中汇集团
Edvantage Group

Edvantage Group Holdings Limited
中滙集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code: 0382

2021

ANNUAL REPORT

Contents

Definitions

In this annual report, unless the context otherwise requires, the following expressions shall have the following meanings.

"AGM"	annual general meeting of the Company to be held on 25 January 2022
"Articles" or "Articles of Association"	the articles of association of the Company adopted on 6 June 2019 with effect from the Listing Date, as amended from time to time
"Audit Committee"	the audit committee of the Board
"Board of Directors" or "Board"	the board of directors of the Company
"BVI"	British Virgin Islands
"BVI Holdco"	Debo Education Investments Holdings Limited (德博教育投資控股有限公司), a company incorporated in the British Virgin Islands with limited liability on 19 March 2018 and a company owned as to 50% and 50% by Mr. Liu and Ms. Chen, respectively
"CG Code"	the Corporate Governance Code as contained in Appendix 14 to the Listing Rules
"China" or "PRC"	the People's Republic of China, which for the purpose of this annual report, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"Company", "our Company", or "the Company"	Edvantage Group Holdings Limited (中滙集團控股有限公司), an exempted company with limited liability incorporated in the Cayman Islands on 18 October 2018
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Liu, Ms. Chen and BVI Holdco, a company owned as to 50% and 50% by Mr. Liu and Ms. Chen, respectively
"Director(s)"	the director(s) of the Company
"Edvantage Institute Australia" or "EIA"	Edvantage Institute Australia Pty Ltd, a company incorporated in Victoria, Australia with limited liability on 8 February 2017 and an indirect wholly-owned subsidiary of the Company
"Edvantage Institute (Singapore)" or "EIS"	Edvantage Institute (Singapore) Pte. Ltd., a company incorporated in Singapore with limited liability on 5 June 1991 and was acquired by the Group as an indirect wholly-owned subsidiary of the Company in December 2019

"Global Business College of Australia" or "GBCA"	Global Business College of Australia Pty. Ltd, a company incorporated in Victoria, Australia with limited liability on 26 June 2014 and an indirect wholly-owned subsidiary of the Company
"Global Education Professional Advisory"	Global Education Professional Advisory Service Company Limited (環球教育專業諮詢服務有限公司), a company incorporated in Hong Kong with limited liability on 4 October 2016 and an indirect wholly-owned subsidiary of the Company
Global Move Pty. Ltd ("**Global Move**")	Global Move Pty. Ltd, a company indirectly owned by Mr. Liu and Ms. Chen as to 50% and 50%, respectively
"Greater Bay Area"	the "Guangdong-Hong Kong-Macau Greater Bay Area", referring to the region linking two special administrative regions, namely Hong Kong and Macau, and the nine cities in Guangdong Province, namely Guangzhou, Shenzhen, Zhuhai, Foshan, Zhongshan, Dongguan, Huizhou, Jiangmen and Zhaoqing and forming an integrated economic and business hub under PRC government's scheme
Guangdong Huashang Technical School (廣東華商技工學校) ("**Huashang Technical School**")	Guangdong Huashang Technical School, an entity controlled by the siblings of Mr. Liu; and a school that obtained approval from the Ministry of Labour and Social Security of Guangdong Province on 21 May 2007
Guangzhou Weijia Vehicle Sales Company Limited (廣州市偉加汽車銷售有限公司) ("**Weijia Vehicle**")	Guangzhou Weijia Vehicle Sales Company Limited, a company owned by Mr. Liu, Ms. Chen, Ms. Ye Runmian (葉潤棉), the spouse of Mr. Liu Yung Kan (廖榕根), Mr. Liu Kong Wai (廖廣偉), the son of Mr. Liu Yung Kan, and Mr. Liu Yung Kwong (廖榕光), the brother of Mr. Liu, as to 22.5%, 22.5%, 28%, 12% and 15%, respectively
Guangzhou Yizhong Travel Agency Co., Ltd. (廣州怡眾旅行社有限公司) ("**Yizhong Travel**")	Guangzhou Yizhong Travel Agency Co., Ltd., a company wholly-owned by Sun City Group, which in turn is indirectly owned by Mr. Liu and Ms. Chen as to 50% and 50%, respectively
"Guangzhou Zhiheng Education"	Guangzhou Zhiheng Education Consulting Co., Ltd* (廣州智蘅教育諮詢有限公司) (formerly named as Guangzhou Zhiheng Education Development Co., Ltd.* (廣州智蘅教育發展有限公司)), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"Group", "our Group", "the Group", "we", "us", or "our"	the Company and its subsidiaries
"HK$" or "Hong Kong dollars"	Hong Kong dollars and cents, each being the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Huagang Enterprise Management" or "Guangzhou Huagang"	Guangzhou Huagang Enterprise Management Co., Ltd. (廣州市華港企業管理有限公司), a company incorporated in the PRC with limited liability on 25 August 2014 and an indirect wholly-owned subsidiary of the Company
"Huajia Renovation"	Guangzhou Huajia Renovation Co., Ltd. (廣州市華嘉裝飾工程有限公司), a company established in the PRC with limited liability on 6 June 2012 and an indirect wholly-owned subsidiary of the Company
"Huashang College"	Guangzhou Huashang College (廣州華商學院), a private school registered as a private non-enterprise unit under the law of the PRC on 30 May 2006
"Huashang Education Group Company (HK)"	Huashang Education Group Company Limited (華商教育集團有限公司), a company incorporated in Hong Kong with limited liability on 21 September 2015 and a subsidiary of the Company
"Huashang Education Holdings (BVI)"	Huashang Education Holdings Limited (華商教育控股有限公司), a company incorporated in the British Virgin Islands with limited liability on 12 October 2016 and a subsidiary of the Company
"Huashang Education Service (BVI)"	Huashang Education Service Holdings Limited (華商教育服務控股有限公司), a company incorporated in the British Virgin Islands with limited liability on 19 March 2018 and an indirect wholly-owned subsidiary of the Company
"Huashang Overseas Education (BVI)"	Huashang Overseas Education Holdings Limited (華商海外教育控股有限公司), a company incorporated in the British Virgin Islands with limited liability on 19 March 2018 and an indirect wholly-owned subsidiary of the Company
"Huashang Vocational College"	Guangzhou Huashang Vocational College (廣州華商職業學院), a private school registered as a private non-enterprise unit under the law of the PRC on 25 June 2009
"IFRS"	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
"Independent Third Party(ies)"	any entity or person who is not a connected person of our Company within the meaning ascribed thereto under the Listing Rules
"IPO"	the initial public offering of the Company, having become unconditional in all aspects on 16 July 2019
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Date"	16 July 2019, on which the Shares are listed and on which dealings in the Shares are first permitted to take place on the Stock Exchange

"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange that is independent from and operates in parallel with the GEM of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
"Ministry of Education"	the Ministry of Education of the PRC (中華人民共和國教育部)
"MOF"	the Ministry of Finance of the PRC (中華人民共和國財政部)
"Mr. Liu"	Mr. Liu Yung Chau (廖榕就), the founder of the Company, a Controlling Shareholder, executive Director, the chairman of the Board and the spouse of Ms. Chen
"Ms. Chen"	Ms. Chen Yuan, Rita (陳練瑛), a Controlling Shareholder, executive Director and the spouse of Mr. Liu
"Nanning Zhuowen Education" or "OPCO"	Nanning Zhuowen Education Consulting Services Co., Ltd.* (南寧市卓文教育諮詢服務有限公司), a company established in the PRC with limited liability
"Nomination Committee"	the nomination committee of the Board
"OPCO Group"	OPCO, the Target Company, Urban Technician College and Urban Vocational College
"Orient Fortune"	Orient Fortune Inc Limited (東方聯發有限公司), a company incorporated in Hong Kong with limited liability on 1 September 2014 and an indirect wholly-owned subsidiary of the Company
"Pan-Pearl River Delta Area"	the Pan-Pearl River Delta Area comprises nine provinces in the Pearl River Delta region in Southern China and two Special Administration Regions. The nine provinces are Fujian, Jiangxi, Hunan, Guangdong, Guangxi, Hainan, Sichuan, Guizhou and Yunnan
"Post-IPO Share Option Scheme"	the Post-IPO Share Option Scheme conditionally approved and adopted by our Company on 6 June 2019
"Prospectus"	the prospectus of the Company dated 4 July 2019
"Remuneration Committee"	the remuneration committee of the Board
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

"Share Award Scheme"	the share award scheme approved and adopted by the Shareholders on 6 June 2019
"Share(s)"	ordinary share(s) of US$0.01 each in the issued share capital of the Company
"Shareholder(s)"	holder(s) of Share(s)
"Shiny World"	Shiny World (China) Limited (星輝(中國)有限公司), a company incorporated in Hong Kong with limited liability incorporated on 3 January 2014 and an indirect wholly-owned subsidiary of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Structured Contracts"	collectively, (i) the Business Cooperation Agreement; (ii) Exclusive Technical Service and Management Consultancy Agreement; (iii) the Exclusive Call Option Agreement; (iv) the Shareholders' Rights Entrustment Agreement; (v) the Equity Pledge Agreement with the Registered Shareholders; (vi) the Equity Pledge Agreement with Nanning Zhuowen Education; (vii) the School Sponsors' and Council Members' Entrustment Agreement; (viii) the School Sponsors' Powers of Attorney; (ix) the Council Members' Powers of Attorney; (x) the Shareholders' Powers of Attorney; and (xi) the Spouse Undertakings
"subsidiary(ies)"	has the meaning set out in section 15 of the Companies Ordinance
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules
"Sun City Development"	Guangzhou Zengcheng Sun City Development Co., Ltd. (廣州市增城太陽城發展有限公司), a company incorporated in the PRC with limited liability on 9 December 2003 and a subsidiary of the Company
"Sun City Group"	Guangzhou Sun City Group Co., Ltd. (廣州市太陽城集團有限公司), a company incorporated in the PRC with limited liability on 27 May 2011 and a company indirectly owned by Mr. Liu and Ms. Chen as to 50% and 50% respectively
"Sun City Hotel"	Guangzhou Sun City Hotel Co., Ltd. (廣州太陽城大酒店有限公司), a company incorporated in the PRC with limited liability on 22 November 1993 and a company indirectly owned by Mr. Liu and Ms. Chen as to 50% and 50%, respectively
"Sun City Industrial"	Guangdong Sun City Industrial Co., Ltd. (廣東太陽城實業有限公司), a company incorporated in the PRC with limited liability on 8 May 2007
"Target Company"	Sichuan New Concept Education Investment Co., Ltd.* (四川新概念教育投資有限公司), a company established in the PRC with limited liability

Triple Way Investments (Australia) Pty. Ltd ("**Triple Way**")	Triple Way Investments (Australia) Pty. Ltd, a company indirectly owned by Mr. Liu and Ms. Chen as to 50% and 50%, respectively
"United States", "U.S." or "US"	the United States of America
"US dollar(s)", "U.S. dollar(s)", "US$", or "USD"	United States dollars, the lawful currency of the United States
"Urban Technician College"	Urban Technician College of Sichuan (四川城市技師學院), a private school registered as a private non-enterprise unit under the laws of the PRC on 22 May 2018
"Urban Vocational College"	Urban Vocational College of Sichuan (四川城市職業學院), a private school registered as a private non-enterprise unit under the laws of the PRC on 29 July 2008
"Woguan Education"	Guangzhou Woguan Education Consulting Co., Ltd. (廣州沃冠教育諮詢有限公司), a company incorporated in the PRC with limited liability on 10 October 2016 and an indirect wholly-owned subsidiary of the Company
"%"	per cent

Corporate Profile

BOARD OF DIRECTORS

Executive Directors

Mr. Liu Yung Chau *(Chairman)*
Ms. Chen Yuan, Rita
Ms. Liu Yi Man *(Chief Executive Officer)*

Non-executive Director

Mr. Liu Yung Kan

Independent Non-executive Directors

Mr. Xu Gang
Mr. Lo Chi Chiu
Mr. Li Jiatong

COMPANY SECRETARY

Mr. Wong Shing Mun *(FCCA, HKICPA)*

AUTHORISED REPRESENTATIVES

Mr. Liu Yung Chau
Mr. Wong Shing Mun *(FCCA, HKICPA)*

AUDIT COMMITTEE

Mr. Lo Chi Chiu *(Chairman)*
Mr. Xu Gang
Mr. Li Jiatong

REMUNERATION COMMITTEE

Mr. Xu Gang *(Chairman)*
Mr. Lo Chi Chiu
Mr. Li Jiatong

NOMINATION COMMITTEE

Mr. Xu Gang *(Chairman)*
Mr. Lo Chi Chiu
Mr. Li Jiatong

EXECUTIVE COMMITTEE[1]

Mr. Liu Yung Chau *(Chairman)*
Ms. Chen Yuan, Rita
Ms. Liu Yi Man

Note 1: The Executive Committee was established with effect from 8 November 2019

REGISTERED OFFICE

Maples Corporate Services Limited
PO Box 309
Ugland House
Grand Cayman, KY1–1104
Cayman Islands

HEADQUARTERS IN THE PRC

No. 1 Huashang Road
Licheng Street, Zengcheng
Guangzhou
The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1115, 11/F, Wing On Plaza
62 Mody Road
Tsim Sha Tsui
Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1–1102
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

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

LEGAL ADVISER

Ronald Tong & Co
Room 501, 5/F
Sun Hung Kai Centre
30 Harbour Road
Hong Kong

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

STOCK CODE

Stock Code: 0382

COMPANY'S WEBSITE

www.edvantagegroup.com.hk

PRINCIPAL BANKERS

Guangzhou Rural Commercial Bank Co., Ltd.
Gualv Road Sub-branch
29 Gualv Road
Licheng Street, Zengcheng
Guangzhou
The PRC

Bank of Communications Co., Ltd.
Guangzhou Xintang Sub-branch
365 Gangkou Avenue North
Xintang Town
Guangzhou
The PRC

China Construction Bank Corporation Co., Ltd.
Zengcheng Sub-branch
69 Zengcheng Avenue
Licheng Street, Zengcheng
Guangzhou
The PRC

Bank of China Limited
Guangzhou Zengcheng Xintang
Sub-branch
130 North Jiefang Road
Xintang Town, Zengcheng
Guangzhou
The PRC

Milestones

Year	Events
2003	• Commenced operations through Sun City Development
2006	• Huashang College began classes
2009	• Huashang Vocational College began classes
2010	• Total number of students of PRC Operating Schools reached 10,000+
2016	• Global Business College of Australia began classes
2017	• The initial employment rate of Huashang Vocational College graduates was 98.4% for the school year of 2016/2017
2018	• Total number of students of PRC Operating Schools reached 32,000+
2019	• The Group was listed on the Main Board of the Stock Exchange on 16 July 2019 with stock code: 0382
	• The initial employment rate of Huashang College graduates was 97.4% for the 2018/2019 school year, ranking No.1 among 16 independent colleges in Guangdong Province
2019	• The Group expanded school network in Singapore by acquiring Edvantage Institute (Singapore) in the second half of 2019
2020	• Edvantage Institute Australia registered with the TEQSA of Australia to offer higher education programmes in the first half of 2020
2020	• The phase one construction of Sihui campus of Huashang College commenced operations in Zhaoqing, PRC in the second half of 2020
2020	• Following the land use right acquisition in Xinhui District, PRC, the phase one construction of Xinhui Campus, a new campus of Huashang Vocational College as well as being used for Vocational Education Business, commenced in the second half of 2020
2020	• Be included in MSCI China All Shares Small Cap Index
2020	• In 2020, it expanded the school-running territory in China to Chengdu-Chongqing Economic Circle, with the acquisition of two high-quality vocational education schools in Sichuan (Urban Vocational College of Sichuan and Urban Technician College of Sichuan)
2020	• Guangzhou Huashang College was officially approved to be converted into an independent private regular undergraduate school in 2020
2021	• Guangzhou Huashang College was approved to be a master's degree conferring institution in 2021

	Note	For the year ended 31 August		Percentage increase
		2021	2020	
Revenue *(RMB'000)*		**1,251,644**	800,092	56.4%
Gross profit *(RMB'000)*		**630,898**	396,244	59.2%
Adjusted net profit attributable to owners of the Company *(RMB'000)*	(i)	**459,663**	309,070	48.7%
Profit for the year attributable to owners of the Company *(RMB'000)*		**413,716**	291,487	41.9%
Basic earnings per share *(RMB cents)*		**39.42**	28.66	37.5%
Dividend per share				
Interim dividend *(HK cents)*		**5.50**	4.90	12.2%
Final dividend (proposed) *(HK cents)*		**8.40**	4.90	71.4%

Note:

(i) For the year ended 31 August 2021, adjusted net profit attributable to owners of the Company is determined by adjusting profit for the year of RMB469,716,000 for the effect of net foreign exchange loss of RMB25,766,000, share-based payments of RMB20,181,000 and profit for the year attributable to non-controlling interests of RMB56,000,000.

For the year ended 31 August 2020, adjusted net profit attributable to owners of the Company is determined by adjusting profit for the year of RMB291,487,000 for the effect of net foreign exchange loss of RMB8,119,000 and share-based payments of RMB9,464,000.

Dear Shareholders,

On behalf of the Board of Directors (the "**Director(s)**") (the "**Board**") of Edvantage Group Holdings Limited ("**Edvantage Group**" or the "**Company**"), I am pleased to share with you the annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 August 2021 (the "**Reporting Period**"). During the Reporting Period, the Company continuously saw high-quality and sound development in its higher and vocational education business. It acquired two high-quality vocational education colleges in Sichuan, namely Urban Vocational College of Sichuan ("**Urban Vocational College**") and Urban Technician College of Sichuan ("**Urban Technician College**"). Its Guangzhou Huashang College ("**Huashang College**") turned into an independent college. The Company saw strong annual results and recorded the best performance since listing. What is more gratifying is that the Group's education brand has been highly recognised by students, parents, the industry and the market through nearly 20 years of high-quality and high-compliance characteristic school operations in the field of private higher and vocational education. During the Reporting Period, the Group cultivated nearly 14 thousand application-oriented, innovative and versatile talents with international vision, as well as high-level skilled talents with social responsibility and the goal of serving the society and the country. Since being listed on 16 July 2019, the Group has won the favour and support from many investors. I hereby express my sincerest gratitude to all stakeholders of the Group.

Business Review

According to Frost & Sullivan, in terms of total student enrolment of business majors for the 2017/2018 school year, Edvantage Group is the largest private higher and vocational education group in the Guangdong-Hong Kong-Macau Greater Bay Area ("**Greater Bay Area**"), and an early forerunner tapping into international markets in the industry. During the Reporting Period, the Group operated eight schools after an addition of three ones, including application-oriented college Huashang College and higher vocational junior college Guangzhou Huashang Vocational College ("**Huashang Vocational College**") in Guangdong, China; higher vocational junior college Vocational College of Sichuan and secondary vocational college Technician College of Sichuan in Sichuan, China; GBA Business School ("**GBABS**") in Hong Kong, China; Global Business College of Australia ("**GBCA**") and Edvantage Institute Australia ("**EIA**") in Melbourne, Australia; and Edvantage Institute (Singapore) ("**EIS**") in the downtown of Singapore.

During the year ended 31 August 2021, the Group's performance was still outstanding thanks to an increase in the number of students enrolled and average tuition fees of Huashang College and Huashang Vocational College, as well as the considerable results generated by the newly acquired two vocational education schools. During the Reporting Period, the Group recorded revenue of approximately RMB1,251.6 million, a year-on-year increase of 56.4%. Its gross profit rose 59.2% year on year to approximately RMB630.9 million. The adjusted net profit attributable to owners of the Company was approximately RMB459.7 million, a year-on-year growth of 48.7%. The number of student enrolments jumped 74.4% from a year earlier to 61,829. The Board proposed a final dividend of HK8.4 cents per share for the year ended 31 August 2021, together with an interim dividend of HK 5.5 cents per share. The annual dividend pay-out ratio is 30%, which is to reward shareholders for their continued support.

OUTLOOK

Looking forward, the Group remains optimistic and confident about the prospects of the private higher and vocational education industry and the Group's development. Practically speaking, the Group will adopt strategies as below:

Its long-term strategy is to adhere to the national policies. Policies including the Regulation on the Implementation of the Private Education Promotion Law of the People's Republic of China and the Guidelines on Promoting the High-quality Development of Modern Vocational Education are conducive to the development of all the businesses of the Group. It will follow the policies to develop the higher and vocational education business, firmly grasp the superior advantages arising from the Greater Bay Area and Chengdu-Chongqing Economic Circle to provide highly differentiated high-end vocational teaching services, and cultivate high-calibre professional and skilled talents for regional and national development, so as to gain brand reputation to achieve high-quality sustainable development.

The Group's mid-long-term strategy is to promote the steady and sustainable development of its domestic and oversea academic vocational education and non-academic vocational education business by ways of growing both organically and externally, adopting both the asset-light and asset-heavy model and combining offline with online education. The Group's schools in China are well supported by the strong organic growth, coupled with steady-state mergers and acquisitions, meeting the needs of development in the short and medium term. It plans to develop asset-light academic and non-academic vocational education business on the basis of formal vocational education that is asset-heavy business, whereby asset utilisation will be improved more quickly. In the future, the Group will combine offline and online education efficiently in its academic and non-academic vocational education business as the online education becomes invaluable amid the normalisation of the COVID-19 pandemic.

The Group expects the revenue for financial year 2022 to record double-digit percentage growth, with significant growth in new student enrolments and average tuition fees in four schools in China in the 2021/2022 school year, consolidation of the full-year results of newly acquired schools, and improved benefits due to a decline in management fees since the start of 2021/2022 school year after Huashang College's conversion into an independent college. At last, on behalf of the Board, I would like to express my great gratitude to students and parents for their trust in Edvantage Group, and to the management and staff for their loyalty and dedication. I would also like to thank our shareholders and business partners for their confidence and support to the Board and management of the Group over the years. I believe with the joint efforts of all staff, the Group will see booming business, cultivate more excellent talents for the society and keep creating value for its shareholders.

Liu Yung Chau
Chairman and Executive Director
Hong Kong, 15 November 2021

Profile of Directors and Senior Management

Below are the brief profiles of the current Directors and senior management of the Group.

Directors

The Board currently consists of seven Directors, comprised of three executive Directors, one non-executive Director and three independent non-executive Directors. The following table sets forth information regarding the Directors.

Name	Age	Position	Date of appointment as Director/ joining the Company
Executive Directors			
Mr. Liu Yung Chau (廖榕就)	68	Chairman and executive Director	18 October 2018
Ms. Chen Yuan, Rita (陳練瑛)	66	Executive Director	2 January 2019
Ms. Liu Yi Man (廖伊曼)	41	Chief executive officer and executive Director	20 November 2018
Non-executive Director			
Mr. Liu Yung Kan (廖榕根)	61	Non-executive Director	20 November 2018
Independent non-executive Directors			
Mr. Xu Gang (徐剛)	67	Independent non-executive Director	4 July 2019
Mr. Lo Chi Chiu (盧志超)	48	Independent non-executive Director	4 July 2019
Mr. Li Jiatong (李加彤)	49	Independent non-executive Director	4 July 2019

Executive Directors

Mr. Liu Yung Chau (廖榕就), aged 68, founded the Group in December 2003 and serves as an executive Director and chairman of the Board.

Mr. Liu has been executive vice-president of the Guangdong Provincial Private Education Association (廣東省民辦教育協會) since June 2009, council member of the Chinese Vocational Education Association (中華職業教育社) since December 2014, vice-president of the Guangdong Association of Management Accountants (廣東省管理會計師協會) since June 2016, and vice-president of the Federation of Hong Kong Guangdong Community Organisations Ltd. (香港廣東社團總會) since July 2017. He was also committee member and standing committee member of the Chinese People's Political Consultative Conference Guangdong Committee (中國人民政治協商會議廣東省委員會), chief president of the Hong Kong Industrial & Commercial Association Limited, standing committee member of the Guangdong Federation of Industry (廣東省工商業聯合會), vice-chairman of the Guangdong City Federation of Industry (廣東市工商業聯合會), vice-chairman of the Guangdong Chamber of Foreign Investors, chairman of the Zengcheng Federation of Industry (增城市工商業聯合會), and vice-president of the Hong Kong Federation of Guangzhou Associations (香港廣州社團總會).

In addition, Mr. Liu was awarded (i) the World Outstanding Chinese Award (世界傑出華人獎) in May 2010 by the World Chinese Business Investment Foundation (世界華商投資基金會), (ii) the Bronze Bauhinia Star by the Hong Kong government in July 2013, and (iii) the Guangdong Contemporary Private Education Educator Special Contribution Award (廣東當代民辦教育舉辦人突出貢獻獎) in September 2015 jointly by the Guangdong Education Association (廣東教育學會), Institute of China Contemporary Private Education (廣東當代民辦教育管理研究院), Guangdong Education Fund (廣東省教育基金) and Guangdong Education Foundation Tripartite Private Education Award Fund (廣東省教育基金會「三村」民辦教育獎勵基金).

Mr. Liu is a director of Sun City Group, which, together with its affiliates, engages in a wide range of business areas including hotel and tourism, textile and apparel, real estate, and financial investments.

Mr. Liu served as an independent non-executive director of CT Environmental Group Limited (a company listed on the Stock Exchange with stock code 1363) from June 2011 to October 2018. Mr. Liu received an Honorary Doctorate of Philosophy from Lansbridge University, Canada in May 2010.

Mr. Liu is spouse of Ms. Chen, father of Ms. Liu Yi Man, and brother of Mr. Liu Yung Kan.

Ms. Chen Yuan, Rita (陳練瑛), aged 66, joined our Group in June 2014 and serves as an executive Director.

Ms. Chen is a director of Sun City Group, which, together with its affiliates, engages in a wide range of business areas including hotel and tourism, textile and apparel, real estate, and financial investments. Sun City Group also indirectly held the majority interest in Huashang College and Huashang Vocational College from 2014 to 2017. Ms. Chen has also been a director of GBCA since its inception in June 2014.

Ms. Chen is spouse of Mr. Liu, mother of Ms. Liu Yi Man, and sister-in-law of Mr. Liu Yung Kan.

Ms. Liu Yi Man (廖伊曼), aged 41, joined the Group in July 2006 and serves as an executive Director and our chief executive officer. She became a director of Huashang College in August 2007, a director of Huashang Vocational College in August 2010, a director of GBCA in June 2014, a director of EIA in February 2017 and a director of EIS in December 2019.

Ms. Liu Yi Man has been vice-president of the Federation of Hong Kong Guangdong Community Organisations Ltd. (香港廣東社團總會) since July 2017 and deputy secretary general of The Y. Elites Association (香港菁英會) since July 2018. She was also committee member of the Chinese People's Political Consultative Conference Guangdong Committee (中國人民政治協商會議廣東省委員會), member of the All-China Youth Federation (中華全國青年聯合會), and vice-president of the Hong Kong Federation of Guangzhou Associations (香港廣州社團總會).

Ms. Liu Yi Man serves as a director of Guangzhou Zengcheng District Top Talent Kindergarten (廣州市增城區保利東江首府拓慧幼兒園), Guangzhou Haizhu District Tianyue Top Talent Kindergarten (廣州市海珠區天悦拓慧幼兒園) and Guangzhou Zengcheng District Qihang Kindergarten (廣州市增城區啟航幼兒園). She has also served as the director of Top Talent Education (Australia) Pty. Ltd, which operates two kindergartens, (namely Little Sunshine Early Learning and Doncaster Early Learning Child Care).

Ms. Liu Yi Man received her bachelor's degree in business administration from The Chinese University of Hong Kong in August 2004, and her master's degree in engineering business management from The University of Warwick, United Kingdom in July 2006.

Ms. Liu Yi Man is daughter of Mr. Liu and Ms. Chen, and niece of Mr. Liu Yung Kan.

Non-executive Director

Mr. Liu Yung Kan (廖榕根), aged 61 and formerly known as Liu Kai Chung (廖啟中), assisted in the development of Huashang College and served as its director from September 2006 to February 2016. He also served as a director of Huashang Vocational College from August 2010 to April 2017, and is a non-executive Director.

Mr. Liu Yung Kan has over 20 years of business experience. He has since August 1998 been a director of Yue Hua Group Company Limited (粵華集團有限公司), since September 2010 been the general manager of Guangzhou Huajiang Enterprise Management Co., Ltd. (廣州市華江企業管理有限公司), and since December 2013 been the general manager of Guangzhou Huahui Investment Co., Ltd. (廣州市華匯投資有限公司), all of which are investment holding companies.

As our non-executive Director, Mr. Liu Yung Kan will participate in the Board meetings to make decisions on important matters of the Group, and he will not be involved in the day-to-day management of the Group.

Mr. Liu Yung Kan is brother of Mr. Liu, brother-in-law of Ms. Chen, and uncle of Ms. Liu Yi Man.

Independent non-executive Directors

Mr. Xu Gang (徐剛), aged 67, serves as an independent non-executive Director, the chairman of the Remuneration Committee and Nomination Committee, and a member of the Audit Committee.

Mr. Xu Gang has over 10 years of experience in numerous leadership positions in state owned enterprises and government organisations, including:

- editor of the China Economic & Trade Herald《經濟工作通訊》at the State Economic and Trade Commission (國家經濟貿易委員會);
- director of the economic bureau (經濟局處長) at the United Front Work Department of CPC Central Committee (中共中央統戰部);
- deputy secretary of the party committee and vice president at China Goods Trade Development Co., Ltd. (中國物資貿易發展總公司); and
- vice president and acting general manager at China Tourism International Trust & Investment Co., Ltd (中國旅遊國際信託投資有限公司).

Mr. Xu Gang serves as a consultant of Lianxun Securities Co., Ltd. (聯訊證券股份有限公司) (a company listed on the National Equities Exchange and Quotations with stock code 830899), and is a former chairman of Lianxun Securities Co., Ltd. He has been a senior economist accredited by the Appraising and Approval Committee for Professional & Technical Competence since December 1994.

Mr. Xu Gang received his bachelor's degree in industrial economics in February 1983 from Renmin University of China and his master's degree in industrial engineering in December 2001 from the Huazhong University of Science and Technology, China.

Mr. Lo Chi Chiu (盧志超), aged 48, serves as an independent non-executive Director, chairman of the Audit Committee, and member of the Remuneration Committee and Nomination Committee.

Mr. Lo Chi Chiu has over 20 years of accounting experience in international accounting firms and various corporations, including as:

- accountant at Ernst & Young and PricewaterhouseCoopers Ltd. from August 1995 to June 2001;
- financial controller for Technicon Engineering Limited, Zhejiang Xinfu Biochemical Co., Ltd and Shenzhen Glory Medical Co., Ltd from July 2001 to June 2003;
- project accountant and finance manager for Integrated Distribution Services Group Management Limited, a subsidiary of Integrated Distribution Services Group Limited (a company listed on the Stock Exchange with stock code 2387 from December 2004 until delisting in November 2010), from June 2004 to August 2006;
- chief financial officer of Truly International Holdings Limited (a company listed on the Stock Exchange with stock code 732), VPower Holdings Limited, a subsidiary of VPower Group International Holdings Limited (a company listed on the Stock Exchange with stock code 1608), and Haitian International Holdings Limited (a company listed on the Stock Exchange with stock code 1882) from August 2006 to June 2016.

Mr. Lo Chi Chiu has been a senior consultant for VPower Group since April 2016 and an independent non-executive director of Haitian International Holdings Limited (stock code 1882) since February 2019. He previously served as an independent non-executive director, the chairman of the audit and remuneration committees, and a member of the nomination committee of Ernest Borel Holdings Limited (a company listed on the Stock Exchange with stock code 1856) from June 2014 to December 2017.

Mr. Lo Chi Chiu received his bachelor's degree in business administration from the University of Hong Kong in November 1995 and his Master of Business Administration Degree (Executive MBA Programme) from The Chinese University of Hong Kong in September 2017. He has also been a member of the Hong Kong Institute of Certified Public Accountants since July 2005.

Mr. Li Jiatong (李加彤), aged 49, serves as an independent non-executive Director, and member of the Audit Committee, Remuneration Committee and Nomination Committee.

Mr. Li Jiatong has been an associate director at Manulife Financial Asia Limited since July 2018. He was previously a site reliability engineer for Criteo Inc. from 2016 to 2018, a software architect for Datapop, Inc. from 2009 to 2016, an engineer for Yahoo! Asia Holdings Limited from 2005 to 2009, and a software engineer and research and development regional expert for Comverse Network Systems from 1997 to 2005. He is the named inventor on three pending patent applications and has experience in cloud computing, software development, computer programming, mobile application development, and web service development.

Mr. Li Jiatong received his bachelor degree in June 1997 and master's degree in September 1999, both in computer science, from Northeastern University, USA.

Senior Management

Ms. Liu Yi Man (廖伊曼) is the chief executive officer of the Company. See the paragraphs headed "— Directors — Executive Directors" for her biography.

Ms. Liu Wenqi (劉文琦), aged 49, has been the chief operating officer of the Company since January 2017, having originally joined the Group as the chief financial officer of the Company in April 2010.

Ms. Liu Wenqi has been an accountant accredited by MOF since May 2006, an auditor accredited by the Audit Commission of China (中華人民共和國審計署) since October 2007, a non-practicing member of the Guangdong Certified Tax Advisor Association (廣東省註冊稅務師協會) since March 2010, and a senior accountant with the Human Resources and Social Security Department of Guangzhou (廣州市人力資源和社會保障局) since March 2017.

Ms. Liu Wenqi received her bachelor's degree in accounting from Zhengzhou University, China in June 2012 and her master's degree in CFO leadership from Singapore Management University in May 2017.

Mr. Wong Shing Mun (黃成滿), aged 45, was appointed general manager of Huashang Education Group Company (HK) in May 2016, and became the chief financial officer of the Company in January 2017.

Prior to joining the Group, Mr. Wong Shing Mun served as a consultant for MCL Financial Group Limited from May 2013 to April 2016, chief financial officer and assistant company secretary for Foreland Fabrictech Holdings Limited (a company listed on the Singapore stock exchange with stock code B0I) from October 2006 to May 2013, financial controller for Fujian Zhenyun Plastics Industry Co. Ltd. (a company listed on the Singapore stock exchange with stock code 5KT) from October 2005 to October 2006, company secretary for CCID Consulting Co., Ltd. (a company listed on the Stock Exchange with stock code 8235) from January 2003 to August 2003, and an accountant for PricewaterhouseCoopers from September 1998 to January 2003.

Mr. Wong Shing Mun was previously an independent non-executive director of China Shen Zhou Mining & Resources, Inc. (a company listed on the New York Stock Exchange with ticker symbol SHZ) from January 2012 to May 2013. Mr. Wong Shing Mun has been a member since October 2001, and a fellow member since October 2006, of the Association of Chartered Certified Accountants, and a member since February 2002 of the Hong Kong Institute of Certified Public Accountants.

Mr. Wong Shing Mun received his bachelor degree in accounting from The Hong Kong University of Science and Technology in November 1998.

Market Overview

The Group is the largest private business vocational education group in the Guangdong-Hong Kong-Macao Greater Bay Area ("**Greater Bay Area**"), and an early pioneer in education sector in pursuing international expansion. The Group's businesses all fall within the scope of vocational education encouraged by the State. Both the Greater Bay Area and the Chengdu-Chongqing Economic Circle are fertile ground for the development of private vocational education.

During the Reporting Period, the State introduced a number of policies to support and encourage the development of vocational education. In October 2021, the General Office of the CPC Central Committee and the General Office of the State Council released the Guidelines on Promoting the High-quality Development of Modern Vocational Education ("**Guidelines**"), clearly supporting and encouraging listed companies and industry leaders to develop vocational education, incentivising application-oriented colleges and universities to develop vocational education at the undergraduate level, and quantifying the admission scale of vocational education at the undergraduate level and the vision of basically building a skill-based society by 2035.

In addition, the Vocational Education Law of the People's Republic of China (revised draft) was submitted to the National People's Congress for deliberation in June 2021. The draft proposes that "vocational education should enjoy equal importance to general education", and supports social participation in school operations. The new Regulation on the Implementation of the Private Education Promotion Law of the People's Republic of China (Order No. 741) that came into effect from 1 September 2021 explicitly encourages enterprises to run private schools or participate in the establishment of private schools providing vocational education in sole proprietorship, joint ventures, cooperation and other forms. It gives the right to all privately-run schools, regardless of their attribute, on change of owners, which sends a positive signal to vocational education.

The Group's schools in China are located in the Greater Bay Area and the Chengdu-Chongqing Economic Circle, which are key economic development regions and have the advantages that are conducive to the development of vocational education, including strong economic development momentum, continuous release of dividend from school-age population, low gross enrolment rate of higher education sector and enough room for bargaining power. The Greater Bay Area and Guangdong province where it is located are among the regions with the highest population growth and strongest economic vitality in China. According to the Communiqué of the Seventh National Population Census by the National Bureau of Statistics, Guangdong has 126 million permanent residents, ranking first in the number of permanent residents for 14 consecutive years. China introduced a number of policies to support the development of the Greater Bay Area in September 2021. For instance, the CPC Central Committee and the State Council released the General Plan for Building the Guangdong-Macao In-Depth Cooperation Zone in Hengqin, which outlines the blueprint for the construction of the Guangdong-Macao In-Depth Cooperation Zone in Hengqin. The authorities announced the Plan for Comprehensively Deepening Reform and Opening up of Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, aiming to support Hong Kong's economic and social development, lift the level of cooperation between Guangdong, Hong Kong and Macao, and build a new pattern for opening up. The Chengdu-Chongqing Economic Circle is the economic bridgehead in western China and also the most densely populated area in the west. In October 2021, the CPC Central Committee and the State Council unveiled the Outline for the Construction of a Two-city Economic Circle in the Chengdu-Chongqing Region, emphasising that by 2025, the economic strength, development vitality and international influence of the Two-city Economic Circle will be greatly boosted, and its role of supporting the high-quality development of the whole country will be significantly enhanced.

Business Update

During the Reporting Period, the Group operated eight education institutions, namely Guangzhou Huashang College 廣州華商學院 ("**Huashang College**") and Guangzhou Huashang Vocational College 廣州華商職業學院 ("**Huashang Vocational College**") in Guangdong province, China; Urban Vocational College of Sichuan 四川城市職業學院 ("**Urban Vocational College**") and Urban Technician College of Sichuan 四川城市技師學院 ("**Urban Technician College**") in Sichuan province, China; GBA Business School 大灣區商學院 ("**GBABS**" in Hong Kong, China; Global Business College of Australia 澳洲國際商學院 ("**GBCA**") and Edvantage Institute Australia 澳大利亞中滙學院 ("**EIA**") in Melbourne, Australia; and Edvantage Institute (Singapore) 新加坡中滙學院 ("**EIS**") in the downtown of Singapore.

During the Reporting Period, the Group adhered to the national policy of running schools with high quality and high compliance, and made continuous and in-depth efforts in teaching faculty, teaching facilities, industry-education integration, discipline development, etc., realising and strengthening the school-running purpose of "high investments for high-quality talents". In terms of teaching faculty, the Group adopted the strategy of "strengthening schools with talents". It has a leadership team and a team of high-calibre teachers comprising of well-known authoritative experts, including Albert SUN-CHI CHAN, an academician at the Chinese Academy of Sciences and Prof. Jean-Marie Lehn, a laureate of the Nobel Prize in Chemistry. Among the teachers of the Group's schools in Guangdong province and Sichuan province, nearly 30% have a associate professor title; nearly 55% have a master's degree or above; and over 100 of them have a doctoral degree. Meanwhile, over 100 teachers and industry experts from well-known universities such as Sun Yat Sen University, Jinan University, Zhongnan University of Economics and Law, Chinese University of Hong Kong, Big Four accounting firms and SenseTime have been introduced flexibly. In terms of teaching facilities, the Group insists on constructing and rebuilding laboratories year by year with high standards, high configuration and high level, and continues to create a high-standard application-oriented training mode to support practical teaching and cultivate application-oriented high-end talents. In terms of industry-education integration, the Group's schools have always led the implementation of the philosophy of "school-enterprise cooperation, coordinative education", having built long-term, stable partnerships with over 700 renowned leading companies successively, including Huawei, Baidu, Kingdee, Sensetime, JD.com and Chengdu Metro. It has developed a constant path of cultivating skilled talents based on ordered classes, industry college co-construction and other cooperations, to establish a comprehensive system containing talent cultivation, scientific research and innovation, experimental base, internship and employment, social services, market brand, etc., which creates win-win results for students, schools, enterprises and the market. In terms of discipline development, the Group enriched its disciplines based on the social and market needs and gradually formed a superior discipline cluster with synergistic development that centres on "new business" and covers "new engineering", "AI" "big data", "digital creativity" "big health", "education" and other disciplines. The vocational education business associated with "big health" in high demand for talents developed rapidly, which benefitted from the featured school-running model of "combination of medicine and business" and the complementation of advantages of schools and enterprises for industry-education integration. The scale of students majoring in big health developed rapidly. In terms of academic vocational education, the Group's schools in Guangdong province and Sichuan province have more than 4,400 students engaged in vocational education associated with "big health", of which the enrolments of colleges of health and medicine of schools in Guangdong province have seen rapid growth with the number of students increased to more than 1,000 from over 100 in September 2019. As for non-academic vocational education, schools in Guangdong province and Sichuan province set up vocational skill level certificate courses about big health and held various competitions to train and produce more high-level skilled talents in the field of big health.

The Group has witnessed an increasingly prominent education brand effect, and a gradually improved quality of graduates. In terms of further study, in the past two years, nearly 100 graduates of the Group have been enrolled at top 100 famous overseas schools listed on the QS World University Rankings for a master's or doctoral degree. In terms of employment and entrepreneurship, great achievements have also been obtained in the past five years as nearly 500 graduates of the Group have been employed by Big Four accounting firms, 3,000 by world's top 500 and China's top 100 enterprises, and nearly 2,500 by unicorn companies of new economy and various well-known financial institutions. In response to the requirements of higher education development, the Group has deeply implemented the policy of mass entrepreneurship and innovation, established a secondary college of innovation and entrepreneurship and the Huashang mass entrepreneurship incubation base, held various innovation and entrepreneurship competitions and offered relevant training. Graduates of the past five years have initiated many quality companies, and won many awards in national and provincial innovation and entrepreneurship competitions.

The main operations of schools under the Group during the Reporting Period are as follows:

Schools in China — Huashang College:

Huashang College is a full-time, high-level application-oriented undergraduate college. It currently has two campuses, with one in Zengcheng District, Guangzhou City and the other in Sihui City, Zhaoqing City in Guangdong province. During the Reporting Period, it offered a total of 40 undergraduate programmes, covering seven disciplines, namely economics, management, literature, engineering, art, education and medicine. Among them, accounting, financial management and journalism were selected as provincial first-class undergraduate programmes, while accounting was selected as a national first-class undergraduate programme. For the year ended 31 August 2021, the number of student enrolments amounted to nearly 25,000, a year-on-year increase of approximately 4%.

In December 2020, Huashang College was converted into an independent private regular undergraduate school with the official approval of the Commission of Guangdong province on the Appraisal of the Establishment of Higher Education Schools. After the transformation, Huashang College will have more autonomy in operation, offer more quality degrees and enjoy more flexibility in student enrolment. Besides, student management fees payable to Guangdong University of Finance & Economics will also gradually diminish from the financial year 2022 (2021/2022 school year), which will optimise the Group's cost structure to improve efficiency.

In May 2021, Huashang College was approved as a master's degree conferring institution, becoming one of the first eight private colleges in Guangdong province to be such institution. The Institute for FinTech Research, Guangdong Huashang was unveiled on 26 December 2020 and was approved as a new special think tank for regular higher education institutions in Guangdong on 20 August 2021.

In terms of new campus expansion, the new Sihui campus of Huashang College covers a total planning area of approximately 800 mu and can accommodate approximately 16,000 students. The Phase I project of the new campus, covering approximately 248 mu, was put into use in September 2020. The Group secured a land parcel of approximately 234 mu for the Phase II project in October 2020. The project is expected to be completed in or before August 2023 and be put into use in September 2023. The two phases of projects of the new Sihui campus will accommodate approximately 16,000 students from 2023/2024 school year.

Schools in China — Huashang Vocational College:

Huashang Vocational College is a full-time junior academic college with two campuses in Zengcheng District, Guangzhou City and Xinhui District, Jiangmen City in Guangdong province. It sets up a total of 52 disciplines during the Reporting Period and developed multiple disciplines in a coordinated way with a focus on business, engineering, and medicine and big health and by actively expanding discipline clusters related to education, art design and modern services. Tourism and hospitality management are key construction disciplines in Guangdong. For the year ended 31 August 2021, the number of student enrolments amounted to about 13,300, a year-on-year rise of approximately 24%.

In terms of new campus expansion, the new Jiangmen campus of Huashang Vocational College covers a total planning area of approximately 2,000 mu and can accommodate approximately 30,000 students. The Phase I project, covering an area of approximately 683 mu, can accommodate approximately 8,000 students. It was put into use in September 2021.

Schools in China — Urban Vocational College:

Urban Vocational College is a full-time junior academic college with two campuses in Chengdu and Meishan, Sichuan province. It was one of the higher vocational colleges in Sichuan planned to be upgraded to an undergraduate university during the 13th Five-Year Plan period. It set up a total of 65 disciplines associated with advanced manufacturing and modern services industries during the Reporting Period. Urban Vocational College adhered to the integration between industry and education, and created four discipline clusters concerning next-generation information technology, intelligent manufacturing, smart city and modern services industry through diversified cooperation. It has one national discipline demonstration point (home services (elderly care)) and four provincial key construction disciplines (art design, logistics management, vehicle use and maintenance technology, and architectural engineering technology). In addition, smart elderly healthcare and service management was approved as a discipline in Sichuan's plan to construct high-level higher vocational education institutions and high-level discipline clusters. For the year ended 31 August 2021, the number of student enrolments amounted to 13,900.

Schools in China — Urban Technician College:

Urban Technician College is a secondary academic vocational education institution, which was added to Urban Vocational College in September 2018. So far, it has become a training base for high-skilled talents in Sichuan province, a pilot college of vocational skill level identification for students from technician colleges, and a training base for Car-O-Liner (Chengdu) sheet metal technology training centre and the vocational skill identification guidance centre in Sichuan province. Moreover, teachers and students in the past made great achievements in various vocational skills competitions. They won the national first, second and third prizes and honoured as outstanding participants in the 2020 China skills contest — national competition of key technologies for new energy vehicles.

For the year ended 31 August 2021, the number of student enrolments amounted to 8,600. Urban Technician College saw a significant growth in enrolment in recent years due to a smooth degree upgrading channel and broad employment prospects. It has been highly recognised by parents and students.

Schools in China — GBABS:

During the Reporting Period, the Group further expanded its teaching footprint in the Greater Bay Area. It officially inaugurated GBABS in Hong Kong in September 2021, on which it signed a strategic cooperation memorandum of understanding with Guangdong-HK-Macao Greater Bay Area Entrepreneurs Union and Cyberport. GBABS has held events like summits themed on Strategic New Thinking in the Greater Bay Area since its establishment. As a "super connector" in the future, it will collaborate with more academic institutions and public and private organizations in the Greater Bay Area to gradually offer Executive Certificate/Diploma, Master of Business Administration, Executive MBA and Doctor of Business Administration programs to nurture outstanding leaders and talents for the Greater Bay Area.

Overseas Schools — GBCA, EIS, EIA:

The Group is China's first private vocational education group to run its own schools overseas, where it uses asset-light operation model. Currently, the Group operates two schools, GBCA and EIA, in Australia. The former is an international education institution approved, accredited and registered by the Australian department of education, which is qualified to enrol local and overseas students. GBCA provides a variety of nationally accredited vocational education courses and short-term non-academic vocational education programmes. It also collaborated with Melbourne Campus of University of Canberra to offer undergraduate courses in business and information technology. The latter has been accredited and licensed by Tertiary Education Quality and Standards Agency in Australia. It has autonomous enrolment qualification and grants undergraduate and master's degrees. Undergraduate marketing programs have been launched. The Group operates EIS in Singapore. The school that was certified by EduTrust is qualified to enrol local and overseas students. It focuses on providing non-academic vocational education programmes in the fields of language courses, education, business, entrepreneurship, etc.

The Group's overseas schools not only see steady local operations, but also have a high degree of integration with schools in China. During the Reporting Period, the Group offered online international courses covering both formal and non-academic vocational education levels. It empowered domestic students in language competence, comprehensive abilities, employability and other aspects. The international education services have not been affected by the pandemic. The Group believes that high-quality international teaching services can continuously strengthen its education brands, and thus its bargaining power will be sustainably enhanced.

Non-academic Vocational Education

During the Reporting Period, the Group actively responded to the national call to implement the "1+X" certificate system and strived to achieve the goal of providing vocational training 35 million times. Numerous efforts were made to develop the non-academic vocational education business. It focused on offering vocational skill level certificate education services and related supporting services regarding industrial robot programming, child care, financial big data, elderly care services, etc. for students. In the future, the Group, along with its domestic and overseas schools, will cooperate with industry leaders and well-known universities to provide more high-end vocational education services and more related supporting services, so as to make full use of educational resources to create higher benefits. It recorded revenue of approximately RMB42.0 million from non-academic vocational education business during the Reporting Period, a year-on-year growth of over two times.

Number of Student Enrolments

The table below sets out the number of student enrolments in the Group's schools for the years ended 31 August 2020 and 2021:

Number of Student Enrolments (approximately)	For the year ended 31 August 2021	2020
Higher Academic Vocational Education		
Huashang College (application-oriented undergraduate college)	25,000	24,100
Huashang Vocational College	13,300	10,700
Urban Vocational College[1]	13,900	N/A
Overseas Schools[2]	1,000	700
Secondary Academic Vocational Education		
Urban Technician College[1]	8,600	N/A

Note 1: As the Group completed the acquisition of Urban Vocational College and Urban Technician College during the Reporting Period, the data presented is relevant data following the completion of the acquisition until the end of the Reporting Period;

Note 2: Overseas Schools include GBCA, EIA and EIS.

Tuition Fees and Boarding Fees

The table below sets forth the tuition fees and boarding fees charged by the Group from each student for 2019/2020 and 2020/2021 school years:

	2020/2021 School year *RMB*	2019/2020 School year *RMB*	2020/2021 School year *RMB*	2019/2020 School year *RMB*
	Tuition fees		Boarding Fees	
Higher Academic Vocational Education				
Huashang College (application-oriented undergraduate college)				
General undergraduate courses	28,000-43,800	27,000-39,800	1,800-4,500	1,800-4,500
Top-up courses	27,000-33,000	25,000-29,800	1,800-4,500	1,800
Huashang Vocational College				
General junior college courses	16,500-28,000	15,500-27,000	1,800-4,800	1,800-4,800
Urban Vocational College[1]				
General junior college courses	8,000-34,000	N/A	800-1,200	N/A
Secondary Academic Vocational Education				
Urban Technician College				
Secondary vocational courses	9,800	N/A	800	N/A

Note 1: As the Group completed the acquisition of Urban Vocational College and Urban Technician College during the Reporting Period, the data presented is relevant data following the completion of the acquisition until the end of the Reporting Period;

Development Strategy

Since it ran schools, the Group has been closely following the national policies, catering to market needs, and adhering to the principle of school operations with high compliance and high quality. Brand strategy, talent strategy and M&A strategy are three top-priority strategies for development. The Group will constantly develop its academic vocational education and non-academic vocational education businesses through organic growth and external expansion, and asset-light and asset-heavy operations to achieve sustained, steady and high-quality development, thereby creating value for its shareholders sustainably.

Brand Strategy

The Group, which believes that the teaching brand is the first vitality to create a "century-old school", works to satisfy the needs of today's society and clarifies its positioning of school operations for the cultivation of talents for relevant fields. With a focus on business, it develops engineering, big health, education and other disciplines to cultivate "application-oriented, innovative and versatile talents with international vision, as well as high-level skilled talents with social responsibility and the goal of serving the society and the country". The Group will actively explore differentiated school operations, such as international education, application-oriented and practical teaching models and setup of innovative and high-end disciplines, according to the principle of "high investments for high-quality talents". The Group's education brands have become increasingly prominent and widely and highly recognised by society, parents and students. It has achieved quality school-running targets, including high entry cut-off scores, high enrolment rates, high enrolment quality and high employment quality.

Talent Strategy

The Group, which regards talents as the driving force of sustainable development, constantly recruits talents in order to achieve sustainable, high-quality development. Currently, it has many industry experts and famed consultants at home and abroad as its school leaders or in the teaching faculty. The proportions of teachers with above the senior associate title and teachers with a master's degree are all at a high level among the schools of the same class. In the future, the Group will keep creating a favourable teaching environment, cultivating the existing teaching faculty, and bringing in outstanding people at home and abroad. Efforts will be made to recruit and retain well-known teachers to improve the quality of school operations, in a bid to provide students with better teaching services.

M&A Strategy

The Group has been actively seeking M&A targets in Pan-Pearl River Delta and surrounding key cities with strong demand for higher education and vocational education resources. Based on Greater Bay Area, the Group forms a regional linkage among Pan-Pearl River Delta and surrounding key cities, combines overseas high-quality education resources, enriches and improves educational services, and explores efficient regional management mode. The Group chooses M&A targets based on the criteria involving regional advantages, school running level, profitability, synergy, consideration level and campus culture. Since its listing on the Stock Exchange on 16 July 2019, the Group has completed its first college acquisition (i.e. Urban Vocational College and Urban Technician College). If there are any new projects in the future, the Group will make corresponding disclosure in due course.

Development Targets

The Chinese central government set out a target to basically establish a modern vocational education system by 2025, aiming to strengthen the vertical connection of the modern vocational education system. Up to now, the Group's businesses have covered all levels of vocational education, including application-oriented undergraduate education, higher academic vocational education and secondary academic vocational education. Besides, it also saw considerable development in the non-academic vocational education sector. In the future, the Group will actively meet the enrolment quota corresponding to the national target that "by 2025, the enrolment of undergraduate vocational education institutions shall not be less than 10% of that of higher vocational education institutions". It will strengthen and broaden the training of high-level skilled talents at all education levels via "endogenous growth and external expansion, asset-light and asset-heavy operations". It will develop the non-academic vocational education business under the backdrop of the "1+X" certificate system and the goal of providing vocational training 35 million times. In addition, the Group's schools will cooperate with leading enterprises in various industries to establish high-quality, market-demand-oriented industrial schools, a vocational education league or a vocational education group, thus facilitating the realization of the national targets of "ranking vocational education among the best globally and basically establishing a skilled society by 2035".

Revenue

The Group's revenue mainly represents income derived from tuition fees and boarding fees for the education services provided in the normal course of business at its schools in China and overseas schools, as well as fees from university cooperation programme recognised for providing various resources and administrative support to the University of Canberra which provided certain of its bachelor's degree programmes at GBCA and other vocational education service fees at its schools in China. For the year ended 31 August 2021, the Group' revenue was approximately RMB1,251.6 million, representing an increase of 56.4% as compared with the corresponding period of last year, which was mainly attributable to increases in number of students enrolled and average tuition fees from both Huashang College and Huashang Vocational College, revenue generated by the newly acquired schools (i.e. Urban Vocational College and Urban Technician College) within the reporting period and the fact that the Group had strengthened its focus on the provision of other vocational education services to students.

Cost of Revenue

Cost of revenue consists primarily of staff costs, education expenses, depreciation, property management expenses and others. For the year ended 31 August 2021, the Group's cost of revenue amounted to approximately RMB620.7 million, representing an increase of 53.7% as compared with the corresponding period of last year.

Gross Profit and Gross Profit Margin

For the year ended 31 August 2021, the Group recorded a gross profit of approximately RMB630.9 million, representing an increase of approximately 59.2% as compared with the corresponding period of last year. For the year ended 31 August 2021, the Group achieved a gross profit margin of 50.4%, up by 0.9 percentage points as compared with the corresponding period of last year. The growth was mainly attributable to the increasing number of student enrolments and average tuition fees and various efforts of cost control, as well as gross profit generated by the newly acquired schools (i.e. Urban Vocational College and Urban Technician College) during the reporting period.

Other Income

Other income consists primarily of management fee and rental income, government grants, school ancillary, system maintenance and other service income and others. For the year ended 31 August 2021, the Group recorded other income of approximately RMB49.7 million, representing an increase of 73.1% as compared with the corresponding period of last year.

Investment Income

Investment income consists primarily of interest income from banks. For the year ended 31 August 2021, the Group recorded approximately RMB10.0 million from investment income, representing a decrease of 48.9% as compared with the corresponding period of last year. It was mainly attributable to the decreasing bank interest income from short-term deposits during the reporting period.

Other Gains and Losses

Other gains and losses consist primarily of fair value change on financial assets at fair value through profit or loss, impairment loss recognised on trade receivables, recovery of trade receivables previously written-off, net foreign exchange gain or loss and gain from changes in fair value of investment properties. For the year ended 31 August 2021, the Group's other gains and losses were recorded at net losses of approximately RMB11.1 million, which was mainly attributable to the net foreign exchange loss upon translating weakening Hong Kong dollars to RMB.

Selling and Administrative Expenses

Selling expenses consist of advertising expenses, recruiting expenses, salary expenses and commission fees GBCA paid to admission agents. For the year ended 31 August 2021, the Group's selling expenses amounted to approximately RMB20.0 million, representing an increase of 166.7% as compared with the corresponding period of last year. It was mainly attributable to the increases in both advertising expenses for the Group's reinforcement in branding efforts and recruiting expenses for the Group's enlarging student recruiting activities, as well as those selling expenses incurred by the newly acquired schools (i.e. Urban Vocational College and Urban Technician College) during the reporting period.

Administrative expenses primarily consist of administrative payroll, repair, maintenance and property management expenses, professional consulting fees, office expenses, depreciation, business development related expenses, other tax expenses and others. For the year ended 31 August 2021, the Group's administrative expenses amounted to approximately RMB157.1 million, representing an increase of 42.5% as compared with the corresponding period of last year. It was mainly attributable to the increases in administrative payroll in connection with the increasing number of administrative staffs at the Group companies and depreciation, as well as those administrative expenses incurred by the newly acquired schools (i.e. Urban Vocational College and Urban Technician College) during the reporting period.

Finance Costs

The Group's finance costs include any costs incurred by interest expenses on bank and other borrowings (after deducting amounts capitalised in the cost of property, plant and equipment). For the year ended 31 August 2021, the Group recorded finance costs of approximately RMB18.4 million, representing an increase of 14.5% as compared with the corresponding period of last year, which was mainly attributable to new bank and other borrowings raised during the reporting period.

Profit Before Taxation

For the year ended 31 August 2021, the Group recorded a profit before taxation of approximately RMB484.0 million, representing an increase of 57.2% as compared with the corresponding period of last year.

Taxation

For the year ended 31 August 2021, the Group recorded approximately RMB14.3 million in taxation, representing a decrease of 13.5% as compared with the corresponding period of last year. As of 31 August 2021, the Group did not have any taxation related disputes with any authorities, or any other unresolved taxation issues.

Adjusted Net Profit attributable to owners of the Company

Adjusted net profit attributable to owners of the Company is determined by adjusting profit for the year for the effect of net foreign exchange gain or loss, share-based payments and profit for the year attributable to non-controlling interests (if any). For the year ended 31 August 2021, the Group's adjusted net profit attributable to owners of the Company amounted to approximately RMB459.7 million, representing an increase of 48.7% as compared with the corresponding period of last year.

	For the year ended 31 August	
	2021	2020
	RMB'000	*RMB'000*
Profit for the year	**469,716**	291,487
Adjustments for:		
Net foreign exchange loss	**25,766**	8,119
Share-based payments	**20,181**	9,464
	45,947	17,583
Adjusted net profit	**515,663**	309,070
Less: profit for the year attributable to non-controlling interests	**(56,000)**	—
Adjusted net profit attributable to owners of the Company	**459,663**	309,070

Property, Plant and Equipment

As of 31 August 2021, the Group's property, plant and equipment amounted to approximately RMB3,592.9 million, representing an increase of approximately 116.4% as compared with 31 August 2020. Such an increase was mainly attributable to (i) expansion of Huashang College Sihui Campus, (ii) the continuing progress in the construction of a science and technology centre and an international conference centre on the Zengcheng District Campus, (iii) the construction of a new campus for Huashang Vocational College at Xinhui District, Jiangmen City, Guangdong Province, and (iv) property, plant and equipment attributable to the additional business of Sichuan New Concept Group acquired by the Group during the reporting period.

Teaching and administrative building area to number of students ratio and site area to number of students ratio

Reference is made to the section titled "Regulatory requirements relating to the ratio of school site area/building area to the number of students" in the Prospectus and there has been no substantive update since the position as of February 2019 as disclosed in the Prospectus. The relevant ratios for Huashang College and Huashang Vocational College for the school year 2020/2021 respectively are as below:

	As at 31 August 2021
Teaching and administrative building area to number of students	
Huashang College	**10.99**
Huashang Vocational College	**15.38**
Site area to number of students	
Huashang College	**32.09**
Huashang Vocational College	**56.10**

Neither Huashang College and Huashang Vocational College has received any yellow or red card from, or has been subject to any form of administrative penalty by competent education authorities in relation to its compliance with the teaching and administrative building area to number of students ratio and site area to number of students ratio.

Capital Expenditures

For the year ended 31 August 2021, the Group recorded approximately RMB624.6 million in capital expenditures, representing an increase of 13.1% as compared with the corresponding period of last year. It was mainly attributable to (i) the acquisition of land use rights in Guangdong Province (i.e. lands located in Sihui City of Zhaoqing) for education purpose, (ii) maintaining and enhancing the existing teaching facilities and construction of new teaching facilities on the Huashang College Sihui Campus and the Zengcheng District Campus, and (iii) the construction of the new Huashang Vocational College Xinhui Campus.

Bank Balances and Cash

As of 31 August 2021, the Group's bank balances and cash was approximately RMB795.3 million, representing a decrease of 32.9% as compared with 31 August 2020. Such decrease was mainly attributable to the fact that, during the reporting period, the Group (i) completed the acquisition of Sichuan New Concept Group at a consideration of RMB750.0 million which has been settled in cash during the reporting period as disclosed in Note 35 to the consolidated financial statements in this annual report, (ii) recorded approximately RMB624.6 million in capital expenditures, and (iii) recorded a significant net increase in structured deposits recognised in financial assets at FVTPL; and net off (iv) the Group's net proceeds from placing of new shares under general mandate of approximately HK$459.8 million (equivalent to approximately RMB384.8 million), for which, the Group completed the placing of an aggregate of 53,300,000 new ordinary shares of the Company with a par value of US$0.01 each ("**Placing Shares**") at the price of HK$8.73 per Placing Share in January 2021, (v) the Group's net increase in bank and other borrowings and (vi) the Group's net increase in contract liabilities.

Liquidity, Financial Resources and Gearing Ratio

As at 31 August 2021, the Group had liquid funds (representing bank balances and cash and structured deposits recognised in financial assets at FVTPL) of approximately RMB1,162.3 million (2020: RMB1,273.8 million) and bank and other borrowings of approximately RMB1,344.1 million (2020: RMB747.1 million). The Group's gearing ratio as of 31 August 2021, represented by bank and other borrowings as a percentage of total assets, was 21.8% (2020: 21.2%).

Foreign Exchange Risk Management

For the Group's operation in China, the major revenue and expenses are denominated in RMB, while there are certain monetary assets and monetary liabilities that are denominated in Hong Kong dollars, which would expose the Group to foreign exchange risk. The Group currently does not have a foreign currency hedging policy. However, the management of the Company monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when the need arises. For the Group's operations outside the PRC, the major revenue and expenses are denominated in local currencies.

Material Acquisitions and Disposals

During the reporting period, the Group completed the acquisition of 51% of the entire equity interest in Sichuan New Concept (the "**Sales Shares of Sichuan New Concept**"), a company established in the PRC with limited liability, at a consideration of RMB750.0 million from an independent third party. Sichuan New Concept and its subsidiaries are principally engaged in the operation of Urban Vocational College and Urban Technician College for the activities of higher education and vocational education. During the reporting period, the consideration of RMB750.0 million had been settled in cash.

Due to the restriction of foreign ownership under the PRC laws, Nanning Zhuowen Education Consulting Services Co., Ltd.* (南寧市卓文教育諮詢服務有限公司) (the "**OPCO**") was designated by Guangzhou Zhiheng Education Consulting Co., Ltd.* (廣州智蘅教育諮詢有限公司) ("**Guangzhou Zhiheng Education**"), an indirect wholly-owned subsidiary of the Company, to acquire the Sales Shares of Sichuan New Concept. As such, Guangzhou Zhiheng Education has entered into the Structured Contracts (as defined in the announcement of the Company dated 4 December 2020) with the OPCO, Sichuan New Concept, Urban Vocational College, Urban Technician College (collectively known as "**Consolidated Affiliated Entities**") and the registered shareholders of the OPCO (collectively the "**Contractual Arrangements**"); they enable the Company to obtain indirect control over the Consolidated Affiliated Entities with the fact that the Company (i) has power over the Consolidated Affiliated Entities, (ii) has rights to variable returns from its involvement with the Consolidated Affiliated Entities, and (iii) has the ability to use its power to affect its returns from the Consolidated Affiliated Entities.

Consequently, the Consolidated Affiliated Entities are accounted for as subsidiaries of the Company, and their financial positions and results are included in the Group's consolidated financial statements for the reporting period after the completion of the acquisition.

Save as disclosed above, the Group had no other material acquisitions or disposals during the reporting period.

Charge on the Group's Assets

As at 31 August 2021, the Group pledged certain deposits of approximately RMB33.6 million and the rights to receive the tuition fees and boarding fees of each Huashang College, Huashang Vocational College and Urban Vocational College as securities for the credit facilities granted to the Group; also, details of the Group's secured bank and other borrowings are set out in Note 26 to the consolidated financial statements contained herein. Save as disclosed above, there was no other material charge on the Group's assets as at 31 August 2021.

Contingent Liabilities

As at 31 August 2021, the Group had no significant contingent liabilities.

Significant Investments

Financial Assets at Fair Value Through Profit or Loss (the "FVTPL")

As at 31 August 2021, the Group's financial assets at FVTPL amounted to approximately RMB367.0 million (2020: RMB88.1 million), being structured deposits invested in banks and financial institutions in the PRC as the Company's treasury management purpose of maximising its return on the surplus cash received from its business operations without interfering with its business operations or capital expenditures, for which the Group expected that such structured deposits would earn a better yield than current deposits generally offered by banks in the PRC. The increase was mainly attributable to the addition net off by the redemption during the reporting period. For the year ended 31 August 2021, the Group recorded a fair value change on financial assets at FVTPL of approximately RMB13.3 million (2020: RMB4.7 million), which was mainly derived from the structured deposits interest income received and receivable. For the year ended 31 August 2021, no single investment in such structured deposits of the Group accounted for more than 5% of the total assets of the Group.

Save as disclosed above, there was no significant investment held by the Group during the reporting period.

Human Resources

As at 31 August 2021, the Group had approximately 4,900 employees. The Group offers competitive remuneration packages to the employees, which are determined in accordance with the relevant laws and regulations of the local jurisdictions where the Group operates and the individual qualification, experience and performance of the relevant employees, as well as the prevailing salary levels in the market. In addition, the Group provides other comprehensive fringe benefits to the employees, including social insurance and mandatory provident funds, complying with the applicable laws and regulations. For the year ended 31 August 2021, the staff costs (including Directors' remuneration) of the Group were approximately RMB365.0 million.

Moreover, the Company has adopted a share option scheme and share award scheme (the "**Share Award Scheme**") on 6 June 2019 as incentive for Directors and eligible employees. Details of the said schemes are set out under the section headed "Post-IPO Share Option Scheme and Share Award Scheme" in the 2019 annual report. Details of the grant of share options and grant of award shares under the said schemes during the year ended 31 August 2021 were set out in the announcements of the Company dated 22 February 2021, 5 March 2021, 12 March 2021 and 29 April 2021.

Besides, the Group provides relevant training programs for the employees based on their respective personal career development.

Teacher-to-student ratio

Reference is made to the section titled "Regulatory requirements relating to the teacher-to-student ratio" in the Prospectus and there has been no substantive update since the position as of February 2019 as disclosed in the Prospectus. For the year ended 31 August 2021, the teacher-to-student ratios of Huashang College and Huashang Vocational College for the school year 2020/2021 are 1:18.3 and 1:15.0, respectively; and accordingly, none of the Group's schools in China has received any yellow or red card from, or has been subject to any form of administrative penalty by competent education authorities in relation to its compliance with the teacher-to-student ratio.

Future Plans on Material Investments

With a view of reinforcing its leading position in the PRC and enhancing its international reputation, the Group has planned a number of expansion projects with the Group's internal resources (including cash generated from operations). The Group will continue to explore overseas expansion opportunities and seek for suitable locations for establishing the new overseas schools, including those in the United Kingdom and Singapore, after relieving of the epidemic situation of the 2019 coronavirus disease ("**COVID-19**") and restoration of normal business operations in overseas areas and relaxation of the global travel restrictions.

Following the acquisition of Urban Vocational College and Urban Technician College during the reporting period, the Group will continue to acquire other education institutions that have complementary course offering to that of Huashang College and Huashang Vocational College to further increase the Group's student enrolment capacity in the Greater Bay Area and in the Pan-Pearl River Delta Area. Such acquisitions are expected to be financed by (i) the proceeds from the Company's placing of new shares in January 2021, (ii) the Group's internal resources (including cash generated from operations) and/or (iii) external bank borrowings of the Group.

In determining the appropriate acquisition target, the Group considers various factors, which include the scale of the target education institution, its profitability, its reputation and operating history, its course offering, the city or area in which the target education institution situates and the regional economy's industry or business connectivity to the economy of the Greater Bay Area, the operating conditions and long-term development potential of the target education institution, the integration and potential synergies that the target education institution may generate for the Group, the alignment of the Group's intention and objectives with that of the target education institution's existing school sponsor and its compliance status with laws and regulations.

The Board is pleased to present this corporate governance report in the annual report of the Company for the year ended 31 August 2021.

• CORPORATE GOVERNANCE PRACTICES

The Shares have been listed on the Stock Exchange since 16 July 2019. The Group is committed to maintaining high standards of corporate governance to safeguard the interests of Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code. During the period from the Listing Date and up to the date of this annual report, the Board believes that the Company has fully complied with the CG Code. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

• THE BOARD

(1) Responsibilities

The Board is accountable to Shareholders for the long-term performance of the Company and is responsible for the overall leadership of the Group. The Board oversees the Group's strategic decisions and monitors business and performance of the Group. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established three Board committees including the Audit Committee, the Remuneration Committee and the Nomination Committee. The Board has delegated to the Board committees responsibilities as set out in their respective terms of reference. All Board committees are provided with sufficient resources to perform their duties.

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and the Shareholders at all times.

(2) Directors' and Senior Management's Liability Insurance and Indemnity

The Company has arranged appropriate liability insurance to indemnify the Directors and senior management of the Company for their liabilities arising out of corporate activities. The insurance coverage will be reviewed on an annual basis.

(3) Board Composition

As at the date of this annual report, the Board comprises three executive Directors, one non-executive Director and three independent non-executive Directors.

Executive Directors

Mr. Liu Yung Chau *(Chairman)* ("**Mr. Liu**")
Ms. Chen Yuan, Rita ("**Ms. Chen**")
Ms. Liu Yi Man *(Chief Executive Officer)*

Non-executive Director

Mr. Liu Yung Kan

Independent non-executive Directors

Mr. Xu Gang
Mr. Lo Chi Chiu
Mr. Li Jiatong

Mr. Liu and Ms. Chen are spouses of each other, Ms. Liu Yi Man is the daughter of Mr. Liu and Ms. Chan.

Mr. Liu Yung Kan is the brother of Mr. Liu, brother-in-law of Ms. Chen, and uncle of Ms. Liu Yi Man.

Except as disclosed, there is no other relationship (including financial, business, family or other material/relevant relationship(s)) among the Board members.

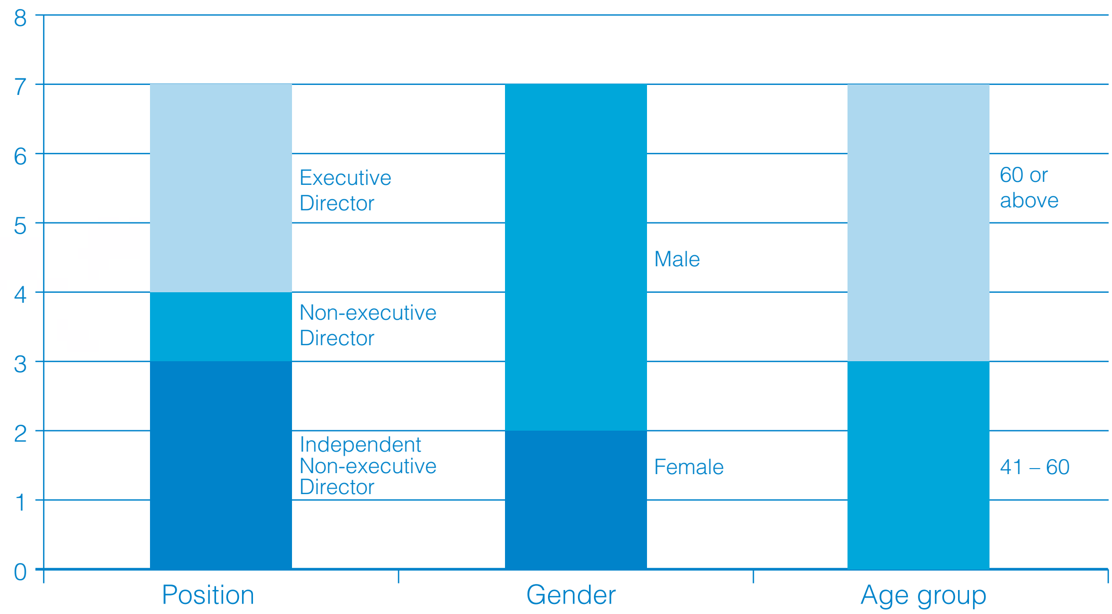
For the period from the Listing Date and up to the date of this annual report, the Board at all times met the requirements of Rules 3.10(1), 3.10(2) and 3.10(A) of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise and the number of independent non-executive Directors represents at least one-third of the Board. Among the three independent non-executive Directors, Mr. Lo Chi Chiu has appropriate professional qualifications or accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

(4) Board Diversity Policy

Pursuant to Rule 13.92 of the Listing Rules, the nomination committee (or the board) shall have a policy concerning diversity of board members, and shall disclose the policy on diversity or a summary of the policy in the corporate governance report. The policy specifies that in designing the composition the Board, Board diversity shall be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience. The appointment of Directors will be based on meritocracy, and candidates will be evaluated against objective criteria, having due regard for the benefits of diversity of the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, knowledge and skills.

The composition of the Board will be disclosed in the Corporate Governance Report every year and the Nomination Committee will supervise the implementation of this policy. The Nomination Committee will review the effectiveness of this policy, as appropriate, discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

As at the date of this annual report, the diversity of the Board is illustrated as below. Further details on the biographies and experience of the Directors are set out on pages 14 to 18 of this annual report.



The Nomination Committee has reviewed the membership, structure and composition of the Board, and is of the opinion that the structure of the Board is reasonable, and the experiences and skills of the Directors in various aspects and fields can enable the Company to maintain a high standard of operation.

(5) Measurable Objectives

The Company aims to maintain an appropriate balance of diverse perspectives that are relevant to the Company's business growth. The Company is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered. The Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for adoption. In particular, the Nomination Committee will identify and make recommendations to the Board to implement programmes that will assist in the development of a broader and more diverse pool of skilled and experienced employees that, in time, will prepare them for Board positions. At present, the Board has not set any measurable objectives.

The Company's existing composition of Board and senior management are highly diverse in terms of gender, age, cultural and educational background, knowledge and professional experience. It reflects an appropriate mix of skills and experience that are relevant to the Group's strategy and business.

(6) Confirmation of Independence by the Independent Non-executive Directors

The Company has received written annual confirmation from each independent non-executive Director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines as set out in Rule 3.13 of the Listing Rules.

Except that Mr. Liu (an executive Director) and Ms. Chen (an executive Director) are spouses to each other, Ms. Liu Yi Man (an executive Director) is the daughter of Mr. Liu and Ms. Chen, and Mr. Liu Yung Kan (a non-executive Director) is the brother of Mr. Liu, brother-in-law of Ms. Chen, and uncle of Ms. Liu Yi Man, none of the Directors has any personal relationship (including financial, business, family or other material/relevant relationship), with any other Director.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

As regards the CG Code provision requiring directors to disclose the number and nature of offices held in public companies or organisations and other significant commitments as well as their respective identity of the public companies or organisations and the time involved to the issuer, Directors have agreed to disclose, and already disclosed their commitments to the Company in a timely manner.

(7) Induction and Continuous Professional Development

Pursuant to the code provision A.6.5 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

Pursuant to the code provision A.6.1 of the CG Code, each newly appointed Director should be provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under relevant statues, laws, rules and regulations. During the period from the Listing Date and up to the date of this annual report, the Directors were regularly briefed on the amendments to or updates on the relevant laws, rules and regulations.

The directors are continually updated with legal and regulatory developments, and the business and market changes to facilitate the discharge of their responsibilities through various Board meetings, resolutions, memos and Board papers. According to the records maintained by the Company, the directors received the following training with an emphasis on the roles, functions and duties of a director of a listed company in compliance with the requirement of the Code on continuous professional development during the period from 1 September 2020 to 31 August 2021:

Directors	Read materials	Attend seminars/ briefings
Executive Directors		
LIU Yung Chau	√	√
Chen Yuan, Rita	√	√
LIU Yi Man	√	√
Non-executive Directors		
LIU Yung Kan	√	√
Independent Non-executive Directors		
Xu Gang	√	√
Lo Chi Chiu	√	√
Li Jiatong	√	√

(8) Chairman and Chief Executive Officer

Under the code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and performed by different individuals. Under the current organisation structure of the Company, Mr. Liu Yung Chau is the chairman of the Board and Ms. Liu Yi Man is the chief executive officer of the Company.

The Board and the senior management, which comprises experienced and high calibre, individuals who can ensure the balance of power and authority. As at the date of this annual report, the Board comprises three executive Directors, one non-executive Director and three independent non-executive Directors.

(9) Appointment and Re-Election of Directors

Each of Mr. Liu Yung Chau, Ms. Chen Yuan, Rita and Ms. Liu Yi Man, being the executive Directors, has entered into a service contract with the Company for an initial term of three years commencing from the date of their appointment as the executive Directors.

Mr. Liu Yung Kan, being the non-executive Director, has entered into a service contract with the Company for an initial term of three years commencing from the date of his appointment as a non-executive Director.

Each of Mr. Xu Gang, Mr. Lo Chi Chiu and Mr. Li Jiatong, being the independent non-executive Directors, has entered into a letter of appointment with the Company for an initial term of three years commencing from the date of their appointment as the independent non-executive Directors.

Save as disclosed above, none of the Directors has or is proposed to have entered into any service agreement or letter of appointment with any member of the Group (excluding agreements expiring or determinable by any member of the Group within one year without payment of compensation other than statutory compensation).

In accordance with the Articles of Association, all Directors are subject to retirement by rotation at least once every three years and any new Director appointed to fill a casual vacancy shall submit himself/herself for election by Shareholders at the first general meeting of the Company after appointment and any new Director appointed as an addition to the Board shall submit himself/herself for re-election by the Shareholders at the next following annual general meeting of the Company after appointment.

The procedures and process of appointment, re-election and removal of directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, monitoring and making recommendations to the Board on the appointment, re-election and succession planning of Directors, in particular the chairman of the Board and the chief executive officer of the Company.

(10) Board Meetings and Committee Meetings

The Company became listed on 16 July 2019. The Company adopts the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Both the Nomination Committee and the Remuneration Committee shall meet at least once every year and the Audit Committee shall meet at least twice a year. Notices of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting. For other Board and committee meetings, reasonable notice is generally given. The agenda and accompanying Board papers are dispatched to the Directors or committee members at least three days before the intended date of the meeting to ensure that they have sufficient time to review the papers and be adequately prepared for the meeting. When Directors or committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the chairman of the Board or the committee members prior to the meeting. Minutes of meetings are kept by the Company Secretary with copies circulated to relevant Board or Board Committee for comments and records.

Minutes of the Board meetings and committee meetings are recorded in sufficient detail the matters considered by the Board and the committees and the decisions reached, including any concerns raised by the Board or committee members and dissenting views expressed. Draft minutes of each Board meeting and committee meeting are sent to the relevant Board or committee members for comments within a reasonable time after the date on which the meeting is held. The minutes of the Board meetings are open for inspection by Directors.

Apart from the regular Board Meetings, the chairman of the Board also held a meeting on 15 November 2021 with all independent non-executive Directors without the presence of executive Directors.

During the year ended 31 August 2021, the Board held 4 regular meetings at about quarterly intervals and 9 additional meetings. As regards general meetings, the Company held an annual general meeting on 25 January 2021. A table summary with regard to the Directors' participation at the various Board meetings and Board Committee meetings and the Company's general meetings is set out below:

Meetings Held during the year ended 31 August 2021

	Regular Board Meetings	Additional Board Meetings concerning Special Matters requiring the Board's Decisions	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings	Executive Committee Meetings *(Note 1)*	LTI Committee Meetings *(Note 2)*	General Meetings
Executive Directors								
LIU Yung Chau	3/4	8/9	N/A	N/A	N/A	1/1	N/A	1/1
Chen Yuan, Rita	4/4	8/9	N/A	N/A	N/A	1/1	N/A	1/1
LIU Yi Man	4/4	9/9	N/A	N/A	N/A	1/1	3/3	1/1
Non-Executive Directors								
LIU Yung Kan	4/4	8/9	N/A	N/A	N/A	N/A	N/A	1/1
Independent non-executive Directors								
Xu Gang	4/4	9/9	2/2	1/1	1/1	N/A	N/A	1/1
Lo Chi Chiu	3/4	9/9	2/2	1/1	1/1	N/A	N/A	1/1
Li Jiatong	4/4	9/9	2/2	1/1	1/1	N/A	N/A	1/1

Notes:

1. The Executive Committee of the Company was established on 5 November 2019; and during the year ended 31 August 2021 and as at the date of this annual report, it comprises Mr. LIU Yung Chau as the chairman and Ms. CHEN Yuan, Rita and Ms. LIU Yi Man as members.

2. The LTI Committee of the Company was established on 16 January 2020 for the purpose of, among other things, implementing and handling matters related to the Post-IPO Share Option Scheme and Share Award Scheme; and during the year ended 31 August 2021 and as at the date of this annual report, it comprises Ms. LIU Yi Man and Mr. Wong Shing Mun (company secretary and chief financial officer of the Company) as members.

The Board and each director, upon reasonable request, have access to independent professional advice to assist them in performing their duties to the Company, at the Company's expense. When needed and upon making request to the Board, directors may obtain independent professional advice at the Company's expense in carrying out their duties.

According to the current Board practice, any transaction, which involves a conflict of interests between a substantial shareholder or a director and the Company, will be considered and dealt with by the Board at a duly convened Board meeting with the presence of the independent non-executive directors who have no material interest in the said transaction. Directors are abstained from voting and not be counted in the quorum at meetings for approving transactions in which such directors or any of their associates have a material interest.

In the Board meeting held on 22 February 2021, the Board considered, among other things, the grant of share options and award shares to 9 grantees (which include the following Director: Ms. Liu Yi Man and the following associate of Directors: Mr. Liu Chi Hin) pursuant to the Post-IPO Share Option Scheme and the Share Award Scheme. Details of such grant are set out on pages 63 to 85 of this annual report. In this meeting, the relevant Directors have duly declared their interest in the resolution and abstained from voting and were not counted in the quorum at the board meeting for approving the grant in which such Directors or any of their associate have interest.

The Company has maintained appropriate insurance cover in respect of legal action against its directors and officers arising out of corporate activities.

After the reporting period, 2 Board meetings were held on 26 October 2021 and 15 November 2021 and the attendance record of the Board members is set out in the table below:

Directors	**Attended/Eligible to attend**
LIU Yung Chau	2/2
Chen Yuan, Rita	2/2
LIU Yi Man	1/2
LIU Yung Kan	1/2
Xu Gang	1/2
Lo Chi Chiu	1/2
Li Jiatong	1/2

(11) Model Code for Securities Transactions

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Specific enquiry has been made of all the Directors and each of the Directors has confirmed that he/she has complied with the Model Code since the Listing Date and up to the date of this annual report.

(12) Delegation by the Board

The Board reserves for its decision on all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have recourse in seeking independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board to ensure that they remain appropriate to the Company's needs. Approval has to be obtained from the Board prior to any significant transactions entered into by the management on the Company's behalf.

(13) Corporate Governance Function

The Board recognizes that corporate governance should be the collective responsibility of Directors and has delegated the corporate governance duties to the Audit Committee which include:

(a) to develop and review the Group's policies and practices on corporate governance and make recommendations to the Board;

(b) to review and monitor the training and continuous professional development of Directors and senior management of the Group;

(c) to review and monitor the Group's policies and practices on compliance with legal and regulatory requirements;

(d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors of the Group; and

(e) to review the Group's compliance with the CG Code from time to time adopted by the Group and the disclosure in the Corporate Governance Report to be contained in the Company's annual reports.

• BOARD COMMITTEES

(1) Nomination Committee

As at the date of this annual report, the Nomination Committee comprises three members and all are independent non-executive Directors, namely Mr. Xu Gang, Mr. Lo Chi Chiu and Mr. Li Jiatong. Mr. Xu Gang is the chairman of the Nomination Committee.

The principal duties of the Nomination Committee include the followings:

- To review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- To develop the criteria for identifying and assessing the qualification of and evaluating candidates for directorship;
- To identify individuals who are suitably qualified to become a member of the Board and to select or make recommendations to the Board on the selection of individuals nominated for directorships;
- To assess the independence of independent non-executive Directors;
- To make recommendations to the Board on the appointment or re-appointment of directors and succession planning for Directors, in particular the chairman of the Board and the chief executive of the Company; and
- To develop a policy concerning diversity of Board members, and disclose the policy or a summary of the policy in the corporate governance report.

The Nomination Committee will assess the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to the Board for decision.

Their written terms of reference are available on the respective websites of the Stock Exchange and the Company.

The Nomination Committee held one meeting during the year ended 31 August 2021. Individual attendance records of each member of the Nomination Committee are set out in the table on page 41 of this annual report.

After the reporting period, one meeting of the Nomination Committee was held on 15 November 2021 and the attendance record of the Nomination Committee members is set out in the table below:

Directors	**Attended/ Eligible to attend**
Mr. Xu Gang *(Chairman)*	1/1
Mr. Lo Chi Chiu	1/1
Mr. Li Jiatong	1/1

In the meeting, the Nomination Committee reviewed and discussed the policy, procedure and criteria for nomination of the Directors, reviewed and discussed the Board diversity policy and discussed all measurable objectives set for implementing the Board diversity policy and the progress made towards meeting the measurable objective in the policy, assessed the independence of independent non-executive Directors, considered the re-appointment of the retiring Directors, reviewed the time commitment required from the non-executive Director and fulfilled duties as aforesaid required.

(2) Nomination Policy

The appointment of a Director is made on the recommendations of the Nomination Committee and by approval of the Board or by the shareholders at a general meeting either to fill a casual vacancy or as an addition to the Board.

In assessing potential candidates for the Board, the Nomination Committee considers with reference including but not limited to gender, age, cultural and educational background, professional qualifications and skills (including knowledge and experience), reputation for integrity, potential commitment in respect of available time and relevant interest, independence, Director succession plan, Board diversity policy and any measurable objectives for achieving diversity on the Board. The recommendations of the Nomination Committee are then put to the entire Board for decision. For the details of Board diversity policy and the measurable objectives, please refer to the paragraph headed "THE BOARD — (4) Board Diversity Policy and (5) Measurable Objectives" above.

(3) Remuneration Committee

As at the date of this annual report, the Remuneration Committee currently comprises three members and all are independent non-executive Directors, namely Mr. Xu Gang, Mr. Lo Chi Chiu and Mr. Li Jiatong. Mr. Xu Gang is the chairman of the Remuneration Committee.

The Remuneration Committee has adopted the second model described in paragraph B.1.2(c) under Appendix 14 to the Listing Rules (i.e. make recommendation to the Board on the remuneration packages of individual executive Director and senior management member).

The principal duties of the Remuneration Committee include the followings:

- To make recommendations to the Board on the Company's policy and structure for the remuneration of all the Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;

- To review and approve the management's remuneration proposals with reference to the corporate goals and objectives resolved by the Board from time to time;

- To make recommendations to the Board on the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and approve the individual executive Directors' service contracts;

- To assess the performance of executive Directors;

- To make recommendations to the Board on the remuneration of non-executive Directors;

- To consider factors such as the level of remuneration paid by comparable companies, the time commitment and responsibilities of Directors and senior management, and the employment conditions of the Company and its subsidiaries;

- To consider the level of remuneration required to attract and retain Directors to manage the Company successfully;

- To ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration. For the avoidance of doubt, members of the Remuneration Committee must not be involved in deciding his/her own remuneration;

- To review and approve compensation payable to Directors and senior management for any loss or termination of office or appointment and compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that it is consistent with contractual terms, is otherwise fair and not excessive, reasonable and appropriate; and

- To advise Shareholders on how to vote in respect of any service contracts of Directors that requires Shareholders' approval in accordance with the Listing Rules.

Their written terms of reference are available on the respective websites of the Stock Exchange and the Company.

The Remuneration Committee held one meeting during the year ended 31 August 2021. Individual attendance records of each member of the Remuneration Committee are set out in the table on page 41 of this annual report.

After the reporting period, one meeting of the Remuneration Committee was held on 15 November 2021 and the attendance record of the Remuneration Committee members is set out in the table below:

Directors	**Attended/ Eligible to attend**
Mr. Xu Gang *(Chairman)*	1/1
Mr. Lo Chi Chiu	1/1
Mr. Li Jiatong	1/1

In the meeting, the Remuneration Committee discussed and reviewed the remuneration policy for Directors and senior management of the Company, assessed performance of executive Directors, made recommendations to the Board on the remuneration packages of individual executive Directors and senior management and fulfilled duties as aforesaid required.

Details of the Directors' remuneration for the year ended 31 August 2021 are set out in the Note 12 to the consolidated financial statements.

Details of the remuneration by band of the members of the senior management (excluding one Director) of the Company for the year ended 31 August 2021 are set out below:

Remuneration band (HK$'000)	**Number of individual**
HK$2,000,001 to HK$2,500,000	2

(4) Audit Committee

As at the date of this annual report, the Audit Committee currently comprises three members and all are independent non-executive Directors, namely Mr. Lo Chi Chiu, Mr. Xu Gang and Mr. Li Jiatong. Mr. Lo Chi Chiu is the chairman of the Audit Committee.

The main duties of the Audit Committee include the following:

- To be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;

- To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;

- To develop and implement policies on engaging an external auditor to supply non-audit services. For this purpose, an "external auditor" includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Audit Committee should report to the Board, identifying and making recommendations on any matters where action or improvement is needed;

- To monitor the integrity of the Company's financial statements, annual reports, accounts, half-yearly reports and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them. In reviewing these reports before submission to the Board, the Audit Committee should focus particularly on:

  (a) any changes in accounting policies and practices;

  (b) major judgmental areas;

  (c) significant adjustments resulting from the audit;

  (d) the going concern assumptions and any qualifications;

  (e) compliance with accounting standards; and

  (f) compliance with the Listing Rules and legal requirements in relation to financial reporting;

  Regarding the above paragraph:

  1. members of the Audit Committee should liaise with the Board and senior management and the Committee must meet, at least twice a year, with the Company's auditor; and

2. the Audit Committee should consider any significant or unusual items that are, or may need to be, reflected in the report and accounts, and the Audit Committee should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditor;

- To review the Company's financial controls, risk management and internal control systems;

- To discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;

- To consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;

- Where an internal audit function exists, to ensure co-ordination between the internal and external auditor, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;

- To review the Company and its subsidiaries' financial and accounting policies and practices;

- To review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response;

- To ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;

- To report to the Board on the matters in the CG Code;

- To review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters and to ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;

- To act as the key representative body for overseeing the Company's relations with the external auditor;

- To review continuing connected transactions of the Company and ensure compliance with terms approved by shareholders of the Company; and

- To perform the Company's corporate governance functions with details set out in the paragraph headed "THE BOARD — (13) Corporate Governance Function" above.

The Audit Committee held two meetings during the year ended 31 August 2021. Individual attendance records of each member of the Audit Committee are set out in the table on page 41 of this annual report.

After the reporting period, one meeting of the Audit Committee was held on 15 November 2021 and the attendance record of the Audit Committee members is set out in the table below:

Directors	Attended/ Eligible to attend
Mr. Lo Chi Chiu *(Chairman)*	1/1
Mr. Xu Gang	1/1
Mr. Li Jiatong	1/1

In the meeting, the Audit Committee reviewed the Group's policies on corporate governance and discussed the same with the Board, reviewed the financial reporting system, compliance procedures, internal control and risk management systems (including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions) and associated processes and the reappointment of the external auditor and fulfilled duties as required aforesaid. The Board had not deviated from any recommendation given by the Audit Committee on the selection, appointment, resignation or dismissal of external auditor.

The Audit Committee also reviewed the annual results of the Company and its subsidiaries for the year ended 31 August 2021 as well as the audit report prepared by the external auditor relating to accounting issues and major findings in course of audit.

There are proper arrangements for employees, in confidence, to raise concerns about possible improprieties in financial reporting, internal control and other matters. The Audit Committee's written terms of reference are available on the respective websites of the Company and the Stock Exchange.

• DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Company for the year ended 31 August 2021 which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with monthly updates on Company's performance, positions and prospects.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the external auditor of the Company regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report in this annual report.

• RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for maintaining proper and effective risk management and internal control systems and reviewing their effectiveness. Such systems are designed to identify, evaluate and manage risk exposures that may impact the efficiency and effectiveness of the Group's operations and provide reasonable assurance but not a guarantee about whether they are free from material misstatement, rather than to eliminate the risk of failure to achieve business objectives.

The management is primarily in charge of designing, implementing and monitoring the risk management and internal control systems. The Board has the overall responsibilities for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and overseeing the management in the design, implementation and monitoring of the risk management and internal control systems. Such duties have been carried out and performed with the assistance of the management and the Audit Committee.

The Company has engaged an independent internal control advisor for providing the internal audit function and performing independent review of the adequacy and effectiveness of the internal control systems annually, including reviewing guidelines and policies which are implemented throughout our operation, and risk management practices with an aim to, among other matters, improve our Group's corporate governance. The independent internal control advisor is also responsible for providing its findings and any recommendations, in respect of enhancing the Group's systems as appropriate, to the Audit Committee. Based on the findings and comments by the independent internal control advisor and the Audit Committee, the Board considered the internal control and risk management systems effective and adequate and was of the opinion that there were no significant areas of concern that might affect the Company's shareholders for the year ended 31 August 2021.

The Company will continue to engage external independent professionals to review the Group's systems of internal control and risk management annually and further enhance the Group's system as appropriate.

In terms of management of liquidity risk, the Board monitors and maintains levels of cash and cash equivalents deemed adequate to finance the Group's operations with the assistance of the Group's management. In order to minimise the credit risk on receivables, the Board has adopted credit risk management policies and procedures by making periodic collective as well as individual assessments on the recoverability of receivables based on historical settlement records and past experience. Besides, the Board manages to formulate conservative strategies for mitigating other financial risks of the Group, which include overseeing the interest rate risk and currency risk.

The Group has established internal control procedures which provide the Board and employees with guidelines on assessing, reporting and disseminating inside information. In addition, inside information is disseminated to relevant personnel on a need-to-know basis, and the Group will review the existing policy and practice from time to time to ensure full compliance with the regulatory requirements.

There is currently no internal audit function within the Group. The Directors have reviewed the need for an internal audit function and are of the view that in light of the size, nature and complexity of the business of the Group, it would be more cost effective to appoint external independent professionals to perform internal audit functions for the Group in order to carry out the analysis and independent appraisal of the adequacy and effectiveness of the Group's risk management and internal control systems. Nevertheless, the Directors will continue to review at least annually the need for an internal audit function.

• AUDITOR'S REMUNERATION

For the year ended 31 August 2021, professional fees paid or payable to Messrs. Deloitte Touche Tohmatsu, the Company's external auditor, for audit and non-audit services provided to the Group are as follows:

Services	Fees charged RMB'000
Audit services	
Audit services	3,000
Non-audit services	
Interim review	1,200
Assurance service on a circular	2,190
Total	6,390

• COMPANY SECRETARY

In compliance with Rule 3.29 of the Listing Rules, Mr. Wong Shing Mun undertook not less than 15 hours of relevant professional training to update his skills and knowledge during the year ended 31 August 2021.

• GENERAL MEETING

During the year ended 31 August 2021, the Company held an annual general meeting on 25 January 2021.

• COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Shareholders and potential investors on the Group's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

The AGM provides opportunity for Shareholders to communicate directly with the Directors. The chairman of the Board, and the chairmen of the Board Committees will attend the AGM to answer Shareholders' questions. The external auditor of the Company will also attend the AGM to answer questions about the conduct of the audit, the preparation and content of the auditor's report and auditor independence.

To promote effective communication, the Company adopts a Shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and its Shareholders and maintains a website at http://www.edvantagegroup.com.hk, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access. The Board will review the Shareholders' communication policy regularly to ensure its effectiveness.

• SHAREHOLDERS' RIGHTS

To safeguard shareholders' interests and rights, a separate resolution will be proposed by the chairman of that meeting for each substantially different issue at Shareholder meetings, including nomination and election of individual directors.

All resolutions put forward at Shareholder meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each Shareholder meeting in accordance with the Listing Rules.

(1) Procedures for Shareholders to convene an extraordinary general meeting

In accordance with Article 12.3 of the Articles of Association, the Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any two or more members deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one member which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

(2) Procedures for putting forward proposals at general meeting

There are no provisions allowing Shareholders to propose new resolutions at the general meetings under the Companies Law of the Cayman Islands. However, Shareholders who wish to propose resolutions may follow Article 12.3 of the Articles of Association for requisitioning an extraordinary general meeting and including a resolution at such meeting. The requirements and procedures of Article 12.3 are set out above.

As regards proposing a person for election as a Director, the procedures are available on the website of the Company.

(3) Enquiries to the Board

Shareholders and investors may send written enquiries or requests to the company secretary of the Company as follows:

Address:	Room 1115, 11/F, Wing On Plaza, 62 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong
Tel:	+852 3168 6668
Fax:	+852 3168 6678

Enquiries will be dealt with in a timely and informative manner.

• CHANGE IN CONSTITUTIONAL DOCUMENTS

The Articles of Association has been amended and restated with effect from the Listing Date, and are available on the respective websites of the Stock Exchange and the Company.

Save as disclosed above, there is no other change in constitutional documents of the Company during the reporting period.

The Board is pleased to present this annual report together with the audited consolidated financial statements of the Group for the year ended 31 August 2021.

GLOBAL OFFERING

The Company was incorporated in the Cayman Islands on 18 October 2018 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The Company's ordinary shares were listed on the Stock Exchange on 16 July 2019.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are mainly engaged in the operation of private higher and vocational education institutions in the PRC and overseas.

The activities and particulars of the Company's principal subsidiaries are shown under Note 40 to the consolidated financial statements.

BUSINESS REVIEW

A review of the Group's business during the year, which includes a discussion of the principal risks and uncertainties faced by the Group, an analysis of the Group's performance using financial key performance indicators and an indication of likely future developments in the Group's business, could be found in the sections headed "Chairman's Statement", "Management Discussion and Analysis" and "Corporate Governance Report" in this annual report. In addition, a discussion on relationships with its key stakeholders is included in the section headed "Management Discussion and Analysis". The review and discussion form part of this directors' report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is highly aware of the importance of environment protection and has not noted any material incompliance with all relevant laws and regulations in relation to its business including health and safety, workplace conditions, employment and the environment. The Group has implemented environmental protection measures and has also encouraged staff to be environmental friendly at work by consuming the electricity and paper according to actual needs, so as to reduce energy consumption and minimize unnecessary waste. Further details of the Group's environmental policies and performance will be disclosed in the environmental, social and governance report of the Company for the year ended 31 August 2021 to be published in due course.

ANNUAL GENERAL MEETING

The forthcoming AGM will be held on 25 January 2022. Notice of the AGM will be published and issued to the shareholders in due course.

RESULTS AND DIVIDEND

The results of the Group for the year ended 31 August 2021 are set out in the consolidated statement of profit or loss and other comprehensive income on page 124 of this annual report.

The Board has resolved to recommend payment of a final dividend in respect of the year ended 31 August 2021 of HK8.40 cents (2020: HK4.90 cents) per ordinary Share, in an aggregate amount of approximately HK$90,036,000 (2020: HK$49,900,000) which is calculated based on the number of issued shares of the Company at the end of the reporting period to Shareholders whose names appear on the register of members of the Company on 11 February 2022. It is subject to approval by the Shareholders at the AGM of the Company, and, if approved, will be paid in cash on or around 21 February 2022.

CLOSURE OF REGISTER OF MEMBERS

Entitlement to attend and vote at the AGM

The register of members of the Company will be closed during the period from 20 January 2022 to 25 January 2022, both days inclusive and during which period no share transfer will be effected, for the purpose of ascertaining shareholders' entitlement to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch 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 19 January 2022.

Entitlement to the proposed final dividend

The register of members of the Company will be closed during the period from 9 February 2022 to 11 February 2022, both days inclusive and during which period no share transfer will be effected, for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. In order to establish entitlements to the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch 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 8 February 2022.

DIVIDEND POLICY

The Company has adopted a dividend policy (the "**Dividend Policy**"), details of which are disclosed as follows:

1. PURPOSE

The Dividend Policy aims to set out the principles and guidelines that Board intends to apply in relation to the declaration, payment and distribution of dividends to the Shareholders.

2. PRINCIPLES AND GUIDELINES

2.1 Subject to the Cayman Islands Companies Law and the Articles of Association, the Board has absolute discretion on whether to declare and distribute dividends.

2.2 In addition, the Shareholders in general meeting may declare dividends but no dividend may be declared in excess of the amount recommended by the Board. In either case, a dividend may only be declared and paid out of the profits and reserves of the Company that are lawfully available for distribution (including share premium), and in no circumstances may a dividend be paid if this would result in the Company being unable to pay its debts as they fall due in the ordinary course of business. Even if the Board decides to pay dividends, the form, frequency and amount of dividends will depend on the Company's future operations and earnings, capital requirements, statutory fund reserve requirements, cash flows, general financial condition, contractual restrictions and other factors that the Board considers relevant.

2.3 Any future dividend payments to the Shareholders will also depend upon the availability of dividends received from the subsidiaries of the Company. Regulations in China may restrict the ability of the Company's Chinese subsidiaries to pay dividends to the Company.

2.4 The Board currently intends to recommend an annual dividend of approximately 30% of the Company's profits available for distribution generated in each financial year.

2.5 If the Company pays any dividends on the Shares, unless and to the extent that the rights attached to the Shares or the terms of issue thereof otherwise provide: (i) all dividends will be declared and paid according to the amounts paid up on the Shares in respect of which the dividend is paid, but no amount paid up on Shares in advance of calls may for this purpose be treated as paid up on the Shares; and (ii) all dividends will be apportioned and paid pro rata according to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid. The Board may deduct from any dividend or other monies payable to any of the Shareholders all sums of money (if any) presently payable by such Shareholders to the Company on account of calls, instalments or otherwise.

3. REVIEW OF THE POLICY

The Dividend Policy reflects the Board's current views on the Company's financial and cash flow position. The Board will continue to review the Dividend Policy from time to time and there can be no assurance that dividends will be paid in any particular amount, if at all, for any given period.

FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the last five financial years is set out on page 232 of this report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year ended 31 August 2021 are set out in Note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year ended 31 August 2021 are set out in Note 29 to the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

Details of the movements in the reserves of the Company during the year ended 31 August 2021 are set out in Note 41 to the consolidated financial statements.

As at 31 August 2021, the Company's reserves available for distribution to the Shareholders consisted of share premium of approximately RMB938.5 million and retained profits of approximately RMB101.1 million. Under the Companies Law of the Cayman Islands and subject to compliance with the Articles of Association, the share premium account may be applied by the Company for paying distributions or dividend if, after such distributions or dividend is paid, the Company will be able to pay off its debts as they fall due in the ordinary course of business.

BORROWINGS

As at 31 August 2021, the Group had outstanding bank and other borrowings of approximately RMB1,344.1 million. Details of the borrowings are set out in Note 26 to the consolidated financial statements.

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 year ended 31 August 2021.

Separately, the trustee of the Post-IPO Share Award Scheme, pursuant to the terms of the trust deed of the Post-IPO Share Award Scheme, purchased on the Stock Exchange a total of 3,772,000 shares of the Company at a total consideration of approximately RMB26.2 million during the reporting period.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association, or the laws of Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to its existing Shareholders.

USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The net proceeds from the Company's issue of new Shares at the time of its listing on the Stock Exchange on 16 July 2019 and pursuant to the partial exercise of the over-allotment option on 8 August 2019 ("**IPO Proceeds**") amounted to approximately RMB583.0 million, after deducting underwriting commissions and other listing expenses paid and payable by the Group in the global offering. Such IPO proceeds are intended to be applied in accordance with the proposed applications as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

On 4 December 2020, the Board resolved to reallocate the unutilised IPO Proceeds originally allocated for the use of "Supporting existing overseas operations in Australia and overseas expansions" to "Investments in new education institutions or acquisitions of other education institutions". Whilst it was disclosed in the Prospectus that the Company intended to utilise 20% of the IPO Proceeds in supporting the Group's overseas operations and overseas expansions, including establishment of new education institutions in overseas areas including Singapore and the United Kingdom, the Group has adjusted the schedule for the development of its overseas campuses to match the expected timetables for the restoration of economic activities in Australia, Singapore and the United Kingdom because these countries have adopted different epidemic prevention measures and social restrictions since the outbreak of COVID-19, affecting the progress and efficiency of general business activities. Such adjustment is conducive to the effectiveness and cost control of the Group's business expansion, and the above reallocation of the unutilised IPO Proceeds is not only in line with the current business needs of the Company, but also would further enhance the Group's overall revenue via expansion of its business by the deployment of the Group's idle funds, thereby being beneficial to the continued and rapid development of the Group's principal business, and is in the best interests of the Company and its shareholders as a whole. Please refer to the announcement of the Company dated 4 December 2020 for details of the change in use of proceeds. A summary of the use of proceeds is set out below:

Purpose	**Original allocation of net proceeds** *(RMB'million)*	**Revised allocation of net proceeds** *(RMB'million)*	**Utilised amount during the period from the Listing Date to 31 August 2019** *(RMB'million)*	**Utilised amount during the year ended 31 August 2020** *(RMB'million)*	**Utilised amount during the year ended 31 August 2021** *(RMB'million)*	**Unutilised amount as at 31 August 2021** *(RMB'million)*
Establishment and development of Huashang College Sihui Campus	174.9	174.9	3.8	171.1	—	—
Construction of a science and technology centre	40.8	40.8	0.1	40.7	—	—
Construction of an international conference centre	17.4	17.4	9.1	8.3	—	—
Investments in new education institutions or acquisitions of other education institutions	174.9	277.1	—	10.6	266.5	—
Supporting existing overseas operations in Australia and overseas expansions, as detailed below:						
— Supporting existing overseas operations in Australia and other overseas expansions	58.3	10.8	0.2	9.1	1.5	—
— Establishment of the education institutions in the United Kingdom	29.2	—	—	—	—	—
— Establishment of the education institutions in Singapore	29.2	3.7	—	3.0	0.7	—
Working capital and for general corporate purposes	58.3	58.3	48.9	9.4	—	—
Total	583.0	583.0	62.1	252.2	268.7	—

After 31 August 2021 and up to the date of this annual report, all IPO Proceeds have been fully utilised.

USE OF PROCEEDS FROM PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 13 January 2021, UBS AG Hong Kong Branch and China International Capital Corporation Hong Kong Securities Limited (collectively referred to as "**Placing Agents**") and the Company entered into a placing agreement (the "**Placing Agreement**") pursuant to which the Company had conditionally agreed to place, through the Placing Agents on a several basis and on a best effort basis, up to a maximum of 53,300,000 new ordinary shares in the capital of the Company with a par value of US$0.01 each ("**Placing Shares**") to not less than six placees (who and whose ultimate beneficial owners shall be third parties independent of the Company and its connected persons) at the placing price of HK$8.73 per Placing Share (the "**Placing**") which were to be issued under the general mandate granted to the Directors by the shareholders resolutions passed at the annual general meeting of the Company on 21 January 2020 to allot, issue and deal with up to 203,672,400 shares, between 20% of the then total number of issued shares as at the date of resolutions. The placing price of HK$8.73 per Placing Share represented a discount of approximately 11.9% to the closing price of HK$9.91 per Share as quoted on the Stock Exchange on 12 January 2021.

On 20 January 2021 (the "**Placing Completion Date**"), the conditions of the Placing had been fulfilled and the Placing was completed. An aggregate of 53,300,000 Placing Shares was placed by the Placing Agents and were allotted and issued to not less than six placees at the placing price of HK$8.73 per Placing Share pursuant to the terms and conditions of the Placing Agreement. The Company received net proceeds of approximately HK$459.8 million (equivalent to approximately RMB384.8 million) which are intended to be used for potential future acquisitions, development of existing and new campuses of the Group and general working capital purposes. The net price to the Company of each Placing Share, which was calculated by dividing the aggregate net proceeds from the Placing by the total number of Placing Shares, was approximately HK$8.63.

For details of the Placing, please refer to the Company's announcements dated 13 January 2021 and 20 January 2021.

In view of the current market condition, the Directors consider that the Placing represents a good opportunity for the Company to raise additional capital and hence strengthen the Company's capital base for its potential future acquisitions, development of existing and new campuses of the Group and provide funding to the Group for working capital purposes without incurring interest costs.

A summary of the use of proceeds is set out below:

Purpose	Allocation of net proceeds *(RMB'million)*	Utilised amount during the period from the Placing Completion Date to 31 August 2021 *(RMB'million)*	Unutilised amount as at 31 August 2021 *(RMB'million)*	Expected timeline for intended use of unutilised amount at 31 August 2021
Establishment and development of Sihui Campus	84.7	84.7	—	By end of 2021
Establishment and development of Zengcheng District Campus	50.0	50.0	—	By end of 2021
Establishment of Huashang Jiangmen Campus	173.1	144.2	28.9	By end of 2021
Potential future acquisitions	38.5	—	38.5	By end of 2021
General working capital	38.5	38.5	—	
Total	384.8	317.4	67.4	

DIRECTORS

The Board currently consists of the following seven Directors:

Executive Directors

Mr. Liu Yung Chau *(Chairman)*
Ms. Chen Yuan, Rita
Ms. Liu Yi Man *(Chief Executive Officer)*

Non-executive Director

Mr. Liu Yung Kan

Independent non-executive Directors

Mr. Xu Gang
Mr. Lo Chi Chiu
Mr. Li Jiatong

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group as at the date of this annual report are set out on pages 14 to 18 in the section headed "Profile of Directors and Senior Management" to this annual report.

DIRECTORS' SERVICE CONTRACTS

Each of Mr. Liu Yung Chau, Ms. Chen Yuan, Rita, Ms. Liu Yi Man and Mr. Liu Yung Kan has entered into a service contract with the Company on 6 June 2019. The initial term of their service contract shall commence from the date of their appointment as an executive or a non-executive Director (as the case may be) and continue for a period of three years after or until the third annual general meeting of the Company since the Listing Date, whichever is earlier, and shall be automatically renewed for successive periods of three years (subject always to re-election as and when required under the Articles of Association), until terminated in accordance with the terms and conditions of the service contract or by either party giving to the other not less than three months' prior notice in writing.

Each of Mr. Xu Gang, Mr. Lo Chi Chiu and Mr. Li Jiatong, the independent non-executive Directors, has entered into an appointment letter with the Company on 6 June 2019. The initial term for their appointment letters shall be three years from the date of their appointment as the independent non-executive Directors or until the third annual general meeting of the Company since the Listing Date, whichever is sooner, (subject always to re-election as and when required under the Articles of Association) until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than three months' prior notice in writing. Under the respective appointment letters, each of the independent non-executive Directors is entitled to a fixed Director's fee.

The appointment of the Directors is subject to the provisions of retirement and rotation of Directors under the Articles of Association.

Save as disclosed above, none of the Directors has entered into any service contract with the Company or any of its subsidiaries (excluding contracts expiring or determinable by the Company within one year without payment of compensation, other than statutory compensation).

CONTRACT WITH CONTROLLING SHAREHOLDERS

Other than disclosed in the sections headed "Connected Transactions", "Related Party Transactions" and Note 39 to the consolidated financial statements contained in this annual report, no contract of significance was entered into between the Company or any of its subsidiaries and the Controlling Shareholders or any of its subsidiaries during the year ended 31 August 2021 or subsisted at the end of the year and no contract of significance for the provision of services to the Company or any of its subsidiaries by a Controlling Shareholder or any of its subsidiaries was entered into during the year ended 31 August 2021 or subsisted at the end of the year.

DIRECTOR'S INTEREST IN TRANSACTIONS, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

Other than disclosed in the sections headed "Connected Transactions", "Related Party Transactions" and Note 39 to the consolidated financial statements contained in this annual report, no transaction, arrangement or contract of significance to the business of the Group which the Company or any of its subsidiaries was a party, and in which a Director or any entity connected with such a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 August 2021.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The emoluments of the Directors and senior management of the Group are decided by the Board with reference to the recommendation given by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

Details of the Directors' emoluments and emoluments of the five highest paid individuals in the Group are set out in Note 12 to the consolidated financial statements.

For the year ended 31 August 2021, no emoluments were paid by the Group to any Director or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors has waived or agreed to waive any emoluments for the year ended 31 August 2021.

The Company has also adopted the Post-IPO Share Option Scheme and Share Award Scheme as incentive for Directors and eligible employees. Details of the said schemes are set out under the section headed "Post-IPO Share Option Scheme and Share Award Scheme" in this annual report.

Except as disclosed above, no other payments have been made or are payable, for the year ended 31 August 2021, by the Group to or on behalf of any of the Directors.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 August 2021, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interest in a business that competed or was likely to compete, either directly or indirectly, with the business of the Group, other than being a director of the Company and/or its subsidiaries.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this annual report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

NON-COMPETITION UNDERTAKING

Mr. Liu, Ms. Chen and BVI Holdco, our Controlling Shareholders, have entered into a non-competition undertaking (the "**Non-competition Undertaking**") dated 24 June 2019 in favour of our Company. Pursuant to the Non-competition Undertaking, our Controlling Shareholders have undertaken to our Company that they shall not, and shall procure that none of their respective close associates (other than any members of our Group) shall, during the Restricted Period (as defined in the Prospectus), directly or indirectly, either on their own account or in conjunction with or on behalf of any person or company, carry on, participate or be interested or engaged in or acquire or hold (in each case whether as a shareholder, partner, agent or otherwise) any business which is or is likely to be in competition with the businesses of our Group, which are higher education in the PRC and higher education and vocational training outside of the PRC. Details of the Non-competition Undertaking are set out in the section headed "Relationship with our Controlling Shareholders — Non-competition Undertaking" in the Prospectus.

The Controlling Shareholders confirmed that they have complied with the Non-competition Undertaking for the year ended 31 August 2021. The independent non-executive Directors have conducted such review for the year ended 31 August 2021 and also reviewed the relevant undertakings and are satisfied that the Non-competition Undertaking has been fully complied with.

MANAGEMENT CONTRACTS

Other than the Directors' service contracts and appointment letters as disclosed in the section headed "Directors' service contracts" in this annual report, no contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or in existence as at the end of the year or at any time during the year ended 31 August 2021.

MATERIAL LEGAL PROCEEDINGS

The Group was not involved in any material legal proceeding during the year ended 31 August 2021.

LOAN AND GUARANTEE

Save as disclosed in Note 26 to the consolidated financial statements in this annual report, during the year ended 31 August 2021, the Group had not made any loan or provided any guarantee for loan, directly or indirectly, to the Directors, senior management of the Company, the Controlling Shareholders or their respective associates (as defined in the Listing Rules).

POST-IPO SHARE OPTION SCHEME AND SHARE AWARD SCHEME

Post-IPO Share Option Scheme

The Company conditionally approved and adopted the Post-IPO Share Option Scheme pursuant to the resolutions of the Shareholders passed on 6 June 2019.

(a) Purpose

The purpose of the Post-IPO Share Option Scheme is to provide Eligible Persons (defined below) with the opportunity to acquire proprietary interests in our Company and to encourage the Eligible Person to work towards enhancing the value of our Company and our Shares for the benefit of our Company and Shareholders as a whole. The Post-IPO Share Option Scheme will provide our Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to Eligible Persons.

(b) Eligible Persons

Any individual, being an employee, director, officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of our Group or any of our Group's affiliates who the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to our Group is entitled to be offered and granted options ("**Eligible Person(s)**").

However, no individual who is resident in a place where the grant, acceptance, vesting or exercise of options pursuant to the Post-IPO Share Option Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, is eligible to be offered or granted options.

(c) *Maximum number of Shares*

The total number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Scheme and any other schemes is 100,000,000, being no more than 10% of the Shares in issue on the date the Shares commence trading on the Stock Exchange (the "**Option Scheme Mandate Limit**"), which represented approximately 9.3% of the Shares in issue as at the date of this annual report. Options which have lapsed in accordance with the terms of the rules of the Post-IPO Share Option Scheme (or any other share option schemes of our Company) shall not be counted for the purpose of calculating the Option Scheme Mandate Limit.

The overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Post-IPO Share Option Scheme and any other share option schemes of our Company at any time (and to which the provisions of Chapter 17 of the Listing Rules are applicable) must not exceed 30% of the Shares in issue from time to time (the "**Option Scheme Limit**"). No options may be granted under any schemes of our Company (or its subsidiaries) if this will result in the Option Scheme Limit being exceeded.

The Option Scheme Mandate Limit may be refreshed at any time subject to prior approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time. However, the Option Scheme Mandate Limit as refreshed cannot exceed 10% of the Shares in issue as at the date of such approval. Options previously granted under the Post-IPO Share Option Scheme and any other share option schemes of our Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) (including those outstanding, cancelled or lapsed in accordance with its terms or exercised), shall not be counted for the purpose of calculating the refreshed Option Scheme Mandate Limit.

Our Company may also seek separate approval of the Shareholders in general meeting for granting options beyond the Option Scheme Mandate Limit, provided such grant is to Eligible Person specifically identified by our Company before the aforesaid Shareholders' meeting where such approval is sought.

(d) *Maximum entitlement of a grantee*

Unless approved by the Shareholders, the total number of Shares issued and to be issued upon exercise of the options granted and to be granted under the Post-IPO Share Option Scheme and any other share option scheme(s) of our Company to each Eligible Person (including both exercised and outstanding options) in any 12 month period shall not exceed 1% of the total number of Shares in issue (the "**Individual Limit**"). Any further grant of options to an Eligible Person which would result in the aggregate number of Shares issued and to be issued upon exercise of all options granted and to be granted to such Eligible Person (including exercised, cancelled and outstanding options) in the 12 month period up to and including the date of such further grant exceeding the Individual Limit shall be subject to separate approval of the Shareholders in general meeting with Eligible Persons and his associates abstaining from voting.

(e) *Performance target*

The Post-IPO Share Option Scheme does not set out any performance targets that must be achieved before the options may be exercised. However, the Board or its delegate(s) may at their sole discretion specify, as part of the terms and conditions of any option, such performance conditions that must be satisfied before the option can be exercised.

(f) Subscription price

The price per Share at which a grantee may subscribe for Shares on the exercise of an option (the "**Subscription Price**") shall be such price determined by the Board in its absolute discretion and shall be no less than the higher of:

(i) the closing price of a Share as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant;

(ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and

(iii) the nominal value of a Share on the date of grant.

(g) Rights are personal to grantee

An option is personal to the grantee and shall not be transferable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest in favour of or enter into any agreement with any other person over or in relation to any option, except for the transmission of an option on the death of the grantee to his personal representative(s) on the terms of the Post-IPO Share Option Scheme.

(h) Options granted to directors or substantial shareholders of our Company

Each grant of options to any director of our Company, the chief executive (as defined in the Listing Rules) or substantial Shareholder of our Company (or any of their respective associates) shall be subject to the prior approval of by the independent non-executive Directors of our Company (excluding any independent non-executive Director who is a proposed recipient of the grant of options).

Where any grant of options to a substantial Shareholder or an independent non-executive Director of our Company (or any of their respective associates) would result in the number of Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12 month period up to and including the date of such grant:

(i) representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the Shares in issue; and

(ii) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant, in excess of HK$5 million (or such other higher amount as may from time to time be specified by the Stock Exchange), such further grant of options must also be subject to the prior approval by the Shareholders (voting by way of poll) in general meeting. Our Company shall send a circular to the Shareholders in accordance with and containing such information as is required under the Listing Rules. All connected persons of our Company shall abstain from voting at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular to be sent to the Shareholders in connection therewith.

At the extraordinary general meeting held on 20 July 2020, ordinary resolutions were passed to (i) approve the grant of Share Options to Mr. Liu under the Post-IPO Share Option Scheme to subscribe for 2,695,072 Shares at the exercise price of HK$4.954 per Share; and (ii) approve the grant of Share Options to Ms. Liu under the Post-IPO Share Option Scheme to subscribe for 1,617,043 Shares at the exercise price of HK$4.954 per Share. For details, please refer to circular of the Company dated 29 June 2020.

(i) Grant offer letter and notification of grant of options

An offer shall be made to Eligible Persons by a letter in duplicate which specifies the terms on which the option is to be granted. Such terms may include any minimum period(s) for which an option must be held and/or any minimum performance target(s) that must be achieved, before the option can be exercised in whole or in part, and may include at the discretion of the Board or its delegate(s) such other terms either on a case basis or generally.

An offer shall be deemed to have been accepted and the option to which the offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter comprising acceptance of the offer duly signed by the grantee with the number of Shares in respect of which the offer is accepted clearly stated therein, together with a remittance in favour of our Company of HK$1.00 by way of consideration for the grant thereof, is received by our Company within 20 business days from the date on which the letter containing the offer is delivered to the Eligible Person.

Any offer may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares or a multiple thereof. To the extent that the offer is not accepted within 20 business days from the date on which the letter containing the offer is delivered to that Eligible Person, it shall be deemed to have been irrevocably declined.

(j) Restriction of grant of options

No offer shall be made and no option shall be granted to any Eligible Person in circumstances prohibited by the Listing Rules or at a time when the Eligible Person would or might be prohibited from dealing in the Shares by the Listing Rules or by any applicable rules, regulations or law. No offer shall be made and no option shall be granted to any Eligible Person where the Company or such persons are in possession of any unpublished inside information in relation to our Company until such inside information has been published in an announcement in accordance with the Listing Rules. Furthermore, no offer shall be made and no option shall be granted:

(i) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

(ii) during the period of 30 days immediately preceding the publication date of the half-year results or, if shorter, the period from the end of the relevant half-year period up to the publication date of the results.

Such period will also cover any period of delay in the publication of any results announcement.

(k) Time of exercise of an option

An option may, subject to the rules of the Post-IPO Share Option Scheme and the terms and conditions upon which such option is granted, be exercised in whole or in part by the grantee giving notice in writing to our Company in such form as our Board may from time to time determine stating that the option is thereby exercised and the number of Shares in respect of which it is exercised.

(l) Cancellation of options granted

Any breaches of the rules of the Post-IPO Share Option Scheme by a grantee may result in the options granted to such grantee being cancelled by our Company. Any options granted but not exercised may be cancelled if the grantee so agrees. Issuance of new options to the same grantee may only be made if there are unissued options available under the Post-IPO Share Option Scheme (excluding the cancelled options) and in compliance with the terms of the Post-IPO Share Option Scheme.

(m) Lapse of an option

Without prejudice to the additional situations provided by our Board or its delegates(s), an option shall lapse automatically (to the extent not already exercised) on the earliest of:

(i) the expiry of the period within which an option may be exercised, which is to be determined and notified by the Board to each grantee at the time of making an offer, and shall not expire later than 10 years from the date of grant (the "**Option Period**");

(ii) the expiry of any of the periods for exercising the option as referred to in the paragraphs headed "(o) Retirement, death or permanent physical or mental disability of an Eligible Person", "(p) Termination of employment of an Eligible Person", "(q) Rights on takeover and schemes of compromise or arrangement" and "(r) Rights on a voluntary winding up" below; and

(iii) the date on which the grantee commits a breach of the rules detailed under the heading "(g) Rights are personal to grantee" above.

(n) Effects of alterations in the capital structure of our Company

In the event of an alteration in the capital structure of our Company whilst any option remains exercisable by way of capitalisation of profits or reserves, rights issue, subdivision or consolidation of shares, or reduction of the share capital of our Company in accordance with legal requirements and requirements of the Stock Exchange (other than any alteration in the capital structure of our Company as a result of an issue of Shares as consideration in a transaction to which our Company is a party), such corresponding alterations (if any) shall be made to:

(i) the number or nominal amount of Shares comprised in each option so far as unexercised;

(ii) the Subscription Price;

(iii) the method of exercise of the option; or

(iv) any combination thereof,

as the auditor or a financial adviser engaged by our Company for such purpose shall, at the request of our Company, certify in writing, either generally or as regards any particular grantee, to be in their opinion fair and reasonable, provided always that any such adjustments should give each grantee the same proportion of the equity capital of our Company (or as nearly as possible but not greater than the same proportion of the equity capital of our Company) as that to which that grantee was previously entitled prior to such adjustments, and no adjustments shall be made which will enable a Share to be issued at less than its nominal value. The capacity of the auditor or financial adviser (as the case may be) is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on our Company and the grantees. The costs of the auditor or financial adviser (as the case may be) shall be borne by our Company.

(o) Retirement, death or permanent physical or mental disability of an Eligible Person

If a grantee ceases to be an Eligible Person by reason of (i) death of the grantee, (ii) termination of the grantee's employment or contractual engagement with our Group or our Group's affiliate by reason of his/her permanent physical or mental disablement, or (iii) retirement of the grantee, the option may be exercised within the Option Period, or such other period as the Board or its delegate(s) may decide in their sole discretion.

In the case of death of a grantee, the option may be exercised within that period by the personal representatives of the grantee. In the case where a grantee no longer has any legal capacity to exercise the option, the option may be exercised within that period by the persons charged with the duty of representing the grantee under the relevant laws in Hong Kong.

If the option is not exercised within the times mentioned above, the option shall lapse.

(p) Termination of employment of an Eligible Person

If a grantee, being an employee whose employment is terminated by our Group or its affiliate by reason of the employer terminating the contract of employment without notice or payment in lieu of notice, or the grantee having been convicted of any criminal offence involving his integrity or honesty, the option shall immediately lapse.

If a grantee is declared bankrupt or becomes insolvent or makes any arrangements or composition with his/her creditors generally, the option shall immediately lapse.

If a grantee being an employee ceases to be an Eligible Person due to termination of his/her employment or contractual engagement with our Group by reason of redundancy, the option may be exercised within three months of such cessation or within the Option Period, whichever is the shorter, or such other period as the Board or its delegate(s) may decide in their sole discretion.

If a grantee ceases to be an Eligible Person other than in any of the circumstances described above, unless otherwise provided in the letter containing the offer, a grantee may exercise his/her option within three months of such cessation or within the Option Period, whichever is the shorter, or such other period as the Board or its delegate(s) may decide in their sole discretion.

(q) Rights on takeover and schemes of compromise or arrangement

If a general offer by way of takeover or otherwise (other than by way of scheme of arrangement) is made to all our Shareholders (other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant option, our Company shall forthwith give notice thereof to the grantee and the grantee shall be entitled to exercise the option to its full extent or, if our Company shall give the relevant notification, to the extent notified by our Company, at any time within such period as shall be notified by our Company.

If a general offer for Shares by way of scheme of arrangement is made to all our Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings, our Company shall forthwith give notice thereof to the grantee and the grantee may at any time thereafter (but before such time as shall be notified by our Company) exercise the option to its full extent or, if our Company shall give the relevant notification, to the extent notified by our Company.

If a compromise or arrangement between our Company and our members or creditors is proposed, our Company shall give notice to the grantee on the same date as we despatch the notice to each member or creditor of our Company summoning the meeting to consider such a compromise or arrangement, and thereupon the grantee (or his personal representatives) may until the expiry of the period commencing with such date and ending with the earlier of the date 2 calendar months thereafter or the date on which such compromise or arrangement is sanctioned by the court exercise any of his options (to the extent not already exercised) whether in full or in part, but the exercise of an option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective, and upon such compromise or arrangement becoming effective, all options shall lapse except insofar as previously exercised under the Post-IPO Share Option Scheme. Our Company may require the grantee to transfer or otherwise deal with the Shares issued as a result of the exercise of options in these circumstances so as to place the grantee in the same position, as nearly as possible, as would have been the case had such Shares been subject to such compromise or arrangement. If the option is not exercised within the time specified, the option shall lapse.

(r) Rights on a voluntary winding up

In the event a notice is given by our Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall on the same date as or soon after it despatches such notice to each member of our Company give notice thereof to all grantees (together with a notice of the existence of the provisions of this rule) and thereupon, each grantee (or his personal representatives) shall be entitled to exercise all or any of his options (to the extent not already exercised) at any time not later than 2 business days prior to the proposed general meeting of our Company by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon our Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the grantee credited as fully paid. If the option is not exercised within the time specified, the option shall lapse.

(s) Ranking of Shares

The Shares to be allotted and issued upon the exercise of an option shall be identical to the then existing issued shares of our Company and subject to all the provisions of the Memorandum and Articles of Association and will rank pari passu with fully paid Shares in issue on the date the name of the grantee is registered on the register of members of our Company or if that date falls on a day when the register of members of our Company is closed, the first day of the re-opening of the register of members, save that the grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of our Company) declared or recommended or resolved to be paid to the Shareholders on the register on a date prior to such registration.

(t) Duration

The Post-IPO Share Option Scheme shall be valid and effective for the period of ten years commencing on the Listing Date, i.e. until 15 July 2029, (after which, no further options shall be offered or granted), but in all other respects the provisions of the Post-IPO Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the rules of the Post-IPO Share Option Scheme.

(u) Alteration of the Post-IPO Share Option Scheme

The Board may amend or vary any of the provisions of the Post-IPO Share Option Scheme (including without limitation amendments in order to comply with changes in legal or regulatory requirements and amendments in order to waive any restrictions, imposed by the provisions of the Post-IPO Share Option Scheme, which are not found in Chapter 17 of the Listing Rules) at any time (but not so as to affect adversely any rights which have accrued to any grantee at that date).

Those specific provisions of the Post-IPO Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of Eligible Person, and no changes to the authority of the administrator of the Post-IPO Share Option Scheme in relation to any alteration of the terms of the Post-IPO Share Option Scheme shall be made, without the prior approval of Shareholders in general meeting. Any alterations to the terms of the Post-IPO Share Option Scheme which are of a material nature, or any change to the terms and conditions of Options granted, must also, to be effective, be approved by the Shareholders in general meeting and the Stock Exchange, except where the alterations take effect automatically under the existing terms of the Post-IPO Share Option Scheme. The options and the Post-IPO Share Option Scheme so altered must comply with Chapter 17 of the Listing Rules. Any change to the authority of the Directors or scheme administrators in relation to any alteration to the terms of the Post-IPO Share Option Scheme must be approved by Shareholders of our Company in general meeting.

Notwithstanding any provisions to the contrary in the Post-IPO Share Option Scheme, if on the relevant date of exercise there are restrictions or conditions imposed by the relevant laws and regulations to which the grantee is subject and the grantee has not obtained approval, exemption or waiver from the relevant regulatory authorities for the subscription of and dealing in the Shares, the grantee may sell the options to such transferee, subject to the approval by the Board, which shall not unreasonably withhold or delay such approval. In the event that the options are transferred to a connected person of our Company, no Shares shall be allotted and issued upon the exercise of the options by a connected person of our Company unless the Board is satisfied that the allotment and issue of Shares will not result in any breach of the Listing Rules, the Articles of Association , the Companies Law or the Takeovers Code.

(v) Termination

The Shareholders by ordinary resolution in general meeting or the Board may at any time resolve to terminate the operation of the Post-IPO Share Option Scheme prior to the expiry of the Post-IPO Share Option Scheme and in such event no further options will be offered or granted but the provisions of the Post-IPO Share Option Scheme shall remain in full force to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the Post-IPO Share Option Scheme. Options complying with the provisions of Chapter 17 of the Listing Rules which are granted during the life of the Post-IPO Share Option Scheme and remain unexercised and unexpired immediately prior to the termination of the operation of the Post-IPO Share Option Scheme shall continue to be valid and exercisable in accordance with their terms of issue after the termination of the Post-IPO Share Option Scheme.

The Directors who have been granted options under the Post-IPO Share Option Scheme, have undertaken to the Company that they will not exercise the options granted to them under the Post-IPO Share Option Scheme if as a result of which the Company would not be able to comply with the public float requirements of the Listing Rules.

A summary of the terms (including the terms of the scheme, the calculation method of the exercise price and vesting periods and conditions) of the Post-IPO Share Option Scheme has been set out in the section headed "D. Post-IPO Share Option Scheme and Share Award Scheme" in Appendix V of the Prospectus.

The following tables disclose movements in the Company's share options under the Post-IPO Share Option Scheme during the reporting period:

Option type	Date of grant	Exercise price *HK$*	Exercise period *(note 1)*	Outstanding at 1 September 2020	Granted during the year	Forfeited/ cancelled during the year	Lapsed during the year	Exercised during the year	Outstanding at 31 August 2021
Directors									
Mr. Liu	21 January 2020	4.954	10 December 2020 – 30 January 2026	449,178	—	—	—	—	449,178
	21 January 2020	4.954	29 March 2021 – 30 January 2026	449,178	—	—	—	—	449,178
	21 January 2020	4.954	10 December 2021 – 30 January 2026	449,178	—	—	—	—	449,178
	21 January 2020	4.954	29 March 2022 – 30 January 2026	449,178	—	—	—	—	449,178
	21 January 2020	4.954	9 December 2022 – 30 January 2026	449,178	—	—	—	—	449,178
	21 January 2020	4.954	29 March 2023 – 30 January 2026	449,182	—	—	—	—	449,182

Option type	Date of grant	Exercise price HK$	Exercise period (note 1)	Outstanding at 1 September 2020	Granted during the year	Forfeited/ cancelled during the year	Lapsed during the year	Exercised during the year	Outstanding at 31 August 2021
Directors (Continued)									
Ms. Chen	21 January 2020	4.954	10 December 2020 – 30 January 2026	89,835	–	–	–	–	89,835
	21 January 2020	4.954	29 March 2021 – 30 January 2026	89,835	–	–	–	–	89,835
	21 January 2020	4.954	10 December 2021 – 30 January 2026	89,835	–	–	–	–	89,835
	21 January 2020	4.954	29 March 2022 – 30 January 2026	89,835	–	–	–	–	89,835
	21 January 2020	4.954	9 December 2022 – 30 January 2026	89,835	–	–	–	–	89,835
	21 January 2020	4.954	29 March 2023 – 30 January 2026	89,839	–	–	–	–	89,839
Ms. Liu	21 January 2020	4.954	10 December 2020 – 30 January 2026	269,507	–	–	–	–	269,507
	21 January 2020	4.954	29 March 2021 – 30 January 2026	269,507	–	–	–	–	269,507
	21 January 2020	4.954	10 December 2021 – 30 January 2026	269,507	–	–	–	–	269,507
	21 January 2020	4.954	29 March 2022 – 30 January 2026	269,507	–	–	–	–	269,507
	21 January 2020	4.954	9 December 2022 – 30 January 2026	269,507	–	–	–	–	269,507
	21 January 2020	4.954	29 March 2023 – 30 January 2026	269,508	–	–	–	–	269,508
	22 February 2021	9.288	10 December 2021 – 29 January 2027	–	84,541	–	–	–	84,541
	22 February 2021	9.288	29 March 2022 – 29 January 2027	–	84,541	–	–	–	84,541
	22 February 2021	9.288	9 December 2022 – 29 January 2027	–	84,541	–	–	–	84,541
	22 February 2021	9.288	29 March 2023 – 29 January 2027	–	84,541	–	–	–	84,541
	22 February 2021	9.288	8 December 2023 – 29 January 2027	–	84,541	–	–	–	84,541
	22 February 2021	9.288	27 March 2024 – 29 January 2027	–	84,541	–	–	–	84,541
Mr. Liu Yung Kan	21 January 2020	4.954	10 December 2020 – 30 January 2026	62,885	–	–	–	–	62,885
	21 January 2020	4.954	29 March 2021 – 30 January 2026	62,885	–	–	–	–	62,885
	21 January 2020	4.954	10 December 2021 – 30 January 2026	62,885	–	–	–	–	62,885
	21 January 2020	4.954	29 March 2022 – 30 January 2026	62,885	–	–	–	–	62,885
	21 January 2020	4.954	9 December 2022 – 30 January 2026	62,885	–	–	–	–	62,885
	21 January 2020	4.954	29 March 2023 – 30 January 2026	62,885	–	–	–	–	62,885

Option type	Date of grant	Exercise price HK$	Exercise period (note 1)	Outstanding at 1 September 2020	Granted during the year	Forfeited/ cancelled during the year	Lapsed during the year	Exercised during the year	Outstanding at 31 August 2021
Directors (Continued)									
Mr. Xu Gang	21 January 2020	4.954	10 December 2020 – 30 January 2026	17,967	—	—	—	—	17,967
	21 January 2020	4.954	29 March 2021 – 30 January 2026	17,967	—	—	—	—	17,967
	21 January 2020	4.954	10 December 2021 – 30 January 2026	17,967	—	—	—	—	17,967
	21 January 2020	4.954	29 March 2022 – 30 January 2026	17,967	—	—	—	—	17,967
	21 January 2020	4.954	9 December 2022 – 30 January 2026	17,967	—	—	—	—	17,967
	21 January 2020	4.954	29 March 2023 – 30 January 2026	17,968	—	—	—	—	17,968
Mr. Li Jiatong	21 January 2020	4.954	10 December 2020 – 30 January 2026	17,967	—	—	—	—	17,967
	21 January 2020	4.954	29 March 2021 – 30 January 2026	17,967	—	—	—	—	17,967
	21 January 2020	4.954	10 December 2021 – 30 January 2026	17,967	—	—	—	—	17,967
	21 January 2020	4.954	29 March 2022 – 30 January 2026	17,967	—	—	—	—	17,967
	21 January 2020	4.954	9 December 2022 – 30 January 2026	17,967	—	—	—	—	17,967
	21 January 2020	4.954	29 March 2023 – 30 January 2026	17,968	—	—	—	—	17,968
Directors in aggregate				5,444,045	507,246	—	—	—	5,951,291
Associates of directors and substantial shareholders *(note 2)*									
Mr. Liu Yung Kwong (brother of Mr. Liu and Mr. Liu Yung Kan)	21 January 2020	4.954	10 December 2020 – 30 January 2026	26,950	—	—	—	—	26,950
	21 January 2020	4.954	29 March 2021 – 30 January 2026	26,950	—	—	—	—	26,950
	21 January 2020	4.954	10 December 2021 – 30 January 2026	26,950	—	—	—	—	26,950
	21 January 2020	4.954	29 March 2022 – 30 January 2026	26,950	—	—	—	—	26,950
	21 January 2020	4.954	9 December 2022 – 30 January 2026	26,950	—	—	—	—	26,950
	21 January 2020	4.954	29 March 2023 – 30 January 2026	26,954	—	—	—	—	26,954

Option type	Date of grant	Exercise price *HK$*	Exercise period *(note 1)*	Outstanding at 1 September 2020	Granted during the year	Forfeited/ cancelled during the year	Lapsed during the year	Exercised during the year	Outstanding at 31 August 2021
Associates of directors and substantial shareholders *(note 2)* (Continued)									
Mr. Liu Chi Hin (son of Mr. Liu and Ms. Chen)	21 January 2020	4.954	10 December 2020 – 30 January 2026	89,835	—	—	—	—	89,835
	21 January 2020	4.954	29 March 2021 – 30 January 2026	89,835	—	—	—	—	89,835
	21 January 2020	4.954	10 December 2021 – 30 January 2026	89,835	—	—	—	—	89,835
	21 January 2020	4.954	29 March 2022 – 30 January 2026	89,835	—	—	—	—	89,835
	21 January 2020	4.954	9 December 2022 – 30 January 2026	89,835	—	—	—	—	89,835
	21 January 2020	4.954	29 March 2023 – 30 January 2026	89,839	—	—	—	—	89,839
	22 February 2021	9.288	10 December 2021 – 29 January 2027	—	42,270	—	—	—	42,270
	22 February 2021	9.288	29 March 2022 – 29 January 2027	—	42,270	—	—	—	42,270
	22 February 2021	9.288	9 December 2022 – 29 January 2027	—	42,270	—	—	—	42,270
	22 February 2021	9.288	29 March 2023 – 29 January 2027	—	42,270	—	—	—	42,270
	22 February 2021	9.288	8 December 2023 – 29 January 2027	—	42,270	—	—	—	42,270
	22 February 2021	9.288	27 March 2024 – 29 January 2027	—	42,273	—	—	—	42,273
Mr. Liu Chi Wai (son of Mr. Liu and Ms. Chen)	21 January 2020	4.954	10 December 2020 – 30 January 2026	71,868	—	—	—	—	71,868
	21 January 2020	4.954	29 March 2021 – 30 January 2026	71,868	—	—	—	—	71,868
	21 January 2020	4.954	10 December 2021 – 30 January 2026	71,868	—	—	—	—	71,868
	21 January 2020	4.954	29 March 2022 – 30 January 2026	71,868	—	—	—	—	71,868
	21 January 2020	4.954	9 December 2022 – 30 January 2026	71,868	—	—	—	—	71,868
	21 January 2020	4.954	29 March 2023 – 30 January 2026	71,871	—	—	—	—	71,871
Associates of directors and substantial shareholders in aggregate				1,131,929	253,623	—	—	—	1,385,552

Option type	Date of grant	Exercise price HK$	Exercise period (note 1)	Outstanding at 1 September 2020	Granted during the year	Forfeited/ cancelled during the year	Lapsed during the year	Exercised during the year	Outstanding at 31 August 2021
Employees (non-connected persons) *(note 3)*	21 January 2020	4.954	10 December 2020 – 30 January 2026	700,716	—	—	—	(98,819)	601,897
	21 January 2020	4.954	29 March 2021 – 30 January 2026	700,716	—	—	—	(98,819)	601,897
	21 January 2020	4.954	10 December 2021 – 30 January 2026	700,716	—	(98,819)	—	—	601,897
	21 January 2020	4.954	29 March 2022 – 30 January 2026	700,716	—	(98,819)	—	—	601,897
	21 January 2020	4.954	9 December 2022 – 30 January 2026	700,716	—	(98,819)	—	—	601,897
	21 January 2020	4.954	29 March 2023 – 30 January 2026	700,733	—	(98,821)	—	—	601,912
	22 February 2021	9.288	10 December 2021 – 29 January 2027	—	596,857	(1,690)	—	—	595,167
	22 February 2021	9.288	29 March 2022 – 29 January 2027	—	840,335	(1,690)	—	—	838,645
	22 February 2021	9.288	9 December 2022 – 29 January 2027	—	596,857	(1,690)	—	—	595,167
	22 February 2021	9.288	29 March 2023 – 29 January 2027	—	840,335	(1,690)	—	—	838,645
	22 February 2021	9.288	8 December 2023 – 29 January 2027	—	596,857	(1,690)	—	—	595,167
	22 February 2021	9.288	27 March 2024 – 29 January 2027	—	840,354	(1,695)	—	—	838,659
	29 April 2021	8.592	10 December 2021 – 30 April 2027	—	293,690	—	—	—	293,690
	29 April 2021	8.592	29 March 2022 – 30 April 2027	—	257,991	—	—	—	257,991
	29 April 2021	8.592	9 December 2022 – 30 April 2027	—	320,822	—	—	—	320,822
	29 April 2021	8.592	29 March 2023 – 30 April 2027	—	257,991	—	—	—	257,991
	29 April 2021	8.592	8 December 2023 – 30 April 2027	—	382,702	—	—	—	382,702
	29 April 2021	8.592	27 March 2024 – 30 April 2027	—	319,866	—	—	—	319,866
Employees (non-connected persons) in aggregate				4,204,313	6,144,657	(405,423)	—	(197,638)	9,745,909
Total				10,780,287	6,905,526	(405,423)	—	(197,638)	17,082,752
Weighted average exercise price				HK$4.954	HK$9.103	HK$5.062	—	HK$4.954	HK$6.629
Exercisable at the end of the period									3,395,778

notes:

(1) The vesting period commences on the date of grant and up to the share options become exercisable.

(2) Mr. Liu Yung Kwong, Mr. Liu Chi Hin and Mr. Liu Chi Wai are consultant/employees of the Group.

(3) Included in employees (non-connected persons), Mr. Chan Kai Tung, being the son of Ms. Chen's brother (i.e. nephew of Ms. Chen), falls under the scope of "relative" under Rule 14A.21(1)(a) of the Listing Rules who, depending on the opinion of the Stock Exchange, may be deemed to be a connected person of the Company.

During the year ended 31 August 2021, 5,072,464 and 1,833,062 share options were granted on 22 February 2021 and 29 April 2021, respectively. The estimated fair value of the share options granted on the date was HK$20,030,000 and HK$6,589,000, respectively.

The closing price of the Company's shares immediately before the grant of share options on 22 February 2021 and 29 April 2021 were HK$9.200 and HK$8.550 per share, respectively.

Save as disclosed above, no share options had been granted, exercised, lapsed or cancelled under the Share Option Scheme during the reporting period.

Share Award Scheme

On 6 June 2019, the Company adopted the Share Award Scheme with effective from the Listing Date. The Share Award Scheme is not a share option scheme and is not subject to the provisions of Chapter 17 of the Listing Rules.

(a) Purpose

The purpose of the Share Award Scheme is to align the interests of eligible persons with those of our Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares, and to encourage and retain eligible persons to make contributions to the long-term growth and profits of our Group.

(b) Eligible Persons

Any individual, being an employee, director, officer, consultant, adviser, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of our Group or any affiliate (including nominees and/or trustees of any employee benefit trust established for them) who the Board or its delegate(s) considers, in its sole discretion, to have contributed or will contribute to our Group is eligible to receive an Award (as defined below). However, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Share Award Scheme.

(c) Awards

An Award gives a selected participant a conditional right, when the Shares vest, to obtain the Shares or, if in the absolute discretion of the Board or its delegate(s), it is not practicable for the selected participant to receive the Award in Shares, the cash equivalent from the sale of the Shares. An Award includes all cash income from dividends in respect of those Shares from the date the Award is granted ("**Grant Date**") to the date the Award vests ("**Vesting Date**"). For the avoidance of doubt, the Board at its discretion may from time to time determine that any dividends declared and paid by our Company in relation to the Shares be paid to the selected participant even though the Shares have not yet vested.

(d) Grant of Award

The Board or the committee of the Board or person(s) to which the Board has delegated its authority may, from time to time, at their absolute discretion, grant an Award to a selected participant (in the case of the Board & delegate(s), to any selected participant other than a director or an officer of our Company) by way of an award letter ("**Award Letter**"). The Award Letter will specify the Grant Date, the number of Shares underlying the Award, the vesting criteria and conditions, the Vesting Date and such other details as the Board or its delegate(s) may consider necessary.

Each grant of an Award to any Director or the chief executive officer shall be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of an Award). Our Company will comply with the relevant requirements under Chapter 14A of the Listing Rules for any grant of shares to connected persons of our Company.

The Board and its delegate(s) may not grant any Shares to any selected participant in certain circumstances, including the following:

(i) where any applicable approval from any applicable regulatory authorities has not been granted;

(ii) where any member of our Group will be required under applicable securities laws, rules or regulations to issue a prospectus or other offer documents in respect of such Award or the Share Award Scheme, unless the Board determines otherwise;

(iii) where such Award would result in a breach by any member of our Group or its directors of any applicable securities laws, rules or regulations in any jurisdiction;

(iv) where such grant of Award would result in a breach of the Share Award Scheme Limit (as defined below) or would otherwise cause our Company to issue Shares in excess of the permitted amount in the mandate approved by the Shareholders;

(v) where any Director is in possession of unpublished inside information in relation to our Company or where dealings by Directors are prohibited under any code or requirement of the Listing Rules and all applicable laws, rules or regulations, from time to time;

(vi) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

(vii) during the period of 30 days immediately preceding the publication date of the half-year results or, if shorter, the period from the end of the relevant half-year period up to the publication date of the results.

(e) Maximum number of Shares to be granted

The maximum aggregate number of Shares underlying all grants made pursuant to the Share Award Scheme (excluding Shares which have been forfeited in accordance with the Share Award Scheme) will not exceed 20,000,000 Shares (representing approximately 2% of the total issued Shares immediately after completion of the Global Offering, assuming the Over-allotment Option and options granted under the Post-IPO Share Option Scheme are not exercised and no Shares are granted under the Share Award Scheme) without further Shareholders' approval (the "**Share Award Scheme Limit**").

Under the current Share Award Scheme Limit, new Shares (up to 20,000,000 Shares) may be issued by our Company within ten years of the Listing Date (the "**Award Period**").

Save as otherwise restricted by the Share Award Scheme Limit or the Listing Rules, there shall be no limit on the total number of non-vested Shares that may be granted to a selected participant under the Scheme.

(f) Scheme Mandate

To the extent that the Share Award Scheme Limit is subsequently increased by way of alteration of the Share Award Scheme and our Company is required to issue and allot new shares to satisfy any Awards in excess of any amount previously approved by our Shareholders (as the case may be), our Company shall at a general meeting propose, and the Shareholders shall consider and, if thought fit, pass an ordinary resolution approving a mandate specifying:

(i) the maximum number of new Shares that may be issued for this purpose;

(ii) that the Board has the power to issue, allot, procure the transfer of and otherwise deal with the Shares in connection with the Share Award Scheme; and

(iii) the mandate will remain in effect during the period from the passing of the ordinary resolution granting the mandate until the variation or revocation of such mandate by an ordinary resolution of the Shareholders in a general meeting.

(g) Rights attached to the Award

Save that the Board at its discretion may from time to time determine that any dividends declared and paid by our Company in relation to the Shares be paid to the selected participants even though the Shares have not yet vested, the selected participant only has a contingent interest in the Shares underlying an Award unless and until such Shares are actually transferred to the selected participant, nor does he/she have any rights to any cash or non-cash income until the Shares and related income vest.

(h) Rights attached to the Shares

Any Shares transferred to a selected participant in respect of any Awards will be subject to all the provisions of the Memorandum and Articles of Association and will form a single class with the fully paid Shares in issue on the relevant date.

(i) Assignment of Awards

Any Shares granted under the Share Award Scheme but not yet vested are personal to the selected participants to whom they are granted and cannot be assigned or transferred. A selected participant shall not in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Award, or enter into any agreement to do so.

(j) Vesting of Awards

The Board or its delegate(s) may from time to time while the Share Award Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the Award to be vested.

If there is an event of change in control of our Company by way of a merger, a privatisation of our Company by way of a scheme or by way of an offer, the Board or the committee of the Board or person(s) to which the Board has delegated its authority shall at their sole discretion determine whether the Vesting Dates of any Awards will be accelerated to an earlier date.

(k) Consolidation, subdivision, bonus issue and other distribution

In the event our Company undertakes a subdivision or consolidation of the Shares, corresponding changes will be made to the number of outstanding Shares that have been granted provided that the adjustments shall be made in such manner as the Board or its delegate(s) determines to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Share Award Scheme for the selected participants. All fractional shares (if any) arising out of such consolidation or sub-division in respect of the Shares of a selected participant shall be deemed as returned shares ("**Returned Shares**") and shall not be transferred to the relevant selected participant on the relevant Vesting Date.

In the event of any non-cash distribution or other events not referred to above by reason of which the Board or its delegate(s) considers an adjustment to an outstanding Award to be fair and reasonable, an adjustment shall be made to the number of outstanding Shares of each selected participant as the Board or its delegate(s) shall consider as fair and reasonable, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Share Award Scheme for the selected participants.

(l) Retirement, death or permanent physical or mental disability of an eligible person

If a selected participant ceases to be an eligible person by reason of retirement of the selected participant, any outstanding Shares and related income not yet vested shall continue to vest in accordance with the Vesting Dates set out in the Award Letter, unless the Board or its delegate(s) determines otherwise at their absolute discretion.

If a selected participant ceases to be an eligible person by reason of (i) death of the selected participant; (ii) termination of the selected participant's employment or contractual engagement with our Group or an affiliate by reason of his/her permanent physical or mental disablement; or (iii) termination of the selected participant's employment or contractual engagement with our Group by reason of redundancy, any outstanding Shares and related income not yet vested shall be immediately forfeited, unless the Board or its delegate(s) determines otherwise at their absolute discretion.

If a selected participant, being an employee whose employment is terminated by our Group or an affiliate by reason of the employer terminating the contract of employment without notice or payment in lieu of notice, or the selected participant having been convicted of any criminal offence involving his or her integrity or honesty, any outstanding Shares and related income not yet vested shall be immediately forfeited, unless the Board or its delegate(s) determines otherwise at their absolute discretion.

(m) Grant of Shares under the Share Award Scheme

As of the date of this annual report, 3,164,117 Shares have been granted or agreed to be granted under the Share Award Scheme.

Application has been made to the Listing Committee for the listing of, and permission to deal in, the Shares which may be issued pursuant to the Share Award Scheme.

(n) Duration and termination

The Share Award Scheme shall be valid and effective for the Award Period (after which no Awards will be granted), and thereafter for so long as there are any non-vested Shares granted prior to the expiration of the Share Award Scheme, in order to give effect to the vesting of such Shares or otherwise as may be required in accordance with the rules of the Share Award Scheme. Subject to the foregoing, the Share Award Scheme shall terminate on the earlier of:

(i) the end of the Award Period except in respect of any non-vested Shares granted prior to the expiration of the Share Award Scheme, for the purpose of giving effect to the vesting of such Shares or otherwise as may be required in accordance with the provisions of the Share Award Scheme; and

(ii) such date of early termination as determined by our Board provided that such termination shall not affect any subsisting rights in respect of the Shares granted to a selected participant under the Share Award scheme.

(o) Administration by trustee

Without prejudice to the Board's general power of administration, to the extent not prohibited by applicable laws and regulations, the Board or the committee of the Board or persons to which the Board has delegated its authority may from time to time appoint one or more trustees in respect of granting administration or vesting of any Shares under the Share Award Scheme.

Subject to the rules of the Share Award Scheme:

(i) our Company shall, as soon as reasonably practicable and no later than 30 business days from the Grant Date, for the purposes of satisfying the grant of awards, issue and allot Shares to the trustee and/or transfer to the trust the necessary funds and instruct the trustee to acquire Shares through on-market transactions at the prevailing market price; and

(ii) our Company shall instruct the trustee whether or not to apply any Returned Shares to satisfy any grant of Awards made, and if the Returned Shares, as specified by our Company, are not sufficient to satisfy the Awards granted, our Company shall as soon as reasonably practicable and no later than 30 business days from the Grant Date, for purposes of satisfying the Awards granted, issue and allot further Shares to the trustee and/or transfer to the trust the necessary funds and instruct the trustee to acquire further Shares through on-market transactions at the prevailing market price.

Where the trustee has received instructions from our Company to acquire shares through on-market transactions, the trustee shall acquire such number of Shares as instructed by our Company on-market at the prevailing market price as soon as reasonably practicable after receiving the necessary funds from our Company. The trustee shall only be obliged to transfer Shares granted (and the related income derived from such Shares) to selected participants on vesting to the extent that Shares granted (and the related income derived from such Shares) are comprised in the trust.

Share Award Scheme does not fall within the ambit of, and are not subject to, the regulations under Chapter 17 of the Listing Rules.

A summary of the terms of the Share Award Scheme has been set out in the section headed "D. Post-IPO Share Option Scheme and Share Award Scheme" in Appendix V of the Prospectus.

The following tables disclose movements in the Company's share awards under the Share Award Scheme during the reporting period:

	Date of grant	Vesting date	Number of share awards outstanding at 1 September 2020	Granted during the year	Vested during the year	Forfeited/ cancelled during the year	Lapsed during the year	Number of share awards outstanding at 31 August 2021
Directors								
Mr. Liu	21 January 2020	10 December 2020	77,002	—	(77,002)	—	—	—
	21 January 2020	29 March 2021	77,002	—	(77,002)	—	—	—
	21 January 2020	10 December 2021	77,002	—	—	—	—	77,002
	21 January 2020	29 March 2022	77,002	—	—	—	—	77,002
	21 January 2020	9 December 2022	77,002	—	—	—	—	77,002
	21 January 2020	29 March 2023	77,002	—	—	—	—	77,002
Ms. Chen	21 January 2020	10 December 2020	15,400	—	(15,400)	—	—	—
	21 January 2020	29 March 2021	15,400	—	(15,400)	—	—	—
	21 January 2020	10 December 2021	15,400	—	—	—	—	15,400
	21 January 2020	29 March 2022	15,400	—	—	—	—	15,400
	21 January 2020	9 December 2022	15,400	—	—	—	—	15,400
	21 January 2020	29 March 2023	15,402	—	—	—	—	15,402
Ms. Liu	21 January 2020	10 December 2020	46,201	—	(46,201)	—	—	—
	21 January 2020	29 March 2021	46,201	—	(46,201)	—	—	—
	21 January 2020	10 December 2021	46,201	—	—	—	—	46,201
	21 January 2020	29 March 2022	46,201	—	—	—	—	46,201
	21 January 2020	9 December 2022	46,201	—	—	—	—	46,201
	21 January 2020	29 March 2023	46,202	—	—	—	—	46,202
	22 February 2021	10 December 2021	—	16,304	—	—	—	16,304
	22 February 2021	29 March 2022	—	16,304	—	—	—	16,304
	22 February 2021	9 December 2022	—	16,304	—	—	—	16,304
	22 February 2021	29 March 2023	—	16,304	—	—	—	16,304
	22 February 2021	8 December 2023	—	16,304	—	—	—	16,304
	22 February 2021	27 March 2024	—	16,306	—	—	—	16,306
Mr. Liu Yung Kan	21 January 2020	10 December 2020	10,780	—	(10,780)	—	—	—
	21 January 2020	29 March 2021	10,780	—	(10,780)	—	—	—
	21 January 2020	10 December 2021	10,780	—	—	—	—	10,780
	21 January 2020	29 March 2022	10,780	—	—	—	—	10,780
	21 January 2020	9 December 2022	10,780	—	—	—	—	10,780
	21 January 2020	29 March 2023	10,782	—	—	—	—	10,782
Mr. Xu Gang	21 January 2020	10 December 2020	3,080	—	(3,006)	(74)	—	—
(note 3)	21 January 2020	29 March 2021	3,080	—	(3,003)	(77)	—	—
	21 January 2020	10 December 2021	3,080	—	—	—	—	3,080
	21 January 2020	29 March 2022	3,080	—	—	—	—	3,080
	21 January 2020	9 December 2022	3,080	—	—	—	—	3,080
	21 January 2020	29 March 2023	3,080	—	—	—	—	3,080
Mr. Li Jiatong	21 January 2020	10 December 2020	3,080	—	(3,080)	—	—	—
	21 January 2020	29 March 2021	3,080	—	(3,080)	—	—	—
	21 January 2020	10 December 2021	3,080	—	—	—	—	3,080
	21 January 2020	29 March 2022	3,080	—	—	—	—	3,080
	21 January 2020	9 December 2022	3,080	—	—	—	—	3,080
	21 January 2020	29 March 2023	3,080	—	—	—	—	3,080
Directors in aggregate			933,263	97,826	(310,935)	(151)	—	720,003

	Date of grant	Vesting date	Number of share awards outstanding at 1 September 2020	Granted during the year	Vested during the year	Forfeited/ cancelled during the year	Lapsed during the year	Number of share awards outstanding at 31 August 2021
Associates of directors and substantial shareholders *(note 1)*								
Mr. Liu Yung	21 January 2020	10 December 2020	4,620	—	(4,509)	(111)	—	—
Kwong	21 January 2020	29 March 2021	4,620	—	(4,504)	(116)	—	—
(brother of Mr.	21 January 2020	10 December 2021	4,620	—	—	—	—	4,620
Liu and Mr.	21 January 2020	29 March 2022	4,620	—	—	—	—	4,620
Liu Yung Kan)	21 January 2020	9 December 2022	4,620	—	—	—	—	4,620
(note 3)	21 January 2020	29 March 2023	4,621	—	—	—	—	4,621
Mr. Liu Chi Hin	21 January 2020	10 December 2020	15,400	—	(15,400)	—	—	—
(son of	21 January 2020	29 March 2021	15,400	—	(15,400)	—	—	—
Mr. Liu and	21 January 2020	10 December 2021	15,400	—	—	—	—	15,400
Ms. Chen)	21 January 2020	29 March 2022	15,400	—	—	—	—	15,400
	21 January 2020	9 December 2022	15,400	—	—	—	—	15,400
	21 January 2020	29 March 2023	15,402	—	—	—	—	15,402
	22 February 2021	10 December 2021	—	8,152	—	—	—	8,152
	22 February 2021	29 March 2022	—	8,152	—	—	—	8,152
	22 February 2021	9 December 2022	—	8,152	—	—	—	8,152
	22 February 2021	29 March 2023	—	8,152	—	—	—	8,152
	22 February 2021	8 December 2023	—	8,152	—	—	—	8,152
	22 February 2021	27 March 2024	—	8,153	—	—	—	8,153
Mr. Liu Chi Wai	21 January 2020	10 December 2020	12,320	—	(12,320)	—	—	—
(son	21 January 2020	29 March 2021	12,320	—	(12,320)	—	—	—
of Mr. Liu and	21 January 2020	10 December 2021	12,320	—	—	—	—	12,320
Ms. Chen)	21 January 2020	29 March 2022	12,320	—	—	—	—	12,320
	21 January 2020	9 December 2022	12,320	—	—	—	—	12,320
	21 January 2020	29 March 2023	12,322	—	—	—	—	12,322
Associates of directors and substantial shareholders in aggregate			194,045	48,913	(64,453)	(227)	—	178,278

	Date of grant	Vesting date	Number of share awards outstanding at 1 September 2020	Granted during the year	Vested during the year	Forfeited/ cancelled during the year	Lapsed during the year	Number of share awards outstanding at 31 August 2021
Employees (non-connected persons) *(note 2, 3)*	21 January 2020	10 December 2020	120,120	—	(115,796)	(4,324)	—	—
	21 January 2020	29 March 2021	120,120	—	(115,768)	(4,352)	—	—
	21 January 2020	10 December 2021	120,120	—	—	(16,940)	—	103,180
	21 January 2020	29 March 2022	120,120	—	—	(16,940)	—	103,180
	21 January 2020	9 December 2022	120,120	—	—	(16,940)	—	103,180
	21 January 2020	29 March 2023	120,140	—	—	(16,943)	—	103,197
	22 February 2021	10 December 2021	—	115,107	—	(326)	—	114,781
	22 February 2021	29 March 2022	—	162,063	—	(326)	—	161,737
	22 February 2021	9 December 2022	—	115,107	—	(326)	—	114,781
	22 February 2021	29 March 2023	—	162,063	—	(326)	—	161,737
	22 February 2021	8 December 2023	—	115,107	—	(326)	—	114,781
	22 February 2021	27 March 2024	—	162,075	—	(327)	—	161,748
	29 April 2021	10 December 2021	—	54,123	—	—	—	54,123
	29 April 2021	29 March 2022	—	47,544	—	—	—	47,544
	29 April 2021	9 December 2022	—	59,123	—	—	—	59,123
	29 April 2021	29 March 2023	—	47,544	—	—	—	47,544
	29 April 2021	8 December 2023	—	70,527	—	—	—	70,527
	29 April 2021	27 March 2024	—	58,947	—	—	—	58,947
Employees (non-connected persons) in aggregate			720,740	1,169,330	(231,564)	(78,396)	—	1,580,110
Total			1,848,048	1,316,069	(606,952)	(78,774)	—	2,478,391

notes:

(1) Mr. Liu Yung Kwong, Mr. Liu Chi Hin and Mr, Liu Chi Wai are consultant/employees of the Group.

(2) Included in employees (non-connected persons), Mr. Chan Kai Tung, being the son of Ms. Chen's brother (i.e. nephew of Ms. Chen), falls under the scope of "relative" under Rule 14A.21(1)(a) of the Listing Rules who, depending on the opinion of the Stock Exchange, may be deemed to be a connected person of the Company.

(3) 151, 227 and 8,676 award shares granted to Mr. Xu Gang, Mr. Liu Yung Kwong and employees were deducted to reimburse the Company for withholding tax paid or payable by the Company on behalf of Mr. Xu Gang, Mr. Liu Yung Kwong and employees upon vesting, respectively.

The closing price of the Company's shares immediately before the grant of share awards on 22 February 2021 and 29 April 2021 were HK$9.200 and HK$8.550 per share.

Save as disclosed above, no share awards had been granted, lapsed or cancelled under the Share Award Scheme during the reporting period.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SHARES

As at 31 August 2021, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

	Capacity/Nature of interest					
Name of Director	**Personal Interest**	**Family Interest/ Corporate interests**	**Other Interest** *(Note 3)*	**Number of shares held under equity derivatives** *(Note 4)*	**Total number of Shares interested**	**Approximate Percentage of the Company's issued share capital** *(Note 5)*
Mr. Liu	154,004	751,901,416 *(Note 1)*	308,008	2,695,072	755,058,500	70.44%
Ms. Chen	30,800	754,427,084 *(Note 2)*	61,602	539,014	755,058,500	70.44%
Ms. Liu	776,402	—	282,631	2,124,289	3,183,322	0.30%
Mr. Liu Yung Kan	21,560	—	43,122	377,310	441,992	0.04%
Mr. Xu Gang	6,009	—	12,320	107,803	126,132	0.01%
Mr. Li Jiatong	6,160	—	12,320	107,803	126,283	0.01%

Notes:

1. For the purpose of the SFO, as at 31 August 2021, other than the personal interests and the other interests as stated in the above table, Mr. Liu was deemed to be interested in (i) 751,270,000 Shares held by BVI Holdco which was owned as to 50% by Mr. Liu and 50% by Ms. Chen (who is spouse to Mr. Liu) and (ii) 631,416 Shares beneficially interested by Ms. Chen.

2. For the purpose of the SFO, as at 31 August 2021, other than the personal interests and the other interests as stated in the above table, Ms. Chen was deemed to be interested in (i) 751,270,000 Shares held by BVI Holdco which was owned as to 50% by Mr. Liu (who is spouse to Ms. Chen) and 50% by Ms. Chen and (ii) 3,157,084 Shares beneficially interested by Mr. Liu.

3. These other interests are the interest in the award shares granted to the relevant directors under the Share Award Scheme adopted by the Company on 6 June 2019 which remained unvested and held by the trustee as at 31 August 2021. The details of such award shares are disclosed in note 32(b) to the consolidated financial statements in this annual report.

4. As at 31 August 2021, these equity derivatives were outstanding share options granted to the relevant directors under the Share Option Scheme adopted by the Company on 6 June 2019 in accordance with Chapter 17 of the Listing Rules, the details of which are disclosed in note 32(a) to the consolidated financial statements in this annual report.

5. Such percentage was calculated based on the total number of Shares and underlying Shares in which each of the directors was interested as recorded in the register required to be kept by the Company pursuant to Part XV of the SFO and disclosed on the website of the Stock Exchange against the number of issued Shares of the Company as at 31 August 2021, being 1,071,859,638 Shares.

Save as disclosed above and to the best knowledge of the Directors, as at 31 August 2021, none of the Directors or the chief executive of the Company has any interests and/or short positions in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

So far as is known to any Director or chief executive of the Company, as at 31 August 2021, the following corporations/persons (other than Directors or the chief executive of the Company) had interests of 5% or more in the issued shares of the Company according to the register of interests required to be kept by the Company under section 336 of the SFO:

Name	Capacity/ Nature of interest	Number of ordinary shares interested[(1)]	Approximate percentage of the Company's issued share capital[(2)]
BVI Holdco	Beneficial owner	751,270,000 (L)	70.09% (L)

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

(2) The calculation is based on the total number of 1,071,859,638 Shares in issue as at 31 August 2021.

Save as disclosed above and to the best knowledge of the Directors, as at 31 August 2021, no person (other than the Directors or chief executives of the Company) had registered an interest or a short position in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the Post-IPO Share Option Scheme and the Share Award Scheme as disclosed under the section headed "Post-IPO Share Option Scheme and Share Award Scheme" in this annual report, at no time during the year under review was the Company, its holding company, or any of its subsidiaries, a party to any arrangement to enable the Directors or their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of Shares in, or debt securities including debentures of, the Company or any other body corporate.

MAJOR SUPPLIERS AND CUSTOMERS

Our customers are primarily our students. For the year ended 31 August 2021, the goods and services (as the case may be) provided by our Group to our five largest customers accounted for less than 30% of our revenue.

Our suppliers primarily comprise Guangdong University of Finance and Economics, suppliers of textbooks, consumables and teaching materials and equipment, and construction companies for the maintenance and repair of campus facilities. For the year ended 31 August 2021, the purchases of goods and services (as the case may be) from our five largest suppliers accounted for less than 30% of our cost of revenue.

None of the Directors or any of their close associates (as defined under the Listing Rules) or any Shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) has any beneficial interest in the Group's five largest suppliers or the Group's five largest customers.

TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

The Company is not aware of any tax relief or exemption available to the Shareholders of the Company by reason of their respective holding of the Company's securities.

HUMAN RESOURCES

As at 31 August 2021, the Group had approximately 4,900 employees. The Group offers competitive remuneration packages to the employees, which are determined in accordance with the relevant laws and regulations of the local jurisdictions where the Group operates and the individual qualification, experience and performance of the relevant employees, as well as the prevailing salary levels in the market. In addition, the Group provides other comprehensive fringe benefits to the employees, including social insurance and mandatory provident funds, complying with the applicable laws and regulations. For the year ended 31 August 2021, the staff costs (including Directors' remuneration) of the Group were approximately RMB365.0 million.

Moreover, the Post-IPO Share Option Scheme and Share Award Scheme were adopted as incentive for Directors and eligible employees. Details of the said schemes and grant of share options and share award under the said schemes are set out under the section headed "Post-IPO Share Option Scheme and Share Award Scheme" in this annual report.

Besides, the Group provides relevant training programs for the employees based on their respective personal career development.

RETIREMENT BENEFIT SCHEMES

Employees located in China are covered by the mandatory social security schemes required by local practice and regulations of the PRC, which are essentially defined contribution schemes. The Group is required by the PRC laws to contribute a certain percentage of the average salaries of the employees to various schemes in accordance with the respective regulatory requirements of each city. The PRC government is directly responsible for the payment of the benefits to these employees.

In Hong Kong, the Group participates in a mandatory provident fund scheme established under the Mandatory Provident Fund Schemes Ordinance. The Group and its employees are each required to contribute 5.0% of the employees' relevant income to the mandatory provident fund scheme.

In Australia, the Group pays superannuation contributions to a number of Australian superannuation funds under relevant rules and regulations in Australian. The Group's Australian subsidiaries are required to contribute a minimum of 9.5% to 10.0% of the employee's ordinary time earnings for all qualifying employees in Australia to any complying super funds of employees' own choice.

In Singapore, the Group fulfils the Central Provident Fund obligations and contributes 7.5% to 17.0% of the ordinary wages for all qualifying employees in Singapore to set aside funds for retirement and address healthcare, home ownership, family protection, and asset enhancement.

In the PRC, Hong Kong, Australia and Singapore, no forfeited contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) were used to reduce both years' level of contributions and no forfeited contribution was available at 31 August 2021 and 2020 to reduce future years' contributions.

EQUITY-LINKED AGREEMENTS

During the year ended 31 August 2021, other than the Post-IPO Share Option Scheme and the Share Award Scheme as set out in the section under "Post-IPO Share Option Scheme and Share Award Scheme", the Company has not entered into any equity-linked agreement.

CONNECTED TRANSACTIONS

Below is a summary of the partially-exempt continuing connected transactions entered into by the Group with its connected person (whose relationship with the Group is set out in Note 39 to the consolidated financial statements contained herein) and subsisting during the year under review:

1. Lease of GBCA school premises

The Australia Lease Framework Agreement

During the years ended 31 August 2020 and 2021, GBCA leased certain properties in Australia for its school campus from Global Move and Triple Way. On 24 June 2019, GBCA, Global Move and Triple Way entered into a framework agreement (the "**Australia Lease Framework Agreement**"), pursuant to which Global Move and Triple Way agreed to enter into new leases with GBCA in respect of properties in the central business district in Melbourne, Australia (the "**Australian Properties**") for a term commencing on the Listing Date and expiring on 31 August 2021. If GBCA does not give notice of a contrary intention and subject to compliance with any regulatory requirements (including the Listing Rules), the term shall be automatically renewed for a further term of three years upon expiry. The current Australian Properties leased to the Group are:

(a) 338 Queen Street, Melbourne

Lessee:	GBCA
Lessor:	Global Move
Property:	part of the ground floor and level 1 to level 3 of 338 Queen Street, Melbourne, VIC 3000, Australia
GFA:	722 sq.m.
Use:	GBCA's school campus

(b) 337–339 La Trobe Street, Melbourne

Lessee:	GBCA
Lessor:	Triple Way
Property:	part ground floor and level 1 and level 2 of 337–339 La Trobe Street (including the exterior of the building), Melbourne, VIC 3000, Australia
GFA:	508 sq.m.
Use:	GBCA's school campus

Reasons for the transactions

GBCA has occupied the Australian Properties since the school was established in 2015. These leases enable GBCA to continue to secure suitable premises at a fair market price. The continuation of these arrangements will avoid unnecessary disruptions to our students and our business, and avoid the costs associated with identifying other suitable premises, relocating our school, and re-complying with regulatory requirements on educational establishments for the new premises.

Historical amount, annual cap, and basis for annual cap

For the year ended 31 August 2021, the annual cap for the Australian Lease Framework Agreement is determined to be AU$524,000. The actual amount of the rent under the Australian Lease Framework Agreement for the year ended 31 August 2021 was approximately RMB2,169,000 (equivalent to approximately AU$442,000).

When determining the annual caps, our Directors have considered:

(i) the rental expenses incurred prior to our Listing under the existing rental arrangement for the Australian Properties leased to the Group; and

(ii) the rental expenses to be incurred after our Listing under the Australian Lease Framework Agreement with reference to the opinion given by our independent property valuer.

Pricing policy

The rents under the Australian Lease Framework Agreement are determined based on arm & length negotiations between the parties with reference to the prevailing market rental quotations of similar properties in the same vicinity from Independent Third Parties.

Listing Rules implications

The transactions under the Australian Lease Framework Agreement are entered into on normal commercial terms or better that are fair and reasonable, and one or more of the applicable percentage ratios (other than profit ratio) with reference to the respective annual caps in respect of such transactions under Chapter 14A of the Listing Rules exceeds 0.1% but all are lower than 5%. Pursuant to Rule 14A.76(2)(a) of the Listing Rules, these transactions are exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules, but are subject to the reporting, annual review, and announcement requirements.

2. Lease of premises for Huashang Vocational College and office units for administrative uses

The PRC Lease Framework Agreement

During the years ended 31 August 2020 and 2021, our Group leased certain properties in China from Mr. Liu, Ms. Chen, Mr. Liu Yung Kan and their respective associates. On 24 June 2019, our Company (for itself and on behalf of our subsidiaries) and Mr. Liu, Ms. Chen and Mr. Liu Yung Kan (for themselves and on behalf of their respective associates) (the "**Lessors**") entered into a framework agreement (the "**PRC Lease Framework Agreement**"), pursuant to which the Lessors agreed to lease land, buildings and ancillary facilities in the PRC (the "**PRC Properties**") to our Group for a term commencing on the Listing Date and expiring on 31 August 2021. If we do not give notice of a contrary intention and subject to compliance with any regulatory requirements (including the Listing Rules), the term shall be automatically renewed for a further term of three years upon expiry, taking into account the then market rates supported by an independent property valuer. The current PRC Properties leased to the Group are:

(a) 151 Guangshen Road and 86 Weishan North 2nd Road

Lessee:	Huashang Vocational College
Lessor:	Sun City Hotel
Property:	No. 151, Guangshen Road, Xintang Town, Zengcheng District, Guangzhou, China and No. 86, Weishan North 2nd Road, Xintang Town, Zengcheng District, Guangzhou, China
GFA:	Shared spaces and common areas of 9,638 sq.m.
Use:	Facilities of Huashang Hospitality Management School, used for trainings and internships as scheduled from time to time

(b) 128 Tongyuan Middle Road, Licheng Street

Lessee:	Huashang Vocational College
Lessor:	Weijia Vehicle
Property:	No. 128, Tongyuan Middle Road, Licheng Street, Zengcheng District, Guangzhou, China
GFA:	5,694 sq.m.
Use:	One of the facilities of Huashang Auto Engineering School, used for trainings and student accommodation

(c) *Unit 418 at Sun City Hotel*

Lessee:	Woguan Education
Lessor:	Sun City Hotel
Property:	Unit 418, Sun City Hotel, No. 151 Guangshen Avenue, Xintang Town, Zengcheng District, Guangzhou, China
GFA:	40 sq.m.
Use:	Office space

(d) *Unit 409 at Sun City Hotel*

Lessee:	Guangzhou Zhiheng Education
Lessor:	Sun City Hotel
Property:	Unit 409, Sun City Hotel, No. 151 Guangshen Avenue, Xintang Town, Zengcheng District, Guangzhou, China
GFA:	40 sq.m.
Use:	Office space

(e) *Unit 306 at No. 160 Jiefang North Road*

Lessee:	Huagang Enterprise Management
Lessor:	Mr. Liu and Ms. Chen
Property:	Unit 306, No.160 Jiefang North Road, Xintang Town, Zengcheng, Guangzhou, China
GFA:	30 sq.m.
Use:	Office space

(f) *Unit 408 at Sun City Hotel*

Lessee:	Huajia Renovation
Lessor:	Sun City Hotel
Property:	Unit 408, Sun City Hotel, No. 1 Qunxing Road, Xintang Town, Zengcheng District, Guangzhou, China
GFA:	20 sq.m.
Use:	Office space

(g) Administrative office, 3rd Floor of Sun City Hotel

Lessee:	Sun City Development
Lessor:	Sun City Hotel
Property:	Administrative office, 3rd Floor, Sun City Hotel, No. 1, Qunxing Road, Xintang Town, Zengcheng District, Guangzhou, China
GFA:	30 sq.m.
Use:	Office space

Reasons for the transactions

Huashang Hospitality Management School and Huashang Auto Engineering School, the schools within Huashang Vocational College, and our certain subsidiaries occupied the PRC Properties during the years ended 31 August 2020 and 2021. The premises described in paragraphs (a) and (b) above form part of the learning facilities of Huashang Hospitality Management School and Huashang Auto Engineering School, respectively, providing space for trainings, internships or accommodation. The premises described in paragraphs (c) to (g) above were office units used by certain of our subsidiaries for administrative purposes.

The lease of these premises allows us to secure suitable premises at a fair market value. The continuation of these lease arrangements will avoid unnecessary disruptions to our students and our business, and avoid the costs associated with identifying other suitable premises and relocating certain facilities of our schools.

Historical amount, annual cap, and basis for annual cap

For the year ended 31 August 2021, the annual cap for the PRC Lease Framework Agreement is determined to be RMB1,916,000. The actual amount of the rent under the PRC Lease Framework Agreement for the year ended 31 August 2021 was approximately RMB1,445,000.

When determining the annual caps, our Directors have considered the rental expenses incurred prior to our Listing under the existing rental arrangement for the PRC Properties leased to the Group and the rental expenses to be incurred after our Listing under the PRC Lease Framework Agreement with reference to the opinion given by our independent property valuer.

Pricing policy

The rents under the PRC Lease Framework Agreement are determined based on arm's length negotiations between the parties with reference to the prevailing market rental quotations of similar properties with reference to the above arrangements in the same vicinity from Independent Third Parties.

Listing Rules implications

The transactions under the PRC Lease Framework Agreement are entered into on normal commercial terms or better that are fair and reasonable, and one or more of the applicable percentage ratios (other than profit ratio) with reference to the respective annual caps in respect of such transactions under Chapter 14A of the Listing Rules exceeds 0.1% but all are lower than 5%. Pursuant to Rule 14A.76(2)(a) of the Listing Rules, these transactions are exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules, but are subject to the reporting, annual review, and announcement requirements.

3. Procurement of hotel services

The Hotel Service Framework Agreement

On 24 June 2019, our Company (for itself and on behalf of our subsidiaries) and Sun City Hotel entered into a framework agreement (the "**Hotel Service Framework Agreement**"), pursuant to which Sun City Hotel will (i) provide to our Group various hotel services, which are accommodation, catering, and meeting and conference services and (ii) provide course materials to Huashang Hospitality Management School (the "**Hotel Services**") for a term commencing on the Listing Date and expiring on 31 August 2021.

Reasons for the transactions

During the years ended 31 August 2020 and 2021, Sun City Hotel had provided the Hotel Services for our students, staff and guests participating in our schools' activities (including school celebrations and academic conferences) and for the teaching operations of Huashang Hospitality Management School. In view of the reliability of the Hotel Services provided by Sun City Hotel, the proximity of Sun City Hotel to our schools and the resulting convenience for our guests, students and teaching staff, the procurement of the Hotel Services is in line with the business and economic interests of our Group.

Historical amount, annual cap, and basis for annual cap

For the year ended 31 August 2021, the annual cap for the Hotel Service Framework Agreement is determined to be RMB6,026,000. The actual amount of the total cost of the Hotel Services for the year ended 31 August 2021 was approximately RMB738,000.

When determining the annual caps, our Directors have considered:

(i) the aforementioned historical amounts;

(ii) the expected volume of our students, staff and guests participating in, and the number and scale of, our schools' activities (including school celebrations and academic conferences) in the relevant years; and

(iii) the expected amount of course materials Huashang Hospitality Management School will need for its teaching operations in the relevant years.

Pricing policy

The fees for the Hotel Services shall be determined after arm's length negotiations between the parties with reference to the type of hotel services required and the estimated number of guests involved in a particular event. The service fees and calculation method shall be agreed between the parties based on the specific type of services provided in each transaction. In all instances, the fees for the Hotel Services shall be based on comparable market rates charged by Independent Third Parties for similar hotel services with comparable proximity. The terms shall be no less favourable to us than those which our Group could obtain from Independent Third Parties with comparable proximity.

Listing Rules implications

The transactions under the Sun City Hotel Framework Agreement are entered into on normal commercial terms or better that are fair and reasonable, and one or more of the applicable percentage ratios (other than profit ratio) with reference to the respective annual caps in respect of such transactions under Chapter 14A of the Listing Rules exceeds 0.1% but all are lower than 5%. Pursuant to Rule 14A.76(2)(a) of the Listing Rules, these transactions are exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules, but are subject to the reporting, annual review, and announcement requirements.

4. Purchase, repair, and servicing of our vehicles

The Vehicle Service Framework Agreement

On 24 June 2019, our Company (for itself and on behalf of its subsidiaries) and Weijia Vehicle entered into a framework agreement (the "**Vehicle Service Framework Agreement**"), pursuant to which Weijia Vehicle will provide maintenance and repair services for the vehicles owned by our two schools and assist in our procurement of new vehicles (the "**Vehicle Services**") for a term commencing on the Listing Date and expiring on 31 August 2021.

Reasons for the transactions

During the years ended 31 August 2020 and 2021, Weijia Vehicle had provided the Vehicle Services to our Group. In view of the reliability of the Vehicle Services provided by Weijia Vehicle and its proximity to our schools, the procurement of the Vehicle Services is in line with the business and economic interests of our Group.

Historical amount, annual cap, and basis for annual cap

For the year ended 31 August 2021, the annual cap for the Vehicle Service Framework Agreement is determined to be RMB696,000. The actual amount of the total cost of the Vehicle Services for the year ended 31 August 2021 was approximately RMB37,000.

When determining the annual caps, our Directors have considered:

(i) the aforementioned historical amounts; and

(ii) our anticipated needs for the Vehicle Services in the relevant years with reference to the age of our vehicles and our anticipated replacement schedule.

Pricing policy

The fees for the Vehicle Services shall be determined after arm's length negotiations between the parties with reference to the nature of the services and type of vehicles involved. The service fees and calculation method shall be agreed between the parties based on the specific type of services provided in each transaction. In all instances, the fees for the Vehicle Services shall be based on comparable market rates available to us from Independent Third Parties for similar services. The terms shall be no less favourable to us than those which our Group could reasonably obtain from Independent Third Parties.

Listing Rules implications

The transactions under the Vehicle Service Framework Agreement are entered into on normal commercial terms or better that are fair and reasonable, and one or more of the applicable percentage ratios (other than profit ratio) with reference to the respective annual caps in respect of such transactions under Chapter 14A of the Listing Rules exceeds 0.1% but all are lower than 5%. Pursuant to Rule 14A.76(2)(a) of the Listing Rules, these transactions are exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules, but are subject to the reporting, annual review, and announcement requirements.

5. Procurement of travel agent services

The Travel Framework Agreement

On 24 June 2019, our Company (for itself and on behalf of our subsidiaries) and Yizhong Travel entered into a framework agreement (the "**Travel Framework Agreement**"), pursuant to which Yizhong Travel, as our travel agent, would assist us in making travel arrangements such as flights, ground transport and hotel reservations (the "**Booking Services**") for the staff and teachers of our schools when they travel for work purposes for a term commencing on the Listing Date and expiring on 31 August 2021.

Reasons for the transactions

During the years ended 31 August 2020 and 2021, Yizhong Travel had provided the Booking Services to our Group. In view of its reliability and understanding of our business needs acquired through years of cooperation, the procurement of the Booking Services is in line with the business and economic interests of our Group.

Historical amount, annual cap, and basis for annual cap

For the year ended 31 August 2021, the annual cap for the Travel Framework Agreement is determined to be RMB652,000. The actual amount of the total cost of the Booking Services of the Travel Framework Agreement for the year ended 31 August 2021 was approximately RMB442,000.

When determining the annual caps, our Directors considered:

(i) the aforementioned historical amounts chargeable on a basis reflecting the cost of, and the commission for, the Booking Services up to 28 February 2019;

(ii) the estimated service fees chargeable on a commission basis with effect from 1 March 2019; and

(iii) the travel frequency of our staff and teachers in the relevant years.

Pricing policy

The fees for the Booking Services shall be determined after arm's length negotiations between the parties with reference to the type of bookings and the number of bookings involved. The service fees and calculation method shall be agreed between the parties based on the specific type of services provided in each transaction. In all instances, the fees for the Booking Services shall be based on comparable market rates charged by Independent Third Parties for similar services. The terms shall be no less favourable to us than those which our Group could obtain from Independent Third Parties.

Listing Rules implications

The transactions under the Travel Framework Agreement are entered into on normal commercial terms or better that are fair and reasonable, and one or more of the applicable percentage ratios (other than profit ratio) with reference to the respective annual caps in respect of such transactions under Chapter 14A of the Listing Rules exceeds 0.1% but all are lower than 5%. Pursuant to Rule 14A.76(2)(a) of the Listing Rules, these transactions are exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules, but are subject to the reporting, annual review, and announcement requirements.

6. Technical School Arrangements

The Technical School Trademark Agreement

On 24 June 2019, Sun City Development and Huashang Technical School entered into an agreement (the "**Technical School Trademark Agreement**"), pursuant to which Sun City Development granted Huashang Technical School rights to use the ‘ ’ trademark (the "**Huashang Trademark**") in consideration for an annual licensing fees of 2% of operating profits of Huashang Technical School, subject to the annual monetary cap set out below, for a term commencing on the Listing Date and expiring on 31 August 2021.

The Lease and Property Management of the Technical School Premises

On 24 June 2019, Huashang Vocational College and Huashang Technical School entered into a lease agreement (the "**Technical School Lease Agreement**"), pursuant to which Huashang Vocational College will lease the property set out below (the "**Technical School Premises**") to Huashang Technical School. On 24 June 2019, Yixiang Property Management and Huashang Technical School entered into a property management agreement (the "**Property Management Agreement**"), pursuant to which Yixiang Property Management will provide property management services to Huashang Technical School in respect of the Technical School Premises. Further details of the Technical School Lease Agreement and the Property Management Agreement are as follows:

Term:	commencing on the Listing Date and expiring on 31 August 2021
Property:	student dormitory E3 and teaching building J5-A zone at No. 1, Huashang Road, Zengcheng District, Guangzhou
GFA:	14,120 sq.m.
Use:	Huashang Technical School's campus

Reasons for the transactions

Huashang Technical School uses the Huashang Trademark and Technical School Premises for its operation. We believe that the transactions contemplated under the Technical School Trademark Agreement, Technical School Lease Agreement and Property Management Agreement are in the interest of our Group, as they will generate a steady stream of income at a fair market rate by (i) monetising our Huashang Trademark in the education sector, (ii) facilitating the transition subsequent to the disposal and (iii) recovering part of our fixed cost of property management services.

Historical amount, annual cap and basis annual cap

For the year ended 31 August 2021, the annual cap for the Technical School Trademark Agreement, Technical School Lease Agreement and Property Management Agreement is determined to be RMB3,345,000. The actual amount of the fees for the year ended 31 August 2021 was approximately RMB2,398,000.

When determining the annual caps for the Technical School Trademark Agreement, our Directors considered the historical and the expected annual gross revenues of Huashang Technical School. Our Directors also considered the capacity of the student dormitory in determining the annual caps for the Technical School Trademark Agreement. When determining the annual caps for the Technical School Lease Agreement and Property Management Agreement, our Directors considered the fee arrangements contemplated under such Agreements, together with the relevant information from an independent valuer.

Pricing policy

The licensing fee payable for the Huashang Trademark is determined following arm's length negotiations between the parties with reference to the historical and the expected annual gross revenues of Huashang Technical School.

The aggregate fees under the Technical School Lease Agreement and Property Management Agreement were determined based on arm's length negotiations between the parties with reference to (i) the prevailing market rates of rent for similar premises in the same vicinity used for similar purposes and (ii) the prevailing market rates of various property management services for premises in the same vicinity used for similar purposes.

Listing Rules implications

The transactions under the Technical School Trademark Agreement, Technical School Lease Agreement and Property Management Agreement are entered into on normal commercial terms or better that are fair and reasonable, and one or more of the applicable percentage ratios (other than profit ratio) with reference to the respective annual caps in respect of such transactions under Chapter 14A of the Listing Rules exceeds 0.1% but all are lower than 5%. Pursuant to Rule 14A.76(2)(a) of the Listing Rules, these transactions are exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules, but are subject to the reporting, annual review, and announcement requirements.

APPLICATION FOR WAIVERS

We have applied for, and the Stock Exchange has granted us, waivers from strict compliance with the announcement requirements under the Listing Rules in respect of the partially-exempt continuing connected transactions described above.

Save for the requirements relating to continuing connected transactions for which a written waiver by the Stock Exchange has been granted, our Company has complied with the relevant requirements pursuant to Chapter 14A of the Listing Rules.

For details of the aforesaid continuing connected transactions and the waiver, please refer to the Prospectus.

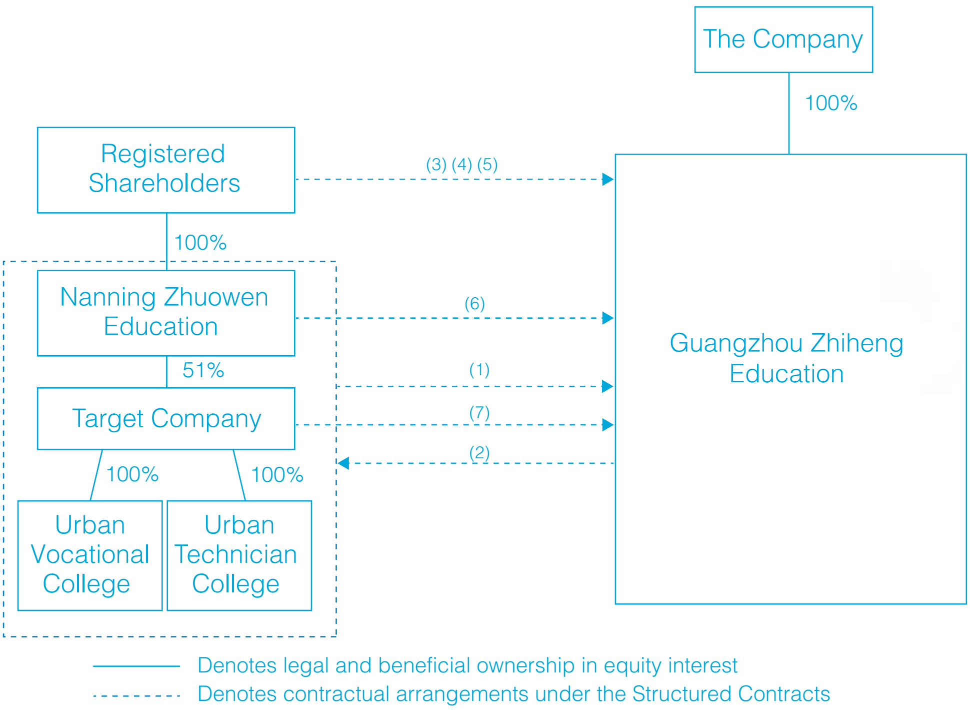
STRUCTURED CONTRACTS

A. Background and overview

On 4 December 2020, the Group has entered into a series of agreements with, among others, the OPCO Group that constitute the Structured Contracts, through which the Group will have effective control over the OPCO Group, and will enjoy the economic benefits generated by the OPCO Group. The following summarised generally the status of the Structured Contracts adopted by the Group given the PRC legal restriction imposed on the shareholding structure over the business the Group is engaging. For further details of the Structured Contracts, please refer to the announcements of the Company dated 4 December 2020, 18 December 2020, 30 December 2020, 14 January 2021, 20 May 2021 ("**Announcements**") and circular dated 26 May 2021. Capitalised terms used in this paragraph follow the meaning of those defined in the Announcements, unless otherwise stated.

The OPCO Group is a higher education and secondary vocational education provider in the PRC. The PRC laws and regulations generally restrict foreign ownership in the private education industry in the PRC and currently restrict the operation of higher education institutions to sino-foreign ownership, in addition to imposing a qualification requirement on the foreign owners. In order to maintain the OPCO Group's business operations while complying with the PRC laws and regulations mentioned above, Guangzhou Zhiheng Education, the Registered Shareholders and each of the members of the OPCO Group have entered into the Structured Contracts to enable the economic benefits of the business of the OPCO Group to flow into the Guangzhou Zhiheng Education, to enable the consolidation of the financial results of the OPCO Group in the Group's consolidated accounts, and to enable Guangzhou Zhiheng Education to gain effective control over the OPCO Group.

The following simplified diagram illustrates the flow of economic benefits from the OPCO Group to the Group stipulated under the Structured Contracts:



Notes:

1. Payment of service fees

2. Provision of exclusive technical and management consultancy services

3. Exclusive call option to purchase all or part of the direct and/or indirect equity interest and/or school sponsor's interest in OPCO Group

4. Entrustment of shareholders' rights including shareholders' power of attorney

5. Pledge of equity interest by the Registered Shareholders of their interest in OPCO

6. Pledge of equity interest by Nanning Zhuowen Education of its interest in Target Company

7. Entrustment of school sponsors' rights and council members' rights in the Schools including school sponsors' power of attorney and council members' power of attorney

8. According to PRC laws and regulations, entities and individuals who establish private schools are commonly referred to as "school sponsors" instead of "owners" or "shareholders"

B. Summary of material terms of the Structured Contracts

A summary of the materials terms of each specific agreement that comprise the Structured Contracts is set out below:

(1) Business Cooperation Agreement

Pursuant to the Business Cooperation Agreement, Guangzhou Zhiheng Education shall provide technical services, management support services and consulting services necessary for the private education business, and in return, the OPCO Group shall agree to make payments accordingly.

To ensure the due performance of the Structured Contracts, each of the members of the OPCO Group shall comply and procure any of its subsidiaries to comply with, and the Registered Shareholders shall procure the OPCO Group and/or their subsidiaries to comply with the obligations as prescribed under the Business Cooperation Agreement.

Further, the Registered Shareholders and the OPCO Group shall undertake that, without the prior written consent of Guangzhou Zhiheng Education or its designated party, the Registered Shareholders and the OPCO Group shall not conduct or cause to conduct any activity or transaction which may have any actual impact (i) on the assets, business, staff, obligations, rights or operations of the OPCO Group or (ii) on the ability of the Registered Shareholders and each of the members of the OPCO Group to perform the obligations under the Structured Contracts.

Furthermore, each of the Registered Shareholders shall undertake to Guangzhou Zhiheng Education that, unless with the prior written consent of Guangzhou Zhiheng Education, the Registered Shareholders (severally or jointly) shall not (i) directly or indirectly engage, participate in, conduct, acquire or hold any business or activities which compete or may potentially compete with any of the OPCO Group and its subsidiaries (the "**Competing Business**"), (ii) use information obtained from any of the OPCO Group or its subsidiaries for the Competing Business, and (iii) obtain any benefit from any Competing Business. Each of the Registered Shareholders further consents and agrees that, in the event that the Registered Shareholders (severally or jointly) directly or indirectly engage, participate in or conduct any Competing Business, Guangzhou Zhiheng Education and/or other entities as designated by the Company shall be granted an option to require the entity engaging in the Competing Business to enter into an arrangement similar to that of the Structured Contracts. If Guangzhou Zhiheng Education does not exercise such option, the Registered Shareholders shall cease the operation of the Competing Business within a reasonable time.

(2) *Exclusive Technical Service and Management Consultancy Agreement*

Pursuant to the Exclusive Technical Service and Management Consultancy Agreement, Guangzhou Zhiheng Education shall provide exclusive technical services and exclusive management consultancy services to the OPCO Group.

In consideration of the technical and management consultancy services provided by Guangzhou Zhiheng Education, each of the members of the OPCO Group shall pay Guangzhou Zhiheng Education a service fee equal to all of their respective amounts of surplus from operations (after deducting all costs, expenses, taxes, losses from the previous year (if required by the law), the legally compulsory development fund of the respective school (if required by the law), and other statutory fees (if required by law)) and multiplied by the proportion of the direct and/or indirect interest of the Registered Shareholders in the OPCO Group.

(3) *Exclusive Call Option Agreement*

Under the Exclusive Call Option Agreement, the Registered Shareholders shall irrevocably grant Guangzhou Zhiheng Education or its designated purchaser the exclusive right to purchase all or part of the direct and/or indirect equity interest and/or school sponsor's interest in the OPCO Group (the "**Equity Call Option**"). The purchase price payable by Guangzhou Zhiheng Education or its designated purchaser in respect of the transfer of such school sponsor's interest or equity interest upon exercise of the Equity Call Option shall be the lowest price permitted under the PRC laws and regulations. Guangzhou Zhiheng Education or its designated purchaser shall have the right to purchase such proportion of the school sponsor's interest and/or equity interest in the OPCO Group as it decides at any time.

In the event that the PRC laws and regulations allow Guangzhou Zhiheng Education or other foreign-owned entities designated by the Company to directly hold all or part of the school sponsor's interest and/or the equity interest in the OPCO Group and operate private education business in the PRC, Guangzhou Zhiheng Education shall issue the notice of exercise of the Equity Call Option as soon as practicable, and the percentage of school sponsor's interest and/or equity interest purchased upon exercise of the Equity Call Option shall not be lower than the maximum percentage then allowed to be held by Guangzhou Zhiheng Education or other foreign-owned entities designated by the Company under the PRC laws and regulations.

(4) Shareholders' Rights Entrustment Agreement

Under the Shareholders' Rights Entrustment Agreement, each of the Registered Shareholders shall irrevocably authorize and entrust Guangzhou Zhiheng Education to exercise all of his rights as a shareholder of Nanning Zhuowen Education, and Nanning Zhuowen Education shall irrevocably authorise and entrust Guangzhou Zhiheng Education to exercise all of its rights as a shareholder of the Target Company to the extent permitted by the PRC laws. Those rights include, but not limited to:

(a) to attend the shareholders' meetings of the Nanning Zhuowen Education and the Target Company;

(b) to exercise voting rights in respect of all matters requiring discussion and approval by shareholders;

(c) to convene extraordinary shareholders' meeting;

(d) to sign all board minutes, resolutions or other documents which the members of Nanning Zhuowen Education and the Target Company are entitled to sign;

(e) to instruct the directors and legal representatives of Nanning Zhuowen Education and the Target Company to act in accordance with the instructions of Guangzhou Zhiheng Education or its designated person;

(f) to exercise all shareholders' right and voting rights as stipulated in the articles of association of Nanning Zhuowen Education and the Target Company;

(g) to attend any registration, approval, consent, filing or delivery of documents to the State Administration for Market Regulation or other competent governmental authorities;

(h) to transfer or dispose in any form of any or all of the equity interest in of Nanning Zhuowen Education and the Target Company; and

(i) to exercise any other rights granted to shareholders under the applicable PRC laws, regulations and articles of association of Nanning Zhuowen Education and the Target Company.

In addition, each of the Registered Shareholders and Nanning Zhuowen Education shall irrevocably agree that (i) Guangzhou Zhiheng Education may delegate its rights under the Shareholders' Rights Entrustment Agreement to the directors of Guangzhou Zhiheng Education and its successor or its designated person, without prior notice to or consent from the Registered Shareholders or Nanning Zhuowen Education; and (ii) any person as successor of civil rights of Guangzhou Zhiheng Education or liquidator by reason of subdivision, merger or liquidation of Guangzhou Zhiheng Education or other circumstances shall have authority to replace Guangzhou Zhiheng Education to exercise all rights under the Shareholders' Rights Entrustment Agreement.

(5) Equity Pledge Agreement with the Registered Shareholders

Under the Equity Pledge Agreement with the Registered Shareholders, each of the Registered Shareholders shall unconditionally and irrevocably pledge and grant first priority security interests over all of their respective equity interest in Nanning Zhuowen Education, accordingly, together with all related rights thereto to Guangzhou Zhiheng Education as security for performance of the Structured Contracts and all direct, indirect or consequential damages and foreseeable loss of interest incurred by Guangzhou Zhiheng Education as a result of any event of default on the part of the Registered Shareholders and the OPCO Group and all expenses incurred by Guangzhou Zhiheng Education as a result of enforcement of the obligations of the Registered Shareholders and the OPCO Group under the Structured Contracts (the "**Secured Indebtedness A**").

In addition, without the prior written consent of Guangzhou Zhiheng Education, the Registered Shareholders shall not transfer the equity interest or create further pledge or encumbrance over the pledged equity interest.

And upon occurrence of any events of default as stated in the Equity Pledge Agreement with the Registered Shareholders, Guangzhou Zhiheng Education shall have the right to enforce the Equity Pledge Agreement with the Registered Shareholders by written notice to the Registered Shareholders in one or more of the following ways:

(i) to the extent permitted under the PRC laws and regulations, Guangzhou Zhiheng Education can request the Registered Shareholders to transfer all or part of their equity interest in Nanning Zhuowen Education to any entity or individual designated by Guangzhou Zhiheng Education at the lowest consideration permissible under the PRC laws and regulations, while the Registered Shareholders shall irrevocably undertake that in the event that the consideration paid by Guangzhou Zhiheng Education or its designated purchaser for the transfer of all or part of the equity interest in Nanning Zhuowen Education exceeds RMB0, the Registered Shareholders shall jointly pay such excess amount to Guangzhou Zhiheng Education or its designated purchaser;

(ii) sell the pledged equity interest by way of auction or at a discount and have priority in the entitlement to the sales proceeds; and/or

(iii) dispose of the pledged equity interest in other manner to be agreed between the Registered Shareholders and Guangzhou Zhiheng Education subject to applicable laws and regulations.

(6) Equity Pledge Agreement with Nanning Zhuowen Education

Under the Equity Pledge Agreement with Nanning Zhuowen Education, Nanning Zhuowen Education shall unconditionally and irrevocably pledge and grant first priority security interests over all of its equity interest in the Target Company, accordingly, together with all related rights thereto to Guangzhou Zhiheng Education as security for performance of the Structured Contracts and all direct, indirect or consequential damages and foreseeable loss of interest incurred by Guangzhou Zhiheng Education as a result of any event of default on the part of the OPCO Group and all expenses incurred by Guangzhou Zhiheng Education as a result of enforcement of the obligations of the OPCO Group under the Structured Contracts (the "**Secured Indebtedness B**").

In addition, without the prior written consent of Guangzhou Zhiheng Education, Nanning Zhuowen Education shall not transfer the equity interest or create further pledge or encumbrance over the pledged equity interest.

And upon occurrence of any events of default as stated in the Equity Pledge Agreement with Nanning Zhuowen Education, Guangzhou Zhiheng Education shall have the right to enforce the Equity Pledge Agreement with Nanning Zhuowen Education by written notice to Nanning Zhuowen Education in one or more of the following ways:

(i) to the extent permitted under the PRC laws and regulations, Guangzhou Zhiheng Education can request Nanning Zhuowen Education to transfer all or part of its equity interest in the Target Company to any entity or individual designated by Guangzhou Zhiheng Education at the lowest consideration permissible under the PRC laws and regulations, while Nanning Zhuowen Education shall irrevocably undertake that in the event that the consideration paid by Guangzhou Zhiheng Education or its designated purchaser for the transfer of all or part of the equity interest in the Target Company exceeds RMB0, Nanning Zhuowen Education shall pay such excess amount to Guangzhou Zhiheng Education or its designated purchaser;

(ii) sell the pledged equity interest by way of auction or at a discount and have priority in the entitlement to the sales proceeds; and/or

(iii) dispose of the pledged equity interest in other manner subject to applicable laws and regulations.

(7) *School Sponsors' and Council Members' Entrustment Agreement*

Under the School Sponsors' and Council Members' Entrustment Agreement, the Target Company shall irrevocably authorize and entrust Guangzhou Zhiheng Education to exercise all its rights as school sponsor of the Schools to the extent permitted by the PRC laws.

In addition, pursuant to the School Sponsors' and Council Members' Entrustment Agreement, the Target Company appointed five (5) and three (3) Appointees into Urban Vocational College and Urban Technician College, respectively. As advised by Commerce & Finance Law Offices (the "**PRC legal advisers**" of the Company), the Appointees shall be selected in accordance with the Law for Promoting Private Education of the PRC* (中華人民共和國民辦教育促進法), whereby it requires that the council shall consist of the school sponsor or its representative(s), principal or representatives of teachers and staff members, among which more than one-third shall have five years or above education and teaching experience. The Appointees shall irrevocably authorize and entrust Guangzhou Zhiheng Education to exercise all their rights as council members of the Schools to the extent permitted by the PRC laws. As advised by the PRC legal advisers of the Company, upon any change of the Appointees, supplemental agreement(s) could be entered into for the purpose of supplementing the School Sponsors' and Council Members' Entrustment Agreement.

In addition, each of the Target Company and the Appointees irrevocably agrees that (i) Guangzhou Zhiheng Education has the right to delegate its right under the School Sponsors' and Council Members' Entrustment Agreement to the directors of Guangzhou Zhiheng Education or its designated person, without prior notice to or consent from the Target Company and the Appointees; and (ii) any person as successor of civil rights of Guangzhou Zhiheng Education or liquidator by reason of subdivision, merger or liquidation of Guangzhou Zhiheng Education or other circumstances shall have authority to replace Guangzhou Zhiheng Education to exercise all rights under the School Sponsors' and Council Members' Entrustment Agreement.

(8) *School Sponsors' Powers of Attorney*

The Target Company shall authorize and appoint Guangzhou Zhiheng Education, as its agent to act on its behalf to exercise or delegate the exercise of all its rights as school sponsor of the Schools.

Guangzhou Zhiheng Education shall have the right to further delegate the rights so delegated to the directors of Guangzhou Zhiheng Education or its designated person. The Target Company shall irrevocably agree that the authorization and appointment in the School Sponsors' Powers of Attorney shall not be invalidated, prejudiced or otherwise adversely affected by reason of the Target Company's subdivision, merger, bankruptcy, reorganisation and dissolution or other similar events. The School Sponsors' Powers of Attorney shall constitute a part of and incorporate terms of the School Sponsors' and Council Members' Entrustment Agreement.

(9) Council Members' Powers of Attorney

Each of the Appointees shall authorize and appoint Guangzhou Zhiheng Education, as his/her agent to act on his/her behalf to exercise or delegate the exercise of all his/her rights as a council member of the Schools.

Guangzhou Zhiheng Education shall have the right to further delegate the rights so delegated to the directors of Guangzhou Zhiheng Education or its designated person. Each of the Appointees shall irrevocably agree that the authorization and appointment provided in the Council Members' Powers of Attorney shall not be invalidated, prejudiced or otherwise adversely affected by reason of his/her loss of or restriction on capacity, death or similar events. The Council Members' Powers of Attorney shall constitute a part of and incorporate terms of the School Sponsors' and Council Members' Entrustment Agreement.

(10) Shareholders' Powers of Attorney

Each of the Registered Shareholders shall irrevocably authorize and appoint Guangzhou Zhiheng Education as his or their agent to act on his or their behalf to exercise or delegate the exercise of all his or their rights as shareholders of Nanning Zhuowen Education, and Nanning Zhuowen Education shall irrevocably authorise and appoint Guangzhou Zhiheng Education as its agent to act on its behalf to exercise or delegate the exercise of all its rights as shareholder of the Target Company.

Guangzhou Zhiheng Education shall have the right to further delegate the rights so delegated to the directors of Guangzhou Zhiheng Education or its designated person. Each of the Registered Shareholders and Nanning Zhuowen Education shall irrevocably agree that the authorization and appointment provided in the Shareholders' Powers of Attorney shall not be invalidated, prejudiced or otherwise adversely affected by reason of the loss of or restriction on capacity, death or other similar events of the Registered Shareholders and/or subdivision, merger, winding up or other similar events of Nanning Zhuowen Education. The Shareholders' Powers of Attorney shall constitute a part of and incorporate terms of the Shareholders' Rights Entrustment Agreement.

(11) Spouse Undertakings

The spouse of each of the Registered Shareholders who is a married natural person shall execute a spouse undertaking to undertake that, among others:

(i) the spouse has full knowledge of and has consented to the entering into of the Structured Contracts by the respective Registered Shareholders, and in particular, the arrangement as set out in the Structured Contracts in relation to the restrictions imposed on the direct or indirect equity interest and/or school sponsors' interest in the OPCO Group, pledge or transfer the direct or indirect equity interest in and/or school sponsors' interest in the OPCO Group, or the disposal of the direct or indirect equity interest in and/or school sponsors' interest in the OPCO Group in any other forms;

(ii) the spouse acknowledges that the direct and/or indirect equity interest in the OPCO Group and the rights attached thereon shall belong to the respective Registered Shareholders and shall not constitute common assets with the spouse of the respective Registered Shareholders. The spouse shall not have interest in the OPCO Group and shall not have any claim over those interest in the future;

(iii) the spouse has not participated, is not participating and shall not, in the capacity of the spouse of the respective Registered Shareholders, participate in the operation, management, liquidation, dissolution and other matters in relation to the OPCO Group for whatever reasons (including the death or bankruptcy of the respective Registered Shareholders or in case of divorce); and

(iv) any undertaking, confirmation, consent and authorization under the Spouse Undertakings shall not be revoked, prejudiced, invalidated or otherwise adversely affected by death, loss of or restriction on capacity of the spouse, divorce or other similar events.

C. Business activities and financial information of the OPCO Group and their significance to the Group

The principal business activities of the OPCO Group, namely Nanning Zhuowen Education, Target Company, Urban Technician College and Urban Vocational College, are the provision of higher education and secondary vocational education services in the PRC.

Pursuant to the Structured Contracts, the Group obtains effective control over and derives the economic benefits from the OPCO Group. The table below sets out the financial information of the OPCO Group, in terms of revenue, net profit and total assets for the year ended/as at 31 August 2021 of the OPCO Group consolidated into the Group's financial statements pursuant to the Structured Contracts:

	Revenue *(RMB'000)*	**Net profit** *(RMB'000)*	**Total assets** *(RMB'000)*
Financial information of the OPCO Group	244,144	115,629	1,892,013

D. Regulatory framework

The Group currently operates the Schools in the PRC under the Contractual Arrangement as PRC laws and regulations generally restrict foreign ownership in the private education industry in the PRC. PRC laws and regulations currently restrict the operation of higher education institutions to Sino-foreign cooperation ownership, in addition to imposing qualification requirements on the foreign owners. The Group does not hold any equity interest in the Schools. The Structured Contracts, through which the Group obtains control over and derive the economic benefits from the OPCO Group, have been narrowly tailored to achieve our business purpose and minimize the potential conflict with relevant PRC laws and regulations.

(1) Higher education

According to the Negative List, higher education is restricted for foreign investors, and foreign investors are only allowed to invest in higher education through cooperation with a domestic party who shall play a dominant role in the Sino-foreign cooperation, meaning that (a) the principal or other chief executive officer of the schools shall be a PRC national; and (b) the representatives of the domestic party shall account for no less than half of the total members of the board of directors, the executive council or the joint administration committee of the Sino-foreign cooperative educational institution (the "**Foreign Control Restriction**"). We had fully complied with the Foreign Control Restriction in respect of each of the Schools on the basis that (a) the principal of each of the Schools is a PRC national; and (b) all the members of the board of directors are PRC nationals.

In relation to the interpretation of "Sino-foreign cooperation", pursuant to the Sino Foreign Regulation (《中華人民共和國中外合作辦學條例) and its Implementation Regulations (《中華人民共和國中外合作辦學條例實施辦法》), the foreign investor in a Sino-foreign joint venture private school which provides higher education mainly for PRC students (a "**Sino-Foreign Joint Venture Private School**") must be a foreign educational institution with relevant qualification that provides high quality education (the "**Private School Qualification Requirements**"). Furthermore, pursuant to the Implementation Opinions of the Ministry of Education of the PRC on Encouraging and Guiding the Entry of Private Capital in the Field of Education and Promoting the Healthy Development of Private Education (《教育部關於鼓勵和引導民間資金進入教育領域促進民辦教育健康發展的實施意見》) (the "**Implementation Opinions**"), the foreign portion of the total investment in a Sino-Foreign Joint Venture Private School should be below 50% and the establishment of these schools is subject to the approval of education authorities at the provincial or national level.

Pursuant to the Sino-foreign Vocational Skills Training Measures (《中外合作職業技能培訓辦學管理辦法》), the foreign investor in a Sino-foreign technical school (a "**Sino-Foreign Technical School**") shall be a foreign education institution or a foreign vocational skills training institution with relevant qualification and high quality (the "**Technical School Qualification Requirements**", together with the "**Private School Qualification Requirements**", the "**Qualification Requirements**").

The PRC legal advisers of the Company have advised that as at the date of this annual report, there are no implementation measures or specific guidance promulgated on the Qualification Requirements in accordance with the existing PRC laws. Therefore, it is currently uncertain as to what specific criteria must be met by a foreign investor (such as length of experience and form and extent of ownership in the foreign jurisdiction) in order to demonstrate to the relevant educational or human resources and social security authority that it meets the Qualification Requirements. Accordingly, due to the lack of implementing measures or specific guidance on the Sino-Foreign Regulation and its Implementation Regulations, including the Qualification Requirements, it is not practicable for the Group to seek to apply to reorganize education institutions of the OPCO Group as a Sino-Foreign Joint Venture Private School and a Sino-Foreign Technical School.

(2) Updates on plan to comply with the Qualification Requirements

As disclosed in the circular of the Company dated 26 May 2021, the Company has adopted a specific plan and has taken the following concrete steps which it reasonably believes are meaningful endeavors to demonstrate compliance with the Qualification Requirements. According to the interviews with the Education Department of Sichuan Province (四川省教育廳) and the Department of Human Resources and Social Security of Sichuan Province (四川省人力資源和社會保障廳) conducted in December 2020 (the "**Interviews**"), there are no implementing measures or specific guidance on the Qualification Requirements and therefore the relevant authorities will not approve the application to convert the Schools to be a Sino-Foreign Joint Venture Private School or a Sino-Foreign Technical School at this stage. Subject to the discretion of the competent authorities, the Company's PRC legal advisers consider that the following steps taken by the Company to demonstrate compliance with the Qualification Requirements are reasonable and appropriate.

As of the date of this annual report, the Group operates three private higher and vocational education institutions overseas, two in Melbourne, Australia and one in Singapore, respectively.

(i) Melbourne, Australia

(a) In June 2014, the Company incorporated Global Business College of Australia Pty. Ltd ("**GBCA**") in Melbourne. Apart from appointing appropriate personnel for the applications to all relevant regulatory authorities including the Education Authority in Melbourne, the Company provides the necessary strategic and financial support to GBCA. In September 2015, GBCA was successfully registered as a Registered Training Organisation authorized by Australian Skills Quality Authority, the regulatory body for the vocational education and training sector in Australia, and began to provide vocational education training programmes to both local Australian students and international students since June 2016. Its programme offerings include both diploma-granting and certification-granting education programmes.

(b) In February 2017, the Company incorporated Edvantage Institute Australia Pty Ltd (formerly known as Global Higher Education Australia Pty Ltd) ("**EIA**") in Melbourne. Apart from appointing appropriate personnel for the applications to all relevant regulatory authorities including the Education Authority in Melbourne, the Company provides the necessary strategic and financial support to EIA. In the first half of 2020, EIA was successfully registered with the Tertiary Education Quality and Standards Agency of Australia, the Education Services for Overseas Students regulatory agency for providers of higher education courses, to allow the provision of higher education programmes (including undergraduate degree programmes and master degree programmes).

(ii) Singapore

In December 2019, the Group acquired the entire equity interest of Edvantage Institute (Singapore) Pte. Ltd. (formerly known as NYU Language School) ("**EIS**"). It is a private vocational education institution with EduTrust Certificate awarded by the Committee for Private Education of Singapore. Subsequent to the completion of the acquisition, the Group has been involved in the management and operation of EIS and works on broadening the range and number of the course offerings of the Group. The Group has also expanded the customer base of EIS and has collaborated with other education institutions in China.

In the opinion of the Company's PRC legal advisers, taking into consideration of the Interviews and the fact that the Company has been operating higher and vocational education institutions overseas, if the Foreign Ownership Restriction is removed but the Qualification Requirements remain and assuming the said schools (that is, GBCA, EIA and EIS) operated by the Group overseas or another foreign educational institution established by the Company gains a level of foreign experience sufficient to demonstrate compliance with the Qualification Requirements and obtains the approval of the relevant education or human resources and social security authorities for the establishment of a Sino-Foreign Joint Venture Private School or Sino Foreign Technical School in the future (provided that the then PRC laws and regulations do not impose new requirements, restrictions, or prohibitions in relation to the establishment of such schools), the Group may be able to operate the Schools in the PRC directly through the schools operated by the Group overseas or such other foreign educational institution established by the Group subject to the approval from, and the discretion of, the competent education or human resources and social security authorities.

(3) *Foreign Investment Law*

On 1 January 2020, the Foreign Investment Law passed by the second session of the thirteenth National People's Congress took effect. The Foreign Investment Law has replaced the Law of the People's Republic of China on Chinese-Foreign Equity Joint Ventures (《中華人民共和國中外合資經營企業法》), the Law of the People's Republic of China on Chinese-Foreign Contractual Joint Ventures (《中華人民共和國中外合作經營企業法》) and the Law of the People's Republic of China on Wholly Foreign-Owned Enterprises (《中華人民共和國外資企業法》) to become the legal foundation for foreign investment in the PRC. The Implementation Regulations for the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法實施條例》) (the "**Implementation Regulations for the Foreign Investment Law**") was passed by the 74th Executive Session of the State Council on 12 December 2019 and was implemented with effect from 1 January 2020.

Conducting operations through structured contracts has been adopted by many PRC-based companies, including us, to obtain and maintain necessary licenses and permits in the industries that are currently subject to foreign investment restrictions or prohibitions in the PRC. The Foreign Investment Law does not explicitly stipulate contractual arrangements as a form of foreign investment. As advised by the Company's PRC legal advisers, since contractual arrangements are not specified as foreign investment under the Foreign Investment Law, and if the future PRC laws, regulations and rules do not incorporate or recognize contractual arrangements as a form of foreign investment, our Structured Contracts as a whole and each of the agreements comprising the Structured Contracts will not be affected and will continue to be legal, valid and binding on the parties.

For the details of risks relating to the Foreign Investment Law, see "Risk Factors — Risks relating to our Structured Contracts — Significant uncertainties exist in relation to the interpretation and implementation of the Foreign Investment Law and how it may impact the viability or sustainability of our current corporate structure, corporate governance and business operations" in the Company's circular dated 26 May 2021.

If the operation of higher education institutions is no longer in the Negative List and the Group can legally operate the education business under PRC Laws, Guangzhou Zhiheng Education will exercise the Equity Call Option under the Exclusive Call Option Agreement to acquire the school sponsors' interests in the Schools and equity interest in the Target Company and unwind the Structured Contracts subject to re-approval by the relevant authorities.

If the operation of higher education is in the Negative List, the Structured Contracts may be viewed as restricted foreign investment. Although contractual arrangements currently are not specified as foreign investment under the Foreign Investment Law, the Structured Contracts may be regarded as invalid and illegal if the future laws, administrative regulations or provisions prescribed by the State Council define structured contracts as a form of foreign investment while the operation of higher education is still in the Negative List. As a result, the Group would not be able to operate the OPCO Group through the Structured Contracts and we would lose our rights to receive the economic benefits of the OPCO Group. As a result, the financial results of the OPCO Group would no longer be consolidated into our Group's financial results and we would have to derecognize their assets and liabilities according to the relevant accounting standards. An investment loss would be recognized as a result of such derecognition.

Nevertheless, considering that a number of existing conglomerates are operating under contractual arrangements and some of which have obtained listing status abroad, the Directors are of the view that it is unlikely that the relevant regulations will take retrospective effect to require the relevant enterprises to remove the contractual arrangements.

E. Risks associated with the Structured Contracts and actions taken to mitigate the risks

For risks associated with the Structured Contracts, please see the section headed "Risk factors in relation to the Structured Contracts" in the Company's circular dated 26 May 2021 for details.

The Group has adopted the following measures to ensure the effective operation of the Group with the implementation of the Structured Contracts and our compliance with the Structured Contracts:

(a) major issues arising from the implementation and compliance with the Structured Contracts or any regulatory enquiries from government authorities will be submitted to the Board, if necessary, for review and discussion on an occurrence basis;

(b) the Board will review the overall performance of and compliance with the Structured Contracts at least once a year;

(c) the Company will disclose the overall performance and compliance with the Structured Contracts in its annual reports to update the Shareholders and potential investors;

(d) the Company and the Directors undertake to provide periodic updates in our annual and interim reports regarding the Qualification Requirements and our status of compliance with the foreign investment law and its accompanying explanatory notes and the latest development of the foreign investment law and its accompanying explanatory notes, including the latest relevant regulatory development as well as our plan and progress in acquiring the relevant experience to meet the Qualification Requirements; and

(e) the Company will engage external legal advisors or other professional advisors, if necessary, to assist the Board to review the implementation of the Structured Contracts, review the legal compliance of Guangzhou Zhiheng Education and the OPCO Group to deal with specific issues or matters arising from the Structured Contracts.

The Group will continue to implement such measures before the Structured Contracts are unwound, with an aim to further enhance its control over the OPCO Group. The Company is not aware of any non-performance of the Structured Contracts or non-compliance with such aforementioned measures as at the date of this annual report.

F. Material changes

During the year ended 31 August 2021, there is no material change in the Structured Contracts and/or the circumstances under which they were adopted.

G. Unwinding of the Structured Contracts

As at the date of this annual report, there has not been any unwinding of any Structured Contracts, nor has there been any failure to unwind any Structured Contracts when the restrictions that led to the adoption of the Structured Contracts are removed. In the event that the PRC regulatory environment changes and all of the Qualification Requirements, the foreign ownership restriction and the foreign control restriction are removed (and assuming there are no other changes in the relevant PRC laws and regulations), Guangzhou Zhiheng Education will exercise the Equity Call Option under the Exclusive Call Option Agreement to acquire the school sponsors' interests in the Schools and equity interest in the Target Company and unwind the Structured Contracts accordingly as permitted by the applicable PRC laws and regulations at the relevant time.

ANNUAL REVIEW OF CONTINUING CONNECTED TRANSACTIONS AND STRUCTURED CONTRACTS

The independent non-executive Directors have confirmed that the partially exempt continuing connected transactions and the Structured Contracts were entered into: (i) in the ordinary and usual course of the Group's business; (ii) in accordance with the terms of the respective agreements governing such transactions on terms that were fair and reasonable and in the interests of the Shareholders of the Company as a whole; and (iii) either on normal commercial terms or on terms no less favourable to the Group than those available to or from independent third parties.

The independent non-executive Directors have reviewed the Structured Contracts and confirmed for the year ended 31 August 2021 that (i) the transactions carried out during the Reporting Period have been entered into in accordance with the relevant provisions of the Structured Contracts and that the profit generated by the OPCO Group has been substantially retained by the Group; (ii) no dividends or other distributions have been made by the OPCO Group to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group; and (iii) any new contracts entered into, renewed or reproduced between the Group and the OPCO Group during the Reporting Period are fair and reasonable, or advantageous to the Shareholders, so far as the Group is concerned and in the interests of the Shareholders as a whole.

The Company's independent auditor was engaged to report on the above continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The independent auditor has issued an unqualified report containing its findings and conclusions in respect of the above continuing connected transactions and confirmed that nothing has come to their attention in relation to the above continuing connected transactions with regard to the matters set out in rule 14A.56 of the Listing Rules.

It is confirmed that the transactions carried out pursuant to the Structured Contracts have received the approval of the Directors, have been entered into in accordance with the relevant Structured Contracts and that no dividends or other distributions have been made by the OPCO Group to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group.

Save as disclosed above, during the year ended 31 August 2021, the Group has not entered into any connected transaction or continuing connected transaction which should be disclosed pursuant to the requirements of Rule 14A.71 of the Listing Rules.

Save as disclosed under the section headed "Related Party Disclosures" stated in Note 39 to the consolidated financial statements contained in this annual report, no contract of significance in relation to the Group's business to which the Group was a party and in which a Director had a material interest, whether directly or indirectly, subsisted during the year ended 31 August 2021.

RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group for the year ended 31 August 2021 are set out in Note 39 to the consolidated financial statements contained herein.

With regard to the related party transactions which constitute connected transactions or continuing connected transactions, the Company has complied with the annual review and disclosure requirements in accordance with Chapter 14A of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding dealings in the securities of the Company by the Directors and the Group's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Group or the Company's securities.

Upon specific enquiry, all Directors confirmed that they have complied with the Model Code during the period from the Listing Date and up to the date of this annual report. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the period from the Listing Date and up to the date of this annual report.

EVENT AFTER REPORTING PERIOD

So far as the Directors are aware, there are no important events after 31 August 2021 and up to the date of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, as at the date of this annual report, the Company has maintained the public float as required under the Listing Rules.

INDEMNITY OF DIRECTORS

A permitted indemnity provision (as defined in the Hong Kong Companies Ordinance) in relation to the director's and officer's liability insurance is currently in force and was in force during the year.

CORPORATE GOVERNANCE

The Company recognises the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted the code provisions set out in the CG Code as its own code to govern its corporate governance practices.

In the opinion of the Directors, the Company has complied with the relevant code provisions contained in the CG Code during the period from the Listing Date and up to the date of this annual report.

The Board will continue to review and monitor the practices of the Company with an aim to maintaining a high standard of corporate governance.

Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 35 to 53 of this annual report.

DONATIONS

During the year ended 31 August 2021, the Group made charitable donations of approximately RMB275,000 (2020: Nil).

AUDITOR

The consolidated financial statements for the year ended 31 August 2021 have been audited by Deloitte Touche Tohmatsu, Certified Public Accountants, who is proposed for reappointment at the forthcoming AGM.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year ended 31 August 2021, the Company was not aware of material non-compliance with the relevant laws and regulations that have a significant impact on the business and operations of the Group.

On behalf of the Board

Liu Yung Chau
Chairman

Hong Kong, 15 November 2021

Deloitte. 德勤

TO THE SHAREHOLDERS OF EDVANTAGE GROUP HOLDINGS LIMITED
中滙集團控股有限公司
(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Edvantage Group Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 124 to 231, which comprise the consolidated statement of financial position as at 31 August 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 August 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are the matters that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (Continued)

Key audit matters	How our audit addressed the key audit matters
Revenue recognition and contract liabilities related to tuition fees	
We identified the revenue recognition and contract liabilities related to tuition fees as a key audit matter due to the significance of the balances to the consolidated financial statements as a whole, combined with the high inherent risk of the occurrence of the Group's revenue for the large volume of tuition fees processed. Revenue mainly represents service income from tuition fees. For the year ended 31 August 2021, revenue related to tuition fees amounted to RMB1,113,818,000, the details of which are included in note 5 to the consolidated financial statements. At 31 August 2021, contract liabilities related to tuition fees amounted to RMB1,048,050,000 as disclosed in note 23 to the consolidated financial statements.	Our procedures in relation to revenue recognition and contract liabilities related to tuition fees included: • understanding of the key controls of the Group over the admission of students and collection of tuition fees; • checking the student payment records and tracing to payment remittance receipts of tuition fees, on a sample basis; • on a sample basis, checking the attendance records and the identity of students for their existence; • checking, on a sample basis, whether the revenue of tuition fees are recognised in accordance with IFRSs with reference to evidence to determine whether the services have been provided; • performing substantive analytical procedures to test the accuracy and reasonableness of the amount of revenue recognised for tuition fees during the year; and • performing data analytics on tuition data, following up exceptions by: (i) inquiring management for the reasons and (ii) investigating and scrutinising the underlying supporting documents including payment remittance receipts of tuition fees and student registration records.

Key Audit Matters (Continued)

Key audit matters	How our audit addressed the key audit matters
Accounting for business combination	
We identified the accounting for business combination in connection with acquisition of 51% equity interest of Sichuan New Concept Education Investment Co., Ltd. and Chengdu Yude Logistics Management Co., Ltd. (collectively referred to "**Sichuan New Concept Group**") and the purchase price allocation exercise completed during the year, as a key audit matter due to the inherent complexity underlying the transaction and level of estimation uncertainty associated with forecasting future cash flows and the discount rates applied in valuations that affect the purchase price allocation. The Group appointed an independent qualified professional valuer who is not connected with the Group (the "**Valuer**") to aid the purchase price allocation process. Management's disclosure with regard to the judgements and estimations are set out in note 4 to the consolidated financial statements and the details relating to the acquisition is set out in note 35 to the consolidated financial statements.	Our procedures in relation to accounting for business combination included: • Understanding the key terms and rationale for the transaction through inspection of purchase agreements for terms that may impact the accounting for the acquisitions; • Evaluating the competence, capabilities and objectivity of the Valuer; • Evaluating key assumptions, such as expected cash flow streams, discount rate and growth rates underlying in the valuations of Sichuan New Concept Group by comparing them to the historical results and relevant industry forecasts; and • Involving our internal valuation specialist to assess the appropriateness of the underlying valuation methodology and key assumptions to the extent necessary.

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe the matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Zhu Chen.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
15 November 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 August 2021

	NOTES	2021 RMB'000	2020 RMB'000
Revenue	5	**1,251,644**	800,092
Cost of revenue		**(620,746)**	(403,848)
Gross profit		**630,898**	396,244
Other income	6	**49,699**	28,716
Investment income	7	**9,993**	19,542
Other gains and losses	8	**(11,132)**	(2,737)
Selling expenses		**(20,032)**	(7,512)
Administrative expenses		**(157,058)**	(110,220)
Finance costs	9	**(18,389)**	(16,063)
Profit before taxation		**483,979**	307,970
Taxation	10	**(14,263)**	(16,483)
Profit for the year	11	**469,716**	291,487
Other comprehensive (expense) income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(1,670)**	202
Total comprehensive income for the year		**468,046**	291,689
Profit for the year attributable to			
— owners of the Company		**413,716**	291,487
— non-controlling interest		**56,000**	—
		469,716	291,487
Total comprehensive income for the year attributable to			
— owners of the Company		**412,046**	291,689
— non-controlling interest		**56,000**	—
		468,046	291,689
Earnings per share	14		
Basic (RMB cents)		**39.42**	28.66
Diluted (RMB cents)		**39.22**	28.62

	NOTES	2021 RMB'000	2020 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	**3,592,946**	1,660,224
Right-of-use assets	16	**808,255**	458,857
Investment properties	17	**78,900**	45,700
Goodwill	18	**105,530**	1,554
Intangible assets	18	**76,365**	7,628
Amount due from a non-controlling shareholder	39	**65,453**	—
Deposits	21	**33,630**	—
Deposits paid for acquisition of property, plant and equipment		**87,743**	13,920
Deferred tax asset	30	**10,480**	4,934
		4,859,302	2,192,817
CURRENT ASSETS			
Inventories		**2,525**	929
Trade receivables, deposits, prepayments and other receivables	21	**141,186**	57,855
Amounts due from related parties	39	**745**	2,981
Financial assets at fair value through profit or loss ("**FVTPL**")	20	**366,985**	88,118
Bank balances and cash	22	**795,344**	1,185,689
		1,306,785	1,335,572
CURRENT LIABILITIES			
Contract liabilities	23	**1,140,908**	623,379
Trade payables	24	**10,675**	4,606
Other payables and accrued expenses	25	**227,794**	104,873
Amounts due to related parties	39	**1,145**	780
Income tax payable		**75,669**	48,169
Bank and other borrowings	26	**281,838**	290,434
Deferred income	27	**25,801**	13,051
Lease liabilities	28	**5,821**	6,918
		1,769,651	1,092,210
NET CURRENT (LIABILITIES) ASSETS		**(462,866)**	243,362
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,396,436**	2,436,179

	NOTES	2021 RMB'000	2020 RMB'000
NON-CURRENT LIABILITIES			
Other payable	25	**51,500**	—
Bank and other borrowings	26	**1,062,246**	456,670
Deferred income	27	**65,964**	—
Lease liabilities	28	**16,162**	25,930
Deferred tax liabilities	30	**154,609**	118,651
		1,350,481	601,251
		3,045,955	1,834,928
CAPITAL AND RESERVES			
Share capital	29	**73,488**	70,005
Reserves		**2,459,893**	1,764,923
Equity attributable to owner of the Company		**2,533,381**	1,834,928
Non-controlling interest		**512,574**	—
		3,045,955	1,834,928

The consolidated financial statements on pages 124 to 231 were approved and authorised for issue by the board of directors (the "**Board**") on 15 November 2021 and are signed on its behalf by:

Mr. Liu Yung Chau
DIRECTOR

Ms. Chen Yuan, Rita
DIRECTOR

	Attributable to owners of the Company												
	Share capital/ registered capital RMB'000	Share premium RMB'000	Other reserve RMB'000 *(Note i)*	Property revaluation reserve RMB'000 *(Note ii)*	Shares held under share award scheme RMB'000 *(Note iv)*	Share award reserve RMB'000	Share option reserve RMB'000	Translation reserve RMB'000	Statutory surplus reserve RMB'000 *(Note iii)*	Retained profits RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 September 2019	70,005	556,109	194,428	4,467	–	–	–	(397)	247,862	533,186	1,605,660	–	1,605,660
Profit for the year	–	–	–	–	–	–	–	–	–	291,487	291,487	–	291,487
Other comprehensive income for the year	–	–	–	–	–	–	–	202	–	–	202	–	202
Total comprehensive income for the year	–	–	–	–	–	–	–	202	–	291,487	291,689	–	291,689
Dividends recognised as distribution *(Note 13)*	–	–	–	–	–	–	–	–	–	(54,803)	(54,803)	–	(54,803)
Purchase of shares under share award scheme	–	–	–	–	(17,082)	–	–	–	–	–	(17,082)	–	(17,082)
Recognition of share-based payments	–	–	–	–	–	2,844	6,620	–	–	–	9,464	–	9,464
Transfer	–	–	–	–	–	–	–	–	55,700	(55,700)	–	–	–
At 31 August 2020	70,005	556,109	194,428	4,467	(17,082)	2,844	6,620	(195)	303,562	714,170	1,834,928	–	1,834,928
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**413,716**	**413,716**	**56,000**	**469,716**
Other comprehensive expense for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,670)**	**–**	**–**	**(1,670)**	**–**	**(1,670)**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,670)**	**–**	**413,716**	**412,046**	**56,000**	**468,046**
Dividends recognised as distribution *(Note 13)*	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(93,175)**	**(93,175)**	**–**	**(93,175)**
Acquisition of a business *(Note 35)*	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**456,574**	**456,574**
Issue of shares *(Note 29)*	**3,470**	**381,309**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**384,779**	**–**	**384,779**
Purchase of shares under share award scheme	**–**	**–**	**–**	**–**	**(26,190)**	**–**	**–**	**–**	**–**	**–**	**(26,190)**	**–**	**(26,190)**
Recognition of equity-settled share-based payments	**–**	**–**	**–**	**–**	**–**	**6,173**	**14,008**	**–**	**–**	**–**	**20,181**	**–**	**20,181**
Share awards vested	**–**	**–**	**–**	**–**	**3,154**	**(2,490)**	**–**	**–**	**–**	**(664)**	**–**	**–**	**–**
Share awards forfeited/ cancelled	**–**	**–**	**–**	**–**	**–**	**(224)**	**–**	**–**	**–**	**224**	**–**	**–**	**–**
Issue of shares upon exercise of share options *(Note 29)*	**13**	**1,110**	**–**	**–**	**–**	**–**	**(311)**	**–**	**–**	**–**	**812**	**–**	**812**
Share options forfeited/ cancelled	**–**	**–**	**–**	**–**	**–**	**–**	**(430)**	**–**	**–**	**430**	**–**	**–**	**–**
Transfer	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**94,884**	**(94,884)**	**–**	**–**	**–**
At 31 August 2021	**73,488**	**938,528**	**194,428**	**4,467**	**(40,118)**	**6,303**	**19,887**	**(1,865)**	**398,446**	**939,817**	**2,533,381**	**512,574**	**3,045,955**

Notes:

i. The other reserve represents the transactions arising from the reorganisation prior to the listing of the Company, including (i) the deemed distribution to controlling shareholders which represents the difference between the fair value of the lower-than-market interest rate advances to 廣州市太陽城集團有限公司 (Guangzhou Sun City Group Co., Ltd.) and the principal amount of the advances at initial recognition; (ii) the deemed contribution from controlling shareholders which represents the differences between the nominal value and fair value of the lower-than-market interest rate advances on the inception date and settlement date upon early repayment; (iii) the difference between the principal amounts of consideration paid/received and the relevant share of carrying value of the subsidiaries' net assets acquired from/disposed to the non-controlling interests; (iv) the deemed distribution to the controlling shareholders arising from financial guarantee provided to 廣州太陽城大酒店有限公司 (Guangzhou Sun City Hotel Co., Ltd.); and (v) the adjustments to non-controlling interests in respect of change in equity interests in a subsidiary.

ii. The property revaluation reserve of the Group represents the gain on revaluation of certain properties for own use of the Group as a result of transfers of those properties for own use from properties, plant and equipment to investment properties.

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

  (i) For PRC subsidiaries with limited liability, they are required to make annual appropriations to general reserve of 10% of after-tax profits as determined under the PRC laws and regulations at each year-end until the balance reaches 50% of the relevant PRC entity's registered capital.

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

iv. Shares held under share award scheme comprises the consideration paid for the treasury shares held for the share award scheme, including any attributable incremental costs for the purchase of shares under the share award scheme.

	2021 RMB'000	2020 RMB'000
OPERATING ACTIVITIES		
Profit for the year	**469,716**	291,487
Adjustments for:		
Taxation	**14,263**	16,483
Depreciation of property, plant and equipment	**98,286**	58,394
Depreciation of right-of-use assets	**23,631**	13,005
Fair value change on financial assets at fair value through profit or loss	**(13,298)**	(4,728)
Finance costs	**18,389**	16,063
Foreign exchange loss, net	**25,766**	8,819
Gain from changes in fair value of investment properties	**(1,900)**	(800)
Gain on disposal of property, plant and equipment	**(108)**	—
Impairment loss recognised on trade receivables, net	**254**	236
Interest income from banks	**(9,993)**	(19,542)
Assets related government grants	**(8,215)**	—
Recognition of share-based payments	**20,181**	9,464
Operating cash flows before movements in working capital	**636,972**	388,881
Increase in inventories	**(718)**	(474)
Increase in trade receivables, deposits, prepayments and other receivables	**(35,978)**	(25,808)
Decrease (increase) in amounts due from related parties	**2,236**	(651)
Increase (decrease) in contract liabilities	**335,184**	(58,537)
Decrease in trade payables	**(7,175)**	(2,063)
Increase in other payables and accrued expenses	**27,277**	663
Increase (decrease) in amounts due to related parties	**365**	(2,351)
Increase in deferred income	**—**	6,593
Cash generated from operations	**958,163**	306,253
Income tax paid	**(1,875)**	(1,377)
NET CASH FROM OPERATING ACTIVITIES	**956,288**	304,876

	NOTE	2021 RMB'000	2020 RMB'000
INVESTING ACTIVITIES			
Purchase of financial assets at FVTPL		**(3,010,800)**	(1,223,830)
Payments for acquisition of property, plant and equipment		**(546,311)**	(321,352)
Payments of right-of-use assets		**(78,310)**	(230,766)
Deposits paid for acquisition of property, plant and equipment		**(189,019)**	(217,797)
Acquisition of a business	35	**(706,176)**	(9,460)
Payments for rental deposits		**(323)**	(750)
Advance to a non-controlling shareholder		**(266)**	—
Redemption of financial assets at FVTPL		**2,739,440**	1,387,860
Withdrawal of pledged bank deposits		**—**	50,000
Interest income from banks		**10,497**	19,542
Government grants received for construction of property, plant and equipment		**27,405**	—
Interest income from financial assets at FVTPL		**5,791**	5,246
Proceeds from disposal of property, plant and equipment		**173**	635
NET CASH USED IN INVESTING ACTIVITIES		**(1,747,899)**	(540,672)
FINANCING ACTIVITIES			
Repayment of bank and other borrowings		**(701,859)**	(307,299)
Dividend paid		**(93,175)**	(63,035)
Interest paid on bank and other borrowings		**(67,470)**	(25,240)
Purchase of shares under share award scheme		**(26,190)**	(17,082)
Repayment of lease liabilities		**(8,812)**	(4,825)
Interest paid on lease liabilities		**(1,496)**	(1,526)
Issue costs paid		**—**	(1,835)
New bank and other borrowings raised		**913,911**	498,404
Issue of new shares		**384,779**	—
Proceeds from issue of shares upon exercise of share options		**812**	—
NET CASH FROM FINANCING ACTIVITIES		**400,500**	77,562
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(391,111)**	(158,234)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**1,185,689**	1,352,220
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**766**	(8,297)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, REPRESENTING BANK BALANCES AND CASH		**795,344**	1,185,689

1. GENERAL INFORMATION

Edvantage Group Holdings Limited (the "**Company**") was incorporated in the Cayman Islands and registered as an exempted company with limited liability under the Companies Law Chapter 22 of the Cayman Islands on 18 October 2018. Its immediate and ultimate holding company is Debo Education Investments Holdings Limited (德博教育投資控股有限公司) ("**BVI Holdco**"). The ultimate controlling shareholders of the Company and together with its subsidiaries (the "**Group**") are Mr. Liu Yung Chau ("**Mr. Liu**") and Ms. Chen Yuan, Rita ("**Ms. Chen**"), the spouse of Mr. Liu ("**Controlling Shareholders**"). Mr. Liu is the chairman and an executive director of the Company, and Ms. Chen is an executive director of the Company. The shares of the Company had been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 16 July 2019. The addresses of the Company's registered office and the principal place of business are PO Box 309, Ugland House, Grand Cayman, KY1–1104, Cayman Islands and Room 1115, 11/F, Wing On Plaza, 62 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong, respectively.

The Company is an investment holding company. The principal activities of its subsidiaries are mainly engaged in the operation of private higher education and vocational education institutions in the PRC and overseas.

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company.

2. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the Amendments to References to the Conceptual Framework in IFRS Standards and the following amendments to IFRSs issued by the International Amounting Standards Board ("**IASB**") for the first time which are mandatorily effective for the annual periods beginning on or after 1 September 2020 for the preparation of the consolidated financial statements:

Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 3	Definition of a Business
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform
Amendment to IFRS 16	Covid-19-Related Rent Concessions

Except as described below, the application of the Amendments to References to the Conceptual Framework in IFRS Standards and the amendments to IFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Continued)

Amendments to IFRSs that are mandatorily effective for the current year (Continued)

2.1 Impacts on application of Amendments to IAS 1 and IAS 8 Definition of Material

The Group has applied the Amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments had no impact on the consolidated financial statements.

2.2 Impacts on application of Amendments to IFRS 3 Definition of a Business

The Group has applied the amendments for the first time in the current year. The amendments clarify that while business usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or process and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. The election on whether to apply the optional concentration test is available on transaction-by-transaction basis.

The application of the amendments had no impact on the consolidated financial statements in the current year as similar conclusion would have been reached without applying the optional concentration test.

2. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Continued)

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 17	Insurance Contracts and the related Amendments[4]
Amendments to IFRS 3	Reference to the Conceptual Framework[3]
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform — Phase 2[1]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendment to IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021[2]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[4]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[4]
Amendments to IAS 8	Definition of Accounting Estimates[4]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[4]
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use[3]
Amendments to IAS 37	Onerous Contracts — Cost of Fulfilling a Contract[3]
Amendments to IFRS Standards	Annual Improvements to IFRS Standards 2018–2020[3]

1 Effective for annual periods beginning on or after 1 January 2021
2 Effective for annual periods beginning on or after 1 April 2021
3 Effective for annual periods beginning on or after 1 January 2022
4 Effective for annual periods beginning on or after 1 January 2023
5 Effective for annual periods beginning on or after a date to be determined

The directors of the Company anticipate that the application of the new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and by the Hong Kong Companies Ordinance.

Going concern assessment

The Group had net current liabilities of RMB462,866,000 as at 31 August 2021. The directors of the Company have reviewed the Group's cash flow projections prepared by the management of the Group. The cash flow projections cover a period not less than twelve months from the end of the reporting period. The directors of the Company are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the next twelve months from the end of the reporting period after taking consideration that as at 31 August 2021, included in the current liabilities of the Group was contract liabilities of approximately RMB1,140,908,000 representing the prepayments of tuition and boarding fees received by the Group before commencement of school terms which would be recognised as revenue over the remaining contract terms. Such contract liabilities shall not in itself result in any cash outflow for the Group. In addition, the Group could generate sufficient operating cash inflow to meet its future obligations.

Taking into account the above-mentioned considerations, these consolidated financial statements have been prepared on a going concern basis.

The consolidated financial statements have been prepared on the historical cost basis except for certain investment properties and financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with IFRS 16 *Lease* ("**IFRS 16**"), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 Basis of preparation of consolidated financial statements (Continued)

Going concern assessment (Continued)

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equal the transaction prices.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for asset or liability.

3.2 Significant accounting policies

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

(i) has power over the investee;

(ii) is exposed, or has rights, to variable returns from its involvement with the investee; and

(iii) has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Basis of consolidation (Continued)

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Business combinations or asset acquisitions

Optional concentration test

Effective from 1 September 2020, the Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

Except for certain recognition exemptions, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the International Accounting Standards Committee's Framework for the Preparation and Presentation of Financial Statements (replaced by the Conceptual Framework for Financial Reporting issued in September 2010).

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Business combinations (Continued)

At the acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their fair values, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes ("**IAS 12**") and IAS 19 Employee Benefits respectively; and

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Goodwill (Continued)

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

Revenue from contract with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation representing tuition and boarding are transferred to the customers.

A performance obligation represents a goods and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Revenue from contract with customers (Continued)

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or service.

A contract liability represents the Group's obligation to transfer goods or services to the customers for which the Group has received consideration (or an amount of consideration is due) from the customer.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of services.

The Group's major revenue-generating operations, representing tuition, university cooperation programme and boarding (each being single performance obligation) are recognised under output methods. Output method is used when determining progress towards complete satisfaction of the performance obligation of the courses and programs, which is to recognise revenue on the basis of direct measurements of the value of services transferred to the customers to date relative to the remaining services promised under the contract, that best depict the Group's performance in transferring control of services. Accordingly, revenue is recognised on a straight-line basis during the service period.

The Group's other income including management fee income, non-regular training fee income and system maintenance and other service income (each being single performance obligation) are recognised under output method. Output method is used when determining progress towards complete satisfaction of the performance obligation of the system maintenance service and course, which is to recognise revenue on the basis of direct measurements of the value of services transferred to the customers to date relative to the remaining services promised under the contract, that best depict the Group's performance in transferring control of services.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application of IFRS 16, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, unless such allocation cannot be made reliably.

The Group applies practical expedient, not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets (Continued)

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 *Financial Instruments* ("**IFRS 9**") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Leases (Continued)

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB), using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefit costs

Payments to defined contribution retirement benefit plan (state-managed retirement benefit scheme, Mandatory Provident Fund Scheme ("**MPF Scheme**") and defined contribution superannuation plans) are charged as expenses when employees have rendered services entitling them to the contributions.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Share-based payments

Equity-settled share-based payment transactions

Share options granted to employees under share option scheme

The Group operates a share option scheme which allows it to grant share options to selected employees. Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessments of all relevant non-marketing vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When share options are forfeited/cancelled after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Share-based payments (Continued)

Equity-settled share-based payment transactions (Continued)

Shares granted to employees under share award scheme

The Group operates share award scheme which allows it to grant shares to selected employees. For the shares granted to the employees, the fair value of the employee services received in exchange for the grant of the shares is recognised as an expense over the vesting period. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares granted.

At the end of each reporting period, the Group revises its estimate of the number of award shares that are expected to vest. The impact of the revision of original estimates, if any, is recognised in profit or loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share award reserve.

At the time when the award shares are vested, the amount previously recognised in shares held under share award scheme and the amount of the share award reserve will be transferred to retained profits.

Shares/Share options granted to non-employees

Equity-settled share-based payments transactions with parties other than employees are measured at the fair value of the services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the counterparty renders the service. The fair values of the services received are recognised as expenses (unless the services qualify for recognition as assets).

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Taxation (Continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with interests in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such interests is only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale, except for freehold land, which is always presumed to be recovered entirely through sale.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Taxation (Continued)

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be use by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

Property, plant and equipment

Property, plant and equipment including buildings and leasehold land and buildings held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply and administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Property, plant and equipment (Continued)

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

If a property becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item (including the relevant leasehold land classified as right-of-use assets) at the date of transfer is recognised in other comprehensive income and accumulated in property revaluation reserve. On the subsequent sale or retirement of the property, the relevant revaluation reserve will be transferred directly to retained profits.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment other than properties under construction less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair values, adjusted to exclude any prepaid or accrued operating lease income. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Investment properties (Continued)

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Intangible assets

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

Impairment on property, plant and equipment, right-of-use assets, and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Impairment on property, plant and equipment, right-of-use assets, and intangible assets other than goodwill (Continued)

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Cost necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 Revenue from Contracts with Customers ("**IFRS 15**"). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("**FVTOCI**"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

Except for trade receivables, deposits and other receivables, amounts due from related parties and bank balances and cash which are subsequently measured at amortised costs, all other financial assets are subsequently measured at FVTPL.

Financial assets at amortised cost and effective interest method

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of the reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including trade receivables, deposits and other receivables, amounts due from related parties, amount due from a non-controlling shareholder and bank balances) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at the reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group recognises lifetime ECL for trade receivables arising from revenue from contracts with customers.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initially recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(i) Significant increase in credit risk (Continued)

Despite the aforegoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default (i.e. no default history); ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtain from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group also considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, or in the case of trade receivables from students, when the students are dropped out from schools, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience and forward looking information that is available without undue cost or effort.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(v) Measurement and recognition of ECL (Continued)

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities including trade and other payables, amounts due to related parties and bank and other borrowings are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liability when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Business combination

For the year ended 31 August 2021, the Group has completed the purchase price allocation for acquisition of Sichuan New Concept Group (as defined in note 35). The purchase price allocation exercises require judgement to be exercised by the directors in identifying assets and liabilities of the acquirees that exist as at the date of acquisition and measured at fair value. In particularly, the judgements result in the recognition of intangible assets and goodwill.

In accounting for the business combination, the amounts derived in arriving at the fair values of the identified assets and recognised liabilities are sensitive to the underlying assumptions around forecasted future cash flows, and the discount rates applied in valuations.

Impairment assessment of goodwill and intangible assets with indefinite useful lives

Determine whether goodwill and intangible assets with indefinite useful lives are impaired requires an estimation of the recoverable amount of the cash-generating unit ("**CGU**") to which goodwill and intangible assets have been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU containing goodwill and intangible assets and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows, a material impairment loss may arise. As at 31 August 2021, the carrying amounts of goodwill and intangible assets were RMB105,530,000 and RMB76,365,000 (31 August 2020: RMB1,554,000 and RMB7,628,000), respectively. Details of the calculation of recoverable amounts are disclosed in note 19.

Income taxes

Significant judgement is required in interpreting the relevant tax rules and regulation so as to determine whether the Group is subject to EIT. This assessment relies on estimates and assumptions about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of the tax liabilities. Such changes to tax liabilities will impact tax expense in the period that such determination is made.

5. REVENUE AND SEGMENT INFORMATION

Revenue from contracts with customers

The following is an analysis of the Group's revenue from contracts with customers by major service lines:

	For the year ended 31 August 2021		
	PRC higher education and vocational education *RMB'000*	**Overseas higher education and vocational education** *RMB'000*	**Consolidated** *RMB'000*
Tuition fees recognised overtime	**1,103,671**	**10,147**	**1,113,818**
Boarding fees recognised overtime	**92,208**	**—**	**92,208**
Other vocational education service fees recognised overtime	**41,806**	**246**	**42,052**
Fees from university cooperation programme recognised overtime	**—**	**3,566**	**3,566**
	1,237,685	**13,959**	**1,251,644**

	For the year ended 31 August 2020		
	PRC higher education and vocational education *RMB'000*	Overseas higher education and vocational education *RMB'000*	Consolidated *RMB'000*
Tuition fees recognised overtime	752,858	9,886	762,744
Boarding fees recognised overtime	35,912	—	35,912
Fees from university cooperation programme recognised overtime	—	1,436	1,436
	788,770	11,322	800,092

The revenue of the Group comprises of the tuition fees, boarding fees and other vocational education service fees from the Group's higher education and vocational education programmes and fees from university cooperation programme. The Group's contracts with students for higher education and vocational education programmes in the PRC are normally with duration of 1 year and renewed up to total duration of 2–4 years depending on the education programmes, while those for boarding fees are normally with duration of 1 year. The Group's contracts with students for higher education and vocational education programmes in overseas (including diploma/advanced diploma/certificate) are normally with duration of 12–76 weeks (2020: 12–76 weeks) while those contracts for university cooperation programme for bachelor's degree programmes are normally with duration of 1 year and renewed up to total duration of 3 years. Tuition and boarding fees and fees from university cooperation programme are charged at pre-determined fixed consideration.

5. REVENUE AND SEGMENT INFORMATION (Continued)

Transaction price allocated to the remaining performance obligation for contracts with customers

The contracts for tuition courses, boarding, other vocational education services and university cooperation programme are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Segment information

The Group is mainly engaged in the provision of private higher education and vocational education institution services in the PRC and overseas. Operating segments have been identified on the basis of internal management reports and prepared in accordance with the relevant accounting principles and financial regulations which conform with IFRSs, that are regularly reviewed by the chief operating decision makers ("**CODM**"), Mr. Liu and Ms. Chen, executive directors of the Company, for the purposes of resource allocation and assessment of segment performance focusing on types of services provided.

For education operation in the PRC, the information reported to the CODM is further categorised into different locations within the PRC, each of which is considered as a separate operating segment by the CODM. For segment reporting, these individual operating segments have been aggregated into a single reportable segment as they are located in the same country and under similar environment constitutes an operating segment.

For education operation in Australia and Singapore, they are considered as a separate operating segment by the CODM. None of these segments met the quantitative thresholds for the reportable segments in both current and prior year. Accordingly, these segments were grouped in "Overseas higher education and vocational education".

Specifically, the Group's reportable segments under IFRS 8 Operating Segments are as follows:

1. PRC higher education and vocational education — operation of higher and vocational education institutions in the PRC; and

2. Overseas higher education and vocational education — operation of higher and vocational education institutions in the regions other than the PRC.

5. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenue and results

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

For the year ended 31 August 2021

	PRC higher education and vocational education *RMB'000*	Overseas higher education and vocational education *RMB'000*	Total *RMB'000*
Revenue			
External sales and segment revenue	1,237,685	13,959	1,251,644
Segment profit (loss)	570,557	(13,522)	557,035
Unallocated corporate expenses			(48,671)
Unallocated corporate income			1,381
Unallocated other gains and losses			(25,766)
Profit before taxation			483,979

For the year ended 31 August 2020

	PRC higher education and vocational education *RMB'000*	Overseas higher education and vocational education *RMB'000*	Total *RMB'000*
Revenue			
External sales and segment revenue	788,770	11,322	800,092
Segment profit (loss)	347,354	(6,493)	340,861
Unallocated corporate expenses			(34,154)
Unallocated corporate income			9,382
Unallocated other gains and losses			(8,119)
Profit before taxation			307,970

5. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit (loss) represent the profit earned by/loss incurred from each segment without allocation of certain administrative expenses, selling expenses, certain other income, certain investment income and certain other gains and losses. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the CODM of the Group on making decision for resource allocation and performance assessment.

Geographical information

The Group operates in the PRC, Australia and Singapore.

Information about the Group's revenue from customers is presented based on the location of the operations and the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from customers		Non-current assets	
	31 August		31 August	
	2021	2020	**2021**	2020
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Australia	**13,055**	10,916	**3,027**	12,444
Singapore	**904**	406	**7,808**	8,986
The PRC	**1,237,685**	788,770	**4,738,904**	2,166,453
	1,251,644	800,092	**4,749,739**	2,187,883

Note: Non-current assets excluded deferred tax asset, deposits and amount due from a non-controlling shareholder.

Information about major customers

No single customer contributes over 10% or more of total revenue of the Group during the years ended 31 August 2021 and 2020.

6. OTHER INCOME

	2021 *RMB'000*	2020 *RMB'000*
Management fee and rental income	**9,823**	5,064
Government grants *(Note)*	**11,768**	4,878
Non-regular training fee income	**—**	15,135
School ancillary, system maintenance and service income	**27,806**	2,794
Others	**302**	845
	49,699	28,716

Note: Government grants mainly represent subsidies from government for (i) conducting educational programmes and are recognised upon usage of the funds in research projects; (ii) subsidising the campus construction and development which will be recognised to profit or loss on a systematic basis over the estimated useful life of the property, plant and equipment that were related to the purpose of those government grants and (iii) the employment support scheme because of the Covid-19.

During the year ended 31 August 2021, the Group recognised government grants of RMB3,553,000 (2020: RMB3,167,000) in respect of Covid-19-related subsidies, of which RMB327,000 (2020: RMB292,000), RMB3,127,000 (2020: RMB2,662,000) and RMB99,000 (2020: RMB213,000) relates to employment support scheme and other support provided by the governments of Hong Kong, Australia and Singapore, respectively.

7. INVESTMENT INCOME

	2021 *RMB'000*	2020 *RMB'000*
Interest income from banks	**9,993**	19,542

8. OTHER GAINS AND LOSSES

	2021 *RMB'000*	2020 *RMB'000*
Fair value change on financial assets at FVTPL	**13,298**	4,728
Gain from changes in fair value of investment properties	**1,900**	800
Recovery of trade receivables previously written-off	**180**	90
Net foreign exchange loss	**(25,766)**	(8,119)
Impairment loss recognised on trade receivables, net	**(254)**	(236)
Others	**(490)**	—
	(11,132)	(2,737)

9. FINANCE COSTS

	2021 *RMB'000*	2020 *RMB'000*
Interest expenses on bank and other borrowings	**67,470**	25,240
Interest on lease liabilities	**1,496**	1,526
Less: amounts capitalised in the cost of property, plant and equipment	**(50,577)**	(10,703)
	18,389	16,063

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 5.28% (2020: 4.81%) per annum, to expenditure on property, plant and equipment (construction in progress).

10. TAXATION

	2021 *RMB'000*	2020 *RMB'000*
Current tax		
— Hong Kong Profits Tax	**202**	245
— PRC Enterprise Income Tax ("**EIT**")	**18,933**	5,161
Withholding tax	**7,170**	5,000
	26,305	10,406
Overprovision in prior years		
— EIT	**(8,143)**	(527)
— Hong Kong Profits Tax and corporate income tax	**(266)**	(7)
	(8,409)	(534)
Deferred tax *(Note 30)*	**(3,633)**	6,611
Total	**14,263**	16,483

10. TAXATION (Continued)

The income tax expense can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2021 **RMB'000**	2020 RMB'000
Profit before taxation	**483,979**	307,970
Tax at PRC EIT rate of 25%	**120,995**	76,992
Tax effect of income not taxable for tax purposes	**(294,819)**	(225,864)
Tax effect of expenses not deductible for tax purposes	**177,117**	157,017
Withholding tax on undistributed earnings of PRC subsidiaries	**7,170**	5,000
Tax effect of tax losses not recognised	**15,027**	4,985
Utilisation of tax losses previously not recognised	**(1,113)**	(67)
Overprovision in prior years	**(8,409)**	(534)
Effect of tax charged at a predetermined tax rate on turnover entitled by certain subsidiaries operating in the PRC	**2**	12
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(1,707)**	(1,058)
Tax charge for the year	**14,263**	16,483

Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

Pursuant to the Enterprise Income Tax Law and Implementation Regulations of the Law of the PRC (the "**EIT Law of PRC**"), the statutory tax rate of PRC subsidiaries is 25% during the years ended 31 August 2021 and 2020.

Pursuant to the EIT Law of PRC and the Detailed Implementation Rules, distribution of the profits earned by the PRC subsidiaries since 1 January 2008 to holding companies incorporated in Hong Kong is subject to the PRC withholding tax at the applicable tax rates of 5% or 10%.

10. TAXATION (Continued)

According to the Implementation Rules, private schools for which the school sponsors do not require reasonable returns are eligible to enjoy the same preferential tax treatment as public schools. As a result, private schools, which are providing academic qualification education, are eligible to enjoy income tax exemption treatment if the school sponsors of such schools do not require reasonable returns. Certain private higher education and vocational education institutions have been granted enterprise income tax exemption for the tuition related income from relevant local tax authorities. During the year ended 31 August 2021, the non-taxable tuition related income amounted to RMB1,179,271,000 (2020: RMB788,929,000), and the related non-deductible expenses amounted to RMB689,591,000 (2020: RMB575,835,000).

All group entities incorporated in Australia and Singapore are subject to corporate income tax rate of 30% and 17%, respectively, during the years ended 31 August 2021 and 2020.

11. PROFIT FOR THE YEAR

	2021	2020
	RMB'000	*RMB'000*
Profit for the year has been arrived at after charging:		
Staff costs, including directors' remuneration		
— salaries and other allowances	**318,413**	239,997
— retirement benefit scheme contributions	**26,415**	18,062
— share-based payments	**20,181**	9,464
Total staff costs	**365,009**	267,523
Depreciation of property, plant and equipment	**98,286**	58,394
Depreciation of right-of-use assets	**23,631**	13,005
Auditor's remuneration	**6,390**	4,651
Short-term lease expenses	**665**	482

12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

Directors and chief executives emoluments

Details of the emoluments paid or payable by the entities comprising the Group to the directors and chief executive of the Company are as follows:

	Directors' fee *RMB'000*	Salaries and other allowances *RMB'000*	Share-based payments *RMB'000*	Retirement benefit scheme contribution *RMB'000*	Total *RMB'000*
For the year ended 31 August 2021					
Executive directors:					
Mr. Liu	—	2,093	2,993	—	5,086
Ms. Liu Yi Man ("**Ms. Liu**") *(Note)*	—	1,856	2,119	29	4,004
Ms. Chen	—	1,116	525	—	1,641
Non-executive director:					
Mr. Liu Yung Kan	83	—	158	—	241
Independent non-executive directors:					
Mr. Xu Gang	83	—	105	—	188
Mr. Lo Chi Chiu	100	—	—	—	100
Mr. Li Jiatong	83	—	105	—	188
	349	5,065	6,005	29	11,448
For the year ended 31 August 2020					
Executive directors:					
Mr. Liu	—	1,327	2,380	—	3,707
Ms. Liu *(Note)*	—	2,001	1,428	28	3,457
Ms. Chen	—	1,193	476	—	1,669
Non-executive director:					
Mr. Liu Yung Kan	90	—	333	—	423
Independent non-executive directors:					
Mr. Xu Gang	90	—	95	—	185
Mr. Lo Chi Chiu	108	—	—	—	108
Mr. Li Jiatong	90	—	95	—	185
	378	4,521	4,807	28	9,734

The executive directors' emoluments shown above were paid for their services in connection with the management of affairs of the Company and the Group. The non-executive director and independent non-executive directors' emoluments shown above were for their services as directors of the Company.

12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

Directors and chief executives emoluments (Continued)

Note: Ms. Liu is also the chief executive officer of the Company and her emoluments disclosed above included those for services rendered by her as an employee of the Group.

Five individuals with the highest emoluments

The five highest paid individuals of the Group included three directors for the year ended 31 August 2021 (2020: three directors) whose emoluments are included in the disclosures above. The emoluments of the remaining two individuals for the year ended 31 August 2021 (2020: two individuals) are as follows:

	2021	2020
	RMB'000	*RMB'000*
Salaries and other benefits	**2,243**	2,437
Share-based payments	**2,862**	1,025
Retirement benefit scheme contributions	**30**	32
	5,135	3,494

The number of the five highest paid individuals whose emoluments fell within the following bands is as follows:

	2021	2020
HK$1,000,001 to HK$1,500,000	**—**	1
HK$1,500,001 to HK$2,000,000	**1**	2
HK$2,000,001 to HK$2,500,000	**1**	—
HK$3,500,001 to HK$4,000,000	**1**	1
HK$4,000,001 to HK$4,500,000	**—**	1
HK$4,500,001 to HK$5,000,000	**1**	—
HK$6,000,001 to HK$6,500,000	**1**	—

During the year, no emoluments were paid by the Group to the directors of the Company or the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

None of the directors of the Company or the chief executive of the Company waived or agreed to waive any emolument during the year.

13. DIVIDENDS

During the reporting period, the Company recognised the following dividend as distribution:

	2021 **RMB'000**	2020 RMB'000
Final dividend for the preceding financial year ended 31 August 2020 of HK4.90 cents (preceding financial year ended 31 August 2019: HK1 cent) per ordinary share	**43,772**	9,152
Interim dividend for the six months ended 28 February 2021 of HK5.50 cents (six months ended 29 February 2020: HK4.90 cents) per ordinary share	**49,403**	45,651
	93,175	54,803

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 August 2021 of HK8.40 cents (2020: HK4.90 cents) per ordinary share, in an aggregate amount of approximately HK$90,036,000 (2020: HK$49,900,000) which is calculated based on the number of issued shares of the Company at the end of the reporting period, has been proposed by the Board and is subject to approval by the shareholders at the forthcoming annual general meeting.

14. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2021	2020
	RMB'000	*RMB'000*
Earnings:		
Profit for the year attributable to owners of the Company for the purpose of calculating basic and diluted earnings per share	**413,716**	291,487

	2021	2020
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,049,416,790**	1,017,073,907
Effect of dilutive potential ordinary shares:		
Share options	**232,471**	—
Vested and treasury shares held under share award scheme	**(263,562)**	—
Unvested and treasury shares held under share award scheme	**5,353,622**	1,288,093
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,054,739,321**	1,018,362,000

The computation of diluted earnings per share does not assume the exercise of certain share options of the Company because the exercise prices of those share options were higher than the average market prices of shares of the Company during the year ended 31 August 2020 and 2021.

The weighted average number of ordinary shares shown above has been arrived at after deducting shares held by share award scheme trust as set out in note 32.

15. PROPERTY, PLANT AND EQUIPMENT

	Owned properties RMB'000	Leasehold land and buildings RMB'000	Leasehold improvements RMB'000	Motor vehicles RMB'000	Furniture, fixtures and equipment RMB'000	Construction in progress RMB'000	Total RMB'000
COST							
At 1 September 2019	1,118,717	14,189	78,641	10,119	301,802	154,636	1,678,104
Additions	488	—	8,264	871	44,298	484,993	538,914
Acquisition of a business *(Note 35)*	—	—	—	—	61	—	61
Transfer	121,031	—	1,568	—	—	(122,599)	—
Disposal	—	—	—	—	(876)	—	(876)
Exchange realignment	—	—	192	—	104	—	296
At 31 August 2020	1,240,236	14,189	88,665	10,990	345,389	517,030	2,216,499
Additions	**1,845**	**—**	**11,419**	**707**	**64,173**	**716,899**	**795,043**
Acquisition of a business *(Note 35)*	**531,210**	**5,654**	**9,774**	**2,629**	**73,272**	**613,761**	**1,236,300**
Transfer	**704,454**	**—**	**17,721**	**—**	**20,560**	**(742,735)**	**—**
Disposal	**—**	**—**	**(192)**	**—**	**—**	**—**	**(192)**
Exchange realignment	**—**	**—**	**(328)**	**—**	**(158)**	**—**	**(486)**
At 31 August 2021	**2,477,745**	**19,843**	**127,059**	**14,326**	**503,236**	**1,104,955**	**4,247,164**
DEPRECIATION							
At 1 September 2019	193,771	270	63,012	8,130	232,824	—	498,007
Provided for the year	29,731	270	4,980	937	22,476	—	58,394
Eliminated on disposal	—	—	—	—	(241)	—	(241)
Exchange realignment	—	—	60	—	55	—	115
At 31 August 2020	223,502	540	68,052	9,067	255,114	—	556,275
Provided for the year	**45,010**	**348**	**6,226**	**988**	**45,714**	**—**	**98,286**
Eliminated on disposal	**—**	**—**	**(127)**	**—**	**—**	**—**	**(127)**
Exchange realignment	**—**	**—**	**(111)**	**—**	**(105)**	**—**	**(216)**
At 31 August 2021	**268,512**	**888**	**74,040**	**10,055**	**300,723**	**—**	**654,218**
CARRYING VALUES							
At 31 August 2021	**2,209,233**	**18,955**	**53,019**	**4,271**	**202,513**	**1,104,955**	**3,592,946**
At 31 August 2020	1,016,734	13,649	20,613	1,923	90,275	517,030	1,660,224

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment, other than construction in progress, after taking into account their estimated residual values, are depreciated on a straight-line basis at the following useful life:

Owned properties	Over the shorter of 20–50 years or the terms of the leases
Leasehold land and buildings	Over the shorter of 50 years or the terms of the leases
Leasehold improvements	Over the shorter of 2–10 years or the terms of the leases
Motor vehicles	4–5 years
Furniture, fixtures and equipment	4–5 years

16. RIGHT-OF-USE ASSETS

	Leasehold lands *RMB'000*	**School premises and offices** *RMB'000*	**Total** *RMB'000*
As at 1 September 2020			
Carrying amount	428,260	30,597	458,857
As at 31 August 2021			
Carrying amount	**756,981**	**51,274**	**808,255**
For the year ended 31 August 2020			
Depreciation charge	7,053	5,952	13,005
For the year ended 31 August 2021			
Depreciation charge	**15,845**	**7,786**	**23,631**

	Year ended 31 August 2021 ***RMB'000***	Year ended 31 August 2020 *RMB'000*
Expense relating to short-term leases	**665**	482
Total cash outflow for leases	**89,283**	237,599
Additions to right-of-use assets	**378,687**	244,398

During the year ended 31 August 2021, a total amount of RMB298,000,000 right-of-use assets was acquired through acquisition of a business as set out in note 35 to the consolidated financial statements.

16. RIGHT-OF-USE ASSETS (Continued)

For both years, the Group leases various school premises and offices for its operations. Lease contracts are entered into for fixed term of 2 to 20 years, but may have extension and termination options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for temporary offices. As at 31 August 2021 and 2020, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

The Group has extension options in a number of leases for school premises. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension options held are exercisable only by the Group and not by the respective lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. In addition, the Group reassesses whether it is reasonably certain to exercise an extension option upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. During the year ended 31 August 2021, there is no such triggering event.

Restrictions or covenants on leases

In addition, lease liabilities of RMB21,983,000 are recognised with related right-of-use assets of RMB51,274,000 as at 31 August 2021 (2020: lease liabilities of RMB32,848,000 and related right-of-use assets of RMB30,597,000). The lease agreement do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

17. INVESTMENT PROPERTIES

The Group leases out certain of its school premises under operating leases with rental payable monthly. The leases typically run for an initial period of three years.

The Group is not exposed to foreign currency risk as a result of the lease arrangement, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

	RMB'000
FAIR VALUE	
At 1 September 2019	44,900
Gain from changes in fair value recognised in profit or loss *(Note 8)*	800
At 31 August 2020	**45,700**
Acquisition of a business *(Note 35)*	**31,300**
Gain from changes in fair value recognised in profit or loss *(Note 8)*	**1,900**
At 31 August 2021	**78,900**

In determining the fair value of the relevant properties, the Group engages third party qualified valuers to perform the valuation. The chief financial officer works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The chief financial officer reports to the board of directors of the Company regularly to explain the cause of fluctuations in the fair value of the investment properties.

The fair values of the Group's investment properties as at 31 August 2021 and 2020 have been arrived at on the basis of a valuation carried out on the respective date by Jones Lang LaSalle Corporate Appraisal and Advisory Limited an independent qualified professional valuers not connected to the Group.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

17. INVESTMENT PROPERTIES (Continued)

Details of the Group's investment properties and information about the fair value hierarchy as at 31 August 2021 and 2020 are as follows:

	Valuation Technique	**Significant unobservable inputs**	**Sensitivity**
School premises located in the PRC — completed properties	Income capitalisation	Capitalisation rate of 4.5% (2020: 4.5%) and market rentals, taking into account the net rental income rates of the properties derived from existing lease and/or achievable in the existing market, ranging from RMB10 per m^2 per month to RMB26 per m^2 per month (2020: RMB11 per m^2 per month to RMB30 per m^2 per month).	A significant increase in the market rentals used would result in a significant increase in fair value, vice versa. A significant increase in capitalisation rate would result in a significant decrease in fair value, vice versa.

	2021		2020	
	Carrying amount	**Fair value at Level 3 hierarchy**	Carrying amount	Fair value at Level 3 hierarchy
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
School premises	**78,900**	**78,900**	45,700	45,700

There were no transfers into or out of Level 3 during the year.

18. GOODWILL AND INTANGIBLE ASSETS

	Goodwill	Intangible assets			Total
		Brand name	Licenses	Accreditations	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note i)	*(Note ii)*	*(Note ii)*	*(Note ii)*	
COST AND CARRYING VALUE					
At 1 September 2019	—	—	—	—	—
Acquisition of a business *(Note 35)*	1,592	2,566	—	5,252	7,818
Exchange realignment	(38)	(62)	—	(128)	(190)
At 31 August 2020	**1,554**	**2,504**	**—**	**5,124**	**7,628**
Acquisition of a business *(Note 35)*	**104,051**	**—**	**69,100**	**—**	**69,100**
Exchange realignment	**(75)**	**(119)**	**—**	**(244)**	**(363)**
At 31 August 2021	**105,530**	**2,385**	**69,100**	**4,880**	**76,365**

Notes:

i. Particulars regarding impairment testing on goodwill are disclosed in note 19.

ii. Brand name, licenses and accreditations are considered by the management of the Group as having an indefinite useful lives because they are expected to contribute to net cash inflows indefinitely. The brand name, licenses and accreditations will not be amortised until their useful lives are determined to be finite. Instead they will be tested for impairment annually and whenever there is an indication that they may be impaired. Particulars of the impairment testing are disclosed in note 19.

19. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

For the purposes of impairment testing, goodwill and intangible assets with indefinite useful lives set out in note 18 have been allocated to two CGUs representing the business of vocational education operation in Singapore and Chengdu. The carrying amounts of goodwill and intangible assets (net of accumulated impairment losses, if any) as at 31 August 2021 and 2020 are as follows:

	Goodwill		Intangible assets	
	2021	2020	**2021**	2020
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Singapore operation	**1,479**	1,554	**7,265**	7,628
Chengdu operation	**104,051**	—	**69,100**	—
	105,530	1,554	**76,365**	7,628

19. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES (Continued)

During the year ended 31 August 2021 and 2020, the management of the Group determines that there is no impairment of CGU which contains goodwill and intangible assets with indefinite useful lives.

The basis of the recoverable amounts of the its CGU and its major underlying assumptions are summarised below:

Singapore operation

The recoverable amount of this unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the management covering a 5-year period, and discount rate of 13.55% (2020: 13.68%). The CGU's cash flows beyond the 5-year period are extrapolated using a steady 2.5% (2020: 2.5%) growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include salary costs of teachers, growth rate of student number and growth rate of tuition fee, such estimation is based on the unit's past performance and the management's expectations for the market development.

Chengdu operation

The recoverable amount of this unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the management covering a 5-year period, and discount rate of 13.68% (2020: N/A). The CGU's cash flows beyond the 5-year period are extrapolated using a steady 2.0% (2020: N/A) growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include salary costs of teachers, growth rate of student number and growth rate of tuition fee, such estimation is based on the unit's past performance and the management's expectations for the market development.

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

At 31 August 2021 and 2020, the financial assets at FVTPL represented the financial products issued by banks and financial institutions in the PRC.

The financial products are with expected rates of return (not guaranteed), depending on the market price of underlying financial instruments, including listed shares, bonds, debentures and other financial assets, as follows:

	2021	2020
Financial products investments in structured deposits	**1.35% to 7%**	2.50% to 4.20%

At 31 August 2021, the Group has the rights to redeem the investments at expected maturity dates ranging from 9 to 61 days (31 August 2020: 19 to 224 days), after the end of the reporting period or at any time with prior notice.

The management of the Group considers the fair values of the structured deposits are, by reference to the discounted cash flow, based on the estimated return and discounted rate as disclosed in note 34(c) at 31 August 2021 and 2020.

21. TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2021 *RMB'000*	2020 *RMB'000*
Trade receivables *(Note i)*	**305**	572
Less: allowance for credit losses	**(129)**	(236)
	176	336
Receivables from education departments	**8,156**	97
Staff advances	**1,148**	231
Other receivables	**9,402**	6,026
Interest income receivables	**79**	583
Deposits	**35,179**	1,330
Prepayments *(Note ii)*	**62,711**	1,167
Advances to government *(Note iii)*	**57,494**	47,494
Other tax recoverable	**471**	591
Total	**174,816**	57,855
Less: Amounts due within one year shown under current assets	**(141,186)**	(57,855)
Amounts shown under non-current assets	**33,630**	—

As at 1 September 2019, trade receivables from contracts with customers amounted to RMB618,000.

21. TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (Continued)

Notes:

i. The students are required to pay tuition fees, university cooperation programme fees and boarding fees in advance for the upcoming school years before the commencements of the courses. The outstanding receivables represent amounts related to students who have applied for the delayed payment of tuition fees, university cooperation programme fees and boarding fees. There is no fixed term for delayed payments. 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.

ii. Included in prepayments, there are prepaid education related expenses amounting to RMB40,000,000 as at 31 August 2021 (2020: Nil).

iii. The amounts represent refundable advances to the municipal government to cover their expenses borne on revamp of the land ready to be used by the Group in the future. The refundable advances are interest-free and the management of the Group expected that the amount would be repayable within one year from the end of the reporting period.

The following is an analysis of trade receivables and receivables from education departments, net of allowance for credit losses, by age, presented based on debit note.

	2021 ***RMB'000***	2020 *RMB'000*
0–30 days	**—**	178
31–90 days	**176**	122
91–180 days	**—**	68
181–365 days	**8,156**	49
Over 365 days	**—**	16
Total	**8,332**	433

As at 31 August 2021, the Group's entire trade receivables and receivables from education departments balance with aggregate carrying amount of RMB176,000 (31 August 2020: RMB433,000) are all past due for which the Group has not provided for impairment loss. The Group considered the trade receivables overdue over 90 days for students that are not dropped out from schools are not default as the tuition fees, university cooperation programme fees and boarding fees are usually fully received upon the graduation of the students by reference to past experience.

Details of impairment assessments on trade receivables from students and receivables from education departments are set out in note 34(b).

22. BANK BALANCES AND CASH

Bank balances and cash comprise cash and short-term deposits held by the Group with an original maturity of three months or less. At 31 August 2021, the Group's bank deposits carried weighted-average interest rates of 0.26% (2020: 0.42%) per annum.

23. CONTRACT LIABILITIES

The Group has recognised the following revenue-related contract liabilities:

	2021	2020
	RMB'000	*RMB'000*
Tuition fees	**1,048,050**	573,302
Boarding fees	**92,858**	50,077
	1,140,908	623,379

As at 1 September 2019, contract liabilities amounted to RMB681,756,000.

The following table shows how much of the revenue recognised in the current year related to contract liabilities previously recorded:

	2021	2020
	RMB'000	*RMB'000*
Revenue recognised that was included in the contract liabilities at the beginning of the year		
Tuition fees	**573,302**	625,330
Boarding fees	**50,077**	56,426
	623,379	681,756

No revenue recognised during the year related to performance obligation that were satisfied in respective prior periods.

Typical payment terms which impact on the amount of contract liabilities recognised related to tuition fee, boarding fees and university cooperation programme fees are as follows:

When the Group receives the prepayments before commencement of school terms, tuition courses, boardings or university cooperation programme, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the prepayments. The Group typically receives the amounts in full before relevant services commence.

24. TRADE PAYABLES

The credit period granted by suppliers on purchase of consumables and provision of services ranged from 30 days to 60 days.

The following is an aged analysis of trade payables presented based on invoice date at 31 August 2021 and 2020.

	2021 RMB'000	2020 RMB'000
0–60 days	2,563	1,653
61–180 days	599	592
181–365 days	4,795	868
Over 365 days	2,718	1,493
	10,675	4,606

25. OTHER PAYABLES AND ACCRUED EXPENSES

	2021 RMB'000	2020 RMB'000
Discretionary government subsidies receipt in advance *(Note)*	26,745	15,644
Receipt on behalf of ancillary services providers	98,962	34,305
Deposits received	22,404	3,443
Accrued staff benefits and payroll	28,807	18,661
Payable for construction of properties	72,577	4,436
Other payables and accruals	24,717	25,164
Other tax payables	5,082	3,220
	279,294	104,873
Less: Amounts due within one year shown under current liabilities	(227,794)	(104,873)
Amounts shown under non-current liabilities	51,500	—

Note: The amounts mainly represent scholarships and subsidies received from the government to be distributed to students of the university and vocational school.

26. BANK AND OTHER BORROWINGS

	2021 RMB'000	2020 RMB'000
Bank borrowings	**857,084**	747,104
Other borrowings	**487,000**	—
Total bank and other borrowings	**1,344,084**	747,104
Analysed as:		
— Secured	**1,198,384**	462,295
— Unsecured	**145,700**	284,809
	1,344,084	747,104
— Fixed rate	**228,500**	—
— Variable rate	**1,115,584**	747,104
	1,344,084	747,104
The carrying amounts of the above borrowings are repayable*:		
Within one year	**281,838**	290,434
Within a period of more than one year but not exceeding two years	**293,535**	147,305
Within a period of more than two years but not exceeding five years	**485,637**	208,927
With a period of more than five years	**283,074**	100,438
	1,344,084	747,104
Less: Amounts due within one year shown under current liabilities	**(281,838)**	(290,434)
Amounts shown under non-current liabilities	**1,062,246**	456,670

* The amounts due are based on scheduled repayment dates, set out in the loan agreements.

26. BANK AND OTHER BORROWINGS (Continued)

Notes:

i. The Group has variable-rate borrowings which carry interest with reference to the Benchmark Borrowing Rate of The People's Bank of China. The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	2021	2020
Effective interest rate:		
Variable-rate borrowings	**3.90% – 8.00%**	3.90% – 5.88%
Fixed-rate borrowings	**1.20% – 8.00%**	N/A

ii Except for bank borrowings of carrying amount of RMB41,535,000 as at 31 August 2021 (2020: Nil) which is denominated at Hong Kong dollars, all of the bank and other borrowings are denominated in RMB which is the same as the functional currency of the relevant group entities.

iii. Certain bank and other borrowings of the Group were secured by certain deposits and the rights to receive the tuition fees and boarding fees of 廣州華商學院 (Guangzhou Huashang College) ("**Huashang College**"), 廣州華商職業學院 (Guangzhou Huashang Vocational College) ("**Huashang Vocational College**") and Urban Vocational College of Sichuan (四川城市職業學院). Details of assets that have been pledged as collateral to secure borrowings are set out in note 38 to the consolidated financial statements.

27. DEFERRED INCOME

Deferred income mainly represent subsidies from government for (i) conducting educational programmes and are recognised upon usage of the funds in research projects and (ii) subsidising the campus construction and development which will be recognised to profit or loss on a systematic basis over the estimated useful life of the property, plant and equipment that were related to the purpose of those government grants. The following table discloses the movement of deferred income:

	2021 ***RMB'000***	2020 *RMB'000*
At 1 September	**13,051**	6,458
Additions	**27,405**	8,304
Acquisition of a business *(Note 35)*	**59,524**	—
Release to profit or loss during the year *(Note 6)*	**(8,215)**	(1,711)
At 31 August	**91,765**	13,051
Analysed as:		
Current	**25,801**	13,051
Non-current	**65,964**	—
	91,765	13,051

28. LEASE LIABILITIES

	2021 RMB'000	2020 RMB'000
Lease liabilities payable:		
Within one year	**5,821**	6,918
Within a period of more than one year but not more than two years	**4,914**	6,479
Within a period of more than two years but not more than five years	**6,842**	13,951
Within a period of more than five years	**4,406**	5,500
	21,983	32,848
Less: Amount due for settlement with 12 months shown under current liabilities	**(5,821)**	(6,918)
Amount due for settlement after 12 months shown under non-current liabilities	**16,162**	25,930

29. SHARE CAPITAL

	Number of shares	Amount US$	Shown in the consolidated financial statements RMB'000
Ordinary share of US$0.01 each			
Authorised			
At 1 September 2019, 31 August 2020 and 2021	1,500,000,000	15,000,000	
Issued and fully paid:			
At 1 September 2019 and 31 August 2020	1,018,362,000	10,183,620	70,005
Issue of shares upon exercise of share options	197,638	1,976	13
Issue of shares upon placing *(Note)*	53,300,000	533,000	3,470
At 31 August 2021	1,071,859,638	10,718,596	73,488

Note: On 13 January 2021, the Company issued 53,300,000 ordinary shares of par value US$0.01 at the price of HK$8.73 per ordinary share pursuant to the placing agreement. The new shares rank pari passu with the existing shares in all aspects.

30. DEFERRED TAX ASSET/LIABILITIES

	2021 *RMB'000*	2020 *RMB'000*
Deferred tax asset	**(10,480)**	(4,934)
Deferred tax liabilities	**154,609**	118,651
	144,129	113,717

The following are the deferred tax (asset) liabilities recognised and movement thereon during the current and prior years:

	Accelerated tax depreciation *RMB'000*	Fair value adjustments on investment properties *RMB'000*	Undistributed profit of subsidiaries *RMB'000*	Unrealised profit on property, plant and equipment *RMB'000*	Others *RMB'000*	Total *RMB'000*
At 1 September 2019	112,098	125	299	(5,423)	—	107,099
Charged to profit or loss	5,825	200	5,097	489	—	11,611
Acquisition of a business *(Note 35)*	7	—	—	—	—	7
Reversal upon payment	—	—	(5,000)	—	—	(5,000)
At 31 August 2020	**117,930**	**325**	**396**	**(4,934)**	**—**	**113,717**
Charged to profit or loss	**(247)**	**475**	**7,170**	**551**	**(4,412)**	**3,537**
Acquisition of a business *(Note 35)*	**33,880**	**1,744**	**—**	**—**	**(1,579)**	**34,045**
Reversal upon payment	**—**	**—**	**(7,170)**	**—**	**—**	**(7,170)**
At 31 August 2021	**151,563**	**2,544**	**396**	**(4,383)**	**(5,991)**	**144,129**

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by subsidiaries established in the PRC from 1 January 2008.

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was approximately RMB2,155,109,000 (2020: RMB1,188,630,000). No deferred tax liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

30. DEFERRED TAX ASSET/LIABILITIES (Continued)

At the end of the reporting period, the Group has unused tax losses of RMB97,858,000 (31 August 2020: RMB42,201,000), available for offset against future profits. No deferred tax asset has been recognised in respect of the entire tax losses due to the unpredictability of future profit streams. Included in the unrecognised tax losses at 31 August 2021 are losses of RMB10,918,000 (31 August 2020: RMB6,757,000), that will expire in 5 years. Other losses may be carried forward indefinitely.

31. RETIREMENT BENEFIT PLANS

Hong Kong

The Group participates in the MPF Scheme established under the Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group and its employees are each required to contribute 5.0% of the employees' relevant income to the mandatory provident fund scheme. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of an independent trustee. During the year ended 31 August 2021, the retirement benefit scheme contributions arising from the MPF Scheme charged to profit or loss were approximately RMB159,000 (2020: RMB182,000).

The PRC

In accordance with the relevant rules and regulations of the PRC, the Group's PRC subsidiaries are required to make contributions to the retirement fund administered by the PRC government ranging from 10% to 22% of the total monthly basic salaries of the current employees. In addition, the Group's PRC subsidiaries are required by law to contribute 2% to 15% of basic salaries of the employees for social insurance in relating to staff welfare, housing, medical and education benefits. During the year ended 31 August 2021, the costs charged under such arrangements for the Group's PRC subsidiaries amounted to approximately RMB24,977,000 (2020: RMB16,756,000).

31. RETIREMENT BENEFIT PLANS (Continued)

Australia

In accordance with the relevant rules and regulations in Australia, the Group's Australian subsidiaries are required to contribute a minimum of 9.5% to 10.0% of the employee's ordinary time earnings for all qualifying employees in Australia to any complying superannuation funds of employees' own choice. During the year ended 31 August 2021, the Group has made contributions to a number of defined contribution superannuation plans with the amount recognised as an expense for the year of approximately RMB1,176,000 (2020: RMB1,056,000).

Singapore

In accordance with the relevant rules and regulations in Singapore, the Group's Singapore subsidiaries are required to fulfil the Central Provident Fund obligations and contribute 7.5% to 17.0% of the ordinary wages for all qualifying employees in Singapore to set aside funds for retirement and address healthcare, home ownership, family protection, and asset enhancement. During the year ended 31 August 2021, the costs charged under such arrangements for the Group's Singapore subsidiaries amounted to approximately RMB103,000 (2020: RMB68,000).

32. SHARE-BASED PAYMENTS

(a) Share Option Scheme

The Company's share option scheme (the "**Share Option Scheme**") was adopted pursuant to a shareholders' resolution passed on 6 June 2019 for the primary purpose of providing incentives to employee, director, officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate who the Board consider, in its sole discretion, to have contributed or will contribute to the Group is entitled to be offered and granted options, and will expire no later than 10 years from the date of the listing. Under the Share Option Scheme, the total number of ordinary shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes is 100,000,000, being no more than 10% of the ordinary shares in issue on the date of listing. The overall limit on the number of ordinary shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company at any time must not exceed 30% of the ordinary shares in issue from time to time (the "**Option Scheme Limit**"). The Option Scheme Limit may be refreshed at any time by obtaining prior approval of the shareholders of the Company in general meeting. However, the Option Scheme Limit cannot exceed 10% of the ordinary shares in issue as at the date of such approval.

32. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

Unless approved by the shareholders of the Company, the total number of ordinary shares issued and to be issued upon exercise of the options granted and to be granted under the Share Option Scheme and any other share option scheme(s) of the Company to each selected participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of ordinary shares in issue (the "**Individual Limit**"). Any further grant of options to a selected participant which would result in the aggregate number of ordinary shares issued and to be issued upon exercise of all options granted and to be granted to such selected participant (including exercised, cancelled and outstanding options) in the 12 month period up to and including the date of such further grant exceeding the Individual Limit shall be subject to separate approval of shareholders of the Company.

Where any grant of options to a substantial shareholder or independent non-executive directors of the Company (or any of their respective associates) would result in the number of ordinary shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant: (i) representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the ordinary shares in issue; and (ii) having an aggregate value, based on the closing price of the ordinary shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant, in excess of HK$5 million (or such other higher amount as may from time to time be specified by the Stock Exchange), such further grant of options must also be first approved by the shareholders of the Company in a general meeting. The grantee, his/her associates and all core connected persons (within the meaning as ascribed to it under the Listing Rules) of the Company must abstain from voting in favour of such grant at such general meeting.

An offer shall be deemed to have been accepted and the option to which the offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter comprising acceptance of the offer duly signed by the grantee with the number of ordinary shares in respect of which the offer is accepted clearly stated therein, together with a remittance in favour of the Company of HK$1.00 by way of consideration for the grant thereof, is received by the Company within 20 business days from the date on which the letter containing the offer is delivered to the eligible person.

Any offer may be accepted in respect of less than the number of ordinary shares for which it is offered provided that it is accepted in respect of a board lot for dealing in ordinary shares or a multiple thereof. To the extent that the offer is not accepted within 20 business days from the date on which the letter containing the offer is delivered to that eligible person, it shall be deemed to have been irrevocably declined.

32. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

The Share Option Scheme does not set out any performance targets that must be achieved before the options may be exercised. However, the board of directors of the Company may at its sole discretion specify, as part of the terms and conditions of any option, such performance conditions that must be satisfied before the option can be exercised.

The period during which an option may be exercised is determined and notified by the board of directors of the Company to each grantee at the time of making an offer for the grant of the option and such period shall not expire later than ten years from the date of grant of the option.

The exercise price shall be determined by the board of directors of the Company, but shall be not less than the highest of (i) the closing price of an ordinary share as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant; (ii) the average closing price of the ordinary shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of an ordinary share on the date of grant.

At 31 August 2021, the number of shares that could be issued upon the exercise of all share options that had been granted and remained outstanding under the Share Option Scheme was 17,082,752 (31 August 2020: 10,780,287), representing 1.59% (31 August 2020: 1.06%) of the ordinary shares of the Company in issue at that date; whereas the Company may grant further share options under the Share Option Scheme to subscribe for a maximum of 82,719,610 shares, representing approximately 7.72% of the ordinary shares of the Company in issue as at 31 August 2021.

32. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

The following tables disclose movements in the Company's share options under the Share Option Scheme during the reporting period:

For the year ended 31 August 2021

Option type	Date of grant	Exercise price HK$	Exercise period (Note i)	Outstanding at 1 September 2020	Granted during the year	Forfeited/ cancelled during the year	Lapsed during the year	Exercised during the year	Outstanding at 31 August 2021
Directors									
Mr. Liu	21 January 2020	4.954	10 December 2020 – 30 January 2026	449,178	—	—	—	—	449,178
	21 January 2020	4.954	29 March 2021 – 30 January 2026	449,178	—	—	—	—	449,178
	21 January 2020	4.954	10 December 2021 – 30 January 2026	449,178	—	—	—	—	449,178
	21 January 2020	4.954	29 March 2022 – 30 January 2026	449,178	—	—	—	—	449,178
	21 January 2020	4.954	9 December 2022 – 30 January 2026	449,178	—	—	—	—	449,178
	21 January 2020	4.954	29 March 2023 – 30 January 2026	449,182	—	—	—	—	449,182
Ms. Chen	21 January 2020	4.954	10 December 2020 – 30 January 2026	89,835	—	—	—	—	89,835
	21 January 2020	4.954	29 March 2021 – 30 January 2026	89,835	—	—	—	—	89,835
	21 January 2020	4.954	10 December 2021 – 30 January 2026	89,835	—	—	—	—	89,835
	21 January 2020	4.954	29 March 2022 – 30 January 2026	89,835	—	—	—	—	89,835
	21 January 2020	4.954	9 December 2022 – 30 January 2026	89,835	—	—	—	—	89,835
	21 January 2020	4.954	29 March 2023 – 30 January 2026	89,839	—	—	—	—	89,839
Ms. Liu	21 January 2020	4.954	10 December 2020 – 30 January 2026	269,507	—	—	—	—	269,507
	21 January 2020	4.954	29 March 2021 – 30 January 2026	269,507	—	—	—	—	269,507
	21 January 2020	4.954	10 December 2021 – 30 January 2026	269,507	—	—	—	—	269,507
	21 January 2020	4.954	29 March 2022 – 30 January 2026	269,507	—	—	—	—	269,507
	21 January 2020	4.954	9 December 2022 – 30 January 2026	269,507	—	—	—	—	269,507
	21 January 2020	4.954	29 March 2023 – 30 January 2026	269,508	—	—	—	—	269,508
	22 February 2021	9.288	10 December 2021 – 29 January 2027	—	84,541	—	—	—	84,541
	22 February 2021	9.288	29 March 2022 – 29 January 2027	—	84,541	—	—	—	84,541
	22 February 2021	9.288	9 December 2022 – 29 January 2027	—	84,541	—	—	—	84,541
	22 February 2021	9.288	29 March 2023 – 29 January 2027	—	84,541	—	—	—	84,541
	22 February 2021	9.288	8 December 2023 – 29 January 2027	—	84,541	—	—	—	84,541
	22 February 2021	9.288	27 March 2024 – 29 January 2027	—	84,541	—	—	—	84,541

32. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

Option type	Date of grant	Exercise price HK$	Exercise period (Note i)	Outstanding at 1 September 2020	Granted during the year	Forfeited/ cancelled during the year	Lapsed during the year	Exercised during the year	Outstanding at 31 August 2021
Directors (continued)									
Mr. Liu Yung Kan	21 January 2020	4.954	10 December 2020 – 30 January 2026	62,885	—	—	—	—	62,885
	21 January 2020	4.954	29 March 2021 – 30 January 2026	62,885	—	—	—	—	62,885
	21 January 2020	4.954	10 December 2021 – 30 January 2026	62,885	—	—	—	—	62,885
	21 January 2020	4.954	29 March 2022 – 30 January 2026	62,885	—	—	—	—	62,885
	21 January 2020	4.954	9 December 2022 – 30 January 2026	62,885	—	—	—	—	62,885
	21 January 2020	4.954	29 March 2023 – 30 January 2026	62,885	—	—	—	—	62,885
Mr. Xu Gang	21 January 2020	4.954	10 December 2020 – 30 January 2026	17,967	—	—	—	—	17,967
	21 January 2020	4.954	29 March 2021 – 30 January 2026	17,967	—	—	—	—	17,967
	21 January 2020	4.954	10 December 2021 – 30 January 2026	17,967	—	—	—	—	17,967
	21 January 2020	4.954	29 March 2022 – 30 January 2026	17,967	—	—	—	—	17,967
	21 January 2020	4.954	9 December 2022 – 30 January 2026	17,967	—	—	—	—	17,967
	21 January 2020	4.954	29 March 2023 – 30 January 2026	17,968	—	—	—	—	17,968
Mr. Li Jiatong	21 January 2020	4.954	10 December 2020 – 30 January 2026	17,967	—	—	—	—	17,967
	21 January 2020	4.954	29 March 2021 – 30 January 2026	17,967	—	—	—	—	17,967
	21 January 2020	4.954	10 December 2021 – 30 January 2026	17,967	—	—	—	—	17,967
	21 January 2020	4.954	29 March 2022 – 30 January 2026	17,967	—	—	—	—	17,967
	21 January 2020	4.954	9 December 2022 – 30 January 2026	17,967	—	—	—	—	17,967
	21 January 2020	4.954	29 March 2023 – 30 January 2026	17,968	—	—	—	—	17,968
Directors in aggregate				5,444,045	507,246	—	—	—	5,951,291

32. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

Option type	Date of grant	Exercise price HK$	Exercise period (Note i)	Outstanding at 1 September 2020	Granted during the year	Forfeited/ cancelled during the year	Lapsed during the year	Exercised during the year	Outstanding at 31 August 2021
Associates of directors and substantial shareholders *(Note ii)*									
Mr. Liu Yung Kwong (brother of Mr. Liu and Mr. Liu Yung Kan)	21 January 2020	4.954	10 December 2020 – 30 January 2026	26,950	—	—	—	—	26,950
	21 January 2020	4.954	29 March 2021 – 30 January 2026	26,950	—	—	—	—	26,950
	21 January 2020	4.954	10 December 2021 – 30 January 2026	26,950	—	—	—	—	26,950
	21 January 2020	4.954	29 March 2022 – 30 January 2026	26,950	—	—	—	—	26,950
	21 January 2020	4.954	9 December 2022 – 30 January 2026	26,950	—	—	—	—	26,950
	21 January 2020	4.954	29 March 2023 – 30 January 2026	26,954	—	—	—	—	26,954
Mr. Liu Chi Hin (son of Mr. Liu and Ms. Chen)	21 January 2020	4.954	10 December 2020 – 30 January 2026	89,835	—	—	—	—	89,835
	21 January 2020	4.954	29 March 2021 – 30 January 2026	89,835	—	—	—	—	89,835
	21 January 2020	4.954	10 December 2021 – 30 January 2026	89,835	—	—	—	—	89,835
	21 January 2020	4.954	29 March 2022 – 30 January 2026	89,835	—	—	—	—	89,835
	21 January 2020	4.954	9 December 2022 – 30 January 2026	89,835	—	—	—	—	89,835
	21 January 2020	4.954	29 March 2023 – 30 January 2026	89,839	—	—	—	—	89,839
	22 February 2021	9.288	10 December 2021 – 29 January 2027	—	42,270	—	—	—	42,270
	22 February 2021	9.288	29 March 2022 – 29 January 2027	—	42,270	—	—	—	42,270
	22 February 2021	9.288	9 December 2022 – 29 January 2027	—	42,270	—	—	—	42,270
	22 February 2021	9.288	29 March 2023 – 29 January 2027	—	42,270	—	—	—	42,270
	22 February 2021	9.288	8 December 2023 – 29 January 2027	—	42,270	—	—	—	42,270
	22 February 2021	9.288	27 March 2024 – 29 January 2027	—	42,273	—	—	—	42,273
Mr. Liu Chi Wai (son of Mr. Liu and Ms. Chen)	21 January 2020	4.954	10 December 2020 – 30 January 2026	71,868	—	—	—	—	71,868
	21 January 2020	4.954	29 March 2021 – 30 January 2026	71,868	—	—	—	—	71,868
	21 January 2020	4.954	10 December 2021 – 30 January 2026	71,868	—	—	—	—	71,868
	21 January 2020	4.954	29 March 2022 – 30 January 2026	71,868	—	—	—	—	71,868
	21 January 2020	4.954	9 December 2022 – 30 January 2026	71,868	—	—	—	—	71,868
	21 January 2020	4.954	29 March 2023 – 30 January 2026	71,871	—	—	—	—	71,871
Associates of directors and substantial shareholders in aggregate				1,131,929	253,623	—	—	—	1,385,552

32. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

Option type	Date of grant	Exercise price HK$	Exercise period (Note i)	Outstanding at 1 September 2020	Granted during the year	Forfeited/ cancelled during the year	Lapsed during the year	Exercised during the year	Outstanding at 31 August 2021
Employees (non-connected persons) *(Note iii)*	21 January 2020	4.954	10 December 2020 – 30 January 2026	700,716	—	—	—	(98,819)	601,897
	21 January 2020	4.954	29 March 2021 – 30 January 2026	700,716	—	—	—	(98,819)	601,897
	21 January 2020	4.954	10 December 2021 – 30 January 2026	700,716	—	(98,819)	—	—	601,897
	21 January 2020	4.954	29 March 2022 – 30 January 2026	700,716	—	(98,819)	—	—	601,897
	21 January 2020	4.954	9 December 2022 – 30 January 2026	700,716	—	(98,819)	—	—	601,897
	21 January 2020	4.954	29 March 2023 – 30 January 2026	700,733	—	(98,821)	—	—	601,912
	22 February 2021	9.288	10 December 2021 – 29 January 2027	—	596,857	(1,690)	—	—	595,167
	22 February 2021	9.288	29 March 2022 – 29 January 2027	—	840,335	(1,690)	—	—	838,645
	22 February 2021	9.288	9 December 2022 – 29 January 2027	—	596,857	(1,690)	—	—	595,167
	22 February 2021	9.288	29 March 2023 – 29 January 2027	—	840,335	(1,690)	—	—	838,645
	22 February 2021	9.288	8 December 2023 – 29 January 2027	—	596,857	(1,690)	—	—	595,167
	22 February 2021	9.288	27 March 2024 – 29 January 2027	—	840,354	(1,695)	—	—	838,659
	29 April 2021	8.592	10 December 2021 – 30 April 2027	—	293,690	—	—	—	293,690
	29 April 2021	8.592	29 March 2022 – 30 April 2027	—	257,991	—	—	—	257,991
	29 April 2021	8.592	9 December 2022 – 30 April 2027	—	320,822	—	—	—	320,822
	29 April 2021	8.592	29 March 2023 – 30 April 2027	—	257,991	—	—	—	257,991
	29 April 2021	8.592	8 December 2023 – 30 April 2027	—	382,702	—	—	—	382,702
	29 April 2021	8.592	27 March 2024 – 30 April 2027	—	319,866	—	—	—	319,866
Employees (non-connected persons) in aggregate				4,204,313	6,144,657	(405,423)	—	(197,638)	9,745,909
Total				10,780,287	6,905,526	(405,423)	—	(197,638)	17,082,752
Weighted average exercise price				HK$4.954	HK$9.103	HK$5.062	—	HK$4.954	HK$6.629
Exercisable at the end of the year									3,395,778

Notes:

i. The vesting period commences on the date of grant and up to the share options become exercisable.

ii. Mr. Liu Yung Kwong, Mr. Liu Chi Hin and Mr. Liu Chi Wai are consultant/employees of the Group.

iii. Included in employees (non-connected persons), Mr. Chan Kai Tung, being the son of Ms. Chen's brother (i.e. nephew of Ms. Chen), falls under the scope of "relative" under Rule 14A.21(1)(a) of the Listing Rules who, depending on the opinion of the Stock Exchange, may be deemed to be a connected person of the Company.

32. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

During the year ended 31 August 2021, 5,072,464 and 1,833,062 share options were granted on 22 February 2021 and 29 April 2021, respectively. The estimated fair value of the share options granted on the date was HK$20,030,000 and HK$6,589,000, respectively.

For the year ended 31 August 2020

Option type	Date of grant	Exercise price HK$	Exercise period (Note i)	Outstanding at 1 September 2019	Granted during the year	Lapsed during the year	Exercised during the year	Outstanding at 31 August 2020
Directors								
Mr. Liu	21 January 2020	4.954	10 December 2020 – 30 January 2026	—	449,178	—	—	449,178
	21 January 2020	4.954	29 March 2021 – 30 January 2026	—	449,178	—	—	449,178
	21 January 2020	4.954	10 December 2021 – 30 January 2026	—	449,178	—	—	449,178
	21 January 2020	4.954	29 March 2022 – 30 January 2026	—	449,178	—	—	449,178
	21 January 2020	4.954	9 December 2022 – 30 January 2026	—	449,178	—	—	449,178
	21 January 2020	4.954	29 March 2023 – 30 January 2026	—	449,182	—	—	449,182
Ms. Chen	21 January 2020	4.954	10 December 2020 – 30 January 2026	—	89,835	—	—	89,835
	21 January 2020	4.954	29 March 2021 – 30 January 2026	—	89,835	—	—	89,835
	21 January 2020	4.954	10 December 2021 – 30 January 2026	—	89,835	—	—	89,835
	21 January 2020	4.954	29 March 2022 – 30 January 2026	—	89,835	—	—	89,835
	21 January 2020	4.954	9 December 2022 – 30 January 2026	—	89,835	—	—	89,835
	21 January 2020	4.954	29 March 2023 – 30 January 2026	—	89,839	—	—	89,839
Ms. Liu	21 January 2020	4.954	10 December 2020 – 30 January 2026	—	269,507	—	—	269,507
	21 January 2020	4.954	29 March 2021 – 30 January 2026	—	269,507	—	—	269,507
	21 January 2020	4.954	10 December 2021 – 30 January 2026	—	269,507	—	—	269,507
	21 January 2020	4.954	29 March 2022 – 30 January 2026	—	269,507	—	—	269,507
	21 January 2020	4.954	9 December 2022 – 30 January 2026	—	269,507	—	—	269,507
	21 January 2020	4.954	29 March 2023 – 30 January 2026	—	269,508	—	—	269,508

32. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

Option type	Date of grant	Exercise price HK$	Exercise period (Note i)	Outstanding at 1 September 2019	Granted during the year	Lapsed during the year	Exercised during the year	Outstanding at 31 August 2020
Directors (continued)								
Mr. Liu Yung Kan	21 January 2020	4.954	10 December 2020 – 30 January 2026	—	62,885	—	—	62,885
	21 January 2020	4.954	29 March 2021 – 30 January 2026	—	62,885	—	—	62,885
	21 January 2020	4.954	10 December 2021 – 30 January 2026	—	62,885	—	—	62,885
	21 January 2020	4.954	29 March 2022 – 30 January 2026	—	62,885	—	—	62,885
	21 January 2020	4.954	9 December 2022 – 30 January 2026	—	62,885	—	—	62,885
	21 January 2020	4.954	29 March 2023 – 30 January 2026	—	62,885	—	—	62,885
Mr. Xu Gang	21 January 2020	4.954	10 December 2020 – 30 January 2026	—	17,967	—	—	17,967
	21 January 2020	4.954	29 March 2021 – 30 January 2026	—	17,967	—	—	17,967
	21 January 2020	4.954	10 December 2021 – 30 January 2026	—	17,967	—	—	17,967
	21 January 2020	4.954	29 March 2022 – 30 January 2026	—	17,967	—	—	17,967
	21 January 2020	4.954	9 December 2022 – 30 January 2026	—	17,967	—	—	17,967
	21 January 2020	4.954	29 March 2023 – 30 January 2026	—	17,968	—	—	17,968
Mr. Li Jiatong	21 January 2020	4.954	10 December 2020 – 30 January 2026	—	17,967	—	—	17,967
	21 January 2020	4.954	29 March 2021 – 30 January 2026	—	17,967	—	—	17,967
	21 January 2020	4.954	10 December 2021 – 30 January 2026	—	17,967	—	—	17,967
	21 January 2020	4.954	29 March 2022 – 30 January 2026	—	17,967	—	—	17,967
	21 January 2020	4.954	9 December 2022 – 30 January 2026	—	17,967	—	—	17,967
	21 January 2020	4.954	29 March 2023 – 30 January 2026	—	17,968	—	—	17,968
Directors in aggregate				—	5,444,045	—	—	5,444,045

32. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

Option type	Date of grant	Exercise price HK$	Exercise period (Note i)	Outstanding at 1 September 2019	Granted during the year	Lapsed during the year	Exercised during the year	Outstanding at 31 August 2020
Associates of directors and substantial shareholders *(Note ii)*								
Mr. Liu Yung Kwong (brother of Mr. Liu and Mr. Liu Yung Kan)	21 January 2020	4.954	10 December 2020 – 30 January 2026	—	26,950	—	—	26,950
	21 January 2020	4.954	29 March 2021 – 30 January 2026	—	26,950	—	—	26,950
	21 January 2020	4.954	10 December 2021 – 30 January 2026	—	26,950	—	—	26,950
	21 January 2020	4.954	29 March 2022 – 30 January 2026	—	26,950	—	—	26,950
	21 January 2020	4.954	9 December 2022 – 30 January 2026	—	26,950	—	—	26,950
	21 January 2020	4.954	29 March 2023 – 30 January 2026	—	26,954	—	—	26,954
Mr. Liu Chi Hin	21 January 2020	4.954	10 December 2020 – 30 January 2026	—	89,835	—	—	89,835
	21 January 2020	4.954	29 March 2021 – 30 January 2026	—	89,835	—	—	89,835
	21 January 2020	4.954	10 December 2021 – 30 January 2026	—	89,835	—	—	89,835
	21 January 2020	4.954	29 March 2022 – 30 January 2026	—	89,835	—	—	89,835
	21 January 2020	4.954	9 December 2022 – 30 January 2026	—	89,835	—	—	89,835
	21 January 2020	4.954	29 March 2023 – 30 January 2026	—	89,839	—	—	89,839
Mr. Liu Chi Wai (son of Mr. Liu and Ms. Chen)	21 January 2020	4.954	10 December 2020 – 30 January 2026	—	71,868	—	—	71,868
	21 January 2020	4.954	29 March 2021 – 30 January 2026	—	71,868	—	—	71,868
	21 January 2020	4.954	10 December 2021 – 30 January 2026	—	71,868	—	—	71,868
	21 January 2020	4.954	29 March 2022 – 30 January 2026	—	71,868	—	—	71,868
	21 January 2020	4.954	9 December 2022 – 30 January 2026	—	71,868	—	—	71,868
	21 January 2020	4.954	29 March 2023 – 30 January 2026	—	71,871	—	—	71,871
Associates of directors and substantial shareholders in aggregate				—	1,131,929	—	—	1,131,929

32. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

Option type	Date of grant	Exercise price HK$	Exercise period (Note i)	Outstanding at 1 September 2019	Granted during the year	Lapsed during the year	Exercised during the year	Outstanding at 31 August 2020
Employees (non-connected persons)	21 January 2020	4.954	10 December 2020 – 30 January 2026	—	700,716	—	—	700,716
	21 January 2020	4.954	29 March 2021 – 30 January 2026	—	700,716	—	—	700,716
	21 January 2020	4.954	10 December 2021 – 30 January 2026	—	700,716	—	—	700,716
	21 January 2020	4.954	29 March 2022 – 30 January 2026	—	700,716	—	—	700,716
	21 January 2020	4.954	9 December 2022 – 30 January 2026	—	700,716	—	—	700,716
	21 January 2020	4.954	29 March 2023 – 30 January 2026	—	700,733	—	—	700,733
Employees (non-connected persons) in aggregate				—	4,204,313	—	—	4,204,313
Total				—	10,780,287	—	—	10,780,287
Weighted average exercise price				—	HK$4.954	—	—	HK$4.954
Exercisable at the end of the year								—

Notes:

i. The vesting period commences on the date of grant and up to the share options become exercisable.

ii. Mr. Liu Yung Kwong, Mr. Liu Chi Hin and Mr. Liu Chi Wai are consultant/employees of the Group.

During the year ended 31 August 2020, 10,780,287 share options were granted on 21 January 2020. The estimated fair value of the share options granted on the date was HK$21,006,000.

32. SHARE-BASED PAYMENTS (Continued)

(a) Share Option Scheme (Continued)

The closing price of the Company's shares immediately before the grant of share options on 22 February 2021 and 29 April 2021 was HK$9.200 and HK$8.550 per share, respectively.

Save as disclosed above, no share options had been granted, exercised, lapsed or cancelled under the Share Option Scheme during the year.

The following assumptions were used to calculate the fair value of share options:

	22 February 2021	29 April 2021
Weighted average share price	HK$9.288	HK$8.592
Exercise price	HK$9.288	HK$8.592
Expected volatility	52.18%	51.99%
Expected life	5.94 years	6.01 years
Risk-free rate	0.75%	0.82%
Expected dividend yield	1.07%	1.22%

Expected volatility was determined by using quoted prices of comparable companies in active markets. The expected life used in the model has been adjusted, based on the management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate change in variables and assumptions may result in change in the fair value of the options.

(b) Share Award Scheme

The Company's share award scheme (the "**Share Award Scheme**") was adopted pursuant to a shareholders' resolution passed on 6 June 2019. The objective of the Share Award Scheme is for the primary purpose of providing incentives to employee, director, officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate who the board of directors of the Company considers, in its sole discretion, to have contributed or will contribute to the Group is entitled to be offered and granted options, and will expire no later than 10 years from the date of the listing.

32. SHARE-BASED PAYMENTS (Continued)

(b) Share Award Scheme (Continued)

A share award includes all cash income from dividends in respect of those ordinary shares from the date the share award is granted to the date the share award is vested. The board of directors of the Company at its discretion may from time to time determine that any dividends declared and paid by the Company in relation to the ordinary shares be paid to the selected participant even though the ordinary shares have not yet vested.

Save that the board of directors of the Company at its discretion may from time to time determine that any dividends declared and paid by the Company in relation to the ordinary shares be paid to the selected participants even though the ordinary shares have not yet vested, the selected participant only has a contingent interest in the ordinary shares underlying an award unless and until such ordinary shares are actually transferred to the selected participant.

The maximum aggregate number of ordinary shares underlying all grants made pursuant to the Share Award Scheme (excluding ordinary shares which have been forfeited in accordance with the Share Award Scheme) will not exceed 20,000,000, being 2% of issued shares of the Company as of the date of the listing (i.e. 2% of 1,000,000,000 Shares), assuming the over-allotment option and options granted under the Share Option Scheme are not exercised and no ordinary shares are granted under the Share Award Scheme, without further shareholders' approval (the "**Share Award Scheme Limit**").

The board of directors of the Company may from time to time determine such vesting criteria and conditions or periods for the awards to be vested under the Share Award Scheme.

Save as otherwise restricted by the Share Award Scheme Limit or the Listing Rules, there shall be no limit on the total number of non-vested ordinary shares that may be granted to a selected participant under the Share Award Scheme.

Each grant of an award to any director of the Company or the chief executive officer shall be subject to the prior approval of the independent non-executive directors (excluding any independent non-executive directors who is a proposed recipient of the grant of share award). The Company will comply with the relevant requirements under Chapter 14A of the Listing Rules for any grant of shares to connected persons of the Company.

During the year ended 31 August 2021, 3,772,000 ordinary shares of the Company were acquired for an aggregate cost of HK$31,284,000 (equivalent to RMB26,190,000).

32. SHARE-BASED PAYMENTS (Continued)

(b) Share Award Scheme (Continued)

The following tables disclose movements in the Company's share awards under the Share Award Scheme during the reporting period:

For the year ended 31 August 2021

	Date of grant	Vesting date	Number of share awards outstanding at 1 September 2020	Granted during the year	Vested during the year	Forfeited/ cancelled during the year	Lapsed during the year	Number of share awards outstanding at 31 August 2021
Directors								
Mr. Liu	21 January 2020	10 December 2020	77,002	–	(77,002)	–	–	–
	21 January 2020	29 March 2021	77,002	–	(77,002)	–	–	–
	21 January 2020	10 December 2021	77,002	–	–	–	–	77,002
	21 January 2020	29 March 2022	77,002	–	–	–	–	77,002
	21 January 2020	9 December 2022	77,002	–	–	–	–	77,002
	21 January 2020	29 March 2023	77,002	–	–	–	–	77,002
Ms. Chen	21 January 2020	10 December 2020	15,400	–	(15,400)	–	–	–
	21 January 2020	29 March 2021	15,400	–	(15,400)	–	–	–
	21 January 2020	10 December 2021	15,400	–	–	–	–	15,400
	21 January 2020	29 March 2022	15,400	–	–	–	–	15,400
	21 January 2020	9 December 2022	15,400	–	–	–	–	15,400
	21 January 2020	29 March 2023	15,402	–	–	–	–	15,402
Ms. Liu	21 January 2020	10 December 2020	46,201	–	(46,201)	–	–	–
	21 January 2020	29 March 2021	46,201	–	(46,201)	–	–	–
	21 January 2020	10 December 2021	46,201	–	–	–	–	46,201
	21 January 2020	29 March 2022	46,201	–	–	–	–	46,201
	21 January 2020	9 December 2022	46,201	–	–	–	–	46,201
	21 January 2020	29 March 2023	46,202	–	–	–	–	46,202
	22 February 2021	10 December 2021	–	16,304	–	–	–	16,304
	22 February 2021	29 March 2022	–	16,304	–	–	–	16,304
	22 February 2021	9 December 2022	–	16,304	–	–	–	16,304
	22 February 2021	29 March 2023	–	16,304	–	–	–	16,304
	22 February 2021	8 December 2023	–	16,304	–	–	–	16,304
	22 February 2021	27 March 2024	–	16,306	–	–	–	16,306

32. SHARE-BASED PAYMENTS (Continued)

(b) Share Award Scheme (Continued)

	Date of grant	Vesting date	Number of share awards outstanding at 1 September 2020	Granted during the year	Vested during the year	Forfeited/ cancelled during the year	Lapsed during the year	Number of share awards outstanding at 31 August 2021
Directors (continued)								
Mr. Liu Yung Kan	21 January 2020	10 December 2020	10,780	–	(10,780)	–	–	–
	21 January 2020	29 March 2021	10,780	–	(10,780)	–	–	–
	21 January 2020	10 December 2021	10,780	–	–	–	–	10,780
	21 January 2020	29 March 2022	10,780	–	–	–	–	10,780
	21 January 2020	9 December 2022	10,780	–	–	–	–	10,780
	21 January 2020	29 March 2023	10,782	–	–	–	–	10,782
Mr. Xu Gang	21 January 2020	10 December 2020	3,080	–	(3,006)	(74)	–	–
(Note iii)	21 January 2020	29 March 2021	3,080	–	(3,003)	(77)	–	–
	21 January 2020	10 December 2021	3,080	–	–	–	–	3,080
	21 January 2020	29 March 2022	3,080	–	–	–	–	3,080
	21 January 2020	9 December 2022	3,080	–	–	–	–	3,080
	21 January 2020	29 March 2023	3,080	–	–	–	–	3,080
Mr. Li Jiatong	21 January 2020	10 December 2020	3,080	–	(3,080)	–	–	–
	21 January 2020	29 March 2021	3,080	–	(3,080)	–	–	–
	21 January 2020	10 December 2021	3,080	–	–	–	–	3,080
	21 January 2020	29 March 2022	3,080	–	–	–	–	3,080
	21 January 2020	9 December 2022	3,080	–	–	–	–	3,080
	21 January 2020	29 March 2023	3,080	–	–	–	–	3,080
Directors in aggregate			933,263	97,826	(310,935)	(151)	–	720,003

32. SHARE-BASED PAYMENTS (Continued)

(b) Share Award Scheme (Continued)

	Date of grant	Vesting date	Number of share awards outstanding at 1 September 2020	Granted during the year	Vested during the year	Forfeited/ cancelled during the year	Lapsed during the year	Number of share awards outstanding at 31 August 2021
Associates of directors and substantial shareholders *(Note i)*								
Mr. Liu Yung Kwong	21 January 2020	10 December 2020	4,620	–	(4,509)	(111)	–	–
(brother of Mr.	21 January 2020	29 March 2021	4,620	–	(4,504)	(116)	–	–
Liu and Mr. Liu	21 January 2020	10 December 2021	4,620	–	–	–	–	4,620
Yung Kan)	21 January 2020	29 March 2022	4,620	–	–	–	–	4,620
(Note iii)	21 January 2020	9 December 2022	4,620	–	–	–	–	4,620
	21 January 2020	29 March 2023	4,621	–	–	–	–	4,621
Mr. Liu Chi Hin	21 January 2020	10 December 2020	15,400	–	(15,400)	–	–	–
(son of Mr. Liu	21 January 2020	29 March 2021	15,400	–	(15,400)	–	–	–
and Ms. Chen)	21 January 2020	10 December 2021	15,400	–	–	–	–	15,400
	21 January 2020	29 March 2022	15,400	–	–	–	–	15,400
	21 January 2020	9 December 2022	15,400	–	–	–	–	15,400
	21 January 2020	29 March 2023	15,402	–	–	–	–	15,402
	22 February 2021	10 December 2021	–	8,152	–	–	–	8,152
	22 February 2021	29 March 2022	–	8,152	–	–	–	8,152
	22 February 2021	9 December 2022	–	8,152	–	–	–	8,152
	22 February 2021	29 March 2023	–	8,152	–	–	–	8,152
	22 February 2021	8 December 2023	–	8,152	–	–	–	8,152
	22 February 2021	27 March 2024	–	8,153	–	–	–	8,153
Mr. Liu Chi Wai	21 January 2020	10 December 2020	12,320	–	(12,320)	–	–	–
(son of Mr. Liu	21 January 2020	29 March 2021	12,320	–	(12,320)	–	–	–
and Ms. Chen)	21 January 2020	10 December 2021	12,320	–	–	–	–	12,320
	21 January 2020	29 March 2022	12,320	–	–	–	–	12,320
	21 January 2020	9 December 2022	12,320	–	–	–	–	12,320
	21 January 2020	29 March 2023	12,322	–	–	–	–	12,322
Associates of directors and substantial shareholders in aggregate			194,045	48,913	(64,453)	(227)	–	178,278

32. SHARE-BASED PAYMENTS (Continued)

(b) Share Award Scheme (Continued)

	Date of grant	Vesting date	Number of share awards outstanding at 1 September 2020	Granted during the year	Vested during the year	Forfeited/ cancelled during the year	Lapsed during the year	Number of share awards outstanding at 31 August 2021
Employees (non-	21 January 2020	10 December 2020	120,120	–	(115,796)	(4,324)	–	–
connected	21 January 2020	29 March 2021	120,120	–	(115,768)	(4,352)	–	–
persons)	21 January 2020	10 December 2021	120,120	–	–	(16,940)	–	103,180
(Note ii, iii)	21 January 2020	29 March 2022	120,120	–	–	(16,940)	–	103,180
	21 January 2020	9 December 2022	120,120	–	–	(16,940)	–	103,180
	21 January 2020	29 March 2023	120,140	–	–	(16,943)	–	103,197
	22 February 2021	10 December 2021	–	115,107	–	(326)	–	114,781
	22 February 2021	29 March 2022	–	162,063	–	(326)	–	161,737
	22 February 2021	9 December 2022	–	115,107	–	(326)	–	114,781
	22 February 2021	29 March 2023	–	162,063	–	(326)	–	161,737
	22 February 2021	8 December 2023	–	115,107	–	(326)	–	114,781
	22 February 2021	27 March 2024	–	162,075	–	(327)	–	161,748
	29 April 2021	10 December 2021	–	54,123	–	–	–	54,123
	29 April 2021	29 March 2022	–	47,544	–	–	–	47,544
	29 April 2021	9 December 2022	–	59,123	–	–	–	59,123
	29 April 2021	29 March 2023	–	47,544	–	–	–	47,544
	29 April 2021	8 December 2023	–	70,527	–	–	–	70,527
	29 April 2021	27 March 2024	–	58,947	–	–	–	58,947
Employees (non-connected persons) in aggregate			720,740	1,169,330	(231,564)	(78,396)	–	1,580,110
Total			1,848,048	1,316,069	(606,952)	(78,774)	–	2,478,391

32. SHARE-BASED PAYMENTS (Continued)

(b) Share Award Scheme (Continued)

For the year ended 31 August 2020

	Date of grant	Vesting date	Number of share awards outstanding at 1 September 2019	Granted during the year	Lapsed/ cancelled during the year	Number of share awards outstanding at 31 August 2020
Directors						
Mr. Liu	21 January 2020	10 December 2020	—	77,002	—	77,002
	21 January 2020	29 March 2021	—	77,002	—	77,002
	21 January 2020	10 December 2021	—	77,002	—	77,002
	21 January 2020	29 March 2022	—	77,002	—	77,002
	21 January 2020	9 December 2022	—	77,002	—	77,002
	21 January 2020	29 March 2023	—	77,002	—	77,002
Ms. Chen	21 January 2020	10 December 2020	—	15,400	—	15,400
	21 January 2020	29 March 2021	—	15,400	—	15,400
	21 January 2020	10 December 2021	—	15,400	—	15,400
	21 January 2020	29 March 2022	—	15,400	—	15,400
	21 January 2020	9 December 2022	—	15,400	—	15,400
	21 January 2020	29 March 2023	—	15,402	—	15,402
Ms. Liu	21 January 2020	10 December 2020	—	46,201	—	46,201
	21 January 2020	29 March 2021	—	46,201	—	46,201
	21 January 2020	10 December 2021	—	46,201	—	46,201
	21 January 2020	29 March 2022	—	46,201	—	46,201
	21 January 2020	9 December 2022	—	46,201	—	46,201
	21 January 2020	29 March 2023	—	46,202	—	46,202
Mr. Liu Yung Kan	21 January 2020	10 December 2020	—	10,780	—	10,780
	21 January 2020	29 March 2021	—	10,780	—	10,780
	21 January 2020	10 December 2021	—	10,780	—	10,780
	21 January 2020	29 March 2022	—	10,780	—	10,780
	21 January 2020	9 December 2022	—	10,780	—	10,780
	21 January 2020	29 March 2023	—	10,782	—	10,782

32. SHARE-BASED PAYMENTS (Continued)

(b) Share Award Scheme (Continued)

	Date of grant	Vesting date	Number of share awards outstanding at 1 September 2019	Granted during the year	Lapsed/ cancelled during the year	Number of share awards outstanding at 31 August 2020
Directors (Continued)						
Mr. Xu Gang	21 January 2020	10 December 2020	—	3,080	—	3,080
	21 January 2020	29 March 2021	—	3,080	—	3,080
	21 January 2020	10 December 2021	—	3,080	—	3,080
	21 January 2020	29 March 2022	—	3,080	—	3,080
	21 January 2020	9 December 2022	—	3,080	—	3,080
	21 January 2020	29 March 2023	—	3,080	—	3,080
Mr. Li Jiatong	21 January 2020	10 December 2020	—	3,080	—	3,080
	21 January 2020	29 March 2021	—	3,080	—	3,080
	21 January 2020	10 December 2021	—	3,080	—	3,080
	21 January 2020	29 March 2022	—	3,080	—	3,080
	21 January 2020	9 December 2022	—	3,080	—	3,080
	21 January 2020	29 March 2023	—	3,080	—	3,080
Directors in aggregate			—	933,263	—	933,263

32. SHARE-BASED PAYMENTS (Continued)

(b) Share Award Scheme (Continued)

	Date of grant	Vesting date	Number of share awards outstanding at 1 September 2019	Granted during the year	Lapsed/ cancelled during the year	Number of share awards outstanding at 31 August 2020
Associates of directors and substantial shareholders *(Note i)*						
Mr. Liu Yung Kwong	21 January 2020	10 December 2020	—	4,620	—	4,620
(brother of Mr. Liu and	21 January 2020	29 March 2021	—	4,620	—	4,620
Mr. Liu Yung Kan)	21 January 2020	10 December 2021	—	4,620	—	4,620
	21 January 2020	29 March 2022	—	4,620	—	4,620
	21 January 2020	9 December 2022	—	4,620	—	4,620
	21 January 2020	29 March 2023	—	4,621	—	4,621
Mr. Liu Chi Hin (son of Mr.	21 January 2020	10 December 2020	—	15,400	—	15,400
Liu and Ms. Chen)	21 January 2020	29 March 2021	—	15,400	—	15,400
	21 January 2020	10 December 2021	—	15,400	—	15,400
	21 January 2020	29 March 2022	—	15,400	—	15,400
	21 January 2020	9 December 2022	—	15,400	—	15,400
	21 January 2020	29 March 2023	—	15,402	—	15,402
Mr. Liu Chi Wai (son of Mr.	21 January 2020	10 December 2020	—	12,320	—	12,320
Liu and Ms. Chen)	21 January 2020	29 March 2021	—	12,320	—	12,320
	21 January 2020	10 December 2021	—	12,320	—	12,320
	21 January 2020	29 March 2022	—	12,320	—	12,320
	21 January 2020	9 December 2022	—	12,320	—	12,320
	21 January 2020	29 March 2023	—	12,322	—	12,322
Associates of directors and substantial shareholders in aggregate			—	194,045	—	194,045
Employees (non-	21 January 2020	10 December 2020	—	120,120	—	120,120
connected persons)	21 January 2020	29 March 2021	—	120,120	—	120,120
	21 January 2020	10 December 2021	—	120,120	—	120,120
	21 January 2020	29 March 2022	—	120,120	—	120,120
	21 January 2020	9 December 2022	—	120,120	—	120,120
	21 January 2020	29 March 2023	—	120,140	—	120,140
Employees (non-connected persons) in aggregate			—	720,740	—	720,740
Total			—	1,848,048	—	1,848,048

Note:

i. Mr. Liu Yung Kwong, Mr. Liu Chi Hin and Mr. Liu Chi Wai are consultant/employees of the Group.

ii. Included in employees (non-connected persons), Mr. Chan Kai Tung, being the son of Ms. Chen's brother (i.e. nephew of Ms. Chen), falls under the scope of "relative" under Rule 14A.21(1)(a) of the Listing Rules who, depending on the opinion of the Stock Exchange, may be deemed to be a connected person of the Company.

iii. 151,227 and 8,676 award shares granted to Mr. Xu Gang, Mr. Liu Yung Kwong and employees were deducted to reimburse the Company for withholding tax paid or payable by the Company on behalf of Mr. Xu Gang, Mr. Liu Yung Kwong and employees upon vesting, respectively.

32. SHARE-BASED PAYMENTS (Continued)

(b) Share Award Scheme (Continued)

The closing price of the Company's shares immediately before the grant of the share awards on 22 February 2021 and 29 April 2021 were HK$9.200 and HK$8.550 per share.

Save as disclosed above, no share awards had been granted, lapsed or cancelled under the Share Award Scheme during the reporting period.

33. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to equity holders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of net debt, which includes borrowings and lease liabilities disclosed in notes 26 and 28 respectively, net of cash and cash equivalents, and equity attributable to owners of the Company, comprising share capital and reserves including retained profits.

The management of the Group reviews the capital structure on a continuous basis taking into account the cost of capital and the risks associated with each class of capital. Based on recommendations of the management of the Group, the Group will balance its overall capital structure through new share issues, raise new debts as well as the redemption of the existing debts.

34. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2021 ***RMB'000***	2020 *RMB'000*
Financial assets		
FVTPL	**366,985**	88,118
Financial assets at amortised cost	**947,723**	1,244,767
	1,314,708	1,332,885
Financial liabilities		
Amortised cost	**1,597,844**	835,482

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, deposits and other receivables, amounts due from (to) related parties/a non-controlling shareholder, financial assets at FVTPL, bank balances and cash, trade payables, other payables, bank and other borrowings. Details of these financial instruments are disclosed in the respective notes.

The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. These risks include market risk (interest rate risk, currency risk and other price risk), credit risk and liquidity risk.

34. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk

(i) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to lease liabilities (see note 28 for details) and fixed-rate bank and other borrowings (see note 26 for details). The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances (see note 22 for details) and variable-rate bank and other borrowings (see note 26 for details). The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of Benchmark Borrowing Rate of the People's Bank of China. It is the Group's policy to keep certain borrowings at floating rate of interests so as to minimise the fair value interest rate risk.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bank balances and bank and other borrowings at the end of the reporting period and assumed that the amounts outstanding at the end of the reporting period were outstanding for the whole year. A 10 basis points increase or decrease for bank balances and 50 basis points increase or decrease for variable-rate bank and other borrowings are used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 10 basis points higher/lower for bank balances, and all other variables were held constant, the Group's post-tax profit for the year ended 31 August 2021 would increase/decrease by RMB597,000 (2020: RMB990,000).

If interest rates had been 50 basis points higher/lower for bank and other borrowings, and all other variables were held constant, the Group's post-tax profit for the year ended 31 August 2021 would decrease/increase by RMB4,183,000 (2020: RMB2,802,000).

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent interest rate risk as the exposure at the end of the reporting period does not reflect the exposure during the year.

34. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Currency risk

The Group has certain bank balances, amounts due from/to related parties, other payables and bank borrowings denominated in currencies other than the functional currency of the respective group entities ("**foreign currencies**"), which expose the Group to foreign currency risk. The carrying amounts of the Group's monetary assets and monetary liabilities at the reporting date that are denominated in foreign currencies are as follows:

	2021 ***RMB'000***	2020 *RMB'000*
HK$ assets	**65,386**	425,234
HK$ liabilities	**(47,951)**	(7,073)
AU$ assets	**5,279**	711
AU$ liabilities	**(36,247)**	(36,969)

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when the need arises.

Sensitivity analysis

The Group is mainly exposed to the fluctuation of relevant foreign currency against RMB and AU$. The following table details the Group's sensitivity to a 5% increase and decrease in the relevant foreign currency against the functional currency of the relevant group entities. 5% represents the reasonably possible change in foreign exchange rates if currency risk is to be assessed by key management. The sensitivity analysis includes only outstanding relevant foreign currency denominated monetary items. The sensitivity analysis adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase in post-tax profit where the relevant foreign currency strengthens 5% against RMB. For a 5% weakening of the relevant foreign currency against RMB, there would be an equal and opposite impact on the profit.

	2021 ***RMB'000***	2020 *RMB'000*
HK$ impact	**728**	17,458
AU$ impact	**(1,084)**	(1,269)

34. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(iii) Other price risk

The Group is exposed to price risk through its investments in the structured deposits issued by the banks in the PRC (classified as financial assets at FVTPL) which is attributable to the changes in estimated return and discount rate.

The management considers the price risk of the Group on its investments in the structured deposits is limited as the maturity periods of these investments are short and the counterparties of these investments are those financial institutions with high credit ratings.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, deposits and other receivables, amounts due from related parties, amount due from a non-controlling shareholder and bank balances. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

In order to minimise the credit risk on trade receivables, deposits and other receivables, amounts due from related parties/a non-controlling shareholder and bank balances, management makes periodic collective as well as individual assessments on the recoverability of receivables based on historical settlement records and past experience.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk. Trade receivables consist of a large number of students in the PRC, Singapore and Australia.

Impairment assessments on trade receivables from students and receivables from education departments

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables from students. Trade receivables from students are considered to be credit-impaired when the students drop out from school and are assessed individually. Management assessed the expected loss on trade receivables grouped based on the ageing of the trade receivables, taking into account the historical default experience and forward-looking information, as appropriate.

34. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Impairment assessments on trade receivables from students and receivables from education departments (Continued)

In addition, the Group performs impairment assessment under ECL model on the trade receivables from students (not credit-impaired) based on provision matrix, while assesses the ECL of receivables from amounts due from students demonstrating credit-impaired characteristics and those from education departments individually. The trade receivables from students that are credit-impaired with gross carrying amount of RMB361,000 as at 31 August 2021 was assessed individually.

The Group assessed the loss allowances for receivable from education departments on lifetime ECL basis individually. In determining the ECL for receivables from education departments, the management of the Group has taken into account the historical default experience and forward-looking information, as appropriate, for example, the Group has considered the consistently low historical default rate in connection with payments, strong financial background of municipal government and concluded that credit risk inherent in the Group's outstanding receivable from education departments are insignificant.

In addition, the directors of the Company are of the opinion that there has no default occurred for (i) trade receivables overdue over 90 days for students that are not dropped out from schools as the tuition fees and boarding fees will be fully received upon the graduation of the students by reference to past experience, and (ii) receivable from education departments overdue over 90 days are not default as payment from education departments may take long administrative process based on historical experience.

Provision matrix-trade receivables' (from students) ageing

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for trade receivables from students in relation to its private higher education and vocational education because these customers consist of a large number of students with common risk characteristics that are representative of the students' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk and ECL for trade receivables from students which are assessed collectively based on provision matrix at 31 August 2021 and 2020 within lifetime ECL (not credit-impaired).

34. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Provision matrix-trade receivables' (from students) ageing (Continued)

At 31 August 2021	**Average loss rate**	**Gross carrying amount** *RMB'000*	**Impairment loss allowance** *RMB'000*
0–180 days past due	**—**	**176**	**—**
180–365 days past due	**100%**	**129**	**129**
		305	**129**

At 31 August 2020	Average loss rate	Gross carrying amount *RMB'000*	Impairment loss allowance *RMB'000*
0–180 days past due	—	336	—
180–365 days past due	100%	236	236
		572	236

The estimated average loss rates are estimated based on historical observed default rates over the expected life of the trade receivables from students and are adjusted for forward-looking information that is available without undue cost or effort.

The grouping is regularly reviewed by the management of the Group to ensure relevant information about trade receivables from students is updated.

During the year ended 31 August 2021, the Group provided RMB254,000 (2020: RMB236,000) impairment allowance for trade receivables, based on the provision matrix.

Impairment assessments on deposits and other receivables/amount due from a non-controlling shareholder/amounts due from related parties/bank balances

The Group assessed the loss allowances for deposits and other receivables, amount due from a non-controlling shareholder, amounts due from related parties, bank balances on 12m ECL basis.

The management of the Group considers bank balances that are deposited with the financial institutions with high credit rating to be low credit risk financial assets. The management of the Group considers these bank balances are short-term in nature and the probability of default is negligible on the basis of high-credit-rating issuers, and accordingly, loss allowance was considered as insignificant.

34. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Impairment assessments on deposits and other receivables/amount due from a non-controlling shareholder/amounts due from related parties/bank balances (Continued)

In determining the ECL for deposits and other receivables, amount due from a non-controlling shareholder and amounts due from related parties, the management of the Group has taken into account the historical default experience and forward-looking information as appropriate. There had been no significant increase in credit risk since initial recognition. The Group has considered the consistently low historical default rate in connection with payments, plan for repayment from related parties/a non-controlling shareholder and concluded that credit risk inherent in the Group's outstanding balances of amounts due from related parties/amount due from a non-controlling shareholder and insignificant.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables from students under the simplified approach:

	Lifetime ECL (not credit-impaired) *RMB'000*	Lifetime ECL (credit-impaired) *RMB'000*	Total *RMB'000*
At 1 September 2019	63	18	81
Change due to financial instruments recognised at 1 September 2019:			
— Transfer to credit-impaired	(63)	63	—
— Write-offs	—	(81)	(81)
New financial assets originated			
— Impairment losses recognised	236	—	236
At 31 August 2020 and 1 September 2020	236	—	236
Change due to financial instruments recognised at 1 September 2020:			
— Transfer to credit-impaired	**(236)**	**236**	**—**
— Write-offs	**—**	**(236)**	**(236)**
New financial assets originated			
— Impairment losses recognised	**129**	**125**	**254**
— Write-offs	**—**	**(125)**	**(125)**
At 31 August 2021	**129**	**—**	**129**

34. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The Group writes off a trade receivable when there is information indicating that the student is in severe financial difficulty and there is no realistic prospect of recovery, or when the student is dropped out from the tuition programme, whichever occurs earlier. None of trade receivables that have been written off is subject to enforcement activities.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains levels of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group relies on bank and other borrowings as a significant source of liquidity.

The Group had net current liabilities of RMB462,866,000 as at 31 August 2021. At the end of the reporting period, the Group has taken appropriate measures as set out in note 3.1 to the consolidated financial statements to mitigate such liquidity risk.

The following table details the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest rates are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

	Weighted average effective interest rate	On demand or less than 1 month	1–3 months	3 months to 1 year	1–2 years	2–5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and other payables	**—**	**252,615**	**—**	**—**	**—**	**—**	**—**	**252,615**	**252,615**
Amounts due to related parties	**—**	**1,145**	**—**	**—**	**—**	**—**	**—**	**1,145**	**1,145**
Bank and other borrowings									
— Fixed rate	**5.7**	**25,830**	**18,501**	**50,521**	**91,856**	**58,916**	**—**	**245,624**	**228,500**
— variable rate	**5.3**	**2,732**	**20,081**	**220,308**	**254,835**	**433,121**	**333,975**	**1,265,052**	**1,115,584**
Lease liabilities	**6.3**	**726**	**1,451**	**6,425**	**7,591**	**10,354**	**4,800**	**31,347**	**21,983**
At 31 August 2021		**283,048**	**40,033**	**277,254**	**354,282**	**502,391**	**338,775**	**1,795,783**	**1,619,827**
Trade and other payables	—	87,598	—	—	—	—	—	87,598	87,598
Amounts due to related parties	—	780	—	—	—	—	—	780	780
Bank borrowings									
— variable rate	4.8	3,292	32,945	289,345	166,715	232,038	108,478	832,813	747,104
Lease liabilities	5.2	720	1,439	6,269	7,703	15,684	6,506	38,321	32,848
At 31 August 2020		92,390	34,384	295,614	174,418	247,722	114,984	959,512	868,330

34. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements of financial instruments

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Financial assets	Fair value	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
Financial assets at FVTPL	At 31 August 2021: RMB366,985,000 (31 August 2020: RMB88,118,000)	Level 3	Discounted cash flow — Future cash flows are estimated based on estimated return ranging from 1.35% to 7.00% (2020: 2.50% to 4.20%) per annum, and discounted at a rate of 2.89% (2020: 3.28%) for the year	Estimated return and discount rate

If the estimated return is multiplied by 110%/90%, while all the other variables were held constant, the carrying amount of the financial assets at FVTPL would increase/decrease by RMB811,000 (31 August 2020: RMB114,000) at the end of the reporting period.

If the discount rate is multiplied by 110%/90%, while all the other variables were held constant, the carrying amount of the financial assets at FVTPL would decrease/increase by RMB952,000 (31 August 2020: RMB70,000) at the end of the reporting period.

34. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements of financial instruments (Continued)

(ii) Reconciliation of Level 3 Measurements

The following table presents the reconciliation of Level 3 Measurements of the financial assets at FVTPL during the reporting period:

	RMB'000
At 1 September 2019	252,666
Addition	1,223,830
Redemption	(1,387,860)
Fair value change	4,728
Settlements of the interest income	(5,246)
At 31 August 2020	88,118
Addition	**3,010,800**
Redemption	**(2,739,440)**
Fair value change	**13,298**
Settlements of the interest income	**(5,791)**
At 31 August 2021	**366,985**

The chief financial officer of the Company determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Group uses market observable data to the extent it is available. The chief financial officer of the Company reports the findings to the board of directors of the Company when needed to explain the cause of fluctuations in the fair value of the assets and liabilities.

Information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed above.

(iii) Fair value of financial instruments that are recorded at amortised cost

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values at the end of the reporting period.

The fair values of the financial assets and financial liabilities recorded at amortised cost have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

35. ACQUISITION OF A BUSINESS

For the year ended 31 August 2021

During the year, the Group acquired 51% equity interest in Sichuan New Concept Education Investment Co., Ltd.* (四川新概念教育投資有限公司) ("**Sichuan New Concept**") and Chengdu Yude Logistics Management Co., Ltd.* (成都育德後勤管理有限公司) (collectively referred to the "**Sichuan New Concept Group**") at a consideration of RMB750,000,000. Sichuan New Concept Group principally engages in the operation of private higher education and vocational education institutions in the PRC and was acquired with the objective to expand the Group's education business. This acquisition has been accounted for using the acquisition method. During the reporting period, the consideration of RMB750,000,000 has been settled in cash.

Consideration transferred

	RMB'000
Cash consideration paid	**750,000**

Assets acquired and liabilities recognised at the date of acquisition were as follows:

	RMB'000
Property, plant and equipment	**1,236,300**
Right-of-use assets	**298,000**
Investment properties	**31,300**
Intangible assets	**69,100**
Amount due from a non-controlling shareholder	**65,187**
Deposits paid for acquisition of property, plant and equipment	**14,818**
Deferred tax asset	**1,579**
Inventories	**878**
Deposits, prepayments and other receivables	**107,184**
Bank balances and cash	**43,824**
Contract liabilities	**(182,345)**
Trade payables	**(13,244)**
Other payables and accruals	**(78,503)**
Income tax payables	**(11,479)**
Bank and other borrowings	**(384,928)**
Deferred income	**(59,524)**
Deferred tax liabilities	**(35,624)**
	1,102,523

The fair values of intangible assets (representing licenses amounting to RMB69,100,000) were based on estimation used by the management of the Group with reference to valuation carried out by an independent valuer, key assumptions and estimation used by the management included discount rates, growth rates and useful lives of the intangible assets.

35. ACQUISITION OF A BUSINESS (Continued)

For the year ended 31 August 2021 (Continued)

Non-controlling interest

The non-controlling interest (49%) in Sichuan New Concept Group recognised at the acquisition date was measured by reference to the proportionate share of recognised amounts of net assets of Sichuan New Concept Group and amounted to RMB456,574,000.

Goodwill arising on acquisition

	RMB'000
Consideration transferred	**750,000**
Add: non-controlling interests (49% in Sichuan New Concept Group)	**456,574**
Less: recognised amount of identifiable net assets acquired	**(1,102,523)**
Goodwill arising on acquisition	**104,051**

Goodwill arose in the acquisition of Sichuan New Concept Group because the acquisition included the assembled workforce of Sichuan New Concept Group. These benefits were not recognised separately from goodwill because they did not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

Net cash outflow arising on acquisition

	RMB'000
Consideration paid in cash	**750,000**
Less: Cash and cash equivalent balances acquired	**(43,824)**
	706,176

Impact of acquisition on the results of the Group

Profit for the year includes RMB115,157,000 attributable to the additional business generated by Sichuan New Concept Group. Revenue for the reporting period includes RMB244,144,000 generated from Sichuan New Concept Group.

Had the acquisition of Sichuan New Concept Group been completed in 1 September 2020, revenue for the year of the Group would have been RMB1,352,371,000, and profit for the year would have been RMB511,983,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on the date of acquisition, nor is it intended to be a projection of future results.

35. ACQUISITION OF A BUSINESS (Continued)

For the year ended 31 August 2021 (Continued)

Impact of acquisition on the results of the Group (Continued)

In determining the 'pro-forma' revenue and profit of the Group had Sichuan New Concept Group been acquired at the beginning of the current period, the directors of the Company calculated depreciation and amortisation of property, plant and equipment and right-of-use assets based on the recognised amounts of property, plant and equipment and right-of-use assets at the date of the acquisition.

For the year ended 31 August 2020

In December 2019, the Group acquired 100% equity interest in NYU Language School Pte. Ltd. at a consideration of Singapore Dollar 2,049,000 (equivalent to RMB10,600,000). This acquisition had been accounted for using the acquisition method. It is a private company incorporated in Singapore with principal activities of conducting the vocational education training. The consideration was fully settled in cash. NYU Language School Pte. Ltd. had been renamed to Edvantage Institute (Singapore) Pte. Ltd. ("**Edvantage Institute (Singapore)**") in August 2020.

Consideration transferred

	RMB'000
Cash consideration	10,600

Assets acquired and liabilities recognised at the date of acquisition were as follows:

	RMB'000
Property, plant and equipment	61
Intangible assets	7,818
Trade and other receivables	263
Bank balances and cash	1,140
Contract liabilities	(51)
Other payables	(187)
Income tax payable	(29)
Deferred tax liabilities	(7)
	9,008

The fair values of intangible assets (representing brand name amounting to RMB2,566,000 and accreditations amounting to RMB5,252,000) were based on estimation used by the management of the Group with reference to valuation carried out by an independent valuer. Key assumptions and estimation used by the management included discount rates, growth rates and useful lives of the intangible assets.

35. ACQUISITION OF A BUSINESS (Continued)

For the year ended 31 August 2020 (Continued)

Goodwill arising on acquisition

	RMB'000
Consideration transferred	10,600
Less: recognised amount identifiable net assets acquired	(9,008)
Goodwill arising on acquisition	1,592

Goodwill arose in the acquisition of Edvantage Institute (Singapore) because the acquisition included the assembled workforce of Edvantage Institute (Singapore) and synergy from alignment with the Group's overseas establishment strategy. These benefits were not recognised separately from goodwill because they did not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

Net cash outflow arising on acquisition

	RMB'000
Consideration paid in cash	10,600
Less: cash and cash equivalent balances acquired	(1,140)
	9,460

No pro forma information for the acquisition of Edvantage Institute (Singapore) is prepared as the acquisition was completed in December 2019 and the directors of the Company are of the opinion that there is no significant changes to the Group's revenue or profit for the current year had the acquisition been completed on 1 September 2019.

36. CAPITAL COMMITMENTS

	2021 RMB'000	2020 RMB'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of the acquisition of — property, plant and equipment	**439,075**	376,049

37. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Dividend payable *RMB'000*	Lease liabilities *RMB'000*	Bank borrowings *RMB'000*	Accrued issue costs *RMB'000*	Total *RMB'000*
At 31 August 2019	8,232	—	555,999	1,836	566,067
Adjustment upon application of IFRS 16	—	24,412	—	—	24,412
At 1 September 2019 (restated)	8,232	24,412	555,999	1,836	590,479
Financing cash flows *(Note)*	(63,035)	(6,351)	165,865	(1,835)	94,644
Dividend declared	54,803	—	—	—	54,803
New leases entered	—	13,254	—	—	13,254
Interest expenses	—	1,526	25,240	—	26,766
Foreign exchange translation	—	7	—	(1)	6
At 31 August 2020	—	32,848	747,104	—	779,952
Financing cash flows *(Note)*	**(93,175)**	**(10,308)**	**144,582**	**—**	**41,099**
Dividend declared	**93,175**	**—**	**—**	**—**	**93,175**
New leases entered	**—**	**2,377**	**—**	**—**	**2,377**
Early termination of leases	**—**	**(6,972)**	**—**	**—**	**(6,972)**
Acquisition of a business *(Note 35)*	**—**	**—**	**384,928**	**—**	**384,928**
Interest expenses	**—**	**1,496**	**67,470**	**—**	**68,966**
Foreign exchange translation	**—**	**2,542**	**—**	**—**	**2,542**
At 31 August 2021	**—**	**21,983**	**1,344,084**	**—**	**1,366,067**

Note: The cash flows represent (i) the addition of and repayment of bank borrowings and lease liabilities and interest paid, (ii) the proceeds from and repayment of amounts due to directors and related parties, (iii) payment of dividends and (iv) payment of issue costs in the consolidated statement of cash flows for the year.

38. PLEDGE OF ASSETS

The Group's bank and other borrowings had been secured by certain deposits of the Group of approximately RMB33.6 million and the rights to receive the tuition fees and boarding fees of each Huashang College, Huashang Vocational College and Urban Vocational College of Sichuan.

39. RELATED PARTIES DISCLOSURES

Related party balances

The amounts due from related parties, entities controlled by Mr. Liu and Ms. Chen, amounted to RMB745,000 as at 31 August 2021 (2020: RMB2,981,000) which mainly arises from the training income receivables from these related parties and aged 0–90 days.

The amounts due to related parties, entities controlled by Mr. Liu and Ms. Chen, amounted to RMB1,145,000 as at 31 August 2021 (2020: RMB780,000) which mainly arises from the hotel service and vehicle related payable to these related parties and aged 0–90 days.

The amount due from a non-controlling shareholder is non-trade in nature, unsecured, non-interest bearing and repayable on demand.

39. RELATED PARTIES DISCLOSURES (Continued)

Related party transactions

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

Related parties	Relationship	Nature of transactions	2021 RMB'000	2020 RMB'000
環球移動公司 (Global Move Pty. Ltd)	An entity controlled by Mr. Liu and Ms. Chen	Lease liabilities	**4,021**	5,506
		Interest expenses on lease liabilities	**64**	79
Triple Way Investments (Australia) Pty. Ltd	An entity controlled by Mr. Liu and Ms. Chen	Lease liabilities	**2,781**	3,807
		Interest expenses on lease liabilities	**44**	54
廣州太陽城大酒店有限公司 (Guangzhou Sun City Hotel Co., Ltd.)	An entity controlled by Mr. Liu and Ms. Chen	Hotel service expenses paid	**738**	515
		Lease liabilities	**5,793**	6,109
		Interest expenses on lease liabilities	**285**	300
廣州怡眾旅行社有限公司 (Guangzhou Yizhong Travel Agency Co., Ltd.)	An entity controlled by Mr. Liu and Ms. Chen	Management fee income received	**5**	7
		Travel agency fees paid	**442**	313
廣州市偉加汽車銷售有限公司 (Guangzhou Weijia Vehicle Sales Company Limited)	An entity significantly influenced by Mr. Liu and Ms. Chen	Vehicle related expenses paid	**37**	399
		Lease liabilities	**3,160**	3,814
		Interest expenses on lease liabilities	**168**	198
廣東華商技工學校 (Guangdong Huashang Technical School)	An entity controlled Mr. Liu	Rental income (included in management fee and rental income)	**2,398**	2,398

39. RELATED PARTIES DISCLOSURES (Continued)

Compensation of key management personnel

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

	2021 RMB'000	2020 RMB'000
Short-term benefits	**7,020**	6,493
Post-employment benefits	**436**	70
Share-based payments	**6,425**	4,807
	13,881	11,370

The remuneration of director and key executives is determined having regard to the performance of individuals and market trends.

40. PARTICULARS OF SUBSIDIARIES

The Company has the following subsidiaries:

Name of subsidiary	Date and place of incorporation/ establishment/ operation	Issued share capital/ registered capital At 31 August 2021	2020	Equity interests attributable to the Group At 31 August 2021	2020	Principal activities
Directly owned						
Huashang Education Holdings (BVI)	12 October 2016 BVI	**US$1,000**	US$1,000	**100%**	100%	Investment holding
Indirectly owned						
Huashang Overseas Education (BVI)	19 March 2018 BVI	**US$1,000**	US$1,000	**100%**	100%	Investment holding
Huashang Education Group Company Limited	21 September 2015 Hong Kong	**HK$10,000**	HK$10,000	**100%**	100%	Investment holding and provision of management services
廣州沃冠教育諮詢有限公司 (Guangzhou Woguan Education Consulting Co., Ltd.)	10 October 2016 PRC *(Note iii)*	**RMB10,000,000**	RMB10,000,000	**100%**	100%	Provision of education consulting services
Guangzhou Zhiheng Education	4 December 2015 The PRC *(Note i)*	**RMB20,100,000**	RMB20,100,000	**100%**	100%	Provision of education consulting services
Sun City Development	9 December 2003 The PRC *(Note i)*	**RMB150,000,000**	RMB150,000,000	**100%**	100%	Provision of education investment
Huashang College	30 May 2006 The PRC *(Note i)*	**RMB30,000,000**	RMB30,000,000	**100%**	100%	Provision of private higher education

40. PARTICULARS OF SUBSIDIARIES (Continued)

Name of subsidiary	Date and place of incorporation/ establishment/ operation	Issued share capital/ registered capital At 31 August 2021	Issued share capital/ registered capital At 31 August 2020	Equity interests attributable to the Group At 31 August 2021	Equity interests attributable to the Group At 31 August 2020	Principal activities
Indirectly owned (Continued)						
Huashang Vocational College	25 June 2009 The PRC *(Note i)*	**RMB10,000,000**	RMB10,000,000	**100%**	100%	Provision of vocational education
Edvantage Institute Australia Pty. Ltd.	8 February 2017 Australia	**AUD2,610,000**	AUD2,610,000	**100%**	100%	Provision of private higher education
Global Business College of Australia Pty. Ltd.	26 June 2014 Australia	**AUD1,810,000**	AUD1,810,000	**100%**	100%	Provision of vocational education training
Orient Fortune	1 September 2015 Hong Kong	**HK$10,000**	HK$10,000	**100%**	100%	Investment holding
Huashang Education Service (BVI)	19 March 2018 BVI	**US$1,000**	US$1,000	**100%**	100%	Investment holding
Shiny World	3 January 2014 Hong Kong	**HK$10,000**	HK$10,000	**100%**	100%	Investment holding and provision of management services
Global Education Professional Advisory	4 October 2016 Hong Kong	**HK$10,000**	HK$10,000	**100%**	100%	Provision of management services
廣州市華港企業管理有限公司 (Guangzhou Huagang Enterprise Management Co. Ltd.)	25 August 2014 The PRC *(Note ii)*	**RMB10,000,000**	RMB10,000,000	**100%**	100%	Provision of hotel management and IT consultation services
廣州市昊軒信息科技有限公司 (Guangzhou Haoxuan Information Technology Co., Ltd.)	18 April 2011 The PRC *(Note i)*	**RMB500,000**	RMB500,000	**100%**	100%	Provision of IT consultation services and retail of software
廣州市毅翔物業管理有限公司 (Guangzhou Yixiang Property Management Co., Ltd.)	18 April 2011 The PRC *(Note i)*	**RMB1,000,000**	RMB1,000,000	**100%**	100%	Provision of property management and landscaping services
廣州市欣躍貿易有限公司 (Guangzhou Xinyue Trading Co., Ltd.)	28 September 2014 The PRC *(Note i)*	**RMB500,000**	RMB500,000	**100%**	100%	Procurement of school supplies
廣州市華威教育諮詢有限公司 (Guangzhou Huawei Education Consulting Co., Ltd.)	18 November 2010 The PRC *(Note i)*	**RMB1,000,000**	RMB1,000,000	**100%**	100%	Provision of education consultancy and language training services
廣州市華嘉裝飾工程有限公司 (Guangzhou Huajia Renovation Co., Ltd.)	6 June 2012 The PRC *(Note i)*	**RMB500,000**	RMB500,000	**100%**	100%	Provision of estate decoration services
廣州市潤輝廣告有限公司 (Guangzhou Runhui Advertising Co., Ltd.)	28 September 2014 The PRC *(Note i)*	**RMB500,000**	RMB500,000	**100%**	100%	Provision of advertisement and activity planning services

40. PARTICULARS OF SUBSIDIARIES (Continued)

Name of subsidiary	Date and place of incorporation/ establishment/ operation	Issued share capital/ registered capital At 31 August 2021	Issued share capital/ registered capital At 31 August 2020	Equity interests attributable to the Group At 31 August 2021	Equity interests attributable to the Group At 31 August 2020	Principal activities
Indirectly owned (Continued)						
新疆藍思信息科技有限公司 (Xinjiang Lansi Information Technology Co., Ltd.)	28 February 2018 The PRC *(Note ii)*	**RMB1,000,000**	RMB1,000,000	**100%**	100%	Provision of software development and IT consulting services
新疆卓蘊文化服務有限公司 (Xinjiang Zhuoyun Cultural Services Co., Ltd.)	28 February 2018 The PRC *(Note ii)*	**RMB1,000,000**	RMB1,000,000	**100%**	100%	Provision of advertisement design services
西藏毅鴻科技發展有限公司 (Tibet Yihong Technology Development Co., Ltd.)	26 October 2018 The PRC *(Note i)*	**RMB1,000,000**	RMB1,000,000	**100%**	100%	Provision of software development and IT consulting services
西藏弘為信息技術有限公司 (Tibet Hongwei Information Technology Co., Ltd.)	26 October 2018 The PRC *(Note i)*	**RMB1,000,000**	RMB1,000,000	**100%**	100%	Provision of software development and IT consulting services
London Arts and Business School Limited	19 August 2019 United Kingdom	**Great British Pound 1**	Great British Pound 1	**100%**	100%	Inactive
Huashang Education Co., Ltd	24 January 2020 United Kingdom	**Great British Pound 1**	Great British Pound 1	**100%**	100%	Inactive
Huashang Education Pte. Ltd.	21 November 2019 Singapore	**SGD1,000**	SGD1,000	**100%**	100%	Investment holding
Edvantage Institute (Singapore)	5 June 1991 Singapore	**SGD592,000**	SGD592,000	**100%**	100%	Provision of vocational education
Greater Bay Business School Limited	4 October 2019 Hong Kong	**HK$10,000**	HK$10,000	**100%**	100%	Investment holding
廣東華商眾創孵化器有限公司 (Guangdong Huashang Zhongchuang Incubator Co. Ltd)	13 April 2020 The PRC *(Note i)*	**RMB20,000,000**	RMB20,000,000	**100%**	100%	Science and technology promotion and application services
肇慶華商教育投資有限公司 (Zhaoqing Huashang Education Investment Co., Ltd)	27 July 2020 The PRC *(Note i)*	**RMB30,000,000**	RMB30,000,000	**100%**	100%	Investment holding
華商(深圳)科技教育服務有限公司 (Huashang (Shenzhen) Science and Technology Education Service Co., Ltd)	23 July 2020 The PRC *(Note i)*	**RMB5,000,000**	RMB1,000,000	**100%**	100%	Science and technology promotion and application services
南寧市卓文教育諮詢服務有限公司 (Nanning Zhuowen Education Consulting Services Co., Ltd.)	28 August 2020 The PRC *(Note i)*	**RMB50,000,000**	RMB50,000,000	**100%**	100%	Investment holding
Sichuan New Concept *(Note iii)*	23 August 2002 The PRC *(Note i)*	**RMB26,000,000**	N/A	**51%**	N/A	Investment holding
四川城市職業學院 (Urban Vocational College of Sichuan) *(Notes iii & iv)*	29 July 2008 The PRC *(Note i)*	**RMB10,000,000**	N/A	**51%**	N/A	Provision of vocation education

40. PARTICULARS OF SUBSIDIARIES (Continued)

Name of subsidiary	Date and place of incorporation/ establishment/ operation	Issued share capital/ registered capital At 31 August 2021	2020	Equity interests attributable to the Group At 31 August 2021	2020	Principal activities
Indirectly owned (Continued)						
四川城市技師學院 (Urban Technician College of Sichuan) *(Notes iii & iv)*	26 October 2018 The PRC *(Note i)*	**RMB100,000**	N/A	**51%**	N/A	Provision of technician education
成都育德後勤管理有限公司 (Chengdu Yude Logistics Management Co., Ltd.) ("**Chengdu Yude**") *(Note iii)*	07 July 2015 The PRC *(Note i)*	**RMB1,000,000**	N/A	**51%**	N/A	Provision of property management and landscaping services
成都市成苑科技有限責任公司 (Chengdu Chengyuan Technology Co., Ltd.) *(Notes iii & iv)*	28 April 2019 The PRC *(Note i)*	**RMB300,000**	N/A	**51%**	N/A	Science and technology promotion and application services
中匯智慧云教育(深圳)有限責任公司	19 March 2021 The PRC *(Note i)*	**RMB100,000,000**	N/A	**90%**	N/A	Provision of technician education

Notes:

(i) These subsidiaries are registered as wholly-domestic-owned enterprises under the laws of the PRC.

(ii) These subsidiaries are registered as wholly-foreign-owned enterprises under the laws of the PRC.

(iii) These subsidiaries were acquired during the year ended 31 August 2021.

(iv) They are the subsidiaries of Sichuan New Concept and Chengdu Yude.

None of the subsidiaries had issued any debt securities at the end of the year.

The table below details of non-wholly owned subsidiary of the Group that have material non-controlling interests:

Name of subsidiary	Place of establishment and principal place of business	Proportion of ownership interests held by non-controlling interests At 31 August 2021	2020	Total profit allocated to non-controlling interests For the year ended 31 August 2021 *RMB'000*	2020 *RMB'000*	Accumulated non-controlling interests At 31 August 2021 *RMB'000*	2020 *RMB'000*
中匯智慧云教育(深圳)有限責任公司	The PRC	**10%**	N/A	**(426)**	N/A	**(426)**	N/A
Sichuan New Concept Group	The PRC	**49%**	N/A	**56,426**	N/A	**513,000**	N/A
				56,000		**512,574**	N/A

40. PARTICULARS OF SUBSIDIARIES (Continued)

Summarised financial information in respect of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Sichuan New Concept Group

	2021 *RMB'000*
Current assets	223,449
Non-current assets	1,685,759
Current liabilities	(431,241)
Non-current liabilities	(431,028)
Equity attributable to owners of the Company	533,939
Non-controlling interest of Sichuan New Concept	513,000

	2021 *RMB'000*
Revenue	244,144
Expenses	(128,987)
Profit for the year	115,157
Profit attributable to owners of the Company	58,731
Profit attributable to the non-controlling interests	56,426
Net cash inflow from operating activities	208,486
Net cash outflow from investing activities	(109,132)
Net cash inflow from financing activities	10,906
Net cash inflow	110,260

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2021 RMB'000	2020 RMB'000
NON-CURRENT ASSETS		
Investment in a subsidiary	7	7
Amounts due from subsidiaries	805,232	—
	805,239	7
CURRENT ASSETS		
Other receivables and prepayments	70	3
Amounts due from subsidiaries	280,199	658,439
Bank balances and cash	60,375	31,778
	340,644	690,220
CURRENT LIABILITIES		
Other payables and accrued expenses	3,185	3,187
Amounts due to subsidiaries	1,975	7,218
Bank borrowings	41,535	—
	46,695	10,405
NET CURRENT ASSETS	293,949	679,815
TOTAL ASSETS LESS CURRENT LIABILITIES	1,099,188	679,822
CAPITAL AND RESERVES		
Share capital	73,488	70,005
Reserves	1,025,700	609,817
	1,099,188	679,822

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Movement in the Company's reserves

	Share premium *RMB'000*	Shares held under share award scheme *RMB'000*	Share award reserve *RMB'000*	Share option reserve *RMB'000*	Retained profits *RMB'000*	Total *RMB'000*
At 1 September 2019	556,109	—	—	—	24,382	580,491
Profit and other comprehensive income for the year	—	—	—	—	91,747	91,747
Dividends recognised as distribution *(Note 13)*	—	—	—	—	(54,803)	(54,803)
Repurchase of shares under share award scheme	—	(17,082)	—	—	—	(17,082)
Recognition of share-based payments	—	—	2,844	6,620	—	9,464
At 31 August 2020	556,109	(17,082)	2,844	6,620	61,326	609,817
Profit and other comprehensive income for the year	—	—	—	—	132,959	132,959
Dividends recognised as distribution *(Note 13)*	**—**	**—**	**—**	**—**	**(93,175)**	**(93,175)**
Share options forfeited/ cancelled	**—**	**—**	**—**	**(430)**	**430**	**—**
Issue of shares	**381,309**	**—**	**—**	**—**	**—**	**381,309**
Issue of shares upon exercise of share options	**1,110**	**—**	**—**	**(311)**	**—**	**799**
Repurchase of shares under share award scheme	**—**	**(26,190)**	**—**	**—**	**—**	**(26,190)**
Share awards vested	**—**	**3,154**	**(2,490)**	**—**	**(664)**	**—**
Share awards forfeited/ cancelled	**—**	**—**	**(224)**	**—**	**224**	**—**
Recognition of share-based payments	**—**	**—**	**6,173**	**14,008**	**—**	**20,181**
At 31 August 2021	**938,528**	**(40,118)**	**6,303**	**19,887**	**101,100**	**1,025,700**

Financial Summary

RESULTS

	Year ended 31 August				
	2017	2018	2019	2020	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	***RMB'000***
Continued operations					
Revenue	604,172	636,381	704,239	800,092	**1,251,644**
Cost of revenue	(332,910)	(345,947)	(361,877)	(403,848)	**(620,746)**
Gross profit	271,262	290,434	342,362	396,244	**630,898**
Profit before taxation	198,430	224,789	243,190	307,970	**483,979**
Profit for the year from continuing operations	159,826	177,151	215,054	291,487	**469,716**
Discontinued operation					
Profit (loss) for the year from discontinued operation	958	(1,703)	7,464	—	**—**
Profit for the year	160,784	175,448	222,518	291,487	**469,716**
Adjusted net profit *(Note)*	159,011	181,461	236,919	309,070	**515,663**

Note: Adjusted net profit is determined by adjusting profit for the year from continuing operations for the effect of net foreign exchange gain or loss, share-based payments and listing expenses, if any.

ASSETS AND LIABILITIES

	At 31 August				
	2017	2018	2019	2020	**2021**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	***RMB'000***
Non-current assets	1,159,090	1,238,463	1,431,832	2,192,817	**4,859,302**
Current assets	509,042	1,157,733	1,694,764	1,335,572	**1,306,785**
Current liabilities	931,959	1,023,620	1,018,814	1,092,210	**1,769,651**
Net current (liabilities) assets	(422,917)	134,113	675,950	243,362	**(462,866)**
Total assets less current liabilities	736,173	1,372,576	2,107,782	2,436,179	**4,396,436**
Total equity	626,629	699,130	1,605,660	1,834,928	**3,045,955**
Non-current liabilities	109,544	673,446	502,122	601,251	**1,350,481**
Total equity and non-current liabilities	736,173	1,372,576	2,107,782	2,436,179	**4,396,436**