systems Global Top 100 universities.

In April 2023, the Group entered into an agreement with Arizona State University ("**ASU**") in the United States to facilitate ASU's delivery of two first-year higher education experiences, including the New College of Interdisciplinary Arts and Sciences, focusing on Humanities, Mathematics and Sciences, for Maple Leaf graduates in the PRC (the "**1+3 Program ASU**"). In October 2024, the Group entered into an agreement with University of Alberta ("**UA**") in Canada to facilitate UA's delivery of first-year higher education experience for Maple Leaf graduates in the PRC (the "**1+3 Program UA**", together with the 1+3 Program ASU, collectively the "**1+3 Programs**"). The 1+3 Programs were welcomed by Maple Leaf graduates. As at the date of this report, the 1+3 Programs have enrolled about 83 Maple Leaf graduates for the 2025/2026 school year.

In order to provide Maple Leaf graduates with a wider range of further education opportunities, the Group has entered into cooperation agreements with more than 23 well-known domestic universities, such as the Beijing Foreign Studies University, Central University of Finance and Economics, and Southwest University of Political Science & Law, etc. These universities offer programs in various disciplines in cooperation with overseas universities. We will continue to increase cooperation with Chinese domestic universities and offer a variety of options to our high school graduates. Since then, Maple Leaf has been offering domestic and international "Dual Graduation Exit" to our high school students for pursuing higher education.

Maple Leaf maintains long-term relationships with a significant number of universities and colleges around the world. Various universities and colleges have memoranda of understanding with us to facilitate the admission process for our high school graduates. Our Group provides consulting services to assist our students in making informed decisions about the universities and colleges they choose to attend. Maple Leaf has held annual university and college recruitment fairs on our campuses since November 2005. In addition, we assist our students with respect to admissions, visas and scholarships, preparing them to study abroad. We believe that our services ensure a smooth transition for our students from our high schools to higher education.

The Group officially launched Honorary Zhou Enlai class* (榮譽周恩來班) ("**Honorary Class**") in the PRC since February 2024 aiming to enhance the competitiveness of Maple Leaf brand and nurture elite talents. This program customised a high-end high school curriculum presenting Maple Leaf graduates a smooth pathway to the world's leading universities, such as University of Oxford and University of Cambridge in the United Kingdom; Harvard University and Yales University in the United States; and Tsinghua University, Peking University and University of Hong Kong in China. The first cohort of Honorary Class will graduate at the end of 2026/2027 school year. To ensure the success of the program, an advisory committee, an admission committee and an execution team, consisting experienced global educational experts and senior managements, including chairman of the Board, superintendent of MLWSP and principals, etc, have been established.

# MANAGEMENT DISCUSSION AND ANALYSIS

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

On 14 May 2021, the PRC State Council announced the Regulations for the Implementation of the Private Education Promotion Law of the People's Republic of China* (《中華人民共和國民辦教育促進法實施條例》) (the "**Implementation Regulations**"), which came into effect on 1 September 2021.

The restrictions in the Implementation Regulations touch on the prohibition of foreign participation in private schools that provide compulsory education and not-for-profit preschools by means of mergers and acquisitions, contractual arrangements and related party transactions.

The Implementation Regulations impose significant uncertainties and restrictions on the Group's control over the affiliated entities operating private schools offering compulsory education and not-for-profit preschools in the PRC. As local governments have not yet issued corresponding classifications management regulations and rules for the Implementation Regulations, there are uncertainties concerning the validity and enforceability of the contractual arrangements between the Group and the private schools that provide compulsory education consisting of six years of primary school education and three years of middle school education to PRC residents and not-for-profit schools that provide preschool education in the PRC (the "**Affected Schools**") and therefore it could not be concluded that they are legally binding and enforceable upon the Implementation Regulations becoming effective on 1 September 2021. Consequently, the Affected Schools were deconsolidated from the consolidated financial statements of the Company for the year ended 31 August 2021. Please refer to the 2021 annual report of the Company for further details of the deconsolidation of the Affected Schools. The Group has determined to take measures to optimise its operating structure to mitigate the impact of the Implementation Regulations. Such measures include, among others, transferring current students from high schools which are under the same operating licences with private schools providing compulsory education and/or not-for-profit preschools in the PRC (the "**Mixed High Schools**") to high schools that have their own operating licences in the PRC (the "**Independent High Schools**") and making registration and filings with the relevant local government departments in the PRC for individual operating licences for the eight Mixed High Schools.

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Group offers high-quality and bilingual education in the PRC under Maple Leaf brand and in Asia Pacific countries under CIS and KIS brands. In addition to the provision of academic education service, we also develop education industry chain business including, sales of ancillary products and provision of catering service to our students.

### Student Enrolment

| | At 28 February 2025 | % of Total | At 29 February 2024 | % of Total |
|---|---|---|---|---|
| **PRC** | | | | |
| High schools | **3,058** | **35.1** | 3,071 | 32.4 |
| Preschools | **1,225** | **14.1** | 1,588 | 16.8 |
| Foreign national schools | **348** | **4.0** | 347 | 3.6 |
| | **4,631** | **53.2** | 5,006 | 52.8 |
| **Overseas** | | | | |
| High schools | **741** | **8.5** | 746 | 7.9 |
| Middle schools | **1,362** | **15.6** | 1,279 | 13.5 |
| Elementary schools | **1,709** | **19.6** | 2,028 | 21.4 |
| Preschools | **266** | **3.1** | 416 | 4.4 |
| | **4,078** | **46.8** | 4,469 | 47.2 |
| Total number of students enrolled | **8,709** | **100.0** | 9,475 | 100 |

The total number of students enrolled decreased by 766 or 8.1% from 9,475 as at 29 February 2024 to 8,709 as at 28 February 2025, which was primarily due to the decrease in number of preschool and elementary school students in both the PRC and overseas as a result of declining birth rate and number of school-age children.

# MANAGEMENT DISCUSSION AND ANALYSIS

## The Group's Schools

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

| | At 28 February 2025 | At 29 February 2024 |
|---|---|---|
| **PRC** | | |
| High schools | 7 | 7 |
| Preschools | 10 | 12 |
| Foreign national schools | 3 | 3 |
| | 20 | 22 |
| **Overseas** | | |
| High schools | 2 | 3 |
| Middle schools | 2 | 2 |
| Elementary schools | 2 | 2 |
| Preschools | 2 | 2 |
| | 8 | 9 |
| **Total** | 28 | 31 |

During the period ended 28 February 2025, one preschool in Dalian, Liaoning province and one preschool in Weifang, Shandong province, in the PRC were closed, and one high school in Canada ceased operation.

The Group has no intention to re-open the suspended overseas schools as we foresee the market conditions and visa policies in Canada and Australia are still uncertain in the coming one or two years.

## The Group's Teachers

Teachers are the key to maintaining high-quality educational programs and services as well as maintaining our brand and reputation. Our globally certified teachers form a core group within our teaching staff, allowing us to maintain the quality of our educational services. Our Group has established a global recruitment office (the "**Global Recruitment Office**") to recruit high school foreign teachers and English as a second language ("**ESL**") foreign teachers worldwide.

The Group has forged strategic cooperation with UA in Canada and University of South Australia in Australia. Every year, a certain number of outstanding Maple Leaf STEM (Science, Technology, Engineering and Mathematics) graduates are selected to major in pedagogy in these universities, who will return to Maple Leaf to teach after obtaining overseas teacher certification and receive the same benefit as a foreign teacher. In addition, Maple Leaf provides internships and job opportunities for outstanding graduates majoring in pedagogy from these universities.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FUTURE DEVELOPMENT

Following the promulgation of the Implementation Regulations, Maple Leaf has adjusted its development strategy from the pyramid structure to inverted pyramid structure and our high schools carry on a dual development scheme in China. We will focus on the development of high schools providing World School Program, with moderate development of regular high schools whereby students are sitting for the National College Entrance Examination ("**Gaokao**").

In addition to providing the academic education services, the Group also plans to further develop education industry chain business which previously provided services only to Maple Leaf students internally. We plan to offer professional catering services for universities, boarding schools, institutions, and corporate canteens. The Group launched canteens which have provided dine-in and take-away catering services to the public since June 2023 in Shenzhen and Inner Mongolia, the PRC. These are all-round catering services customized for small group meals and we plan to develop them to become a catering service platform serving tens of thousands of urban citizens in the future. We strive to forge the Maple Leaf brand into a professional catering brand and generate additional income for the Group.

### Standard Implementation Strategy

Under the Standard Implementation Strategy, the Group launched the World School Program, China's first internationally accredited curriculum with self-developed intellectual property, at the commencement of 2020/2021 school year. The World School Program was developed by Maple Leaf curriculum experts and meets high academic and curriculum standards, which get students well equipped for entering into the world's top ranked universities. The World School Program was benchmarked by ECCTIS and has acquired accreditation from Cognia – two of the world's most recognised certification institutions – providing further assurance that Maple Leaf graduates will be able to transit to universities across the globe seamlessly.

In June 2024, ECCTIS completed a thorough review of the Grade 10 to 12 of MLWSP. According to the overall conclusion, holders of the MLWSP Grade 12 diploma may be considered to meet the general entry requirements of undergraduate admission in the United Kingdom, Canada, and the US. Therefore, the World School Program has become globally certified course after A-Level and IB programs and has filled the gap in China's international education program.

After the completion of the benchmarking of the MLWSP, our Group set up an authorisation office to develop external schools which are authorised to offer MLWSP. For the six months ended 28 February 2025, a Turkish school implemented MLWSP, a school in Jiangsu province, China and a school in Henan province, China have applied and implemented ESL curriculum.

### Overseas Expansion

Overseas expansion is an important part of the Group's long-term growth strategy. The Group believes that a global presence of Maple Leaf branded schools will help the Group's student recruitment in China as Chinese parents recognise that Maple Leaf is able to offer a broader array of educational opportunities for their children. In fact, the demand for bilingual English and Chinese education is growing not only in China but also along the Belt and Road countries and the World, for instance, Southeast Asia, and North America. Accordingly, the Group believes that with its unique advantages in having both English and Chinese curricula, and both ESL and Chinese as a second language ("**CSL**") curricula, it is precisely positioned to meet the demand for quality international preschool to grade 12 education along the Belt and Road countries, where there is a demand for blending the best of Western and Eastern cultures. The Group will further expand its school network under the brand of CIS and KIS in the Southeast Asian countries.

Chinese Testing International Company Limited* ("**CTI**", 漢考國際教育科技（北京）有限公司) authorised Maple Leaf to establish Chinese learning and testing centre globally in May 2024. Maple Leaf series of Chinese textbooks have been renamed as "K12 Standard Chinese" and published by Beijing Language and Culture University Press ("**BLCUP**" 北京語言大學出版社). In light of the above, the Group started to operate a Chinese learning and testing centre in the campus of Kwantlen Polytechnic University, Canada at the beginning of the 2024/2025 school year. This will further enhance and strengthen the Group's status and reputation in the field of Chinese language education and contribute to the international Chinese language education of the PRC.

* *For identification purposes only*

# MANAGEMENT DISCUSSION AND ANALYSIS

### Conclusion

The Group will continue to adopt multiple expansion strategies including, but not limited to, increasing our student enrolment, increasing tuition fee rate, increasing our authorised schools, acquiring schools with synergy to the Group, and expanding our established schools to achieve the growth targets in both China and overseas.

## FINANCIAL REVIEW

### Overview

The revenue of the Group was RMB633.9 million and RMB658.0 million for the six months ended 28 February 2025 and 29 February 2024 respectively. The profit for the six months ended 28 February 2025 was RMB117.4 million and the loss for the six months ended 29 February 2024 was RMB42.2 million.

### Revenue

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

The total revenue of the Group decreased by RMB24.1 million, or 3.7%, from RMB658.0 million for the six months ended 29 February 2024 to RMB633.9 million for the six months ended 28 February 2025. The decrease in revenue was primarily due to the decrease in tuition and boarding fees which remained as the principal source of revenue of the Group, in particular the decrease in the revenue contribution from the overseas operations as a result of the decrease in student enrolment in CIS. Amongst the revenue of the Group for the six months ended 28 February 2025, RMB237.4 million (approximately 37.4%) was contributed by the operations in the PRC, and RMB396.6 million (approximately 62.6%) was contributed by the overseas operations.

### Cost of Revenue

The Group's cost of revenue primarily consists of (i) staff costs; (ii) depreciation and amortisation; and (iii) other costs. Cost of revenue decreased by RMB20.6 million, or 6.3%, from RMB326.4 million for the six months ended 29 February 2024 to RMB305.8 million for the six months ended 28 February 2025. The decrease in cost of revenue was largely due to the decreases in staff costs and amortisation of other intangible assets.

### Gross Profit and Gross Profit Margin

Gross profit decreased by 1.1% from RMB331.6 million for the six months ended 29 February 2024 to RMB328.1 million for the six months ended 28 February 2025. Gross profit margin increased from 50.4% for the six months ended 29 February 2024 to 51.8% for the six months ended 28 February 2025, primarily due to good cost control by the Group.

### Investment and Other Income

Investment and other income consist mainly of (i) interest income from our bank deposits; (ii) rental income from investment properties; and (iii) government grant. Investment and other income increased by 32.2% from RMB11.8 million for the six months ended 29 February 2024 to RMB15.6 million for the six months ended 28 February 2025. Bank interest income decreased by 6.4% from RMB4.7 million for the six months ended 29 February 2024 to RMB4.4 million for the six months ended 28 February 2025 due to a decrease in deposit interest rate in general. Rental income from investment properties increased by 22.9% from RMB4.8 million for the six months ended 29 February 2024 to RMB5.9 million for the six months ended 28 February 2025 due to increase in rental rate and lease of additional properties. Government grant increased by RMB2.2 million or 137.5% from RMB1.6 million for the six months ended 29 February 2024 to RMB3.8 million for the six months ended 28 February 2025.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Other Gains and Losses

Other gains and losses consist primarily of (i) net foreign exchange gain/(loss); (ii) changes in fair value of the convertible bonds; (iii) gain on disposal of property, plant and equipment and others; and (iv) reversal of other payables. Other gains and losses changed from a loss of RMB55.5 million for the six months ended 29 February 2024 to a gain of RMB9.6 million for the six months ended 28 February 2025. Such change was mainly attributable to (i) the absence of loss arising from fair value changes of convertible bonds which was recorded during the six months ended 29 February 2024; and (ii) the change of net foreign exchange gain/(loss) from a loss of RMB31.5 million for the six months ended 29 February 2024 to a gain of RMB2.0 million for the six months ended 28 February 2025.

## Marketing Expenses

Marketing expenses consist mainly of (i) commercials and expenses for producing, printing and distributing advertising and promotional materials; and (ii) salaries and benefits for personnel engaged in selling and marketing activities. Marketing expenses decreased by 17.3% from RMB11.0 million for the six months ended 29 February 2024 to RMB9.1 million for the six months ended 28 February 2025, primarily due to the closure of the Tanjong Katong campus of CIS.

## Administrative Expenses

Administrative expenses consist primarily of (i) salaries and other benefits for general and administrative staff; (ii) depreciation of office buildings and equipment; (iii) travel expenses; (iv) employee share-based payments; and (v) professional expenses. Administrative expenses decreased by 4.1% from RMB141.7 million for the six months ended 29 February 2024 to RMB135.9 million for the six months ended 28 February 2025, mainly due to continued cost control by the Group.

## Finance Costs

For the six months ended 28 February 2025, finance costs mainly represented interest expenses for secured bank and other borrowings. Finance costs decreased from RMB146.9 million for the six months ended 29 February 2024 to RMB55.4 million for the six months ended 28 February 2025, primarily due to the decrease in interest expenses for the secured bank borrowings and the full redemption of convertible bonds in February 2024.

## Profit/(Loss) before Taxation

The Group recorded a profit before taxation of RMB146.6 million for the six months ended 28 February 2025 compared to a loss before taxation of RMB11.7 million for the six months ended 29 February 2024. Profit before taxation as a percentage of revenue was 23.1% for the six months ended 28 February 2025 and loss before taxation as a percentage of revenue of the Group was 1.8% for the six months ended 29 February 2024. The change from loss before taxation for the six months ended 29 February 2024 to profit before taxation for the six months ended 28 February 2025 is mainly due to (i) the increase in other gains and losses (from losses to gains); and (ii) the decrease in finance costs.

## Taxation

Income tax expense of the Group decreased slightly from RMB30.5 million for the six months ended 29 February 2024 to RMB29.3 million for the six months ended 28 February 2025, mainly due to the decrease in overseas enterprise income tax.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Profit/(Loss) for the Period

As a result of the above factors, the Group's results for the period changed from a loss of RMB42.2 million for the six months ended 29 February 2024 to a profit of RMB117.4 million for the six months ended 28 February 2025.

## Capital Expenditures

For the six months ended 28 February 2025, the Group paid RMB17.2 million (29 February 2024: RMB7.5 million) which primarily related to campus expansion in CIS.

## Liquidity, Financial Resources and Capital Structure

As at 28 February 2025, the Group's bank balances and cash amounted to RMB674.7 million (31 August 2024: RMB564.8 million), which were mainly denominated in RMB, Malaysian ringgit ("**MYR**") and Singapore dollars ("**SGD**").

As at 28 February 2025, the Group's secured bank and other borrowings were RMB1,566.0 million (31 August 2024: RMB1,602.4 million) which were mainly denominated in SGD and MYR, with variable interest rates with reference to Singapore Overnight Rate Average and Malaysian bank's benchmark rate. Of the Group's bank borrowings as at 28 February 2025, 4.0% (31 August 2024: 1.8%) will mature within one year or on demand and the remaining will mature after one year. These bank borrowings were secured by certain properties and shares of certain offshore entities of the Group and carried certain financial covenants.

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

## Gearing Ratio

The gearing ratio of the Group was calculated as total secured bank and other borrowings divided by total equity as at the end of the relevant financial period/year. Gearing ratio decreased from 1.03 as at 31 August 2024 to 0.97 as at 28 February 2025, primarily due to the combined effect of (i) decrease in secured bank and other borrowings by the Group; and (ii) increase in equity at end of the period.

## Foreign Exchange Exposure

The functional currency of the Company is RMB. Certain expenditures and liabilities of the Group are denominated in foreign currencies such as HKD, United States dollars ("**USD**"), Canadian dollars ("**CAD**"), MYR and SGD. As at 28 February 2025, certain bank balances and cash and liabilities were denominated in HKD, USD, CAD and SGD. The Group did not enter into any financial arrangement for hedging purposes as it is expected that its foreign exchange exposure will not be material. However, the management of the Company monitors foreign exchange exposure of the Group and will consider to hedge significant foreign currency exposure when the need arises.

## Contingent liabilities

As at 28 February 2025, the Group had no contingent liabilities.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Pledge of Assets and Charges on Group Assets

As at 28 February 2025, the Group pledged debt service reserve account, certain properties and shares of certain offshore entities of the Group to certain licenced banks for certain banking facilities. As at 28 February 2025, a bank borrowing of the Group was secured by, among others, certain fixed and floating charge and joint control and monitoring rights over cash accounts of certain subsidiaries of the Group and fixed and floating charge over all assets of certain subsidiaries of the Group.

## Future Plans for Material Investments and Capital Assets

Save as disclosed in this report, the Group does not have other plans for material investments and capital assets.

## Material Acquisition and Disposal

Save as disclosed in this report, the Group had no other material acquisition and disposal during the six months ended 28 February 2025.

## Significant Investment Held

As at 28 February 2025, no significant investment was held by the Group.

## Employee Benefits

As at 28 February 2025, the Group had 1,959 (as at 29 February 2024: 2,022) full-time employees. The Group provides external and internal training programs to its employees. The Group participates in various employee benefit plans, including provident fund, housing provident fund, medical, basic pension and unemployment benefit plans, occupational injury and maternity leave insurance. The Company also had a post-IPO share option scheme set up for its employees and other eligible persons. Salaries and other benefits of the Group's employees are generally reviewed on a regular basis in accordance with individual qualifications and performance, results and performance of the Group and relevant market conditions. Total employees' remuneration (including directors' remuneration) for the six months ended 28 February 2025 amounted to RMB257.5 million (for the six months ended 29 February 2024: RMB267.5 million).

# REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**Moore CPA Limited**
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**TO THE BOARD OF DIRECTORS OF**
**CHINA MAPLE LEAF EDUCATIONAL SYSTEMS LIMITED**
*(Incorporated in the Cayman Islands with limited liability)*

## INTRODUCTION

We have reviewed the interim financial statements of China Maple Leaf Educational Systems Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 18 to 40 which comprises the condensed consolidated statement of financial position as at 28 February 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the interim financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("**IAS 34**") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these interim financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these interim financial statements based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standards on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("**HKSRE 2410**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## OTHER MATTER

The comparative condensed consolidated interim financial statements for the six-month period ended 29 February 2024 were reviewed by another auditor who expressed an unmodified review conclusion with a paragraph of material uncertainty related to going concern on those statements on 29 April 2024.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with IAS 34.

**Moore CPA Limited**
*Certified Public Accountants*

Hong Kong, 29 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<br>28 February 2025<br>RMB'000<br>(Unaudited) | <br>29 February 2024<br>RMB'000<br>(Unaudited) |
|---|---|---|---|
| Revenue | 4 | **633,904** | 657,987 |
| Cost of revenue | | **(305,781)** | (326,361) |
| **Gross profit** | | **328,123** | 331,626 |
| Investment and other income | 5 | **15,575** | 11,823 |
| Other gains and losses | 6 | **9,568** | (55,530) |
| Impairment losses under expected credit loss model, net of reversal | | **(6,168)** | – |
| Marketing expenses | | **(9,149)** | (11,004) |
| Administrative expenses | | **(135,937)** | (141,739) |
| Finance costs | 7 | **(55,374)** | (146,876) |
| **PROFIT/(LOSS) BEFORE TAXATION** | | **146,638** | (11,700) |
| Taxation | 8 | **(29,258)** | (30,532) |
| **Profit/(loss) for the period** | 9 | **117,380** | (42,232) |
| **PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY** | | **117,380** | (42,232) |
| ***Other comprehensive expenses:*** | | | |
| *Items that may be subsequently reclassified to profit or loss:* | | | |
| Exchange differences on translation of financial statements of foreign operations | | **(46,925)** | (5,939) |
| ***Other comprehensive expenses for the period, net of tax*** | | **(46,925)** | (5,939) |
| **TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE PERIOD** | | **70,455** | (48,171) |
| **EARNINGS/(LOSS) PER SHARE (RMB cents)** | 11 | | |
| – Basic | | **3.96** | (1.42) |
| – Diluted | | **3.96** | (1.42) |

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 28 February 2025

| | Notes | 28 February 2025 RMB'000 (Unaudited) | 31 August 2024 RMB'000 (Audited) |
|---|---|---|---|
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | 12 | 2,066,875 | 2,146,794 |
| Right-of-use assets | | 88,250 | 91,897 |
| Investment properties | | 156,220 | 158,581 |
| Goodwill | 13 | 2,111,583 | 2,153,640 |
| Other intangible assets | | 724,191 | 756,530 |
| Prepayments for acquisition of property and equipment | | 2,011 | 3,995 |
| Books for lease | | – | 22 |
| Deferred tax assets | | 3,892 | 3,969 |
| | | 5,153,022 | 5,315,428 |
| **CURRENT ASSETS** | | | |
| Inventories | | 10,439 | 12,536 |
| Deposits, prepayments, trade and other receivables | 14 | 60,261 | 47,453 |
| Financial assets at fair value through profit or loss | | 11,154 | 49,435 |
| Amounts due from related parties | 20 | 147,126 | 179,712 |
| Pledged bank deposits | | 31,816 | 32,328 |
| Bank balances and cash | | 674,708 | 564,788 |
| | | 935,504 | 886,252 |
| **CURRENT LIABILITIES** | | | |
| Contract liabilities | 15 | 389,000 | 482,164 |
| Other payables and accrued expenses | 16 | 211,898 | 231,814 |
| Lease liabilities | | 4,189 | 4,326 |
| Income tax payable | | 78,164 | 85,698 |
| Bank and other borrowings | 17 | 63,204 | 28,624 |
| Amounts due to related parties | 20 | 650,090 | 625,289 |
| | | 1,396,545 | 1,457,915 |
| **NET CURRENT LIABILITIES** | | (461,041) | (571,663) |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 4,691,981 | 4,743,765 |

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 28 February 2025

| | Notes | 28 February 2025 RMB'000 (Unaudited) | 31 August 2024 RMB'000 (Audited) |
|---|---|---|---|
| **NON-CURRENT LIABILITIES** | | | |
| Deferred tax liabilities | | 225,259 | 234,282 |
| Bank and other borrowings | 17 | 1,502,774 | 1,573,755 |
| Lease liabilities | | 19,460 | 20,998 |
| Amounts due to related parties | 20 | 1,334,647 | 1,363,376 |
| | | 3,082,140 | 3,192,411 |
| **NET ASSETS** | | 1,609,841 | 1,551,354 |
| **EQUITY** | | | |
| **Share capital** | | 9,235 | 9,309 |
| Reserves | | 1,600,606 | 1,542,045 |
| **Equity attributable to owners of the Company** | | 1,609,841 | 1,551,354 |
| Non-controlling interest | | – | – |
| **TOTAL EQUITY** | | 1,609,841 | 1,551,354 |

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 28 February 2025

| | Attributable to owners of the Company | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital RMB'000 | Share premium RMB'000 | Treasury shares RMB'000 (Note c) | Other reserve RMB'000 | Shares held for restricted share award scheme RMB'000 (Note a) | Translation reserve RMB'000 | Statutory surplus reserve RMB'000 (Note b) | Share-based payment reserve RMB'000 | Retained profits RMB'000 | Sub-total RMB'000 | Non-controlling interest RMB'000 | Total RMB'000 |
| At 1 September 2023 (Audited) | 9,309 | 1,013,030 | – | 10,742 | (22,280) | 21,223 | 184,477 | 63,399 | 217,616 | 1,497,516 | – | 1,497,516 |
| Loss for the period | – | – | – | – | – | – | – | – | (42,232) | (42,232) | – | (42,232) |
| Other comprehensive expenses for the period | – | – | – | – | – | (5,939) | – | – | – | (5,939) | – | (5,939) |
| Total comprehensive expenses for the period | – | – | – | – | – | (5,939) | – | – | (42,232) | (48,171) | – | (48,171) |
| Transfer upon deregistration of subsidiaries | – | – | – | – | – | – | (914) | – | 914 | – | – | – |
| Share-based payments | – | – | – | – | – | – | – | 6 | – | 6 | – | 6 |
| At 29 February 2024 (Unaudited) | 9,309 | 1,013,030 | – | 10,742 | (22,280) | 15,284 | 183,563 | 63,405 | 176,298 | 1,449,351 | – | 1,449,351 |
| At 31 August 2024 (Audited) | 9,309 | 1,013,030 | – | 10,742 | (22,280) | 58,829 | 191,799 | 64,118 | 225,807 | 1,551,354 | – | 1,551,354 |
| Profit for the period | – | – | – | – | – | – | – | – | 117,380 | 117,380 | – | 117,380 |
| Other comprehensive expenses for the period | – | – | – | – | – | (46,925) | – | – | – | (46,925) | – | (46,925) |
| Total comprehensive (expenses)/ income for the period | – | – | – | – | – | (46,925) | – | – | 117,380 | 70,455 | – | 70,455 |
| Repurchase of shares | – | – | (12,734) | – | – | – | – | – | – | (12,734) | – | (12,734) |
| Cancellation of shares repurchased | (74) | (27,170) | 5,977 | – | – | – | – | – | 21,267 | – | – | – |
| Share-based payments | – | – | – | – | – | – | – | 766 | – | 766 | – | 766 |
| At 28 February 2025 (Unaudited) | 9,235 | 985,860 | (6,757) | 10,742 | (22,280) | 11,904 | 191,799 | 64,884 | 364,454 | 1,609,841 | – | 1,609,841 |

*Notes:*

a. *Shares held for restricted share award scheme comprised of shares purchased from open market that are to be used for the share award scheme approved by the directors of the Company on 10 November 2014 (the "**Share Award Scheme**").*

b. *Pursuant to the relevant laws in the People's Republic of China (the "**PRC**"), the Company's subsidiaries in the PRC shall make appropriations from after-tax profit to non-distributable reserve funds as determined by the board of the directors of the relevant PRC subsidiaries. These reserves include (i) general reserve of the limited liability companies and (ii) the development fund of schools.*

   (i) *For PRC subsidiaries with limited liability, each subsidiary 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.*

   (ii) *According to the relevant PRC laws and regulations, a private school that does not require for reasonable return is required to appropriate to development fund of not less than 25% of the annual increase in net assets of the relevant school as determined in accordance with generally accepted accounting principles in the PRC. The development fund is for the construction or maintenance of the school or procurement or upgrading of educational equipment.*

c. *During the six months ended 28 February 2025, the Company repurchased 48,070,000 shares of the Company from the market. The total amount paid to acquire the shares was RMB12,734,000 including transaction costs attributable to the repurchase of shares amounting to RMB49,000, which have been deducted from the shareholders' equity. The weighted average price for these buy-backs was RMB0.26 per share.*

   *During the six months ended 28 February 2025, the Company cancelled 23,730,000 shares of the Company.*

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

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 28 February 2025

| | For the six months ended | |
|---|---|---|
| | **28 February 2025 RMB'000 (Unaudited)** | 29 February 2024 RMB'000 (Unaudited) |
| **Net cash generated from operating activities** | **160,012** | 236,371 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Decrease in time deposits with original terms of over three months | **67,115** | – |
| Proceeds from redemption of financial assets at fair value through profit or loss upon the maturity date | **40,304** | – |
| Interest received | **4,359** | 4,685 |
| Proceeds from disposal of property, plant and equipment | **865** | 2,848 |
| Purchase of property, plant and equipment | **(17,220)** | (7,549) |
| Dividends received from financial assets at fair value through profit or loss | **302** | – |
| Purchase of financial assets at fair value through profit or loss | **–** | (12,487) |
| **Net cash from/(used in) investing activities** | **95,725** | (12,503) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| New borrowings | **–** | 1,588,787 |
| Repayment of bank and other borrowings | **(9,255)** | (1,050,668) |
| Repayment of convertible bonds | **–** | (532,770) |
| Repayment of lease liabilities | **(1,562)** | (4,810) |
| Interest paid | **(51,958)** | (146,600) |
| Payments on repurchase of shares | **(10,958)** | – |
| Transaction costs attributable to repurchase of shares | **(49)** | – |
| **Net cash used in financing activities** | **(73,782)** | (146,061) |
| **NET INCREASE IN CASH AND CASH EQUIVALENTS** | **181,955** | 77,807 |
| Cash and cash equivalents at beginning of period | **497,673** | 528,041 |
| Effect of foreign exchange | **(4,920)** | (6,099) |
| **Cash and cash equivalents at end of period** | **674,708** | 599,749 |

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 28 February 2025

## 1. GENERAL INFORMATION

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

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

The condensed consolidated interim financial statements ("**Interim Financial Statements**") are presented in thousands of Renminbi (the "**RMB'000**"), unless otherwise stated.

## 2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 ("**IAS 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.

The interim report does not include all the notes of the type normally included in an annual financial report. The condensed consolidated interim financial statements should be read in conjunction with the annual report for the year ended 31 August 2024, and any public announcements made by the Company during the interim reporting period.

The accounting policies and methods of computation used in the condensed consolidated interim financial statements for the six months ended 28 February 2025 are the same as those presented in the Group's consolidated financial statements for the year ended 31 August 2024.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 28 February 2025

## 2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Application of amendments to IFRS Accounting Standards

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

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

The application of the amendments to IFRS Accounting Standards in the current 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 the condensed consolidated interim financial statements.

### Contractual Arrangements

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

– exercise effective financial and operational control over the Consolidated Affiliated Entities;

– exercise equity holders' voting rights of the Consolidated Affiliated Entities;

– receive substantially all of the economic interest returns generated by the Consolidated Affiliated Entities in consideration for the business support, technical and consulting services provided by Beipeng Software;

– obtain an irrevocable and exclusive right to purchase all or part of equity interests in the Consolidated Affiliated Entities from the respective equity holders at nil consideration or a minimum purchase price permitted under PRC laws and regulations. Beipeng Software may exercise such options at any time until it has acquired all equity interests and/or all assets of the Consolidated Affiliated Entities. In addition, the Consolidated Affiliated Entities are not allowed to sell, transfer, or dispose any assets, or make any distributions to their equity holders without prior consent of Beipeng Software; and obtain a pledge over the entire equity interest of Dalian Educational Group and Shenzhen Educational Group from their equity holders as collateral security for all of Dalian Educational Group and Shenzhen Educational Group's payments due to Beipeng Software and to secure performance of Dalian Educational Group, Shenzhen Educational Group and their respective subsidiaries obligations under the Contractual Arrangements.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 28 February 2025

## 2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### Contractual Arrangements (Continued)

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

The Group does not have any equity interest in the Consolidated Affiliated Entities. However, as a result of the Contractual Arrangements, the Group has power over the Consolidated Affiliated Entities, has rights to variable returns from its involvement with the Consolidated Affiliated Entities and has the ability to affect those returns through its power over the Consolidated Affiliated Entities and is considered to have control over the Consolidated Affiliated Entities. Consequently, the Company regards the Consolidated Affiliated Entities as indirect subsidiaries. The Group has consolidated the assets and liabilities and income and expenses of the Consolidated Affiliated Entities (other than the Affected Schools, as defined in note 20(a)) in the condensed consolidated interim financial statements of the Group.

As of 28 February 2025, the amount of net current liabilities of the Group is approximately RMB461,041,000 (31 August 2024: RMB571,663,000). The Group's bank balances and cash as of 28 February 2025 amounted to approximately RMB674,708,000 as compared to the Group's amounts due to related parties of RMB1,984,737,000 (with current portion of RMB650,090,000).

In view of the above, the directors of the Company have undertaken a number of plans and measures to improve the Group's liquidity and financial position, including: (i) communicating with the Affected School for repayment of borrowings; (ii) making consultation with local government departments as to how to comply with implementation regulations of the PRC for the law for promoting of private education (the "**Implementation Regulations**") and (iii) continuously adjusting the strategy to focus on development of high schools and overseas schools which are not affected by the Implementation Regulations.

The directors of the Company consider that the Group can continue as a going concern based on the fact that they have successfully carried out their previous financial plans and the assumptions that no further rules and interpretation from the government will adversely affect the continuing operations. When preparing the Group's consolidated financial statements on the going concern basis, they have also taken into account the cash flow forecast of the Group prepared by the management of the Company, and the nature of current liabilities. The directors of the Company expect that operating activities of the Group can contribute substantial cash inflow to repay all liabilities when fall due and meeting the Group's short term cash commitments. At the date of this report, the Affected Schools have agreed not to demand the Group for repayment of the Relevant Balances (as defined and detailed in note 20(a)) within one year from 28 February 2025.

## 3. MATERIAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed consolidated interim financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual consolidated financial statements for the year ended 31 August 2024.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 28 February 2025

## 4. REVENUE AND SEGMENT INFORMATION

### 4A. Disaggregation of revenue from contracts with customers:

| | Six months ended | |
|---|---|---|
| | **28 February 2025 RMB'000 (Unaudited)** | 29 February 2024 RMB'000 (Unaudited) |
| **Types of goods or services** | | |
| Tuition and boarding fees | **491,857** | 515,073 |
| Sales of textbooks | **13,403** | 12,453 |
| Sales of goods and materials | **24,956** | 27,052 |
| Summer and winter camps | **9,070** | 13,932 |
| Catering services income | **35,058** | 30,206 |
| Extracurricular activities | **16,144** | 15,396 |
| Others | **43,416** | 43,875 |
| | **633,904** | 657,987 |
| **Geographical markets** | | |
| PRC | **237,354** | 237,474 |
| Overseas | **396,550** | 420,513 |
| | **633,904** | 657,987 |
| **Timing of revenue recognition** | | |
| Over time | **536,189** | 565,964 |
| At a point in time | **97,715** | 92,023 |
| | **633,904** | 657,987 |

### 4B. Operating Segments

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

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

1. PRC Segment

2. Overseas Segment

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 28 February 2025

## 4. REVENUE AND SEGMENT INFORMATION (Continued)

### 4B. Operating Segments (Continued)

**Segment revenues and results**

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

| | PRC Segment RMB'000 | Overseas Segment RMB'000 | Total RMB'000 |
|---|---|---|---|
| **For the six months ended 28 February 2025 (unaudited)** | | | |
| Segment revenue | **237,354** | **396,550** | **633,904** |
| Segment profit | **79,864** | **126,090** | **205,954** |
| Unallocated items: | | | |
| Other gains and losses | | | **9,568** |
| Finance costs | | | **(55,374)** |
| Directors' and chief executive's emoluments | | | **(5,175)** |
| Headquarter administrative expense | | | **(8,335)** |
| Group's profit before taxation | | | **146,638** |

| | PRC Segment RMB'000 | Overseas Segment RMB'000 | Total RMB'000 |
|---|---|---|---|
| **For the six months ended 29 February 2024 (unaudited)** | | | |
| Segment revenue | 237,474 | 420,513 | 657,987 |
| Segment profit | 73,088 | 125,754 | 198,842 |
| Unallocated items: | | | |
| Other gains and losses | | | (55,530) |
| Finance costs | | | (146,876) |
| Directors' and chief executive's emoluments | | | (3,949) |
| Headquarter administrative expense | | | (4,187) |
| Group's loss before taxation | | | (11,700) |

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of other gains and losses, finance costs, headquarter administrative expense and directors' and chief executive's emoluments. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 28 February 2025

## 4. REVENUE AND SEGMENT INFORMATION (Continued)

### 4B. Operating Segments (Continued)

**Segment assets and liabilities**

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

| | At 28 February 2025 RMB'000 (Unaudited) | At 31 August 2024 RMB'000 (Audited) |
|---|---|---|
| **Segment assets** | | |
| PRC Segment | 1,851,017 | 1,846,631 |
| Overseas Segment | 4,237,509 | 4,355,049 |
| **Consolidated assets** | 6,088,526 | 6,201,680 |

| | At 28 February 2025 RMB'000 (Unaudited) | At 31 August 2024 RMB'000 (Audited) |
|---|---|---|
| **Segment liabilities** | | |
| PRC Segment | 2,379,014 | 2,429,888 |
| Overseas Segment | 2,099,671 | 2,220,438 |
| **Consolidated liabilities** | 4,478,685 | 4,650,326 |

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

## 5. INVESTMENT AND OTHER INCOME

| | Six months ended | |
|---|---|---|
| | 28 February 2025 RMB'000 (Unaudited) | 29 February 2024 RMB'000 (Unaudited) |
| Bank interest income | 4,359 | 4,685 |
| Government grant | 3,808 | 1,599 |
| Rental income from investment properties | 5,873 | 4,831 |
| Dividend income from financial assets measured at fair value through profit or loss ("**FVTPL**") | 302 | – |
| Others | 1,233 | 708 |
| | 15,575 | 11,823 |

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 28 February 2025

## 6. OTHER GAINS AND LOSSES

| | Six months ended | |
|---|---|---|
| | **28 February 2025** | 29 February 2024 |
| | **RMB'000** | RMB'000 |
| | **(Unaudited)** | (Unaudited) |
| Reversal of other payables | **2,840** | 2,828 |
| Net foreign exchange gain/(loss) | **2,009** | (31,464) |
| Gain arising from changes in fair value of financial assets measured at FVTPL | **1,901** | 1,011 |
| Loss arising from fair value changes of convertible bonds | **–** | (28,174) |
| Gain on disposal of property, plant and equipment | **517** | 1,505 |
| Others | **2,301** | (1,236) |
| | **9,568** | (55,530) |

## 7. FINANCE COSTS

| | Six months ended | |
|---|---|---|
| | **28 February 2025** | 29 February 2024 |
| | **RMB'000** | RMB'000 |
| | **(Unaudited)** | (Unaudited) |
| Interest on bank loans and other borrowings | **54,981** | 123,501 |
| Interest on convertible bonds | **–** | 23,104 |
| Leases interests | **393** | 271 |
| | **55,374** | 146,876 |

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 28 February 2025

## 8. TAXATION

| | Six months ended | |
|---|---|---|
| | **28 February 2025 RMB'000 (Unaudited)** | 29 February 2024 RMB'000 (Unaudited) |
| **Taxation comprises:** | | |
| Current tax | | |
| PRC enterprise income tax | **11,134** | 10,946 |
| Overseas enterprise income tax | **22,581** | 25,551 |
| Deferred tax | **(4,457)** | (5,965) |
| | **29,258** | 30,532 |

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

The taxation of the Group's subsidiaries in Hong Kong is calculated at 16.5% of the estimated assessable profits for the six months ended 28 February 2025 (29 February 2024: 16.5%), except for a subsidiary of the Group in Hong Kong which is a qualifying entity applicable to the two-tiered profits tax rates. Under the two-tiered profits tax rates regime, the profits tax rate for the first HK$2 million of assessable profits will be lowered to 8.25%, and assessable profits above HK$2 million will continue to be subject to the rate of 16.5%.

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

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

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

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

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

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 28 February 2025

## 9. PROFIT/(LOSS) FOR THE PERIOD

| | Six months ended | |
|---|---|---|
| | **28 February 2025 RMB'000 (Unaudited)** | 29 February 2024 RMB'000 (Unaudited) |
| Profit/(loss) for the period has been arrived at after charging/(crediting): | | |
| Staff costs, including directors' remuneration | | |
| – salaries and other allowances | **248,565** | 259,387 |
| – retirement benefit scheme contributions | **8,218** | 8,093 |
| – share-based payments | **766** | 6 |
| Total staff costs | **257,549** | 267,486 |
| Less: Staff costs included in cost of revenue | **(191,004)** | (207,252) |
| Staff costs included in administrative and marketing expenses | **66,545** | 60,234 |
| Gross rental income from investment properties | **(5,873)** | (4,831) |
| Less: Direct operating expenses incurred for investment properties (included in administrative expenses) | **1,436** | 207 |
| Net rental income | **(4,437)** | (4,624) |
| Depreciation of property, plant and equipment | **55,306** | 54,323 |
| Loss arising from fair value changes of convertible bonds | **–** | 28,174 |
| Amortisation of other intangible assets (included in cost of revenue) | **17,613** | 25,217 |
| Depreciation of right-of-use assets | **3,524** | 3,952 |
| Depreciation of investment properties | **1,945** | 2,514 |
| Amortisation of books for lease | **22** | 17 |

## 10. DIVIDENDS

No dividends were paid, declared or proposed during the six months ended 28 February 2025 (29 February 2024: Nil). The directors of the Company have determined that no dividend will be paid in respect of the six months ended 28 February 2025.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 28 February 2025

## 11. EARNINGS/(LOSS) PER SHARE

The calculation of basic and diluted earnings/(loss) 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/(loss):** | | |
| Earnings/(loss) for the purpose of calculating basic and diluted earnings/(loss) per share | **117,380** | (42,232) |

| | 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 calculating basic and diluted earnings/(loss) per share | **2,962,599** | 2,971,011 |

The weighted average number of ordinary shares adopted in the calculation of the basic earnings/(loss) per share for the six months ended 28 February 2025 and 29 February 2024 has been arrived at after eliminating the ungranted or unvested shares of the Company held under the Share Award Scheme and deducting shares repurchased by the Group.

The number of shares adopted in the computation of diluted earnings per share for each of the six months ended 28 February 2025 and 29 February 2024 does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price of shares for the six months ended 28 February 2025 and 29 February 2024.

The computation of diluted earnings per share for the six months ended 29 February 2024 does not assume the conversion of the Company's outstanding convertible bonds since the assumed exercise would result in a decrease in loss per share.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 28 February 2025

## 12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 28 February 2025, the Group disposed of certain property and equipment with an aggregate carrying amount of approximately RMB348,000 (for the six months ended 29 February 2024: RMB1,343,000) for cash proceeds of approximately RMB865,000 (for the six months ended 29 February 2024: RMB2,848,000), resulting in a gain on disposal of approximately RMB517,000 (for the six months ended 29 February 2024: RMB1,505,000).

The Group paid a net cash consideration of RMB17,220,000 to purchase property, plant and equipment during the six months ended 28 February 2025 (for the six months ended 29 February 2024: RMB7,549,000).

## 13. GOODWILL

| | **At 28 February 2025 RMB'000 (Unaudited)** | At 31 August 2024 RMB'000 (Audited) |
|---|---|---|
| **Cost and carrying values:** | | |
| At 1 September 2024 or 2023 | **2,153,640** | 2,122,393 |
| Exchange adjustment | **(42,057)** | 31,247 |
| At 28 February 2025 or 31 August 2024 | **2,111,583** | 2,153,640 |

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 28 February 2025

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

| | At 28 February 2025 RMB'000 (Unaudited) | At 31 August 2024 RMB'000 (Audited) |
|---|---|---|
| Trade receivables | 8,368 | 12,849 |
| Less: loss allowance | (162) | (1,062) |
| Trade receivables, net of allowance for credit losses *(Note)* | 8,206 | 11,787 |
| Prepaid rent and other prepaid expenses | 11,558 | 7,936 |
| Deposits | 23,824 | 9,319 |
| Staff advances | 225 | 211 |
| Management fees receivables | 2,788 | 3,317 |
| Rental receivables | 4,330 | – |
| Receivable from a third party | – | 6,433 |
| Others | 9,330 | 8,450 |
| | 60,261 | 47,453 |

*Note:*

*The following is an analysis of trade receivables by age, presented based on the dates the students were informed for payment.*

| | At 28 February 2025 RMB'000 (Unaudited) | At 31 August 2024 RMB'000 (Audited) |
|---|---|---|
| Not past due | 6,168 | 10,462 |
| 0–30 days | 1,044 | 655 |
| 31–60 days | 214 | 11 |
| 61–90 days | 340 | – |
| Over 90 days | 440 | 659 |
| | 8,206 | 11,787 |

## 15. CONTRACT LIABILITIES

| | At 28 February 2025 RMB'000 (Unaudited) | At 31 August 2024 RMB'000 (Audited) |
|---|---|---|
| Tuition and boarding fees | 355,555 | 446,454 |
| Others | 33,445 | 35,710 |
| | 389,000 | 482,164 |

Contract liabilities of the Group were expected to be recognised as revenue within one year.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 28 February 2025

## 16. OTHER PAYABLES AND ACCRUED EXPENSES

| | At 28 February 2025 RMB'000 (Unaudited) | At 31 August 2024 RMB'000 (Audited) |
|---|---|---|
| Payables for purchase of property, plant and equipment | 47,505 | 64,563 |
| Miscellaneous expenses received from students *(Note)* | 41,894 | 45,200 |
| Accrued payroll | 28,635 | 24,788 |
| Deposits received from students upon school admission | 33,523 | 29,616 |
| Acquisition consideration payable | 9,269 | 9,269 |
| Payables for purchase of goods | 5,096 | 4,342 |
| Accrued operating expenses | 18,636 | 24,489 |
| Prepayment from lessee | 2,638 | 6,055 |
| Other tax payables | 1,916 | 1,376 |
| Others | 22,786 | 22,116 |
| | 211,898 | 231,814 |

*Note:*

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

## 17. BANK AND OTHER BORROWINGS

| | At 28 February 2025 RMB'000 (Unaudited) | At 31 August 2024 RMB'000 (Audited) |
|---|---|---|
| Bank and other borrowings | 1,565,978 | 1,602,379 |
| The carrying amounts of the above borrowings are repayable: | | |
| Within one year | 63,204 | 28,624 |
| Within a period of more than one year but not exceeding two years | 174,190 | 214,558 |
| Within a period of more than two years but not exceeding five years | 1,328,584 | 1,359,197 |
| | 1,565,978 | 1,602,379 |
| Less: | | |
| Amounts due within one year shown under current liabilities | (63,204) | (28,624) |
| Amounts shown under non-current liabilities | 1,502,774 | 1,573,755 |

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 28 February 2025

## 17. BANK AND OTHER BORROWINGS (Continued)

*Notes:*

(a) *On 22 July 2024, Canadian International School Pte Ltd ("**CIS**") entered into a term loan facility agreement (the "**2024 Term Loan Facilities**") which was arranged by certain financial institutions, with an aggregate amount up to SGD280,000,000 (approximately RMB1,528,464,000), CIS has fully utilised the 2024 Term Loan Facilities and as at 28 February 2025 the outstanding carrying amount of the borrowing amounted to approximately SGD273,606,000 (equivalent to approximately RMB1,464,393,000) (31 August 2024: approximately SGD282,020,000 (equivalent to approximately RMB1,539,489,000)). The 2024 Term Loan Facilities were secured by pledged bank deposits of approximately SGD4,827,000 (equivalent to approximately RMB25,837,000) (31 August 2024: approximately SGD4,827,000 (equivalent to approximately RMB26,351,000)) held by CIS and guaranteed by two subsidiaries of the Group and are repayable after 18 months to 5 years from the utilisation date of the 2024 Term Loan Facilities up to 24 July 2029. The proceeds of the 2024 Term Loan Facilities were used to fully refinance the then existing indebtedness of the Group.*

*The 2024 Term Loan Facilities carries variable interest rate based on the aggregate of (i) Singapore Overnight Rate Average ("**SORA**") Reference Rate for the interest period; and (ii) an interest margin of 3.30% per annum for the first twelve months of borrowing and interest margin range of 2.50% to 3.30% after twelve months of borrowing.*

(b) *As of 28 February 2025, the outstanding of the borrowing amounting to approximately MYR33,385,000 (equivalent to approximately RMB54,014,000) (31 August 2024: approximately MYR39,240,000 (equivalent to approximately RMB64,750,000)) was secured by (1) pledge of debt service reserve account held by Kingsley International Sendirian Berhad (a subsidiary owned by Kingsley Edugroup Berhad ("**Kingsley**"), an indirectly wholly-owned subsidiary of the Company); (2) pledged bank deposits of approximately MYR3,696,000 (equivalent to approximately RMB5,979,000) (31 August 2024: approximately MYR3,622,000 (equivalent to approximately RMB5,977,000)); and (3) debenture incorporating fixed and floating charge over all assets and undertakings of Kingsley. This borrowing carried interest at variable interest rates ranging from 6.19% to 6.29% (2024: 5.91% to 6.19%) per annum, and mature from 31 December 2025 to 31 May 2028.*

(c) *As of 28 February 2025, the Group's other borrowings consist of two loans from an independent third party, totaling approximately RMB47,571,000 (31 August 2024: RMB46,780,000). Both loans are unsecured and carry an interest rate of 3.65% (31 August 2024: 3.65%) per annum. The loans are repayable on the third anniversary from the first date of loan drawdown on 11 December 2025 and 9 April 2026, respectively.*

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 28 February 2025

## 18. SHARE-BASED PAYMENTS

### Employee Share Purchase Plan

The Company's Employee Share Purchase Plan (the "**ESPP**") was approved and adopted by the Company on 12 October 2020 to take effect for the purpose of providing the selected participants with the opportunity to acquire proprietary interests in the Company and to encourage the selected participants by permitting the selected participants to purchase shares of the Company and by awarding matching restricted shares, which upon vesting are settled in shares.

The ESPP was terminated in June 2024 prior to its expiry on 12 October 2025 and the vesting of the last batch of matching shares had been accelerated to June 2024.

### Post-IPO Share Option Scheme

The Company's post-IPO share option scheme (the "**Post-IPO Share Option Scheme**") was approved and adopted by the Company on 10 November 2014 to take effect from 28 November 2014 for the purpose of enabling the Company to grant options to the selected participants as incentives or rewards for their contributions to the Group. The Post-IPO Share Option Scheme would remain in force for a period of 10 years from 10 November 2014. Accordingly, the Post-IPO Share Option Scheme expired on 10 November 2024. The options granted prior to the expiration remain valid for exercise and no further option under the Post-IPO Share Option Scheme would be granted.

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

Movements of the Company's share options granted under the Post-IPO Share Option Scheme during the six months ended 28 February 2025 are as follows:

**For the six months ended 28 February 2025**

| | Date of grant | Option type | Outstanding at 1 September 2024 | Granted during the period | Forfeited during the period | Lapsed during the period | Exercised during the period | Outstanding at 28 February 2025 |
|---|---|---|---|---|---|---|---|---|
| **Executive director:** | | | | | | | | |
| King Pak Lau | 4 March 2024 | Post-IPO-7th | 3,000,000 | – | – | – | – | 3,000,000 |
| **Employees of the Group:** | | | | | | | | |
| Jingxia Zhang | 4 March 2024 | Post-IPO-8th | 3,000,000 | – | – | – | – | 3,000,000 |
| In aggregate | 10 May 2024 | Post-IPO-9th | 3,000,000 | – | – | – | – | 3,000,000 |
| Total | | | 9,000,000 | – | – | – | – | 9,000,000 |
| **Exercisable at the end of the period** | | | | | | | | – |
| **Weighted average exercise price** | | | HK$0.47 | N/A | N/A | N/A | N/A | HK$0.47 |

During the current period, no share options under the Post-IPO Share Option Scheme were granted or exercised.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 28 February 2025

## 19. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

### Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair value of these financial assets and financial liabilities are determined (in particular, the valuation technique and inputs used).

| Financial assets | Fair value as at 28 February 2025 RMB'000 (Unaudited) | Fair value as at 31 August 2024 RMB'000 (Audited) | Fair value hierarchy | Valuation techniques and inputs |
|---|---|---|---|---|
| Financial assets at FVTPL – Listed equity securities | **11,154** | 9,131 | Level 1 | Quoted bid prices in an active market |
| Financial assets at FVTPL – Wealth management products | **–** | 40,304 | Level 2 | Discounted cash flow, future cash flows are estimated based on contractual terms of the wealth management products and discounted at a rate that reflects that credit risk of the counterparties |

### Reconciliation of Level 3 fair value measurements of financial liabilities

| | Convertible bonds RMB'000 |
|---|---|
| At 1 September 2023 (audited) | **515,921** |
| Repayment during the period | **(532,770)** |
| Total losses: | |
| in profit or loss (#) | **28,174** |
| Exchange adjustments | **(11,325)** |
| At 29 February 2024 (unaudited) and 31 August 2024 (audited) | **–** |
| (#) Include (gains) or losses for liabilities held at end of reporting period | **28,174** |

The total gains or losses recognised in profit or loss including those for liabilities held at the end of reporting period are presented in other gains and losses in the condensed consolidated statement of profit or loss and other comprehensive income.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated interim financial statements approximate their fair values.

There were no transfers between Level 1, Level 2 and Level 3 during the current period.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 28 February 2025

## 20. RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in these condensed consolidated interim financial statements, the Group has the following transactions and balances with related parties:

### (a) Balances with related parties

Balances of advances from/to the affiliated entities operating private schools that offer compulsory education consisting of six years of primary school education and three years of middle school education to PRC residents and not-for-profit schools that provide preschool education in the PRC (the "**Affected Schools**") are as follows:

| Relationships | Nature of balances | At 28 February 2025 RMB'000 (Unaudited) | At 31 August 2024 RMB'000 (Audited) |
|---|---|---|---|
| The Affected Schools | Amounts due from (current) | **147,126** | 179,712 |
| The Affected Schools | Amounts due to (non-current) | **1,334,647** | 1,363,376 |
| The Affected Schools | Amounts due to (current) | **650,090** | 625,289 |

The above amounts due from/to the Affected Schools represent balances between the Group and the Affected Schools which are unsecured and interest-free. Prior to 31 August 2021, these balances were eliminated upon consolidation of the Affected Schools by the Group. The Group deconsolidates the Affected Schools on 31 August 2021, and these balances were no longer eliminated and shown as amounts due to or amounts due from the Affected Schools. As of 31 August 2021, the Affected Schools are legally owned by the affiliated entities of the Group, consequently the Affected Schools are related parties of the Group.

The current portion of the amounts due from/to the Affected Schools represent balances which are due within one year or repayable on demand. The non-current portion of the amounts due to the Affected Schools ("**Relevant Balances**") represent long-term borrowing from Affected Schools, of which the Company has obtained consents from the respective Affected Schools that they would not demand for repayment of such amounts due by the Group within one year from 28 February 2025.

### (b) Transaction with a related party

Save as disclosed elsewhere in this report, the Group had no other material transaction with any related party during the six months ended 28 February 2025 and 29 February 2024.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 28 February 2025

## 20. RELATED PARTY TRANSACTIONS (Continued)

### (c) Compensation of key management personnel

The remuneration of directors and other members of key management of the Group are as follows:

| | Six months ended | |
|---|---|---|
| | **28 February 2025 RMB'000 (Unaudited)** | 29 February 2024 RMB'000 (Unaudited) |
| Short-term benefits | **3,719** | 4,760 |
| Post-employment benefits | **–** | 5 |
| Share-based payments | **766** | 6 |
| | **4,485** | 4,771 |

## 21. EVENT AFTER THE REPORTING PERIOD

There were no material events after the reporting period to be disclosed.

## 22. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The Interim Financial Statements were approved and authorised for issue by the Board on 29 April 2025.

# OTHER INFORMATION

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

### 2024 Term Loan Facility

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

If a change of control event abovementioned occurs:

(a) the Borrower shall promptly notify the agent upon becoming aware of that event;

(b) a 2024 Term Loan Lender shall not be obliged to fund a drawdown of the 2024 Term Loan Facilities; and

(c) the agent shall, by not less than three business days' notice to the Borrower, cancel the 2024 Term Loan Facility and declare the outstanding loan, together with accrued interest, and all other amounts accrued under the finance documents immediately due and payable, whereupon the 2024 Term Loan Facility will be cancelled and all such outstanding amounts will become immediately due and payable.

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

## INTERIM DIVIDENDS

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

## CORPORATE GOVERNANCE

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders and to enhance corporate value and accountability.

# OTHER INFORMATION

## Compliance with the Corporate Governance Code

During the six months ended 28 February 2025 and up to the date of this report, the Company has applied the principles as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and has complied with all the applicable code provisions, save and except for code provision C.2.1.

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

The Board will continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices within 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 its own securities dealing code to regulate all dealings by Directors and relevant employees of securities in the Company and other matters covered by the Model Code.

Specific enquiry has been made of all the Directors and the relevant employees and they have confirmed that they have complied with the Model Code during the six months ended 28 February 2025.

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

During the six months ended 28 February 2025, the Company has repurchased a total of 48,070,000 shares ("**Repurchased Shares**") on the Stock Exchange at an aggregate consideration of HK$13,864,535.86 (inclusive of the payment of trading fees, levies and commissions in the aggregate amount of HK$53,625.75). Up to 28 February 2025, 23,730,000 Repurchased Shares were cancelled.

| **Month** | **No. of Repurchased Shares** | **Price paid per Repurchased Share** | | **Aggregate consideration** |
|---|---|---|---|---|
| | | **Highest** (HK$) | **Lowest** (HK$) | (HK$) |
| December 2024 | 5,770,000 | 0.290 | 0.248 | 1,532,844.22 |
| January 2025 | 22,496,000 | 0.300 | 0.255 | 6,365,509.55 |
| February 2025 | 19,804,000 | 0.305 | 0.295 | 5,966,182.09 |
| Total | **48,070,000** | | | **13,864,535.86** |

Save as disclosed above, 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 (including sale of treasury share). As at 28 February 2025, the Company had 24,340,000 Repurchased Shares for cancellation but not yet cancelled and the Company did not hold any treasury shares (for the purpose of the Listing Rules).

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

As at 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, to be notified to the Company and the Stock Exchange were as follows:

### Long/short positions in shares and underlying shares of the Company

| Name of Director/ Chief executive | Capacity | Interest in Shares | Interest in underlying Shares | Total interest in Shares and underlying Shares | Approximate percentage of shareholding as at 28 February 2025 *(Note 1)* | Long position/ Short position |
|---|---|---|---|---|---|---|
| Mr. Jen | Founder of a discretionary trust who can influence how the trustee exercises his discretion | 1,483,639,818 *(Note 2)* | – | 1,483,639,818 | 49.93% | Long position |
| | Beneficial interest | 101,528,850 | – | 101,528,850 | 3.42% | Long position |
| King Pak Lau | Beneficial interest | – | 3,000,000 *(Note 3)* | 3,000,000 | 0.10% | Long position |
| James William Beeke | Interest of controlled corporation | 884,000 *(Note 4)* | – | 884,000 | 0.03% | Long position |
| | Beneficial interest | 51,342 | – | 51,342 | 0.00% | Long position |
| Peter Humphrey Owen | Beneficial interest | 121,342 | – | 121,342 | 0.00% | Long position |

*Notes:*

1. *The total number of 2,971,590,920 shares of the Company (the "**Shares**") in issue as at 28 February 2025 has been used for the calculation of the approximate percentage.*

2. *Sherman Investment Holdings Limited ("**Sherman Investment**") is a company incorporated in the British Virgin Islands, which is indirectly wholly owned by a discretionary trust. Mr. Jen is the founder of the discretionary trust who can influence how the trustee exercises his discretion and is deemed to be interested in the long position in 1,483,639,818 Shares held by Sherman Investment.*

3. *These interests in underlying Shares represent the interests in outstanding options (being regarded as unlisted physically settled equity derivatives) granted pursuant to the Post-IPO share option scheme approved and adopted by the Company on 10 November 2014 ("**Post-IPO Share Option Scheme**") to subscribe for the relevant number of Shares.*

4. *These Shares were held by Signum International Educational Services Inc. ("**Signum Services**"), a company which is owned as to 51% by Mr. James William Beeke and 49% by his spouse. Mr. James William Beeke is deemed to be interested in all the Shares held by Signum Services.*

# OTHER INFORMATION

## Interest in shares of associated corporation

| Name of Director | Name of associated corporation | Capacity | Number of issued shares | Percentage of total issued shares of the associated corporation as at 28 February 2025 | Long position/ Short position |
|---|---|---|---|---|---|
| Mr. Jen | Sherman Investment | Founder of a discretionary trust who can influence how the trustee exercises his discretion* | 50,000 | 100% | Long position |

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

Save as disclosed above, as at 28 February 2025, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken, or are deemed to have taken, under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register required to be kept by the Company; or (c) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

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

As at 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 and underlying Shares as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

| Name of Shareholder | Capacity | Total interest in Shares and underlying Shares | Approximate percentage of interest in the Company as at 28 February 2025 *(Note 1)* | Long position/ Short position |
|---|---|---|---|---|
| Sherman Investment *(Note 2)* | Beneficial interest | 1,483,639,818 | 49.93% | Long position |
| Sherman Int'l *(Note 3)* | Interest of controlled corporation | 1,483,639,818 | 49.93% | Long position |
| HSBC International Trustee Limited ("**HSBC Trustee**") *(Note 4)* | Trustee | 1,484,039,818 | 49.94% | Long position |
| Ms. Yan *(Note 5)* | Interest of spouse | 1,585,168,668 | 53.34% | Long position |

*Notes:*

*(1) The total number of 2,971,590,920 Shares of the Company in issue as at 28 February 2025 has been used for the calculation of the approximate percentage.*

*(2) Sherman Investment is indirectly wholly owned by a discretionary trust. Mr. Jen is the founder of the discretionary trust who can influence how the trustee exercises his discretion.*

*(3) Sherman Int'l owns 100% shareholding in Sherman Investment and is therefore deemed to be interested in all the Shares which Sherman Investment is interested by virtue of the SFO.*

*(4) HSBC Trustee is the trustee of a discretionary trust, of which Mr. Jen is the founder, owns 100% shareholding in Sherman Int'l and is therefore deemed to be interested in all the Shares which Sherman Int'l is interested by virtue of the SFO.*

*(5) Ms. Yan is the spouse of Mr. Jen and, therefore, Ms. Yan is deemed to be interested in all the Shares and underlying Shares in which Mr. Jen is interested or deemed to be interested by virtue of the SFO.*

Save as disclosed above, as at 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 INCENTIVE SCHEMES

In order to incentivise our Directors, senior management, other employees and consultants for their contribution to the Group and to attract and retain suitable personnel to our Group, on 10 November 2014 we adopted the Post-IPO Share Option Scheme and the restricted share units scheme which was subsequently modified by the Board on 28 April 2015 and renamed as the Share Award Scheme. The Company has also adopted the employee share purchase plan on 12 October 2020. From 1 January 2023, the Company will rely on the transitional arrangements provided for the existing share incentive schemes and will comply with the new Chapter 17 of the Listing Rules accordingly (effective from 1 January 2023).

# OTHER INFORMATION

For details of the terms of the Post-IPO Share Option Scheme and the Share Award Scheme, please refer to the section headed "Share Incentive Schemes" in the report of Directors in our 2024 annual report.

## 1. Post-IPO Share Option Scheme

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

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

### (ii) Outstanding Share Options

The following table discloses movements in the outstanding share options granted to all grantees under the Post-IPO Share Option Scheme as at 28 February 2025. No Option was granted or exercised under the Post-IPO Share Option Scheme during the six months ended 28 February 2025. The number of options available for grant under the Post-IPO Share Option Scheme mandate at the beginning and the end of the reporting period are 190,637,168 and 190,637,168 respectively.

| | | Number of share options | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Grantees | Date of grant | Outstanding as at 1 September 2024 | Granted during the period | Exercised during the period | Cancelled during the period | Lapsed during the period | Outstanding as at 28 February 2025 | Exercise period/date | Exercise price *(Note 1)* | Vesting period/date |
| **Director** | | | | | | | | | | |
| King Pak Lau | 4 March 2024 | 1,000,000 | – | – | – | – | 1,000,000 | 4 March 2025-3 March 2026 | HK$0.52 | 4 March 2025 |
| | 4 March 2024 | 1,000,000 | – | – | – | – | 1,000,000 | 4 March 2026-3 March 2027 | HK$0.52 | 4 March 2026 |
| | 4 March 2024 | 1,000,000 | – | – | – | – | 1,000,000 | 4 March 2027–3 March 2028 | HK$0.52 | 4 March 2027 |
| **Sub-total** | | **3,000,000** | **–** | **–** | **–** | **–** | **3,000,000** | | | |
| **Employees** | | | | | | | | | | |
| Jingxia Zhang | 4 March 2024 | 3,000,000 | – | – | – | – | 3,000,000 | 4 March 2025–3 March 2030 | HK$0.52 | 4 March 2025 |
| Ninth tranche | 10 May 2024 | 600,000 | – | – | – | – | 600,000 | 10 May 2025-9 May 2026 | HK$0.381 | 10 May 2025 |
| | 10 May 2024 | 600,000 | – | – | – | – | 600,000 | 10 May 2026-9 May 2027 | HK$0.381 | 10 May 2026 |
| | 10 May 2024 | 600,000 | – | – | – | – | 600,000 | 10 May 2027-9 May 2028 | HK$0.381 | 10 May 2027 |
| | 10 May 2024 | 600,000 | – | – | – | – | 600,000 | 10 May 2028-9 May 2029 | HK$0.381 | 10 May 2028 |
| | 10 May 2024 | 600,000 | – | – | – | – | 600,000 | 10 May 2029-9 May 2030 | HK$0.381 | 10 May 2029 |
| **Sub-total** | | **6,000,000** | **–** | **–** | **–** | **–** | **6,000,000** | | | |
| **Total** | | **9,000,000** | **–** | **–** | **–** | **–** | **9,000,000** | | | |

*Note:*

1. *The closing price of the Share immediately before the date on which the options were granted on 4 March 2024 and 10 May 2024 was HK$0.54 and HK$0.385 respectively.*

# OTHER INFORMATION

## 2. Share Award Scheme

In July 2015, the Scheme Trustee purchased a total of 62,160,000 Share on the Stock Exchange at a total consideration of approximately HK$74.7 million (equivalent to approximately RMB59.0 million).

During the six months ended 28 February 2025, no share award was granted, vested, cancelled or lapsed under the Share Award Scheme. Both the number of share award available for grant under the scheme mandate as at 1 September 2024 and 28 February 2025 were 0. There was no service provider sublimit under the Share Award Scheme.

The Company did not expect to grant further Share awards under the Share Award Scheme prior to its expiry on 27 April 2025 and in order to reduce administrative cost of the Company, the Board has resolved to terminate the trust of the Share Award Scheme with effect from 17 October 2022. In accordance with the rules of the Share Award Scheme, the total of 24,309,988 Shares (representing approximately 0.82% of the issued Shares as at the date of this report) were resettled and transferred to the ESPP Trust established for Employee Share Purchase Plan on 3 November 2022.

## 3. Employee Share Purchase Plan ("ESPP")

The Company's ESPP was approved and adopted on 12 October 2020 which provides eligible employees with the opportunity to acquire proprietary interests in the Company and to encourage eligible employees to work towards enhancing the value of the Company and the Shares for the benefit of the Company and the Shareholders as a whole. Chinese employees in the PRC who have been employed by the Group for three years or more are eligible to participate in the ESPP. The ESPP is effective for a period of 5 years from the adoption date. Subject to renewal of the ESPP, the remaining life of the scheme is approximately 7 months from the date of this report. There was no service provider sublimit under the ESPP. Each year employees will make contributions according to their respective ranks, and a trustee will be responsible for purchasing Shares on their behalf. Under the ESPP, eligible employees of the Group may elect to purchase the Company's shares ("**Employee Contribution Share(s)**") and, through the grant of matching restricted share units ("**RSUs**"), receive one matching share ("**Matching Share(s)**") for every three shares purchased and held until the end of the vesting period. Each eligible employee's participation level is capped at RMB2,000 or RMB1,000 per calendar month for senior and middle management and RMB1,000 or RMB500 per calendar month for general employees. No consideration is payable by participants on grant of Matching RSUs.

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

For the six months ended 28 February 2025, no Matching Shares were granted under the ESPP, no matching RSUs were granted and no matching RSUs were vested. Since the adoption date of the ESPP, no new shares were issued under the ESPP. As at 28 February 2025, nil Shares are available for issue under the ESPP. The number of Matching RSUs available for grant under the ESPP as of 1 September 2024 and 28 February 2025 were nil and nil, respectively.

The number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the six months ended 28 February 2025 divided by the weighted average number of shares of the relevant class in issue (excluding treasury shares) for the six months ended 28 February 2025 is 0.

## CONTINGENT LIABILITIES

As at 28 February 2025, the Group had no contingent liabilities.

# OTHER INFORMATION

## 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 currently comprises three members, namely, Mr. Ming Sang Chow ("**Mr. Chow**"), Mr. Peter Humphrey Owen and Ms. Wai Fong Wong, all being independent non-executive Directors. Mr. Chow 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 and has met with the independent auditors Moore CPA Limited. 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 as at the date of this report.

## EVENTS AFTER THE REPORTING PERIOD

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

By Order of the Board
**China Maple Leaf Educational Systems Limited**
**Shu Liang Sherman Jen**
*Chairman and Chief Executive Officer*

Hong Kong, 29 April 2025