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## **China Kepei Education Group Limited**

**中國科培教育集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1890)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 AUGUST 2022**

#### **ANNUAL RESULTS HIGHLIGHTS**

- China Kepei Education Group Limited (the “**Company**”) and its subsidiaries (the “**Group**”) actively responded to the national call, vigorously developed vocational education, continued to strengthen the construction of school infrastructure, optimized the structure of teaching staff team, improved the level of school operation, and effectively strengthened the adaptability of vocational education, so as to provide vocational education to the satisfaction of the people;
- Increasing investment in education: The Group continued to invest in the construction of teaching staff team, teaching venues, experimental training rooms and equipment. During the year ended 31 August 2022 (the “**Reporting Period**”), the capital expenditure for the upgrade of teaching venues, facilities and office equipments of the Group amounted to RMB571.1 million. Among which, the high-standard, modern and intelligent new campus of Huaibei Polytechnic College located in the Yangtze River Delta Region was put into use, and can meet the needs of 10,000 students. We invested 133.2 million in establishing new experimental training centers; and the remuneration expenditure of our employees amounted to RMB331.7 million, representing a year-on-year increase of 38.3%. The Group continued to improve the conditions for operating schools and enhance the level of teaching staff;
- Improving the quality of operating schools: The Group formulated a number of policies and systems to improve the teaching management system, improve the level of quality engineering and teaching reform projects, and improve the efficiency of education management, so as to achieve the requirements of high-quality school operation. In this year, the Group established 11 provincial first-class professional construction sites, and our teachers won 8 national awards and 48 provincial awards and published 721 academic papers, including 45 core journal papers. In January 2022, Harbin Institute of Petroleum successfully passed the qualification assessment of undergraduate teaching by the Ministry of Education, which was of great significance to improve the overall level of the school operation and the quality of talent training;
- Attaching importance to talent cultivation and student employment: We actively encouraged and organized students to participate in subject competitions, and they have won a total of 294 national awards and 666 provincial awards. The Group attached great importance to employment of student and optimized and improved the comprehensive enterprises internship management system for students. The school party committee secretary, department heads and senior management took the lead in frequent visits to enterprises seeking for job opportunities, and established cooperative relationships with over 5,000 employers, which provided more than 200,000 internships and employment positions for our fresh graduates, and our employment rate of graduates exceeded 90%, significantly exceeding the employment rate of similar schools in the province;

- Deepening the integration of industry and education and school-enterprise cooperation: We fully promoted the integration of industry and education and school-enterprise cooperation, by establishing cooperation with well-known enterprises such as CATL, BYD, XPeng Motors, Amazon, iFlytek, Yum Brands, Genki Forest, Budweiser APAC, and through in-depth collaboration education with enterprises, cultivating application-oriented talents that meet the needs of the industry. We actively explored a new model of collaborative education with the government. The first School of Engineering of Maanshan College in Anhui Province that can award graduates with engineering professional and technical qualification certificates, jointly established by Maanshan College (馬鞍山學院) and Maanshan Human Resources and Social Security Bureau, has been widely welcomed by employers;
- Optimizing our course offering to serve the local economy: Keeping up with the pace of industrial development in the Guangdong-Hong Kong-Macao Greater Bay Area, Guangdong Polytechnic College newly established a school of intelligent manufacturing to cultivate applied talents for local advanced manufacturing enterprises. During the year, the Group added new energy vehicles, intelligent manufacturing, digital media art, cross-border e-commerce and other majors to serve the national strategic emerging industries and closely match the rising industries with strong demand for talents;
- Enrollment growth: Benefiting from the country's vigorous development of vocational education and the continuous improvement of school reputation, as of the 2022/23 school year, the number of enrolled students of the Group is approximately 126,500, hitting another record high, among which the undergraduate students enrollment increased by 8%. The number of new students of the three schools newly joining in the Group's network increased by over 30% year-on-year, respectively, indicating a stable organic growth in the future;
- Steady growth in performance: While continuously improving the quality of schools, the Group achieved continuous growth in performance with the revenue increasing by 28.6% year-on-year, net profit increasing by 18.8% year-on-year, and core net profit increasing by 15.1% year-on-year, reaching RMB754.8 million;
- Accelerating the classification registration of schools: In August 2022, Harbin Institute of Petroleum was issued the Transitional Permit for For-profit Private Schools (營利性民辦學校過渡期辦學許可證), which is a milestone and will accelerate the classification registration of our schools in the future;
- Caring for students and actively carrying out public welfare activities: Harbin Institute of Petroleum issued consumer vouchers to students on the May Fourth Youth Day, so that students could feel the warmth and care of the school, which were publicized and reported by the Xinhua News Agency, Heilongjiang Daily and other media. Guangdong Polytechnic College actively carried out public welfare activities such as blood donation, caring for and helping the elderly and supporting education, with more than 2,000 students participated in public welfare activities, therefore it was awarded the only "National Red Cross Model Unit" by the Red Cross Society of China in the province's private colleges and universities. It also actively responded to the country's call for conscription, and won the title of the Advanced Unit in the Conscription Work of Guangdong Province for three consecutive years.

On 31 August 2021, the Company announced the change of its financial year-end date from 31 December to 31 August so as to align the financial year of the Group with the academic year of the schools operated by the Group in the PRC, which ends in August each year.

Accordingly, the current accounting period covers a period of twelve months from 1 September 2021 to 31 August 2022. The corresponding comparative amounts shown in annual result covered a period of eight months from 1 January 2021 to 31 August 2021, and therefore are not entirely comparable with those of the current period.

To provide meaningful comparative information, the Group prepared pro forma financial information covering the twelve-month year ended 31 August 2021 (the “**Pro Forma Period**”), and such pro forma figures are detailed in the following table and have not been audited.

	Year ended 31 August			Percentage Change (%)
	2022 RMB'000	(Pro forma) 2021 RMB'000	Change RMB'000	
<b>Revenue</b>	<b>1,439,713</b>	1,119,626	320,087	+28.6
<b>Cost of sales</b>	<b>536,691</b>	350,575	186,116	+53.1
<b>Gross profit</b>	<b>903,022</b>	769,051	133,971	+17.4
<b>Profit before tax</b>	<b>731,834</b>	633,407	98,427	+15.5
<b>Profit for the year</b>	<b>704,230</b>	592,938	111,292	+18.8
<b>Core net profit**</b>	<b>754,764</b>	655,997	98,767	+15.1
<b>Adjusted EBITDA*</b>	<b>1,007,327</b>	847,313	160,014	+18.9

*Note:* The pro forma financial information for the twelve months ended 31 August 2021 is comprised of: (1) the financial results for the period from 1 September 2020 to 31 December 2020, which is derived from the 2020 annual financial results after deduction of the unaudited financial results for the eight months from 1 January to 31 August 2020; and (2) the eight-month financial results derived from the audited annual financial results for the eight months ended 31 August 2021.

\* Adjusted EBITDA is defined as to earnings before interest, income tax expenses, depreciation and amortisation after adjusting for the items which are not indicative of the Group’s operating performance.

\*\* Core net profit was derived from the profit for the year after adjusting for the items which are not indicative of the Group’s operating performance. Please refer to the section of “Financial Review” in this announcement for details of the reconciliation of the profit for the year to the core net profit of the Group.

The board (the “**Board**”) of directors (the “**Directors**”) of China Kepei Education Group Limited is pleased to announce the consolidated annual results of the Group for the year ended 31 August 2022 together with the comparative figures for the eight months ended 31 August 2021 as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 August 2022

	<i>Notes</i>	<b>Year ended 31 August 2022 RMB’000</b>	<b>Eight months ended 31 August 2021 RMB’000</b>
<b>REVENUE</b>	<i>3</i>	<b>1,439,713</b>	671,295
Cost of sales		<u>(536,691)</u>	<u>(247,021)</u>
Gross profit		<b>903,022</b>	424,274
Other income and gains	<i>3</i>	<b>97,905</b>	45,529
Selling and distribution expenses		<b>(21,043)</b>	(23,533)
Administrative expenses		<b>(153,858)</b>	(100,165)
Other expenses		<b>(24,630)</b>	(1,370)
Finance costs	<i>4</i>	<b>(69,562)</b>	(29,222)
Share of losses of:			
A joint venture		–	(421)
An associate		–	(2,676)
		<u>–</u>	<u>(2,676)</u>
<b>PROFIT BEFORE TAX</b>	<i>8</i>	<b>731,834</b>	312,416
Income tax expense	<i>5</i>	<b>(27,604)</b>	(40,264)
		<u>–</u>	<u>–</u>
<b>PROFIT FOR THE YEAR/PERIOD</b>		<b><u>704,230</u></b>	<b><u>272,152</u></b>
Attributable to:			
Owners of the parent		<b><u>704,230</u></b>	<b><u>272,152</u></b>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	<i>7</i>		
Basic			
– For profit for the year/period		<b><u>RMB0.3511</u></b>	<b><u>RMB0.1360</u></b>
Diluted			
– For profit for the year/period		<b><u>RMB0.3501</u></b>	<b><u>RMB0.1354</u></b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 August 2022

	Year ended 31 August 2022 RMB'000	Eight months ended 31 August 2021 RMB'000
<b>PROFIT FOR THE YEAR/PERIOD</b>	<b>704,230</b>	<b>272,152</b>
<b>OTHER COMPREHENSIVE LOSS</b>		
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Equity investment designated at fair value through other comprehensive income:		
Changes in fair value	<u>(1,707)</u>	<u>(38,023)</u>
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	<u>(1,707)</u>	<u>(38,023)</u>
<b>OTHER COMPREHENSIVE LOSS FOR THE YEAR/PERIOD</b>	<b><u>(1,707)</u></b>	<b><u>(38,023)</u></b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD</b>	<b><u>702,523</u></b>	<b><u>234,129</u></b>
Attributable to:		
Owners of the parent	<b><u>702,523</u></b>	<b><u>234,129</u></b>

*Note:* As a result of the change of financial year-end date from 31 December to 31 August, the annual results covered a period of twelve months from 1 September 2021 to 31 August 2022. The corresponding comparative amounts shown in consolidated statement of profit or loss and consolidated statement of comprehensive income covered a period of eight months from 1 January 2021 to 31 August 2021.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION***As at 31 August 2022*

	<i>Notes</i>	<b>31 August 2022 RMB'000</b>	31 August 2021 RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>3,218,643</b>	2,992,446
Right-of-use assets		<b>766,204</b>	768,614
Goodwill		<b>692,121</b>	692,121
Other intangible assets		<b>389,153</b>	401,251
An equity investment designated at fair value through other comprehensive income		<b>6,140</b>	7,847
Prepayments, other receivables and other assets		<b>753,685</b>	324,439
Time deposits		–	25,000
Pledged deposits		<b>145,968</b>	–
Total non-current assets		<b>5,971,914</b>	5,211,718
<b>CURRENT ASSETS</b>			
Trade receivables	9	<b>46,855</b>	43,420
Prepayments, other receivables and other assets		<b>141,731</b>	149,251
Financial assets at fair value through profit or loss		<b>12,963</b>	63,714
Time deposits		–	50,000
Cash and cash equivalents		<b>1,200,423</b>	1,228,699
Total current assets		<b>1,401,972</b>	1,535,084
<b>CURRENT LIABILITIES</b>			
Contract liabilities	3	<b>737,437</b>	330,147
Other payables and accruals	10	<b>597,543</b>	1,498,048
Dividend payable		<b>85,033</b>	164,295
Interest-bearing bank and other borrowings		<b>779,797</b>	810,779
Lease liabilities		–	1,666
Tax payable		<b>6,741</b>	2,850
Deferred income		<b>1,846</b>	1,514
Total current liabilities		<b>2,208,397</b>	2,809,299
<b>NET CURRENT LIABILITIES</b>		<b>(806,425)</b>	(1,274,215)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>5,165,489</b>	3,937,503

	<b>31 August 2022 RMB'000</b>	31 August 2021 RMB'000
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b><u>5,165,489</u></b>	<u>3,937,503</u>
<b>NON-CURRENT LIABILITIES</b>		
Interest-bearing bank and other borrowings	<b>1,336,367</b>	645,294
Lease liabilities	<b>7,825</b>	6,315
Deferred tax liabilities	<b>59,215</b>	35,502
Deferred income	<b><u>10,515</u></b>	<u>9,983</u>
Total non-current liabilities	<b><u>1,413,922</u></b>	<u>697,094</u>
Net assets	<b><u><u>3,751,567</u></u></b>	<u><u>3,240,409</u></u>
<b>EQUITY</b>		
Equity attributable to owners of the parent		
Share capital	<b>137</b>	137
Reserves	<b><u>3,751,430</u></b>	<u>3,240,272</u>
Total equity	<b><u><u>3,751,567</u></u></b>	<u><u>3,240,409</u></u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

China Kepei Education Group Limited was incorporated in the Cayman Islands on 24 August 2017 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of the registered office of the Company is P.O. Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands. The Company was listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 25 January 2019.

The principal activity of the Company is investment holding. During the year, the Company and its subsidiaries were principally engaged in providing private higher education services in the People’s Republic of China (the “**PRC**”).

### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value. These financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

The Group has prepared the financial statements on the basis of going concern. The Group recorded net current liabilities of RMB806,425,000 as at 31 August 2022. Included therein were the contract liabilities of RMB737,437,000 as at 31 August 2022, which will be settled by education services to be provided by the Group. In view of the net current liabilities position, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of finance when assessing whether the Group will have sufficient financial resources to continue as a going concern and meet its liabilities as and when they fall due in the foreseeable future.

The Directors have prepared a cash flow forecast for the Group which covers a period of twelve months from the end of the Reporting Period. Taking into account the positive cash flows from operation, adequate loan facilities from reputable financial institutions and the ability of management in adjusting the pace of its operation expansion, the Directors consider that the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due. Therefore, there are no material uncertainties that may cast significant doubt over the going concern assumption and the Directors have formed a judgement that there is a reasonable expectation that the Group has adequate resources to operate for the foreseeable future.

As set out in the announcement of the Company issued on 31 August 2021, the financial year end date of the Company and the Group has been changed from 31 December to 31 August to align the financial year end date of the Group with the academic year of the schools operated by the Group in the PRC, which ends in August each year. The corresponding comparative amounts shown for the consolidated statement of profit or loss, consolidated statement of comprehensive income and related notes covered a period of eight months from 1 January 2021 to 31 August 2021 are therefore not entirely comparable with those of the current accounting period.



## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has early adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
<i>Annual Improvements to HKFRSs 2018-2020</i>	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

## 3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue, other income and gains is as follows:

	<i>Notes</i>	<b>Year ended 31 August 2022 RMB'000</b>	Eight months ended 31 August 2021 RMB'000
<u>Revenue</u>			
<i>Revenue from contracts with customers</i>			
Tuition fees	<i>(a)</i>	<b>1,328,415</b>	625,099
Boarding fees	<i>(a)</i>	<b>94,783</b>	40,538
Other education service fees	<i>(b)</i>	<b>16,515</b>	5,658
		<b>1,439,713</b>	671,295
<u>Other income and gains</u>			
Management service income	<i>(c)</i>	<b>58,600</b>	5,189
Rental income		<b>22,894</b>	11,358
Bank interest income		<b>12,676</b>	9,169
Government grants			
Related to assets		<b>2,085</b>	917
Related to income		<b>1,191</b>	1,752
Gain on disposal of items of property, plant and equipment		<b>33</b>	–
Gain on termination of a lease	<i>(d)</i>	<b>426</b>	–
Interest income on loans to an associate		–	3,231
Interest expense on other borrowings		–	(3,231)
Dividend income from an equity investment designated at fair value through other comprehensive income		–	830
Remeasurement gain of the previously held equity interests in an associate		–	12,433
Fair value gains, net			
Financial assets at fair value through profit or loss		–	3,881
		<b>97,905</b>	45,529

*Notes:*

- (a) Tuition fees and boarding fees mainly represented income received from the provision of education and boarding services to the students, which was recognised over time, i.e. the academic year, of the services rendered.
- (b) Other education service fees mainly represented income received from the provision of other education services including training services to students, which was recognised over time, i.e. the training periods, of the services rendered.
- (c) Pursuant to the share management agreement dated 15 July 2021 in relation to the acquisition of Maanshan College (馬鞍山學院), the entire management of Maanshan College was entrusted to a subsidiary of the Company with effect from the effective date of the entrustment until the completion of acquisition. In consideration for the management services provided by the subsidiaries of the Company, the Group shall be entitled to management service income during the term of the share management agreement. (Eight months ended 31 August 2021: pursuant to the share management agreement in relation to the acquisition of Harbin Institute of Petroleum (哈爾濱石油學院), the entire management of Harbin Institute of Petroleum was entrusted to a subsidiary of the Company with effect from the effective date of the entrustment until the completion of acquisition. In consideration for the management services provided by the subsidiaries of the Company, the Group shall be entitled to management service income during the term of the share management agreement. On 29 March 2021, the Group completed the acquisition of Harbin Institute of Petroleum and terminated the share management agreement, and consolidated the financial result of the school into the Group after then.)
- (d) A lease was terminated on July 2022, and a gain on termination of a lease mainly represented a net effect on the derecognition of right-of-use asset of RMB5,057,000, derecognition of lease liabilities of RMB6,247,000, and the deposit of RMB764,000 not refunded due to the early termination of the lease.

Contract liabilities

The Group receives tuition and boarding fees from students in advance prior to the beginning of each academic year. The performance obligation is satisfied proportionately over the relevant period of the applicable program. The students are entitled to refunds of payments in relation to the proportionate services not yet provided.

Significant changes in the contract liability balances during the year/period are as follows:

	<b>Year ended</b> <b>31 August 2022</b> <b>RMB'000</b>	Eight months ended 31 August 2021 <i>RMB'000</i>
At the beginning of the year/period	<b>330,147</b>	524,366
Revenue recognised that was included in the balance of contract liabilities at the beginning of the year/period	<b>(330,117)</b>	(524,366)
Increases due to cash received, excluding amounts recognised as revenue during the year/period	<b>737,437</b>	330,147
Transfer to refund liabilities	<b>(30)</b>	–
At the end of the year/period	<b>737,437</b>	330,147

### ***Revenue recognised in relation to contract liabilities***

The following table shows the amounts of revenue recognised in the current year that were included in the contract liabilities at the beginning of the Reporting Period:

	<b>Year ended 31 August 2022 RMB'000</b>	Eight months ended 31 August 2021 RMB'000
Revenue recognised that was included in the balance of contract liabilities at the beginning of the year/period		
Tuition fees	<b>304,650</b>	484,901
Boarding fees	<b>25,467</b>	39,465
	<b>330,117</b>	524,366

### **Unsatisfied performance obligations**

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 August 2022 are as follows:

	<b>31 August 2022 RMB'000</b>	31 August 2021 RMB'000
Expected to be recognised as revenue within one year:		
Tuition fees	<b>682,618</b>	304,650
Boarding fees	<b>54,819</b>	25,497
	<b>737,437</b>	330,147

The amounts of transaction prices associated with unsatisfied or partially unsatisfied performance obligations do not include variable consideration which is constrained.

There were no contract assets at the end of the Reporting Period recognised in the consolidated statement of financial position as at 31 August 2022 and 2021.

#### 4. FINANCE COSTS

	<b>Year ended 31 August 2022 RMB'000</b>	Eight months ended 31 August 2021 RMB'000
Interest on lease liabilities	505	307
Interest on bank and other borrowings	<u>85,275</u>	<u>33,112</u>
Total interest expense on financial liabilities not at fair value through profit or loss	<b>85,780</b>	33,419
Interest capitalised	<u>(16,218)</u>	<u>(4,197)</u>
	<b><u>69,562</u></b>	<b><u>29,222</u></b>

#### 5. INCOME TAX

	<b>Year ended 31 August 2022 RMB'000</b>	Eight months ended 31 August 2021 RMB'000
Current – Mainland China Charge for the year/period	3,891	–
Deferred	<u>23,713</u>	<u>40,264</u>
Total tax charge for the year/period	<b><u>27,604</u></b>	<b><u>40,264</u></b>

#### 6. DIVIDENDS

	<b>Year ended 31 August 2022 RMB'000</b>	Eight months ended 31 August 2021 RMB'000
Interim – HK\$0.06 (eight months ended 31 August 2021: nil) per ordinary share	101,058	–
Proposed final – HK\$0.06 per ordinary share (eight months ended 31 August 2021: HK\$0.06)	<b><u>111,083</u></b>	<b><u>99,427</u></b>

The proposed final dividend of HK\$0.06 per share for the year ended 31 August 2022 is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

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

The calculation of the basic earnings per share amounts is based on the profit for the year/period attributable to ordinary equity holders of the parent, and the adjusted weighted average number of ordinary shares of 2,005,694,503 (eight months ended 31 August 2021: 2,000,917,597) in issue during the year/period, which reflects the ordinary shares held for the restricted share award scheme (the “**Restricted Shares**”) of the Company (the “**Restricted Share Award Scheme**”) during the year/period.

The calculation of the diluted earnings per share amounts is based on the profit for the year/period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year/period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	<b>Year ended 31 August 2022 RMB'000</b>	Eight months ended 31 August 2021 RMB'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	<u><b>704,230</b></u>	<u>272,152</u>
	<b>Number of shares</b>	
	<b>Year ended 31 August 2022</b>	Eight months ended 31 August 2021
Shares		
Number of ordinary shares in issue at the beginning of the year/period	<b>2,015,248,667</b>	2,015,248,667
Weighted average number of ordinary shares held for the Restricted Share Award Scheme	<u><b>(9,554,164)</b></u>	<u>(14,331,070)</u>
Weighted average number of ordinary shares in issue during the year/period used in the basic earnings per share calculation	<u><b>2,005,694,503</b></u>	<u>2,000,917,597</u>
Effect of dilution – weighted average number of ordinary shares: Restricted Shares under the Restricted Share Award Scheme	<u><b>5,567,672</b></u>	<u>9,407,673</u>
Weighted average number of ordinary shares in issue during the year/period used in the diluted earnings per share calculation	<u><b>2,011,262,175</b></u>	<u>2,010,325,270</u>

## 8. PROFIT BEFORE TAX

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

	<i>Notes</i>	<b>Year ended 31 August 2022 RMB'000</b>	Eight months ended 31 August 2021 RMB'000
Employee benefit expense (excluding directors' and chief executive's remuneration):			
Wages and salaries		<b>280,205</b>	123,791
Pension scheme contributions****		<b>30,271</b>	15,600
Equity-settled restricted share award expense		<b>1,142</b>	19,382
		<b>311,618</b>	158,773
Depreciation of property, plant and equipment		<b>145,608</b>	70,167
Depreciation of right-of-use assets		<b>18,198</b>	6,596
Amortisation of other intangible assets		<b>13,758</b>	3,860
Impairment of trade receivables*	9	<b>5,098</b>	1,237
Exchange loss, net**		<b>19,247</b>	1,218
Fair value loss/(gain), net:			
Financial assets at fair value through profit or loss***		<b>4,637</b>	(3,881)
Auditor's remuneration		<b>3,600</b>	3,880
Bank interest income	3	<b>(12,676)</b>	(9,169)
Gain on disposal of items of property, plant and equipment	3	<b>(33)</b>	–
Gain on termination of a lease	3	<b>(426)</b>	–
Dividend income from an equity investment at fair value through other comprehensive income	3	–	(830)
Remeasurement gain of previously held equity interests in an associate	3	–	(12,433)
Professional service fees related to acquisition transactions		–	1,472
Remeasurement loss of the previously held equity interests in a joint venture		–	142
		<b>–</b>	<b>142</b>

\* The provision for expected credit losses on trade receivables is included in administrative expenses in the consolidated statement of profit or loss.

\*\* The exchange loss is included in other expenses in the consolidated statement of profit or loss.

\*\*\* The fair value loss is included in other expenses and fair value gain is included in other income and gains in the consolidated statement of profit or loss.

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

## 9. TRADE RECEIVABLES

	<b>31 August 2022</b> <i>RMB'000</i>	31 August 2021 <i>RMB'000</i>
Tuition fees and boarding fees receivables	<b>57,633</b>	51,385
Impairment	<b>(10,778)</b>	(7,965)
	<b>46,855</b>	43,420

The Group's students are required to pay tuition fees and boarding fees in advance for the upcoming school year, which normally commences around September. The outstanding receivables represent amounts due from students who have applied for deferred payments of tuition fees and boarding fees. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of individual students, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	<b>31 August 2022</b> <i>RMB'000</i>	31 August 2021 <i>RMB'000</i>
Within 1 year	<b>33,438</b>	29,983
1 to 2 years	<b>8,447</b>	4,895
2 to 3 years	<b>2,426</b>	6,599
Over 3 years	<b>2,544</b>	1,943
	<b>46,855</b>	43,420

The movements in the loss allowance for impairment of trade receivables are as follows:

	<b>31 August 2022</b> <i>RMB'000</i>	31 August 2021 <i>RMB'000</i>
At beginning of year/period	<b>7,965</b>	7,218
Impairment losses ( <i>note 8</i> )	<b>5,098</b>	1,237
Amount written off as uncollectible	<b>(2,285)</b>	(490)
At end of year/period	<b>10,778</b>	7,965

## 10. OTHER PAYABLES AND ACCRUALS

	<b>31 August 2022</b>	31 August 2021
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Payables for salaries	<b>16,418</b>	17,753
Payables for social insurance and housing fund	<b>38,818</b>	31,318
Payables for scholarships and needy student fund	<b>62,697</b>	38,428
Payables for cooperative education fees	<b>1,078</b>	7
Payables for purchase of property, plant and equipment	<b>102,099</b>	280,662
Miscellaneous expenses received from students*	<b>45,162</b>	38,666
Other tax payable	<b>24,367</b>	12,951
Accrued interest	<b>6,368</b>	7,748
Payables for acquisition of subsidiaries	<b>150,000</b>	807,640
Other borrowings	<b>114,209</b>	223,004
Others	<b>36,327</b>	39,871
	<b>597,543</b>	1,498,048

\* The amount represents the miscellaneous expenses received from students which will be paid out on behalf of students.

Other payables and accruals are non-interest-bearing and expected to be settled within one year.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Market Overview

The Group is the largest vocational education group in the Pearl River Delta and Yangtze River Delta, the two most important economic regions in China. Our education businesses services cover the entire modern vocational education system, including the secondary-level vocational program, higher-level vocational program, and undergraduate-level vocational program (including application-oriented undergraduate program and college level program). Since the establishment of our first school in 2000, the Group has been adhering to the mission of building a skills-based society, cultivating more high-quality technological talents, and providing powerful talents with skills in contributing to the comprehensive construction of a modern socialist country.

On 20 April 2022, the newly amended Vocational Education Law of the People’s Republic of China (《中華人民共和國職業教育法》) was approved at the 34th meeting of the 13th NPC Standing Committee. The newly amended Vocational Education Law emphasized that vocational education is one of the education types that has the same important position as other general education and students in vocational education shall have the equal opportunities compare with the students in ordinary schools at the same level in aspects of further education, employment, and career development. In the meanwhile, industry enterprises are encouraged to hold high-quality vocational education, which are deeply involved in the integration of industry and education. The Group will continue to benefit from the favorable policy on vocational education.

In response to the national call to promote high-quality development of modern vocational education, the Group has determined to spare no effort to accomplish investment in six key sectors, includes upgrading professional training laboratories, building a smart-digital campus, further optimizing the structure of major layout, continuously increasing investment to cultivate teaching talents, deepening the connection with industry-leading enterprises to jointly build up modern industry colleges and fulfilling the Group’s ESG responsibilities. The Group believes that the businesses of the Group are conducive to the regulatory guidance of the Policy and the realization of the country’s strategic education goals of accelerating the establishment of a modern vocational education system to cultivate more technical and skilled talents.

### Business Overview

The report of the 20th National Congress of the Communist Party of China (the “**Party**”) clarified the historical position of the Party and the country in the new era and new journey, and made a series of major arrangements for promoting the great rejuvenation of the Chinese nation through Chinese-style modernization. Education is a major plan of the country and the Party. The report of the 20th National Congress of the Communist Party of China made special arrangements for “creating satisfactory education” from the perspective of “implementing the strategy of rejuvenating the country through science and education and strengthening the support of talents for modernization”, highlighting the importance of education. Education is an important way to improve the overall quality and all-round development of the people. It is an important cornerstone of national rejuvenation and social progress, and a cause of decisive significance for the great rejuvenation of the Chinese nation.

## ***Adhering to the Fundamental Task of Morality Education***

Our school adheres to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, adheres to the leadership of the Communist Party of China, adheres to the correct direction of education, adheres to the morality education, and guides students to establish a correct outlook on the world, life and values. We fully implement the Party's education policy, adhere to the school-running philosophy of being teacher-student-oriented, quality-based, application-oriented, and serving the local area, and adhere to the mission of educating people for the party and the country. We also strive to cultivate high-quality professional talents that meet the needs of local social and economic development.

We steadily carried out the study and education of party history, and comprehensively carried out the practical activities of "I do practical things for the masses" in all colleges and universities of the Group, and strived to solve the problems of "urgent needs, difficulties, worries and expectations" of teachers and students. Guangdong Polytechnic College won the national award in the National Party History Competition of Private Colleges, the first prize in the "Micro-Party Course" competition in private colleges in the province, the first prize in the provincial ideological and political course papers, and was named National Advanced Civil Organization by the Ministry of Civil Affairs, and was awarded the title of Advanced Primary Party Organization by Zhaoqing Education Working Committee.

## ***Focusing on High-Quality Development as the Core of Operating Schools, Strengthening Connotation Construction and Increasing Investments in Operating Schools***

### ***(1) Building a High-Quality Teaching Staff Team to Promote the Development of Research and Teaching***

The teaching team is the key to improving the quality of personnel training, the basis for forming the characteristics and advantages of the school, and the guarantee for the sustainable development of the school. The Group has been committed to building a high-level teaching team with optimized structure, high quality, vitality, innovation and adaptability to the development of the school, and to create "dual-qualification" (雙師雙能型) talents with solid theoretical knowledge, rich practical experience and ability, and innovative ability. In the 2021/22 school year, the Group has introduced more than 600 high-quality teachers, and the number of teachers with intermediate titles and above has increased significantly. To link the pay raised of the teaching staff and the teaching quality and result, the Group has implemented a new KPI examination system and set out a set of policies, such as Measures for the Administration of the Calculation of Teaching Workload of Teachers (教師教學工作量計算管理辦法), Measures for Scoring and Rewarding of Scientific Research and Teaching and Research Workload (科研與教研工作量計分與將勵辦法), Measures for Recognition of Dual-Qualification Teachers ("雙師雙能型"教師認定辦法), Measures for Graduates Employment Evaluation (畢業生就業工作評估辦法) and Measures for the Implementation of Encouraging Teachers to Study Part-time Doctoral Degree (鼓勵教師在職攻讀博士學位實施辦法).

Our teacher qualification training has achieved remarkable results. In the 2021/2022 school year, we received 8 national awards and 48 provincial awards. Two teachers from Guangdong Polytechnic College were awarded the title of Outstanding Teachers in Southern Guangdong by the Provincial Party Committee and the Provincial Government. Guangdong Polytechnic College was awarded the Outstanding Contribution Unit by the University Open Online Courses of Local Colleges (地方高校優課聯盟) and the Excellent Online and Offline Hybrid Teaching Cases by the University Open Online Courses (優課聯盟) in 2021. It was also accredited as one of the first batch of outstanding ideological and political cases of undergraduate university courses in Guangdong Province. A teacher from the faculty of Information Engineering of Harbin Institute of Petroleum was awarded the First Prize of Heilongjiang Province Teaching Achievement Award.

Adhering to the scientific research goal of “Promoting Teaching through Research and Promoting Learning through Teaching”, the school actively carries out scientific research and ignites the enthusiasm of teachers to engage in scientific research. In the 2021/22 school year, the Group’s schools undertook 69 provincial-level scientific research projects, and teachers published 721 academic papers, including 45 core journal papers. The school has received 9 invention patents, 18 utility model patents and 9 design patents.

(2) *Construction of High-Standard Modern Campus and Experimental Training Rooms*

The new campus of Huaibei Polytechnic College, which is located in the Yangtze River Delta Region with high construction standards, modernization and high-quality teaching requirements for vocational education, has been put into use in the 2021/22 school year and has been highly recognized by the education authorities, local governments, students and parents. The registration rate of the first enrolment of Huaibei Polytechnic College was as high as 95.6%, ranking among the top private colleges in the province. The Group newly invested in the construction of 13 experimental training rooms, including IoT laboratories, VR+ logistics integrated comprehensive laboratories, ERP laboratories, artificial intelligence (smart) classrooms, laser processing laboratories and sensor system laboratories, to meet the needs of modern vocational education. In terms of digitalization, the digital orientation system, all-in-one card system and dormitory management system deeply integrated with Tencent Micro-Schools have improved students’ campus life experience. Cooperating with certain online teaching platforms such as Chaoxing (超星), University Open Online Courses (優課聯盟), Treenity (智慧樹) and Chinese University MOOC (中國大學 MOOC), we have been providing online teaching for teachers and students on campus, effectively improving the level of information application, optimizing the teaching environment for teachers and students and enhancing teaching efficiency.

Guangdong Polytechnic College was awarded as a Green School in Guangdong Province by the Guangdong Provincial Department of Education, which is a recognition of the school’s efforts to carry out ecological civilization education, cultivate a green campus culture, and improve the level of green campus construction.

(3) *Attaching Importance to the All-round Development of Students and Enhancing their Employment Competitiveness*

We attach great importance to the employment of students and provide students with sufficient employment and internship opportunities by meeting the employment needs of enterprises through multiple channels. In 2021, the Group’s recruitment campaign adopted the model of online + offline campus recruitment, which invited over 5,000 enterprises to provide more than 200,000 jobs, providing an average of about 15 employment opportunities for each fresh graduate. In 2021, the employment rate of each school under the Group was higher than 90%, among which, the employment rate of Guangdong Polytechnic College reached 97.5%, and the employment rate of each school was among the best in the province. Employment units include well-known enterprises such as CATL, XPeng Motors, BYD, Midea and TCL. The number of students who started their own businesses, entered graduate schools, studying abroad and enrolled as national civil servants increased steadily. The number of graduates participating in serving the grassroots and national strategic projects such as the Three Branches and One Support, Western Plan, Mountainous Region Plan and the Enlistment in the Army has continued to grow.

We attach great importance to the all-round development of students and encourage and support students to participate in various competitions during their studies. They have won 294 national awards and 666 provincial honours, with a total of 1,568 awards, including the awards such as national first prizes in the China Robotics and Artificial Intelligence Competition (中國機器人及人工智能大賽), the National University Business Elite Challenge (全國高校商業精英挑戰賽), the National College Student Intelligent Car Competition (全國大學生智能汽車競賽), the China International Internet+ College Student Innovation and Entrepreneurship Competition (中國國際“互聯網+”大學生創新創業大賽), and the China College Student Computer Design Competition (中國大學生計算機設計大賽).

The schools under the Group provide material and educational assistance to students from families with financial difficulties and guarantee their successful completion of studies. In 2021, a total of 36,000 students were awarded.

### ***Deepening the Integration of Industry and Education, Arranging for the emerging industry and Optimizing the professional structure***

Based on the current situation of local economic and social development, we have added new majors to the major strategic emerging industries and other traditional competitive industries in the region, and continuously optimized the distribution of professional structures. Keeping pace with the industrial development of the Guangdong-Hong Kong-Macao Greater Bay Area, the Group has newly established the School of Intelligent Manufacturing at the Guangdong Polytechnic College to cultivate practical talents for local advanced manufacturing enterprises. In order to fulfill the strategic emerging industries of the state and closely connect to the rising industries with high talent demand, the Group's schools have added majors such as New Energy Vehicle Application and Maintenance, Robotics Engineering, Digital Media Art and Cross-border E-commerce this year. In addition, majors such as Mechanical and Electronic Engineering, Computer Science and Technology, Communication Engineering and Civil Engineering have been newly approved as provincial-level first-class undergraduate majors.

In terms of school-enterprise cooperation and integration of industry and education, we cooperated with industry leaders such as XPeng Motors, iFlytek, Midea Group, McQuay, Yum Brands, Genki Forest, Budweiser APAC, Alibaba, Vip.com and Yonyou to build industrial colleges and training bases to promote school-enterprise collaborative education. In 2021, the Group added 424 off-campus practical teaching bases, representing a year-on-year increase of 55%. We keep abreast of the trend of industrial upgrading and technological change, and cultivate professional technical talents that are in line with the development of local real economy and industrial upgrading. 36 industry-university cooperation projects from each of the Group's colleges have been selected into the list of industry-university cooperation collaborative education projects issued by the Department of Higher Education of the Ministry of Education.

In addition to working closely with enterprises, we have also actively explored in-depth cooperation with the government. The first School of Engineering of Maanshan College in Anhui Province that can award graduates with engineering professional and technical qualification certificates, jointly established by Maanshan College and Maanshan Human Resources and Social Security Bureau, was established in December 2021. Half a year after its establishment, a total of 287 graduates have been trained, 215 of whom participated in the professional title review, 1 of whom was exceptionally awarded as an engineer, 12 were rated as assistant engineers, and 199 were rated as technicians. The School of Engineering has reached the “ready-to-use” standard of enterprises and institutions, and has been widely welcomed by employers. It has become a successful case in Anhui Province in exploring the integration of industry and education to cultivate talents.

## ***Expanding the Distribution of International Education and Strengthening International Cooperation and Exchanges***

The Group established the Overseas Development Department during the year to provide students and teachers with multi-level and multi-modal ways to improve their international academic qualifications and cultivate high-quality practical talents with international perspectives. The Group has established official cooperation with more than 20 overseas universities in the United States, the United Kingdom, Singapore, Malaysia, South Korea and Japan, to provide international courses such as junior college to undergraduates and undergraduate double degrees. During the year, the Group and the National Examination Board of Malaysia established a language training and examination centre. Through online and offline presentations, we have provided consulting services to more than 1,000 teachers and students in international study projects, and built an effective communication platform for the Group's students to receive international education, broaden their horizons, and enhance their international understanding and communication level.

## ***Caring for the Society and Bringing the Core Values of Socialism into Practice***

Our schools have been actively carrying out social welfare activities and strengthening the implementation of college youth volunteer activities. Students from Guangdong Polytechnic University actively donated more than 500,000 millilitres of blood without compensation, and two students successfully donated bone marrow to save lives. The school was awarded the only "National Red Cross Model Unit" by the Red Cross Society of China in the province's private colleges and universities. Party organizations at all levels of the school mobilized more than 100 party members, teachers and students to carry out public welfare activities in local elderly homes, disabled children's welfare homes and rural primary schools. More than 2,000 students participated in public welfare activities. Guangdong Polytechnic University actively responded to the country's call for conscription. In the 2021 school year, 355 people joined the army, more than twice the excess to complete the conscription task, and won the title of the Advanced Unit in the Conscription Work of Guangdong Province for three consecutive years. The Group further promoted the implementation of the Western Plan, encouraging and organizing college students to carry out voluntary services such as supporting education and agriculture in the western region and the border villages. More than 10 graduate party members of Guangdong Polytechnic University participated in the work of aiding Tibet and Xinjiang, and won the title of excellent team of the provincial "Three Countryside Activities".

## ***Favourable policies for the industry have broadened the prospects for vocational education***

1. In October 2021, the Opinions on Promoting the High-quality Development of Modern Vocational Education (《關於推動現代職業教育高質量發展的意見》) promulgated by the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council proposed a number of favourable policies to encourage the development of vocational education, including encouraging listed companies and leading enterprises in the industry to organize vocational education, encouraging vocational schools and enterprises to jointly build industrial colleges, and encouraging vocational schools and social capital to jointly build vocational education training bases, the enrolment scale of vocational undergraduate education in 2025 should not be lower than 10% of the enrolment scale of higher vocational education and providing vocational education organizers with preferential measures including financing, government funding, land and credit.

2. In May 2022, the revised Vocational Education Law approved by the Standing Committee of the National People's Congress has been officially implemented. The new law clarifies that vocational education and general education have the same important status, supports social forces to participate in vocational education extensively, encourages, guides, and supports enterprises and other social forces to establish vocational schools and vocational training institutions in accordance with the law, and encourages enterprises to deeply participate in the integration of industry and education and school-enterprise cooperation. The New Vocational Education Law also clarifies that higher vocational school education may be implemented in ordinary higher education institutions with junior college, bachelor's degree and above. The new Vocational Education Law also mentions that enterprises that deeply participate in the integration of industry and education, school-enterprise cooperation, and play an important role in improving the quality of technical and skilled personnel training and promoting employment shall be rewarded in accordance with the regulations. Enterprises that meet the conditions and are recognized as integrating industry and education can be given financing, financial and land support in accordance with regulations, and can receive education surcharges and local education surcharge reduction and exemption and other tax and fee concessions. The Group's education business covers higher vocational education (including application-oriented undergraduate and junior college) and secondary vocational education involved in the new Vocational Education Law. The education provided by all of the Group's schools is encouraged by the new Vocational Education Law and is expected to continue to benefit from the favourable policies on vocational education.
3. In August 2022, the Ministry of Education's reply to the proposal No. 0588 of the Fifth Session of the 13th National People's Congress mentioned that private higher education, as an important component of higher education, plays an important role in exerting the function of higher education, building a strong country in higher education and providing satisfactory education. The Ministry of Education attaches great importance to the development of private higher education. In formulating and improving various important regulations, major plans and major policies on education, the Ministry of Education pays attention to and supports the development of private schools, and continuously promotes the high-quality development of private higher education. The State actively encourages innovation in education investment and financing mechanism, attracts social funds through multiple channels, and expands the source of education funds. Financial institutions are encouraged to develop financial products suitable for the characteristics of private schools under the premise of controllable risks, explore the business of future operating income and intellectual property pledge loans of private schools, and provide diversified financial services such as bank loans, trusts and financial leasing. The Ministry of Education's response to the recommendations of the National People's Congress deputies expressed its recognition of private higher education and encouraged private schools to raise funds through multiple channels to expand the scale of schools.
4. In September 2022, the executive meeting of the State Council decided to provide phased fiscal interest discounts for loans for equipment renovation and transformation in certain fields and to increase credit support for the social service industry, including providing additional loans for the purchase and renovation of equipment for colleges and universities, vocational schools and training bases, and implementing periodic incentives policies such as the central government's fiscal discount of 2.5 percentage points for a period of 2 years. This policy indicates that the government encourages colleges and universities to continue to expand the scale and high-quality development of schools, improve school facilities and equipment, and provide substantial financial support to implement the financial incentive policies mentioned in the Vocational Education Law.

5. In November 2022, the Ministry of Education and other five departments issued a notice on the Implementation Plan for Reaching the Conditions for Running Vocational Schools (《職業學校辦學條件達標工程實施方案》), which mentioned further optimizing the layout and structure of vocational education, comprehensively improving the conditions for running vocational schools, improving the quality of education, and enhancing the image of education. It is mentioned in the plan that all regions shall coordinate the regional vocational education resources, and take the forms of merger, group operation and termination of school based on the needs of regional economic and social development to optimize the layout of vocational schools and reasonably determine the scale of student enrolment. For schools that plan to run as a group, the substantive joint construction and sharing of campuses, school buildings, teachers, equipment and devices shall be carried out, and the teaching conditions shall be assessed as a whole. Vocational schools should make good use of local special bonds, budgeted investments, foreign government loans, loans from international financial organizations and other policy funds. All localities are encouraged to explore the mechanism of multi-investment of social forces, and establish and improve the relevant systems of joint-stock and mixed ownership of vocational schools. Vocational schools are supported to use operating income to carry out credit business cooperation with financial institutions to attract more social funds to vocational education and to improve school conditions.

### ***Market Position***

With over 22 years' experience in operating vocational education institutions in China, the Group is a leading provider of private vocational education services in China.

The Group is committed to providing students with high-quality profession-oriented and vocational education and helping them to meet the growing and changing market demands. The Group is primarily focused on engineering majors to better capture local employment demands balanced with economics, management, education and art majors to offer well-rounded education services. It endeavors to provide students with various profession-oriented training and internship opportunities in collaboration with research institutions and enterprises, which fosters practical skills and market competitiveness of the students.

### ***The Schools Operated by the Group***

*Guangdong Polytechnic College*: A degree-granting undergraduate-level education institution established in 2005 which offers undergraduate, junior college and adult education programs. It offers 34 undergraduate majors and 26 junior college majors, in a wide range of subject areas. Its core majors include computer science and technology, electrical engineering and automation, electronic information engineering and mechanical design;

*Zhaoqing Science and Technology Secondary Vocational School (“Zhaoqing School”)*: A secondary vocational school established in 2000 which provides secondary vocational education in 12 majors, including automobile servicing, electronic commerce and electromechanical technology application;

*Harbin Institute of Petroleum:* A degree-granting undergraduate-level education institution established in 2003 and was consolidated by the Company since April 2021. It offers undergraduate and adult education programs. It offers 34 undergraduate majors in a wide range of subject areas. Its core majors include mechatronic engineering, computer science and technology, petroleum engineering and electronic information engineering; and

*Huaibei Polytechnic College:* A degree-granting undergraduate-level education institution established in 2003, formerly known as Huaibei Normal University Information College, and was approved by the Ministry of Education for conversion in June 2021 as a private regular undergraduate institution, namely Huaibei Polytechnic College. It offers 20 undergraduate majors in a wide range of subject areas such as electronic and information engineering and e-commerce. Huaibei Polytechnic College has commenced operation in the new campus in September 2021.

### **Revenue**

The revenue increased by 28.6% from the pro forma revenue of RMB1,119.6 million for the year ended 31 August 2021 to RMB1,439.7 million for the year ended 31 August 2022. The Group typically charges students fees comprising tuition fees, boarding fees and other education service fees. Tuition fees remained as the major revenue, accounted for approximately 92.3% of the total revenue of the Group for the year ended 31 August 2022.

The table below summarises the amount of revenue generated from tuition fees, boarding fees and other education service fees charged by Guangdong Polytechnic College, Zhaoqing School, Harbin Institute of Petroleum and Huaibei Polytechnic College (collectively, the “**PRC Schools**”) for the year/period indicated:

	<b>Year ended 31 August 2022 RMB'000</b>	Eight months ended 31 August 2021 RMB'000
Tuition fees		
Undergraduate program	<b>1,081,110</b>	472,643
Junior college program	<b>88,330</b>	62,019
Adult college program	<b>76,217</b>	49,941
Secondary vocational education	<b>82,758</b>	40,496
	<hr/>	<hr/>
Total tuition fees	<b>1,328,415</b>	625,099
	<hr/>	<hr/>
Boarding fees	<b>94,783</b>	40,538
Other education service fees	<b>16,515</b>	5,658
	<hr/>	<hr/>
<b>Total</b>	<b>1,439,713</b>	671,295
	<hr/> <hr/>	<hr/> <hr/>



To provide meaningful comparative information of revenue generated from tuition fees, boarding fees and other education service fees charged by the PRC Schools for the 2022/2021 and 2021/2020 school years, the Group prepared pro forma amounts of revenue covering the twelve-month period ended 31 August 2021, and such pro forma amounts are detailed in the following table and have not been audited.

	Year ended 31 August		Change RMB'000	Percentage Change (%)
	2022 RMB'000	(Pro forma) 2021 RMB'000		
Tuition fees				
Undergraduate program	<b>1,081,110</b>	768,021	313,089	+40.8
Junior college program	<b>88,330</b>	110,891	(22,561)	-20.3
Adult college program	<b>76,217</b>	77,376	(1,159)	-1.5
Secondary vocational education	<b>82,758</b>	77,878	4,880	+6.3
	<u><b>1,328,415</b></u>	<u>1,034,166</u>	<u>294,249</u>	<u>+28.5</u>
Total tuition fees				
Boarding fees	<b>94,783</b>	72,395	22,388	+30.9
Other education service fees	<b>16,515</b>	13,065	3,450	+26.4
	<u><b>1,439,713</b></u>	<u>1,119,626</u>	<u>320,087</u>	<u>+28.6</u>

The increased tuition fees and boarding fees were mainly attributed to: (i) steady growth in the number of student enrolments and average tuition fees and boarding fees of Guangdong Polytechnic College and Zhaoqing School; and (ii) the consolidation of the twelve months financial results of Harbin Institute of Petroleum and Huaibei Polytechnic College during the year ended 31 August 2022.

The following table sets out the tuition fees and boarding fees information for the schools for the school years indicated:

School	Tuition Fees <sup>(1)</sup> / School Year		Boarding Fees <sup>(1)</sup> / School Year	
	2021/2022 RMB	2020/2021 RMB	2021/2022 RMB	2020/2021 RMB
<b>Consolidated schools</b>				
Guangdong Polytechnic College				
– Undergraduate program <sup>(2)</sup>	<b>29,800</b>	26,800	<b>1,800-6,000</b>	1,800-6,000
– Junior college program <sup>(2)</sup>	<b>18,800</b>	18,800	<b>1,800-6,000</b>	1,800-6,000
– Adult college program	<b>680-980</b>	680-980	<b>N/A</b>	N/A
Zhaoqing School				
– Secondary vocational education	<b>8,400-12,400</b>	8,000-12,400	<b>1,500</b>	1,380
Harbin Institute of Petroleum				
– Undergraduate program	<b>20,800-24,800</b>	19,800-21,800	<b>1,500-4,000</b>	1,500
– Adult college program	<b>1,400-2,000</b>	1,400-2,000	<b>N/A</b>	N/A
Huaibei Polytechnic College				
– Undergraduate program	<b>19,800</b>	N/A	<b>1,800</b>	N/A
<b>Non-consolidated school operated under the entrustment agreement</b>				
Maanshan College <sup>(3)</sup>				
– Undergraduate program	<b>18,800</b>	14,800-17,800	<b>2,000</b>	1,800

*Notes:*

- (1) Tuition fees and boarding fees shown above only apply to newly enrolled students in the relevant school years.
- (2) The tuition fees range excluded the “2+2” undergraduate program and junior college program offered by Guangdong Polytechnic College, which was generally charged higher than the ordinary program.
- (3) The Group entered into an entrustment agreement with Maanshan College in July 2021. The acquisition of Maanshan College by the Group is still pending for the approval from Ministry of Education and registration with the provincial civil affairs authorities. Therefore, Maanshan College was not a consolidated subsidiary of the Group as of 31 August 2022.

### ***Student enrollment***

The following table sets out information relating to the student enrollment for the schools of the Group as of the date indicated:

	<b>Numbers of Students</b>		<b>Change</b>	<b>Percentage Change (%)</b>
	<b>Enrolled as of 31 August 2022</b>	<b>2021</b>		
Undergraduate program	<b>55,344</b>	38,773	16,571	+42.7
Junior college program	<b>4,744</b>	6,287	(1,543)	-24.5
Adult college program	<b>50,704</b>	51,132	(428)	-0.8
Secondary vocational program	<b>9,156</b>	8,504	652	+7.7
<b>Total</b>	<b>119,948</b>	<b>104,696</b>	<b>15,252</b>	<b>+14.6</b>

The student enrollment information was based on the records as of 31 August 2022. As of 31 August 2022, the total number of enrolled students of the Group was 119,948, representing an increase of 14.6% from the enrolled students as of 31 August 2021.

### ***School Utilisation***

School utilisation rate is calculated by boarding student enrollment for a particular school year divided by school capacity for such school year. The school capacity is calculated by the number of beds available in student dormitories.

	<b>School Capacity</b>		<b>School Utilisation Rate</b>	
	<b>As of 31 August 2022</b>	<b>2021</b>	<b>As of 31 August 2022</b>	<b>2021</b>
<b>Total</b>	<b>77,302</b>	<b>52,302</b>	<b>76.5%</b>	<b>95.2%</b>

### ***Risk Management***

The Group is exposed to various risks in the operations of its business and the Group believes that risk management is important to its success. Key operational risks faced by the Group include, among others, changes in general market conditions and perceptions of private higher education, changes in the regulatory environment in the PRC education industry, the ability of the Group to offer quality education to students, the ability of the Group to increase student enrollment and/or raise tuition rates, the potential expansion of the Group into other regions in China, availability of financing to fund the Group's expansion and business operations and competition from other school operators that offer similar quality of education and are of similar scale.

In addition, the Group also faces numerous market risks, such as interest rate and liquidity risks that arise in the normal course of the Group's business.

### *Interest Rate Risk*

The Group's exposure to the risk of changes in market interest rates relates primarily to its bank and other borrowings with floating interest rates.

It is the Group's policy to keep certain bank and other borrowings at fixed rates of interest so as to minimise the interest rate risk. The Group currently does not use any derivative contracts to hedge its exposure to interest rate risk. However, the Board will consider hedging significant interest rate risk should the need arise.

### *Liquidity Risk*

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of internally generated cash flow from operation, bank and other borrowings. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

To properly manage these risks, the Group has established the following risk management structures and measures:

- the Board is responsible and has the general power to manage the Group's operations of the schools, and is in charge of managing the overall risks of the Group. It is responsible for considering, reviewing and approving any significant business decisions involving material risk exposures, such as the Group's decisions to expand its school network into new geographic areas, to raise the tuition fees of the PRC Schools, and to enter into cooperative business relationships with independent third parties to establish new schools;
- the Group maintains insurance coverage, which it believes is in line with customary practice in the PRC education industry, including school liability insurance; and
- the Group has made arrangements with its lenders to ensure that it will be able to obtain credit to support its business operation and expansion.

### ***Environment, Health and Safety***

The Group is dedicated to protecting the health and safety of the students. The Group has on-site medical staff or healthcare personnel at each of the PRC Schools to handle routine medical situations involving students. In certain serious and emergency medical situations, the Group promptly sends the students to local hospitals for treatment. In the meanwhile, the Group has adopted a series of strict preventive measures in response to the COVID-19 epidemic to safeguard the health of teachers and students, including strengthening disinfection and cleaning of campuses in time. With respect to school safety, the Group engaged a qualified property management company to provide property security services at the Group's school premises.

As far as the Board and the management of the Company are aware, the Group has complied in all material respects with the relevant environmental, health and safety laws and regulations that have a significant impact on the business and operation of the Group. During the Reporting Period, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

## ***Future Plans***

The education courses provided by all our schools are encouraged by the new vocational education law. It is expected that the Group will continue to benefit from the favourable policies on vocational education. In strengthening the Group's position as a leading provider of private vocational education, the Group will diversify our course offerings, expand our organic growth, leverage its extensive school-enterprise relationships in Pearl River Delta and Yangze River Delta regions to develop more industrial colleges in the schools operated by the Group and cultivate more high-quality technical and skilled talents to meet the needs of regional economy. In addition, the Group will actively promote school-enterprise cooperation and industry-education integration to enable the close connection between major settings and industry needs.

## **Financial Review**

### ***Revenue***

Revenue represents the value of services rendered during the Reporting Period. The Group mainly derives revenue from tuition fees and boarding fees its schools collect from students.

Revenue increased by RMB320.1 million, or 28.6%, from the pro forma amount of RMB1,119.6 million for the year ended 31 August 2021 to RMB1,439.7 million for the year ended 31 August 2022. This increase was primarily the result of: (i) revenue from tuition fees increasing by RMB294.2 million, or 28.5%, from the pro forma amount of RMB1,034.2 million for the year ended 31 August 2021 to RMB1,328.4 million for the year ended 31 August 2022; and (ii) revenue from boarding fees increased by RMB22.4 million, or 30.9%, from the pro forma amount of RMB72.4 million for the year ended 31 August 2021 to RMB94.8 million for the year ended 31 August 2022.

The increased tuition fees and boarding fees were mainly attributed to: (i) steady growth in the number of student enrolments and average tuition fees and boarding fees of Guangdong Polytechnic College and Zhaoqing School; and (ii) the consolidation of the twelve months financial results of Harbin Institute of Petroleum and Huaibei Polytechnic College during the year ended 31 August 2022.

### ***Cost of Sales***

Cost of sales consists primarily of staff costs, depreciation and amortisation, utilities, teaching supplies, cost of cooperative education, student study and practice fees, office expenses, training expenses, student subsidies, travel and transportation expenses, cost of repairs, property management fees and others.

Cost of sales increased by RMB186.1 million or 53.1% from the pro forma amount of RMB350.6 million for the year ended 31 August 2021 to RMB536.7 million for the year ended 31 August 2022. This increase was primarily the result of: (i) the Group's great input to develop high quality connotation and in cultivating high-end talents; (ii) the continuously investment in various professional teaching training venues and equipment in order to improve teaching quality and students' learning experiences; and (iii) the consolidation of the twelve months financial results of Harbin Institute of Petroleum and Huaibei Polytechnic College during the year ended 31 August 2022.

### ***Gross Profit***

The gross profit increased by 17.4% from the pro forma amount of RMB769.1 million for the year ended 31 August 2021 to RMB903.0 million for the year ended 31 August 2022, which was consistent with the growth of the Group's business.

### ***Other Income and Gains***

Other income and gains primarily consist of government grants, interest income from bank deposits, rental income from lease of campus properties and venues to independent third parties, management service income, gain on disposal of items of property, plant and equipment; and gain on termination of a lease.

Other income and gains decreased by RMB1.2 million, or 1.2%, from the pro forma amount of RMB99.1 million for the year ended 31 August 2021 to RMB97.9 million for the year ended 31 August 2022. This slightly decrease was primarily due to: (i) the increase of RMB17.0 million in the management service income compared to the same period of last year; (ii) the increase of RMB5.3 million in rental income from lease of campus properties and venues to independent third parties in relation to the increase of rentable area under the schools operated by the Group; (iii) the decrease of RMB12.4 million in gain on remeasurement of the previously held equity interest in an associate and there was no such income in the current period; and (iv) the decrease of RMB4.4 million in interest income from bank deposits.

### ***Selling and Distribution Expenses***

Selling and distribution expenses primarily consist of advertising expenses, student admission expenses and business entertainment expenses. The selling and distribution expenses decreased by 17.0% from the pro forma amount of RMB25.3 million for the year ended 31 August 2021 to RMB21.0 million for the year ended 31 August 2022. This decrease was primarily attributable to the Group's strict cost control measurements on advertising and business entertainment expenses.

### ***Administrative Expenses***

Administrative expenses primarily consist of the administrative staff salaries, share-based payment expenses under restricted share award scheme, office-related expenses, depreciation and amortisation of office buildings, equipment and right of use assets, audit fee, travel expenses and others. The administrative expenses increased by 4.4% from the pro forma amount of RMB147.4 million for the year ended 31 August 2021 to RMB153.9 million for the year ended 31 August 2022. This increase was primarily due to the increase of: (i) the increase numbers of management professionals to get involve in the Group's daily managing operation; and (ii) the consolidation of the twelve months financial results of Harbin Institute of Petroleum and Huaibei Polytechnic College during the year ended 31 August 2022.

### ***Other Expenses***

Other expenses primarily consist of expenses relating to exchange loss and other costs, and fair value loss from financial assets measured at fair value. Other expenses increased by 9.3% from the pro forma amount of RMB22.5 million for the year ended 31 August 2021 to RMB24.6 million for the year ended 31 August 2022. This increase was primarily due to the increase of fair value loss of RMB4.6 million from the financial assets measured at fair value.

### ***Finance Costs***

Finance costs primarily consist of the interest expenses for the interest-bearing bank and other borrowings and lease liabilities. The finance costs increased by 110.9% from the pro forma amount of RMB33.0 million for the year ended 31 August 2021 to RMB69.6 million for the year ended 31 August 2022, which was mainly due to the increased average interest-bearing bank and other borrowings in response to the establishment of the new campus of Huaibei Polytechnic College and the consideration paid in relation to the acquisition of Harbin Institute of Petroleum.

## ***Core Net Profit***

Core net profit was derived from the profit for the year/period after adjusting the expenses related to the share-based payments under restricted share award scheme, remeasurement gain of the previously held equity interests in an associate, additional depreciation and amortisation due to the fair value adjustments to the acquired identifiable assets, foreign exchange gain or expenses and fair value gain or loss, which are not indicatives of the Group's operational performance. This is not a Hong Kong Financial Reporting Standards ("HKFRSs") measure. The Group presents this item because the Group considers it an important supplemental measure of the Group's operational performance used by the Group's management as well as analysts or investors. The following table reconciles from profit for the year/period to core net profit for both financial year/period:

	<b>Year ended 31 August 2022 RMB'000</b>	Eight months ended 31 August 2021 RMB'000
Profit for the year/period	<b>704,230</b>	272,152
Add:		
Additional depreciation and amortisation due to the fair value adjustments to the acquired identifiable assets	<b>17,530</b>	5,493
Share-based payments under the restricted share award scheme	<b>9,120</b>	32,268
Foreign exchange loss	<b>19,247</b>	1,218
Remeasurement loss of the previously held equity interest in a joint venture	–	142
Fair value loss of financial assets at fair value through profit or loss	<b>4,637</b>	–
Less:		
Remeasurement gain of the previously held equity interests in an associate	–	12,433
Fair value gain of financial assets at fair value through profit or loss	–	3,881
Core net profit	<b><u>754,764</u></b>	<b><u>294,959</u></b>

To provide meaningful comparative information of core net profit of the Group for the 2022/2021 and 2021/2020 school years, the Group prepared pro forma amounts of core net profit covering the twelve-month period ended 31 August 2021, and such pro forma amounts are detailed in the following table and have not been audited.

	Year ended 31 August			Percentage Change %
	2022 <i>RMB'000</i>	(Pro forma) 2021 <i>RMB'000</i>	Change <i>RMB'000</i>	
Profit for the year	<b>704,230</b>	592,938	111,292	+18.8
Add:				
Additional depreciation and amortisation due to the fair value adjustments to the acquired identifiable assets	<b>17,530</b>	5,493	12,037	+219.1
Share-based payments under the restricted share award scheme	<b>9,120</b>	49,108	(39,988)	-81.4
Foreign exchange loss	<b>19,247</b>	22,297	(3,050)	-13.7
Remeasurement loss of the previously held equity interest in a joint venture	–	142	(142)	-100.0
Fair value loss of financial assets at fair value through profit or loss	<b>4,637</b>	–	4,637	N/A
Less:				
Remeasurement gain of the previously held equity interests in an associate	–	12,433	(12,433)	-100.0
Fair value gain of financial assets at fair value through profit or loss	–	1,548	(1,548)	-100.0
Core net profit	<b><u>754,764</u></b>	<b><u>655,997</u></b>	<b><u>98,767</u></b>	<b><u>+15.1</u></b>

The core net profit increased by 15.1% from the pro forma amount of RMB656.0 million for the year ended 31 August 2021 to RMB754.8 million for the year ended 31 August 2022.

### ***Capital Expenditure***

Capital expenditures during the Reporting Period primarily related to the establishment of new school premises, maintaining and upgrading existing school premises and purchasing additional educational facilities and equipment for the PRC Schools. For the year ended 31 August 2022, the Group's capital expenditures were RMB571.1 million.

### ***Gearing Ratio***

The gearing ratio of the Group, which was calculated as total interest-bearing bank and other borrowings divided by total equity as at the end of the relevant financial year/period, increased from approximately 44.9% as at 31 August 2021 to approximately 56.4% as at 31 August 2022, primarily due to the increase in the Group's total interest-bearing bank and other borrowings.



## ***Foreign Exchange Risk Management***

The functional currency of the Company is RMB. The majority of the Group's revenue and expenditures are denominated in RMB. As at 31 August 2022, certain bank balances were denominated in HKD and USD. During the year ended 31 August 2022, the Group did not experience any significant difficulties in or impacts on its operations or liquidity due to fluctuations in currency exchange rates. The Directors believe that the Group has sufficient foreign exchange to meet its own foreign exchange requirements and will adopt practical and effective measures to prevent exposure to exchange rate risk. As a result, the Group did not enter into any financial instrument for hedging purposes.

## ***Contingent Liabilities***

As at 31 August 2022, the Group did not have any significant contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened (as at 31 August 2021: nil).

## ***Pledge of Asset***

As at 31 August 2022, certain of the Group's furniture and fixtures, and electronic devices with a net carrying value of RMB87.2 million (as at 31 August 2021: RMB128.6 million) and time deposits amounting to RMB146.0 million (as at 31 August 2021: RMB50.0 million) were pledged to secure certain of the Group's other borrowings.

## ***Human Resources***

As at 31 August 2022, the Group had 3,583 employees (as at 31 August 2021: 3,413 employees).

The remuneration policy and package of the Group's employees are periodically reviewed in accordance with industry practice and result performance of the Group. The Group provides external and internal training programs to its employees. The Group participates in various employee social security plans for its employees that are administered by local governments, including housing, pension, medical insurance, occupational injury insurance, maternity insurance and unemployment insurance.

The total remuneration cost incurred by the Group for the year ended 31 August 2022 was RMB331.7 million (for the eight months ended 31 August 2021: RMB180.0 million).

## **EVENTS AFTER THE REPORTING PERIOD**

The Group had no significant event after the Reporting Period required to be disclosed.

## **FINAL DIVIDEND**

The Board recommended the payment of a final dividend of HK\$0.06 (for eight months ended 31 August 2021: HK\$0.06) per share for the year ended 31 August 2022. The final dividend is subject to the approval of the shareholders of the Company (the "Shareholders") at the forthcoming annual general meeting of the Company to be held on Friday, 24 February 2023 (the "AGM") and the proposed final dividend will be payable on or around 31 August 2023 to the Shareholders whose names appear on the register of members of the Company on 11 August 2023.

	<b>Year ended 31 August 2022</b>
Interim dividend (HK\$)	<b>0.06</b>
Proposed final dividend (HK\$)	<b>0.06</b>

## CLOSURE OF THE REGISTER OF MEMBERS

### (a) For determining the entitlement to attend and vote at the AGM

The register of members of the Company will be closed from Tuesday, 21 February 2023 to Friday, 24 February 2023, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the AGM, during which period no share transfers will be registered. To be eligible to attend the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 20 February 2023.

### (b) For determining the entitlement of the proposed dividend

The register of members of the Company will also be closed from Tuesday, 8 August 2023 to Friday, 11 August 2023, both days inclusive, in order to determine the entitlement of the Shareholders to receive the final dividend, during which period no share transfers will be registered. To qualify for the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 7 August 2023.

## CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its own code of corporate governance. The Company has complied with all applicable code provisions of the CG Code during the year ended 31 August 2022, except for a deviation from code provision A.2.1 (which has been renumbered as code provision C.2.1 since 1 January 2022) of the CG Code, which requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

Under code provision A.2.1 (which has been renumbered as code provision C.2.1 since 1 January 2022) of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Ye Nianqiao (“**Mr. Ye**”) currently serves as the chairman of the Board, executive Director, chief executive officer and general manager of the Company. Throughout the Group's business history, Mr. Ye has been the key leadership figure of the Group who has been primarily involved in the strategic development, overall operational management and major decision-making of the Group. Taking into account the continuation of the implementation of the Group's business plans, the Directors consider Mr. Ye is the best candidate for both positions and the present arrangements are beneficial and in the interests of the Company and the Shareholders as a whole.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding directors’ securities transactions. Having made specific enquiries of all Directors, each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code during the year ended 31 August 2022.

The Company has also adopted its own code of conduct regarding employees’ securities transactions on terms no less exacting than the standard set out in the Model Code for the compliance by its relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of their dealings in the Company’s securities.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the year ended 31 August 2022, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

## **AUDIT COMMITTEE**

The audit committee of the Company (the “**Audit Committee**”) has reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to auditing, internal control and financial reporting. The audit committee of the Company, together with the Board has reviewed the Group’s consolidated financial statements for the year ended 31 August 2022.

The financial information of the Group disclosed in this announcement is based on the Group’s consolidated financial statements for the year ended 31 August 2022, which has been agreed with the auditor of the Company.

## **CHANGES TO DIRECTORS’ INFORMATION**

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors since the publication of the Company’s 2022 interim report are set out below.

- (i) Mr. Wang Chuanwu has resigned as a non-executive Director and a member of the Audit Committee with effect from 1 September 2022.
- (ii) Ms. Sun Lixia has been appointed as an executive Director with effect from 1 September 2022.
- (iii) Mr. Lu Chao, an independent non-executive Director, has been appointed as a member of the Audit Committee with effect from 1 September 2022.

Save as disclosed above, the Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## **SCOPE OF WORK OF ERNST & YOUNG**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 August 2022 as set out in this preliminary announcement have been agreed by the Company's auditor, Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Ernst & Young in this respect does not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Ernst & Young on this preliminary announcement.

## **PUBLICATION OF THE ANNUAL RESULTS AND 2022 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This annual result announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chinakepeiedu.com](http://www.chinakepeiedu.com)), and the 2022 annual report of the Group for the year ended 31 August 2022 containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board  
**China Kepei Education Group Limited**  
**YE Nianqiao**  
*Chairman*

Hong Kong, 30 November 2022

*As at the date of this announcement, the Board comprises Mr. YE Nianqiao, Dr. ZHANG Xiangwei, Mr. ZHA Donghui, Ms. LI Yan, Mr. YE Xun and Ms. SUN Lixia as executive Directors, and Dr. XU Ming, Dr. DENG Feiqi and Mr. LU Chao as independent non-executive Directors.*

# *Denotes English translation of the name of a Chinese company and is provided for identification purpose only.*