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## **XJ International Holdings Co., Ltd.**

### **希教國際控股有限公司**

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

**(Stock Code: 1765)**

## **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 29 FEBRUARY 2024**

The Board of the Company is pleased to announce the interim results and the unaudited condensed consolidated financial statements of the Group for the six months ended 29 February 2024, together with the comparative figures for the six months ended 28 February 2023.

### **HIGHLIGHTS**

#### **1. Increasing investment in school operations for the improvement of operating conditions**

We continued to increase our investment in school operations for the improvement of our operating conditions. During the Reporting Period, the Company invested capital expenditure and resources on building new campuses, expanding sites, purchasing teaching facilities and equipment and improving and beautifying the environment of our campuses. During the Reporting Period, the Company invested more than RMB100 million in software and hardware for training constructions, built more than 50 new training units, and applied for more than 20 new majors.

#### **2. Building a team of excellent teachers through recruitment and nurturing**

We have made increasing efforts in recruiting teachers and improving quality and capabilities of teachers. During the Reporting Period, we welcomed more than 930 teachers, among which, our talents with professional skill levels or above had reached more than 140 individuals; 1,845 training sessions of various kinds for teachers were conducted; our school teachers had participated in competitions which earned us a total of 241 awards, including 40 national awards and 80 provincial awards.

**3. Rising reputation in school operation and strengthening our capability to serve our society**

We encourage our schools to improve their reputation in order to make them more appealing to students and we continuously strengthen our capability in serving our society. In the 2023–2024 school year, the Company recruited more than 100,000 new students in its schools for the first time, and the number of enrolled students exceeded 290,000, hitting another record high. In the past five years, the compound growth rate of our new student enrolment reached 26.4%, and that of our enrolled students was 27.6%.

**4. Putting students as the top priority and strengthening employment services**

We support our schools to strive in career preparation in order to improve students' satisfaction with their employment. During the Reporting Period, the schools continued to reform and optimise content and methods of teaching, and enhanced the provision of professional knowledge and skills required for front-line positions; we also instructed and assisted our students to obtain vocational qualification certificates and skill level certificates of various types. The employment department newly expanded up to 1,000 units of school-enterprise cooperation, and 27 large-scale mutual selections and 387 special job fairs have been held, offering more than 80,000 internship and employment positions to our graduates.

**5. Promoting educational cooperation internationally and accelerating cultivation of internationalized talents**

As we were continuously raising the quality of talents by operating three universities overseas, we actively fuelled the sharing of quality educational resources among domestic and overseas schools and five of our Sino-Foreign cooperation projects were proceeding smoothly; we deepened the development of international education and strengthened the training of talents with an international vision. To date, we have established presence in 39 overseas countries and secured cooperation with 104 schools overseas; Shinawatra University in Thailand signed memorandum of understanding with 111 international universities; INTI International University in Malaysia hosted more than 18 international seminars and published over 580 articles in international journals.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Review on Industry Policies

The 2024 Government Work Report (《2024年政府工作報告》) that was considered and approved at the Second Session of the Fourteenth National People's Congress clearly stated: It is of great importance to “deeply implement the strategy of rejuvenating the country through science and education and strengthen the fundamental support for high-quality development; to adhere to the coordinated promotion of building a strong educational system, greater scientific and technological strength, and a quality workforce; to deploy and implement the innovation chain, the industry chain, the capital chain and the talent chain in integration”; and to formulate the “outline for the implementation of the construction plan for strengthening the country with education”; so as to guide and standardise the development of private education and vigorously improve the quality of vocational education.

### Our Business Development Achievements by Schools

#### ***1. Implementing the connotative development strategy and adhering to the position of teaching centres***

Our schools adhere to the guidance of quality construction and actively promoted qualified assessments of undergraduate colleges, the conversion of independent colleges and the construction projects meeting the standard operating conditions of vocational schools following the requirements of education authorities. Guided by high-quality employment and based on the construction of characteristic schools, the Company's schools implemented the plan of “supporting outstanding teaching and research programmes and cultivating special programmes”, continuously optimised construction of majors and curricula, focused on major teaching practices such as teaching and learning through theories, teaching and learning through practicing and job internship, which strengthened the teaching of professional skills required for front-line positions by optimising the content and methods of teaching. We helped students obtain various vocational qualification certificates and skill level certificates, and are committed to cultivating excellent applied and technical talents.

During the Reporting Period, all colleges together had up to 23 first-class undergraduate major construction sites at the provincial level, and up to 44 “1 + X” certificate pilot majors, and 70 key (characteristic) construction majors at the school level; and formulated 348 professional construction plans, and continued to deepen professional construction.

**2. *Combining learning and competition and integrating industry and education to support economic development***

Our schools improved teachers' teaching ability in various ways, organised and carried out various competitions such as classroom teaching skills competitions for teachers and professional analysis competitions in schools; and encouraged and supported teachers and students to participate in various domestic and foreign professional competitions to promote teaching and learning through competitions.

Our schools have executed in-depth integration of industry and education, school-enterprise cooperation and collaborative education; and some of our schools cooperated with enterprises to jointly start order form classes and achieved new breakthroughs.

**3. *Strengthening information construction and constructing smart campuses***

We continued to promote the network security management and information construction of our schools to improve the quality of education and teaching. We supported the construction of a number of international data corporation (IDC) server rooms, added equipment for security service, constructed basic networks, and upgraded existing basic equipment and backbone networks; we expanded the construction of standardised test venues and classrooms; we supported the construction of more than 40 training units and more than 400 multimedia classrooms for various majors such as architecture, robotics, electronic commerce, medicine, big data, financial simulation, e-commerce and livestreaming.

**4. *Taking up social responsibility and carrying out various training services***

All colleges and universities gave full play to the advantages of resources in the education industry and actively organised entrepreneurship training for college students, new-type farmer training, entrepreneurship training for people returning to hometowns, training for resettling in new positions and veterans training. During the Reporting Period, there were more than 30,000 trainees in entrepreneurship training for college students and more than 50,000 trainees in various types of social training carried out.

**Significant Events during the Reporting Period**

1. On 26 September 2023, pursuant to the Company's share option scheme adopted on 18 March 2022, the Company granted an aggregate of 190,000,000 share options to 18 eligible participants to subscribe for 190,000,000 ordinary shares with nominal value of US\$0.00001 each in the share capital of the Company upon exercise. For details, please refer to the announcements of the Company dated 18 March 2022, 26 September 2023 and 3 October 2023.

2. With effect from 5 January 2024, Mr. He Shengli has resigned as the chairman of the Board and a non-executive Director of the Company due to change in work arrangement, and Mr. Zhang Bing has been appointed as the chairman of the Board and a non-executive Director of the Company. For details, please refer to the announcement of the Company dated 5 January 2024.
3. On 8 January 2024, Guilin Shanshui Vocational College and Guilin Economic and Technological Development Zone Administration Committee (the “Committee”) entered into the project cooperation agreement, pursuant to which the Committee will transfer the land use right to a plot of land located at Guilin Economic and Technological Economic Zone, Guilin, China with a total area of approximately 350 mu at an estimated consideration of approximately RMB98 million. For details, please refer to the announcement of the Company dated 8 January 2024.
4. With effect from 16 January 2024, Mr. Lu Zhichao has resigned as a non-executive Director due to a change in his work arrangement. Meanwhile, Mr. Lu Zhichao has resigned from the audit committee and the strategy and development committee. For details, please refer to the announcement of the Company dated 16 January 2024.
5. With effect from 24 January 2024, Mr. Li Tao has been re-designated from an executive Director to a non-executive Director, and has been appointed as a member of the audit committee, and Mr. Huang Zhongcai has been appointed as an executive Director and a member of the strategy and development committee. For details, please refer to the announcement of the Company dated 24 January 2024.
6. On 31 January 2024, Jiangxi Cultural Performance Investment Management Company Limited (“Jiangxi Cultural Performance”) and Chengdu Maysunshine Education Management Company Limited (“Chengdu Maysunshine”) entered into the transfer agreement, pursuant to which, Chengdu Maysunshine has agreed to sell and Jiangxi Cultural Performance has agreed to acquire 100% equity interest in Jiangxi Changzhen Industrial Co., Ltd. and Gongqing College of Nanchang University Backend Services Company Limited, and the current and potential shareholders’ interest included in those equity interest as well as the current and potential sponsor interest in the Gongqing College entitled to Jiangxi Changzhen Industrial Co., Ltd. as the sponsor of the Gongqing College, at a total consideration of RMB500 million. For details, please refer to the announcement of the Company dated 1 February 2024.
7. On 5 February 2024, the English name of the Company has been changed from “Hope Education Group Co., Ltd.” to “XJ International Holdings Co., Ltd.” and the dual foreign name in Chinese of the Company has been changed from “希望教育集團有限公司” to “希教國際控股有限公司”. In addition, the stock short names of the Company for trading in the Shares on the Stock Exchange have been changed from “HOPE EDU” to “XJ INTL HLDGS” in English and from “希望教育” to “希教國際控股” in Chinese with effect from 9:00 a.m. on 8 February 2024. The stock code

of the Company remains as “1765”. For details, please refer to the announcements of the Company dated 15 November 2023, 5 January 2024 and 5 February 2024 and the circular of the Company dated 15 December 2023.

8. On 29 February 2024, the Company disclosed in relation to, among other matters, the issue of the zero coupon convertible bonds due 2026 pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance. For details, please refer to the announcement of the Company dated 29 February 2024.
9. For the period from 16 January 2024 to 29 February 2024, Mr. Wang Huiwu, the controlling shareholder of the Company, gradually increased in shareholding in the Company. For details, please refer to the announcements of the Company dated 16 January 2024, 17 January 2024, 18 January 2024, 22 January 2024, 14 February 2024 and 29 February 2024.

### **Our Students**

The Group believes the pragmatic teaching philosophy of its schools, its well-developed curriculum system, good-quality teachers as well as its high graduate employment rate help the Group to attract high-quality students who are seeking for their ideal employment.

	<b>Student Enrollment</b>	
	<b>As at 29 February 2024<sup>1</sup></b>	<b>As at 28 February 2023<sup>2</sup></b>
<b>Schools</b>		
Undergraduate colleges	<b>142,455</b>	143,402
Junior colleges	<b>136,772</b>	124,905
Technical education	<b>11,700</b>	12,146
	<hr/>	<hr/>
Total	<b><u>290,927</u></b>	<b><u>280,453</u></b>

## Campus Utilization Rate

	<b>For the six months ended 29 February 2024<sup>1</sup></b>	For the six months ended 28 February 2023 <sup>2</sup>
Total number of student enrollment	<b>290,927</b>	280,453
Total capacity	<b>309,376</b>	307,574
Overall utilization rate	<b>94%</b>	91%

### *Notes:*

1. The student information is based on the official records of the relevant education authorities in China or the internal records of the Group's schools, including the students of Gongqing College under disposal.
2. The student information is based on the official records of the relevant education authorities in China or the internal records of the Group's schools, including the students of Hebi College disposed in August 2023 and Gongqing College under disposal.

## OUTLOOK

### **1. Comprehensively implementing the quality-first development strategy**

Higher education in China has entered the brand new stage of high-quality development, and the Company will always view raising education and teaching quality and the quality of cultivating talents as our core task and mission as we operate our schools, which is in our firm grasp. We have to continuously strengthen the construction of teaching facilities and equipment and training capabilities, fuel the construction of teaching teams, deepen reform of teaching, strengthen specific majors, comprehensively improve the quality of talent cultivation, and contribute to the construction of a country with a strong educational system and develop new quality productivity.

### **2. Promoting strategies in development overseas at a steady pace**

We will firmly promote internationalised development, continuously optimize and strengthen overseas schools with INTI International University in Malaysia as the leader, and realise sharing of quality teaching resources among domestic and overseas schools. We will effectively carry out Sino-Foreign cooperation projects, and provide more internationalized talents for our society.

### **3. Making every effort to ensure the smooth operation of the Company and our schools**

We will resolve debt risks through market means in accordance with laws and regulations; continuously optimize our assets; continue to deepen lean management; and ensure the smooth operation of the Company and our schools by all means.

## FINANCIAL REVIEW

### Non-IFRS Measurement

To supplement the Group's interim condensed financial information which are presented in accordance with IFRS, the Company also uses adjusted gross profit, adjusted net profit and other adjusted figures 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 and company to company by eliminating potential impacts of items that the management do not consider to be indicative of the Group's operating performance.

The financial results for the six months ended 29 February 2024 and 28 February 2023 are as follows:

<b>Items</b>	<b>For the six months ended 29 February 2024 (in millions of RMB) (Unaudited)</b>	<b>For the six months ended 28 February 2023 (in millions of RMB) (Unaudited)</b>
<b>Revenue</b>	<b>2,042.17</b>	1,934.83
Less: Cost of sales	<b>1,143.21</b>	962.25
<b>Gross profit</b>	<b>898.96</b>	972.58
Add: Other income and gains	<b>252.86</b>	177.30
Less: Selling expenses	<b>146.91</b>	153.57
Administrative expenses	<b>295.76</b>	282.72
Finance costs	<b>154.02</b>	170.97
Other expenses	<b>101.36</b>	12.25
Fair value losses on convertible bonds	<b>146.51</b>	91.54
Add: Share of profits of a joint venture	<b>26.96</b>	17.41
<b>Profit before tax</b>	<b>334.22</b>	456.24
Income tax expense	<b>94.51</b>	27.79
<b>Profit for the period</b>	<b>239.71</b>	428.45
<b>Adjusted gross profit</b>	<b>923.13</b>	1,018.29
<b>Adjusted net profit</b>	<b>429.16</b>	602.22



## Calculation of adjusted gross profit

Items	For the six months ended 29 February 2024 <i>(in millions of RMB)</i> (Unaudited)	For the six months ended 28 February 2023 <i>(in millions of RMB)</i> (Unaudited)
<b>Gross profit</b>	<b>898.96</b>	972.58
<b>Add:</b>		
1. Depreciation and amortisation arising from valuation appreciation	24.17	29.54
2. Equity-settled share option expenses	—	16.17
<b>Adjusted gross profit</b>	<b>923.13</b>	1,018.29

### *Description:*

Adjusted gross profit is calculated as gross profit for the period after eliminating (i) additional depreciation and amortisation from temporary fair value adjustment of identifiable assets acquired; and (ii) equity-settled share option expenses.

## Calculation of adjusted net profit

Items	For the six months ended 29 February 2024 <i>(in millions of RMB)</i> (Unaudited)	For the six months ended 28 February 2023 <i>(in millions of RMB)</i> (Unaudited)
<b>Net profit</b>	<b>239.71</b>	428.45
<b>Add:</b>		
1. Depreciation and amortisation arising from valuation appreciation	25.45	32.35
2. Conversion fee	12.89	13.72
3. Fair value losses on convertible bonds	146.51	91.54
4. Equity-settled share option expenses	12.63	43.84
5. Finance cost accrued at amortised cost because of deferred payment of equity acquisition	9.92	9.35
6. Impairment losses	94.02	—
<b>Less:</b>		
1. Foreign exchange gain, net	18.72	17.03
2. Gain on disposal of subsidiaries	93.25	—
<b>Adjusted net profit</b>	<b>429.16</b>	602.22

*Description:*

Adjusted net profit is measured by excluding (i) additional depreciation and amortisation resulting from the temporary fair value adjustment of the identifiable assets acquired; (ii) conversion fee of independent colleges; (iii) fair value losses on convertible bonds; (iv) equity-settled share option expenses; (v) finance cost accrued at amortised cost because of a payment due over one year for the acquisition of equity interest and conversion fee of independent colleges under the relevant agreement; (vi) impairment losses, mainly the impairment losses on assets classified as held for sale of RMB86.26 million; (vii) foreign exchange gain, net; and (viii) gains on disposal of subsidiaries.

**Overview**

For the six months ended 29 February 2024, we recorded revenue of RMB2,042.17 million, adjusted gross profit of RMB923.13 million and gross profit of RMB898.96 million.

For the six months ended 29 February 2024, adjusted net profit of the Group was RMB429.16 million and net profit was RMB239.71 million.

**Revenue**

For the six months ended 29 February 2024, revenue of the Group reached RMB2,042.17 million, representing an increase of RMB107.34 million or 5.5% from RMB1,934.83 million for the corresponding period of last year. Such increase was mainly due to the significant increase in the number of students enrolled and the adjustment of the charging standard.

**Cost of Sales**

For the six months ended 29 February 2024, the cost of sales of the Group was RMB1,143.21 million, representing an increase of RMB180.96 million or 18.8% from RMB962.25 million for the corresponding period of last year. Such increase was mainly due to regulatory requirements such as schools conversion and teaching evaluations, enhancement of teaching quality as well as the increased investment in terms of personnel and resources.

**Gross Profit**

For the six months ended 29 February 2024, gross profit of the Group was RMB898.96 million, representing a decrease of RMB73.62 million or 7.6% from RMB972.58 million for the corresponding period of last year.

For the six months ended 29 February 2024, adjusted gross profit of the Group was RMB923.13 million, representing a decrease of RMB95.16 million or 9.3% from RMB1,018.29 million for the corresponding period of last year.

## **Selling Expenses**

For the six months ended 29 February 2024, selling expenses of the Group amounted to RMB146.91 million, representing a decrease of RMB6.66 million or 4.3% from RMB153.57 million for the corresponding period of last year. Such decrease was mainly due to the decrease in advertising fees, as a result of coordination of enrollment and brand effect. Selling expenses accounted for 7.2% of the revenue for the period, representing a decrease from 7.9% for the corresponding period of last year.

## **Administrative Expenses**

For the six months ended 29 February 2024, administrative expenses of the Group amounted to RMB295.76 million, representing an increase of RMB13.04 million or 4.6% from RMB282.72 million for the corresponding period of last year. Such increase was mainly due to the increase in remuneration of employees.

## **Finance Costs**

For the six months ended 29 February 2024, finance costs of the Group amounted to RMB154.02 million, representing a decrease of RMB16.95 million or 9.9% from RMB170.97 million for the corresponding period of last year, which was mainly due to the change in loan scale and structure of the Group.

## **Profits for the Reporting Period**

For the six months ended 29 February 2024, adjusted net profit of the Group amounted to RMB429.16 million, representing a decrease of RMB173.06 million or 28.7% from RMB602.22 million for the corresponding period of last year.

For the six months ended 29 February 2024, net profit of the Group amounted to RMB239.71 million, representing a decrease of RMB188.74 million or 44.1% from RMB428.45 million for the corresponding period of last year.

## Capital Commitments

The Group's capital commitments were primarily related to the acquisition of property, plant and equipment. The following table sets forth a summary of our capital commitments as of the dates indicated:

	As at <b>29 February 2024</b> <i>(in millions of RMB)</i>	As at 31 August 2023 <i>(in millions of RMB)</i>
Contracted, but not provided for:		
Property, plant and equipment	<b>1,801.12</b>	971.63
Prepaid land lease payments	<b>102.63</b>	37.73
	<b><u>1,903.75</u></b>	<b><u>1,009.36</u></b>

## Liquidity and Financial Resources

As of 29 February 2024, the Group had total cash and bank balances of RMB2,672.24 million (31 August 2023: RMB2,927.73 million), among which: (i) cash and cash equivalents amounted to RMB2,565.23 million (31 August 2023: RMB2,827.72 million); and (ii) pledged and restricted deposits amounted to RMB107.01 million (31 August 2023: RMB100.01 million).

## Indebtedness

### *Bank Loans and Other Borrowings*

The Group's bank loans and other borrowings primarily consist of short-term working capital loans and long-term loans for constructing school buildings and facilities and merger and acquisitions. The Group supplements its working capital and finances its expenditure primarily through borrowings obtained from banks. As of 29 February 2024, the aggregate loan balance amounted to RMB3,810.25 million (31 August 2023: RMB3,473.01 million), mostly denominated in RMB. As of 29 February 2024, the Group's bank loans and other borrowings bore effective interest rates ranging from 3.80% to 10.65% per annum (31 August 2023: 3.90% to 10.65%).

## **Current Ratio**

As at 29 February 2024, current assets of the Group amounted to RMB4,001.55 million, consisting of cash and cash equivalents and pledged and restricted deposits of RMB2,664.72 million, amounts due from related parties of RMB24.24 million, prepayments, deposits and other receivables of RMB745.07 million, assets classified as held for sale of RMB488.47 million and other current assets of RMB79.05 million. Current liabilities of the Group amounted to RMB10,549.59 million, including other payables and accruals of RMB2,450.65 million, contract liabilities of RMB1,574.24 million, interest-bearing bank and other borrowings of RMB3,765.97 million, convertible bonds of RMB2,306.39 million and other current liabilities of RMB452.34 million. As at 29 February 2024, current ratio (current assets divided by current liabilities) of the Group was 0.38 (31 August 2023: 0.44).

## **Contingent Liabilities**

As at 29 February 2024, the Group did not have material contingent liabilities.

## **Net Debt to Equity Ratio**

Net debt to equity ratio equals to total interest-bearing bank and other borrowings of RMB3,810.25 million, net of cash and cash equivalents of RMB2,565.23 million, pledged and restricted deposits of RMB107.01 million divided by total equity of RMB8,635.57 million at the end of the Reporting Period. The Group's net debt to equity ratio increased from 6.5% as of 31 August 2023 to 13.2% as of 29 February 2024, primarily due to continuous investment of the Group in teaching facilities, equipment and construction of campus.

## **Debt to Equity Ratio**

As of 29 February 2024, debt to equity ratio of the Group (calculated by dividing total interest-bearing bank and other borrowings by total equity) was approximately 44.1% (31 August 2023: 41.2%).

## **Events after the Reporting Period**

1. On 4 March 2024, the Company disclosed about an event of alleged default occurred in respect of the convertible bonds on 2 March 2024 pursuant to Rules 13.09, 37.47, 37.47A, 37.47B(a) and 37.47E of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance. For details, please refer to the announcements of the Company dated 22 February 2021, 2 March 2021, 3 March 2021, 22 February 2024, 29 February 2024 and 4 March 2024.

2. On 5 March 2024, trading in the convertible bonds of the Company on the Stock Exchange was suspended with effect from 1:00 p.m. on 5 March 2024 until further notice. For details, please refer to the announcement of the Company dated 5 March 2024.
3. On 5 March 2024, the Company received a statutory demand, from the legal representatives acting on behalf of the creditor of the convertible bonds of the Company. For details, please refer to the announcement of the Company dated 6 March 2024.
4. On 28 March 2024, a winding-up petition was filed with the High Court of the Hong Kong Special Administrative Region for the winding-up of the Company. For details, please refer to the announcements of the Company dated 28 March 2024 and 14 April 2024.
5. With effect from 26 April 2024, Mr. Huang Zhongcai has resigned as an executive Director, a member of the strategy and development committee and a joint company secretary of the Company due to change in work arrangement and Ms. Lou Qunwei has been appointed as an executive Director of the Company. For details, please refer to the announcement of the Company dated 26 April 2024.

## **INTERIM DIVIDEND**

The Board did not recommend any payment of interim dividend to the Shareholders for the Reporting Period (six months ended 28 February 2023: Nil).

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

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

## **CORPORATE GOVERNANCE CODE**

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

Throughout the six months ended 29 February 2024, the Company has complied with the code provisions contained in the Corporate Governance Code.

### **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS**

The Company has also adopted the Model Code set out in Appendix C3 of the Listing Rules as its code of conduct regarding securities transactions by the Directors during the six months ended 29 February 2024.

Having made specific enquiry with all Directors of the Company, it is confirmed that all Directors have complied with the required standard set out in the Model Code regarding securities transactions by the Directors throughout the six months ended 29 February 2024.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 29 February 2024.

### **AUDIT COMMITTEE AND REVIEW OF INTERIM FINANCIAL INFORMATION**

The audit committee of the Company has reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to internal control and financial reporting. The audit committee of the Company has reviewed the Group's interim results and unaudited condensed consolidated financial statements for the six months ended 29 February 2024.

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

This interim results announcement has been published on the websites of the HKEXnews ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.hopeedu.com](http://www.hopeedu.com)). The interim report of the Company for the six months ended 29 February 2024 will be dispatched to the Shareholders in due course and available on the above websites.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 29 February 2024*

		<b>For the six months ended</b>	
		<b>29 February</b>	<b>28 February</b>
		<b>2024</b>	<b>2023</b>
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
REVENUE	3	<b>2,042,168</b>	1,934,831
Cost of sales		<b>(1,143,210)</b>	(962,246)
Gross profit		<b>898,958</b>	972,585
Other income and gains		<b>252,856</b>	177,303
Selling expenses		<b>(146,910)</b>	(153,568)
Administrative expenses		<b>(295,762)</b>	(282,721)
Fair value losses on convertible bonds		<b>(146,511)</b>	(91,541)
Other expenses		<b>(101,351)</b>	(12,246)
Finance costs		<b>(154,023)</b>	(170,972)
Share of profits of a joint venture		<b>26,958</b>	17,406
PROFIT BEFORE TAX	4	<b>334,215</b>	456,246
Income tax expense	5	<b>(94,505)</b>	(27,788)
PROFIT FOR THE PERIOD		<b>239,710</b>	428,458
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		<b>(56,505)</b>	16,472
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<b>183,205</b>	444,930



**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME (continued)**

*For the six months ended 29 February 2024*

		<b>For the six months ended</b>	
		<b>29 February</b>	28 February
		<b>2024</b>	2023
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Profit attributable to:			
Owners of the Company		<b>223,866</b>	428,407
Non-controlling interests		<b>15,844</b>	51
		<b><u>239,710</u></b>	<b><u>428,458</u></b>
Total comprehensive income attributable to:			
Owners of the Company		<b>166,060</b>	444,439
Non-controlling interests		<b>17,145</b>	491
		<b><u>183,205</u></b>	<b><u>444,930</u></b>
Earnings per share attributable to			
ordinary equity holders of the Company:	<i>6</i>		
Basic		<b><u>RMB0.027</u></b>	<b><u>RMB0.053</u></b>
Diluted		<b><u>RMB0.027</u></b>	<b><u>RMB0.052</u></b>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*29 February 2024*

	<i>Notes</i>	<b>29 February 2024 RMB'000 (Unaudited)</b>	31 August 2023 RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>11,196,982</b>	11,024,746
Right-of-use assets		<b>1,816,442</b>	1,934,308
Interests in land held for property development		<b>729,171</b>	735,719
Other intangible assets		<b>1,253,420</b>	1,256,563
Investment properties		<b>257,111</b>	261,419
Goodwill	<i>7</i>	<b>2,031,706</b>	2,040,254
Investment in a joint venture		<b>—</b>	553,665
Prepayments, deposits and other receivables	<i>9</i>	<b>384,793</b>	318,136
Pledged and restricted deposits		<b>7,520</b>	7,520
Amounts due from related parties		<b>34,931</b>	—
Deferred tax assets		<b>23,862</b>	24,520
Contract cost assets		<b>9,580</b>	3,018
Total non-current assets		<b>17,745,518</b>	18,159,868
<b>CURRENT ASSETS</b>			
Trade receivables	<i>8</i>	<b>65,432</b>	104,591
Prepayments, deposits and other receivables	<i>9</i>	<b>745,071</b>	669,313
Amounts due from related parties		<b>24,236</b>	45,399
Contract cost assets		<b>13,621</b>	11,461
Pledged and restricted deposits		<b>99,484</b>	92,488
Cash and cash equivalents		<b>2,565,233</b>	2,827,722
Assets classified as held for sale		<b>488,472</b>	390,563
Total current assets		<b>4,001,549</b>	4,141,537
<b>CURRENT LIABILITIES</b>			
Contract liabilities		<b>1,574,242</b>	2,123,601
Trade payables	<i>10</i>	<b>56,594</b>	48,167
Other payables and accruals	<i>11</i>	<b>2,450,648</b>	2,826,225
Deferred income		<b>72,210</b>	77,956
Lease liabilities		<b>33,153</b>	33,091
Convertible bonds		<b>2,306,390</b>	2,183,887
Interest-bearing bank and other borrowings		<b>3,765,968</b>	1,638,351
Amounts due to related parties		<b>76,512</b>	83,573
Liabilities directly associated with the assets classified as held for sale		<b>5,293</b>	228,588
Tax payable		<b>208,575</b>	167,542
Total current liabilities		<b>10,549,585</b>	9,410,981
<b>NET CURRENT LIABILITIES</b>	<i>1</i>	<b>(6,548,036)</b>	(5,269,444)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>11,197,482</b>	12,890,424

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**(continued)**  
*29 February 2024*

	<i>Notes</i>	<b>29 February 2024 RMB'000 (Unaudited)</b>	31 August 2023 RMB'000
<b>NON-CURRENT LIABILITIES</b>			
Other payables	<i>11</i>	<b>788,278</b>	845,956
Deferred income		<b>1,519,475</b>	1,536,440
Lease liabilities		<b>102,590</b>	116,735
Interest-bearing bank and other borrowings		<b>44,283</b>	1,834,662
Deferred tax liabilities		<b>104,854</b>	114,654
Contract liabilities		<b>2,433</b>	2,243
		<hr/>	<hr/>
Total non-current liabilities		<b>2,561,913</b>	4,450,690
		<hr/>	<hr/>
<b>NET ASSETS</b>		<b>8,635,569</b>	8,439,734
		<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>			
Equity attributable to owners of the Company			
Issued capital		<b>559</b>	559
Reserves		<b>8,617,596</b>	8,438,906
		<hr/>	<hr/>
Non-controlling interests		<b>8,618,155</b>	8,439,465
		<b>17,414</b>	269
		<hr/>	<hr/>
Total equity		<b>8,635,569</b>	8,439,734
		<hr/> <hr/>	<hr/> <hr/>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
*For the six months ended 29 February 2024*

	Attributable to owners of the Company							Total	Non-controlling interests	Total equity
	Issued capital	Share premium*	Capital reserve*	Statutory surplus reserve*	Share option reserve*	Retained profits*	Exchange fluctuation reserve*			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 September 2023	559	5,131,685	598,468	666,496	136,986	1,937,186	(31,915)	8,439,465	269	8,439,734
Profit for the period	—	—	—	—	—	223,866	—	223,866	15,844	239,710
Other comprehensive income for the period:										
Exchange differences on translation of foreign operations	—	—	—	—	—	—	(57,806)	(57,806)	1,301	(56,505)
Total comprehensive income for the period	—	—	—	—	—	223,866	(57,806)	166,060	17,145	183,205
Equity-settled share option arrangements	—	—	—	—	12,630	—	—	12,630	—	12,630
Transfer from retained profits	—	—	—	41,904	—	(41,904)	—	—	—	—
As at 29 February 2024 (unaudited)	<u>559</u>	<u>5,131,685</u>	<u>598,468</u>	<u>708,400</u>	<u>149,616</u>	<u>2,119,148</u>	<u>(89,721)</u>	<u>8,618,155</u>	<u>17,414</u>	<u>8,635,569</u>
As at 1 September 2022	545	5,017,040	598,468	582,705	103,790	1,810,878	(60,444)	8,052,982	(5,157)	8,047,825
Profit for the period	—	—	—	—	—	428,407	—	428,407	51	428,458
Other comprehensive income for the period:										
Exchange differences on translation of foreign operations	—	—	—	—	—	—	16,032	16,032	440	16,472
Total comprehensive income for the period	—	—	—	—	—	428,407	16,032	444,439	491	444,930
Acquisition of a subsidiary	—	—	—	—	—	—	—	—	4,375	4,375
Equity-settled share option arrangements	—	—	—	—	43,848	—	—	43,848	—	43,848
Disposal of a subsidiary	—	—	—	—	—	—	—	—	(30)	(30)
Transfer from retained profits	—	—	—	49,422	—	(49,422)	—	—	—	—
As at 28 February 2023 (unaudited)	<u>545</u>	<u>5,017,040</u>	<u>598,468</u>	<u>632,127</u>	<u>147,638</u>	<u>2,189,863</u>	<u>(44,412)</u>	<u>8,541,269</u>	<u>(321)</u>	<u>8,540,948</u>

\* These reserve accounts comprise the consolidated reserves of RMB8,617,596,000 in the consolidated statement of financial position as at 29 February 2024 (31 August 2023: RMB8,438,906,000).

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

*For the six months ended 29 February 2024*

	<b>For the six months ended</b>	
	<b>29 February</b>	<b>28 February</b>
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
Profit before tax	<b>334,215</b>	456,246
Adjustments for:		
Depreciation of items of property, plant and equipment	<b>224,646</b>	206,162
Depreciation of right-of-use assets	<b>35,632</b>	31,732
Depreciation of land held for property development	<b>6,548</b>	6,000
Depreciation of investment properties	<b>2,766</b>	—
Amortisation of other intangible assets	<b>21,876</b>	18,166
Amortisation of contract cost assets	<b>9,018</b>	6,966
Deferred income released to profit or loss	<b>(37,619)</b>	(36,789)
Interest income	<b>(12,965)</b>	(15,884)
Finance costs	<b>154,023</b>	157,248
Earned finance income	<b>(1,726)</b>	—
(Gains)/losses on disposal of items of property, plant and equipment and right-of-use assets, net	<b>(10,024)</b>	1,354
Gain on lease modification	—	(35)
Gain on bargain purchase	—	(5,498)
Gain on disposal of subsidiaries	<b>(93,253)</b>	—
Gain on liquidation of a subsidiary	—	(19,171)
Impairment losses on financial assets	<b>6,663</b>	2,000
Share of profit of a joint venture	<b>(26,958)</b>	(17,406)
Fair value losses on convertible bonds	<b>146,511</b>	91,541
Foreign exchange gains, net	<b>(18,724)</b>	(17,027)
Equity-settled share option expense	<b>12,630</b>	43,848
Impairment losses on assets classified as held for sale	<b>86,261</b>	—
Gain on disposal of investment in a joint venture, net	—	(7,640)
	<b>839,520</b>	901,813

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(continued)**

*For the six months ended 29 February 2024*

	<b>For the six months ended</b>	
	<b>29 February</b>	<b>28 February</b>
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Decrease in prepayments, deposits and other receivables	<b>20,836</b>	42,134
Decrease in trade receivables	<b>37,521</b>	44,358
Increase in contract cost assets	<b>(18,506)</b>	(7,595)
Decrease in amounts due from related parties	<b>13,415</b>	11,614
Decrease in contract liabilities	<b>(544,174)</b>	(309,119)
Increase/(decrease) in trade payables	<b>9,004</b>	(10,401)
Increase/(decrease) in amounts due to related parties	<b>15,684</b>	(5,757)
Placement of restricted cash	<b>(37,387)</b>	(5,404)
Decrease in other payables and accruals	<b>(341,569)</b>	(137,317)
Receipt of government grants related to expense items	<b>1,945</b>	4,362
	<hr/>	<hr/>
Cash generated from/(used in) operations	<b>(3,711)</b>	528,688
Bank interest received	<b>12,909</b>	6,832
Income tax paid	<b>(61,289)</b>	(17,557)
	<hr/>	<hr/>
Net cash flows from/(used in) operating activities	<b>(52,091)</b>	517,963

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(continued)**

*For the six months ended 29 February 2024*

	<b>For the six months ended</b>	
	<b>29 February</b>	<b>28 February</b>
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Purchases of items of property, plant and equipment	<b>(606,176)</b>	(829,732)
Prepaid land lease payments	<b>(34,900)</b>	(40,460)
Additions to other intangible assets	<b>(43,475)</b>	(11,209)
Proceeds from disposal of items of property, plant and equipment, other intangible assets and right-of-use assets	<b>123,288</b>	794
Equity investments:		
Acquisition of subsidiaries	—	23,348
Payments for acquisition of subsidiaries in prior years	<b>(822)</b>	—
Disposal of subsidiaries	<b>(12,270)</b>	—
Amounts received from the current shareholder of the disposed subsidiaries	<b>98,039</b>	—
Advance received from disposal of a subsidiary	<b>50,000</b>	—
Proceeds from disposal of a subsidiary in the prior year	—	50,000
Proceeds from disposal of investment in a joint venture	—	7,640
Decrease/(increase) in amounts due from related parties:		
Loans repaid by a joint venture	<b>13,575</b>	4,306
Interest income received from a joint venture	<b>361</b>	71
Loans provided to a joint venture	—	(3,575)
Loans provided to an independent third party	<b>(15,000)</b>	—
Receipt of government grants for property, plant and equipment	<b>12,963</b>	27,270
Repayment of prepaid land lease payment	<b>6,654</b>	—
Loans and interest repaid by third parties	<b>25,992</b>	254,796
Net cash flows used in investing activities	<b>(381,771)</b>	(516,751)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(continued)**

*For the six months ended 29 February 2024*

	<b>For the six months ended</b>	
	<b>29 February</b>	<b>28 February</b>
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>CASH FLOWS FROM/(USED IN) FINANCING</b>		
<b>ACTIVITIES</b>		
Proceeds from bank and other borrowings	<b>2,029,148</b>	1,394,747
Repayment of bank and other borrowings	<b>(1,740,540)</b>	(1,482,273)
Interest paid	<b>(95,194)</b>	(91,209)
Principal portion of lease payments	<b>(13,470)</b>	(10,694)
Interest portion of the lease liabilities	<b>(4,793)</b>	(4,276)
Receipts of loan deposits	<b>1,300</b>	2,600
Security deposits paid for other borrowings	<b>(13,270)</b>	—
Repayment to related parties	<b>(514)</b>	(82,467)
Repayment of other loans recorded in other payables	<b>(14,654)</b>	(42,967)
Placement of restricted deposits	<b>(11,806)</b>	—
	<hr/>	<hr/>
Net cash flows from/(used in) financing activities	<b>136,207</b>	(316,539)
	<hr/>	<hr/>



**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(continued)**

*For the six months ended 29 February 2024*

	<b>For the six months ended</b>	
	<b>29 February</b>	<b>28 February</b>
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(297,655)</b>	<b>(315,327)</b>
Cash and cash equivalents at beginning of the period	<b>2,878,114</b>	2,725,264
Effect of foreign exchange rate changes, net	<b>(15,191)</b>	23,460
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b><u>2,565,268</u></b>	<b><u>2,433,397</u></b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS:</b>		
Cash and cash equivalents as stated in the interim condensed consolidated statement of financial position	<b>2,565,233</b>	2,433,397
Cash attributable to the subsidiary classified as held for sale	<b>35</b>	—
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows	<b><u>2,565,268</u></b>	<b><u>2,433,397</u></b>

## NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

29 February 2024

### 1. BASIS OF PREPARATION

The interim condensed financial information for the six months ended 29 February 2024 (the “Period”) has been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*. The interim condensed financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 August 2023.

#### Going concern

As at 29 February 2024, the Group recorded net current liabilities of approximately RMB6,548,036,000. Included therein, the Group recorded the current portion of contract liabilities and deferred income of RMB1,574,242,000 and RMB72,210,000, respectively. The Group incurred a profit of RMB239,710,000 for the Period. The Group’s current portion of interest-bearing bank and other borrowings amounted to approximately RMB3,765,968,000, while its cash and bank balances amounted to approximately RMB2,672,237,000 including cash and cash equivalents amounted to approximately RMB2,565,233,000.

As disclosed in the Company’s announcements dated 4 March 2024, the Company has not made the redemption payment on its zero coupon guaranteed convertible bonds (Stock Code: 40600, the “Bonds”) with an aggregate principal amount of USD315,100,000 on 2 March 2024 as the Company received the redemption notice on 10 February 2024. The Bonds are redeemable at the option of the bondholders at 103.04 per cent of the principal amount on 2 March 2024 according to the terms. The Bonds were not redeemed on 2 March 2024 and have been suspended from trading on The Stock Exchange of Hong Kong Limited (the “HKEX”) since 5 March 2024. The aforesaid alleged default (the “Alleged Default”) constitutes certain trigger events under other agreements entered into by the Group with lenders, whereby the lenders are entitled to require the Group to comply with certain undertakings.

All of the above events and conditions indicated the existence of material uncertainties which may cast significant doubt on the Group’s ability to continue as a going concern.

In view of such circumstances, the directors of the Company (the “Directors”) have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern for at least 12 months from 29 February 2024. In order to improve the Group’s liquidity and cash flows to sustain the Group as a going concern, the Group has implemented the following plans and measures:

- (i) The Group will continue to explore a restructuring of the Bonds to secure the sustainable operations of the Group for the benefit of all of its stakeholders, and has engaged financial advisor and legal advisor on the matter. The Group has been working diligently with its advisers on the work for the restructuring of the Bonds.

- (ii) The Group will continue to negotiate with the existing lenders for the other agreements constituting certain trigger events in order to reach agreements with them for not taking any actions against the Group to exercise their right to demand immediate payment of the principals and interest of these borrowings.
- (iii) The Group will continue to negotiate with the existing lenders actively to seek renewal or extension for repayment of the Group's bank and other borrowings.
- (iv) The Group will continue to seek other alternative financing and borrowings to finance the settlement of the existing financial obligations and future operating and capital expenditures.
- (v) The Group will continue to take active measures to control administrative costs and maintain containment of capital expenditures.
- (vi) The Group will continue to seek suitable opportunities to dispose of its equity interests in certain subsidiaries in order to generate additional cash inflows.

The Directors have reviewed the Group's cash flow projections prepared by management. The cash flow projections cover a period of not less than twelve months from 29 February 2024. Although there is a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern, the Directors, after taking into account the above-mentioned plans and measures, are of the opinion that, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 29 February 2024. Accordingly, the Directors are satisfied that it is appropriate to prepare the interim condensed financial information of the Group for the six months ended 29 February 2024 on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group will be able to implement the plans and measures as described above. Whether the Group will be able to continue as a going concern will depend upon the following:

- (i) The successful conclusion of the restructuring of the Bonds.
- (ii) The successful negotiation with the existing lenders for the other agreements constituting certain trigger events and reaching agreements with them for not taking any actions against the Group to exercise their right to demand immediate payment of the principals and interest of these borrowings.
- (iii) The successful negotiation with banks and financial institutions on the extension for repayments of borrowings.
- (iv) The successful completion of obtaining additional new sources of financing as and when needed.
- (v) The successful disposal of the Group's equity interests in certain subsidiaries when suitable.

Should the Group be unable to achieve the above-mentioned plans and measures and operate as a going concern, adjustments may have to be made to write down the carrying values of assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the interim condensed financial information.

## 2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 August 2023, except for the adoption of the following new and revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial information.

IFRS 17	<i>Insurance Contracts</i>
Amendments to IAS 1 and IFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to IAS 8	<i>Definition of Accounting Estimates</i>
Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to IAS 12	<i>International Tax Reform — Pillar Two Model Rules</i>

The Group has assessed the impact of the adoption of the amendments and concluded that the amendments did not have any significant financial impact on the financial position and performance of the Group.

## 3. REVENUE

### Revenue

An analysis of revenue is as follows:

	<b>For the six months ended</b>	
	<b>29 February 2024</b>	<b>28 February 2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue from contracts with customers	<b><u>2,042,168</u></b>	<b><u>1,934,831</u></b>

***Disaggregated revenue information for revenue from contracts with customers***

**For the six months ended 29 February 2024**

<b>Segments</b>	<b>Domestic education RMB'000 (Unaudited)</b>	<b>Global education RMB'000 (Unaudited)</b>	<b>Total RMB'000 (Unaudited)</b>
<b>Types of goods or services</b>			
Tuition fees	1,601,108	174,385	1,775,493
Boarding fees	146,052	5,069	151,121
Sales of books and daily necessities	45,109	—	45,109
Others	51,405	19,040	70,445
Total revenue from contracts with customers	<u>1,843,674</u>	<u>198,494</u>	<u>2,042,168</u>
<b>Timing of revenue recognition</b>			
Services transferred over time	1,798,565	198,494	1,997,059
Goods transferred at a point in time	45,109	—	45,109
Total revenue from contracts with customers	<u>1,843,674</u>	<u>198,494</u>	<u>2,042,168</u>

**For the six months ended 28 February 2023**

<b>Segments</b>	<b>Domestic education RMB'000 (Unaudited)</b>	<b>Global education RMB'000 (Unaudited)</b>	<b>Total RMB'000 (Unaudited)</b>
<b>Types of goods or services</b>			
Tuition fees	1,510,330	161,913	1,672,243
Boarding fees	141,845	4,823	146,668
Sales of books and daily necessities	32,954	—	32,954
Others	73,898	9,068	82,966
Total revenue from contracts with customers	<u>1,759,027</u>	<u>175,804</u>	<u>1,934,831</u>
<b>Timing of revenue recognition</b>			
Services transferred over time	1,726,073	175,804	1,901,877
Goods transferred at a point in time	32,954	—	32,954
Total revenue from contracts with customers	<u>1,759,027</u>	<u>175,804</u>	<u>1,934,831</u>

#### 4. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	For the six months ended	
	29 February 2024 <i>RMB'000</i> (Unaudited)	28 February 2023 <i>RMB'000</i> (Unaudited)
Cost of services provided	<u>1,143,210</u>	<u>962,246</u>
Management fees	63,227	58,288
Equity-settled share option expense	12,630	43,848
Impairment losses on financial assets	6,663	2,000
Impairment losses on assets classified as held for sale	86,261	—
Auditors' remuneration	1,600	3,100
Fair value losses on convertible bonds	<u>146,511</u>	<u>91,541</u>

#### 5. INCOME TAX

The major components of income tax expense of the Group for the Period and for the six months ended 28 February 2023 of the Group are as follows:

	For the six months ended	
	29 February 2024 <i>RMB'000</i> (Unaudited)	28 February 2023 <i>RMB'000</i> (Unaudited)
Current — Mainland China	94,955	13,384
Current — Malaysia	5,009	3,726
Deferred	<u>(5,459)</u>	<u>10,678</u>
Total tax charged for the period	<u>94,505</u>	<u>27,788</u>



## 7. GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE LIVES

	<b>Intangible assets with indefinite lives RMB'000 (Unaudited)</b>	<b>Goodwill RMB'000 (Unaudited)</b>
Cost and net carrying amount at 1 September 2023	149,031	2,040,254
Exchange realignment	<u>(6,242)</u>	<u>(8,548)</u>
Cost and net carrying amount at 29 February 2024	<u><u>142,789</u></u>	<u><u>2,031,706</u></u>

## 8. TRADE RECEIVABLES

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

	<b>29 February 2024 RMB'000 (Unaudited)</b>	<b>31 August 2023 RMB'000</b>
Within 1 month	18,638	43,388
1 to 2 months	2,257	765
2 to 3 months	1,624	9,759
Over 3 months	<u>42,913</u>	<u>50,679</u>
	<u><u>65,432</u></u>	<u><u>104,591</u></u>



## 9. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	29 February 2024 <i>RMB'000</i> (Unaudited)	31 August 2023 <i>RMB'000</i>
<b>Current portion:</b>		
Loans to third parties, interest receivables included	460,268	471,260
Cash in transit	3,760	59,212
Prepayments for management fees	11,763	47
Prepaid expenses	90,747	62,895
Deposits	36,046	27,595
Staff advances	34,084	26,334
Amounts due from the local finance department	—	78,735
Loans to the government	30,641	24,581
Rental receivables from third parties	27,752	19,642
Receivables arising from the disposal of subsidiaries	70,252	—
Receivables arising from the disposal of items of property, plant and equipment and right-of-use assets	70,000	—
Other receivables	97,121	79,712
	<u>932,434</u>	<u>850,013</u>
Impairment allowance	(187,363)	(180,700)
	<u>745,071</u>	<u>669,313</u>
<b>Non-current portion:</b>		
Prepayments for property, plant and equipment	61,685	36,833
Prepayments for intangible assets	2,219	969
Prepaid expenses	49,339	—
Prepayments for land lease payments	142,397	174,917
Loans to a third party	—	15,000
Security deposits for other borrowings	93,865	90,417
Receivables arising from the disposal of subsidiaries	35,288	—
	<u>384,793</u>	<u>318,136</u>
	<u><u>1,129,864</u></u>	<u><u>987,449</u></u>

## 10. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the Period, based on the invoice date, is as follows:

	<b>29 February 2024 RMB'000 (Unaudited)</b>	31 August 2023 RMB'000
Within 1 month	<b>10,002</b>	14,212
1 to 2 months	<b>13,190</b>	8,786
2 to 3 months	<b>15,515</b>	4,627
Over 3 months	<b>17,887</b>	20,542
	<b><u>56,594</u></b>	<u>48,167</u>

The trade payables are non-interest-bearing and are normally settled on terms of one to ten months.

## 11. OTHER PAYABLES AND ACCRUALS

	<b>29 February 2024 RMB'000 (Unaudited)</b>	31 August 2023 RMB'000
<b>Current portion:</b>		
Payables for purchase of property, plant and equipment	679,822	758,573
Payables for acquisitions of equity interests	621,658	629,591
Miscellaneous advances received from students	136,091	219,211
Accrued bonuses and other employee benefits	191,698	195,439
Government scholarship	118,075	229,562
Payables for purchase of teaching materials and operating expenditure	34,115	35,023
Payables for management fees	23,028	36,190
Rental payable	24,340	41,643
Deposits	56,999	64,537
Other taxes payable	118,550	120,748
Other payables and accrued expenses	211,337	253,890
Loans from third parties	17,003	30,003
Construction loan from the Mianzhu Education Bureau	75,832	75,832
Payables for conversion of certain independent colleges into fully private colleges	78,760	80,682
Advances received for disposal of subsidiaries	50,000	41,961
Payable for land lease payments	13,340	13,340
	<u>2,450,648</u>	<u>2,826,225</u>
<b>Non-current portion:</b>		
Payables for conversion of certain independent colleges into fully private colleges	438,578	505,143
Liability of a put option granted to a non-controlling shareholder	342,159	332,238
Other payables	7,541	8,575
	<u>788,278</u>	<u>845,956</u>
	<u><u>3,238,926</u></u>	<u><u>3,672,181</u></u>

## 12. DIVIDENDS

At the meeting of the board of directors held on 30 April 2024, the Directors did not recommend any payment of interim dividend (six months ended 28 February 2023: Nil).

## DEFINITIONS

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

“Board” or “Board of Directors”	the board of Directors of the Company
“China” or “PRC”	the People’s Republic of China
“Company” or “our Company”	XJ International Holdings Co., Ltd. (希教國際控股有限公司) (formerly known as Hope Education Group Co., Ltd. (希望教育集團有限公司)), an exempted company incorporated in the Cayman Islands with limited liability on 13 March 2017
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“Director(s)”	the directors of our Company
“Gongqing College”	Gongqing College of Nanchang University (南昌大學共青學院)
“Group,” “our Group”, “we” or “us”	our Company, its subsidiaries and the consolidated affiliated entities from time to time, or, where the context so requires in respect of the period before our Company became the holding company of our present subsidiaries, the entities which carried on the business of the present Group at the relevant time
“Hebi College”	Hebi Automotive Engineering Vocational College (鶴壁汽車工程職業學院)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“IFRS”	the International Financial Reporting Standard(s)
“Jiangxi Changzhen”	Jiangxi Changzhen Industrial Co., Ltd. (江西昌振實業有限公司), a limited liability company established under the laws of the PRC on 28 January 2013
“Listing”	the listing of the Company’s Shares on the Main Board
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules

“Reporting Period”	the six months ended 29 February 2024
“RMB”	Renminbi, the lawful currency for the time being of the PRC
“SFO” or “Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of a nominal value of US\$0.00001 each in the share capital of our Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shinawatra University”	Faith Star (Thailand) Company Limited and its subsidiary Shinawatra University
“State”	the central government of the PRC, including all governmental sub-divisions (such as provincial, municipal and other regional or local government entities)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	has the meaning ascribed to it in the Listing Rules
“United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$” or “USD”	United States dollars, the lawful currency for the time being of the United States
“%”	percent

By Order of the Board  
**XJ International Holdings Co., Ltd.**  
**Zhang Bing**  
*Chairman and non-executive Director*

Hong Kong, 30 April 2024

*As at the date of this announcement, the executive Directors of the Company are Mr. Xu Changjun, Mr. Wang Huiwu and Ms. Lou Qunwei; the non-executive Directors of the Company are Mr. Zhang Bing, Mr. Tang Jianyuan and Mr. Li Tao; and the independent non-executive Directors of the Company are Mr. Xiang Chuan, Mr. Liu Zhonghui and Mr. Zhang Jin.*