



Edvantage Group Holdings Limited
中匯集團控股有限公司

(股份代號：0382.HK)

2019 ANNUAL RESULTS

FINANCIAL RESULTS FOR THE YEAR ENDED 31 AUGUST 2019



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2019 Annual Results Highlights

For the year ended 31 August 2019



2018/2019 school year
Total student enrolment: **33,043**

↗ **2.6%**

Huashang College: 22,665 ↗ 4.1%

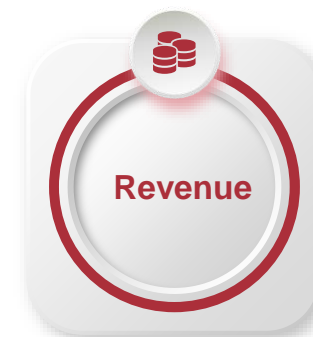


2018/2019 school year
Huashang College: **RMB21,831**

↗ **10.1%**

Huashang Vocational College : **RMB15,057**

↗ **4.6%**



↗ **Approximately RMB704.2 million**

↗ **Approximately 10.7%**



Gross profit: **Approximately RMB342.4million** Adjusted net profit: **Approximately RMB236.9 million**

↗ **Approximately 17.9%**

Gross margin: **Approximately 48.6%**

↗ **Approximately 3.0 percentage points**



↗ **Approximately 30.6%**

Adjusted net profit margin: **Approximately 33.6%**

↗ **Approximately 5.1 percentage points**



HK\$1 cent

Note: (1) Number of students is the sum of students in Huashang College, Huashang Vocational College and Global Business College of Australia; (2) Adjusted net profit is determined by adjusting profit for the year from continuing operations of RMB215,054,000 (2018: RMB177,151,000) for the effect of listing expenses of RMB38,896,000 (2018: RMB4,174,000) and net foreign exchange gain of RMB17,031,000 (2018: net foreign exchange loss of RMB136,000). (3) For the year ended 31 August 2019, the Board of Directors proposed the payment of a final dividend of approximately 30% of the profit for period attributable to owners of the Company from listing date, 16 July 2019, to 31 August 2019

Financial Summary

<i>(In approximately RMB million unless otherwise specified)</i>	FY2016	FY2017	FY2018	FY2019	Change	% Change
Revenue	572.6	604.2	636.4	704.2	67.8	10.7%
Cost of revenue	325.6	332.9	346.0	361.8	15.8	4.6%
Gross profit	247.0	271.3	290.4	342.4	52.0	17.9%
Gross margin	43.1%	44.9%	45.6%	48.6%	3.0%	N/A
Net profit¹	133.5	159.8	177.1	215.0	37.9	21.4%
Listing expenses	N/A	N/A	4.2	38.9	34.7	826.2%
Adjusted net profit	133.5	159.8	181.4	236.9	55.5	30.6%
Basic earnings per share (RMB cents)	N/A	N/A	21.55	27.68	6.13	28.4%
Proposed final dividend per share (HK cents)	N/A	N/A	N/A	1	N/A	N/A

Note: The fiscal year of the Group ended on 31 August

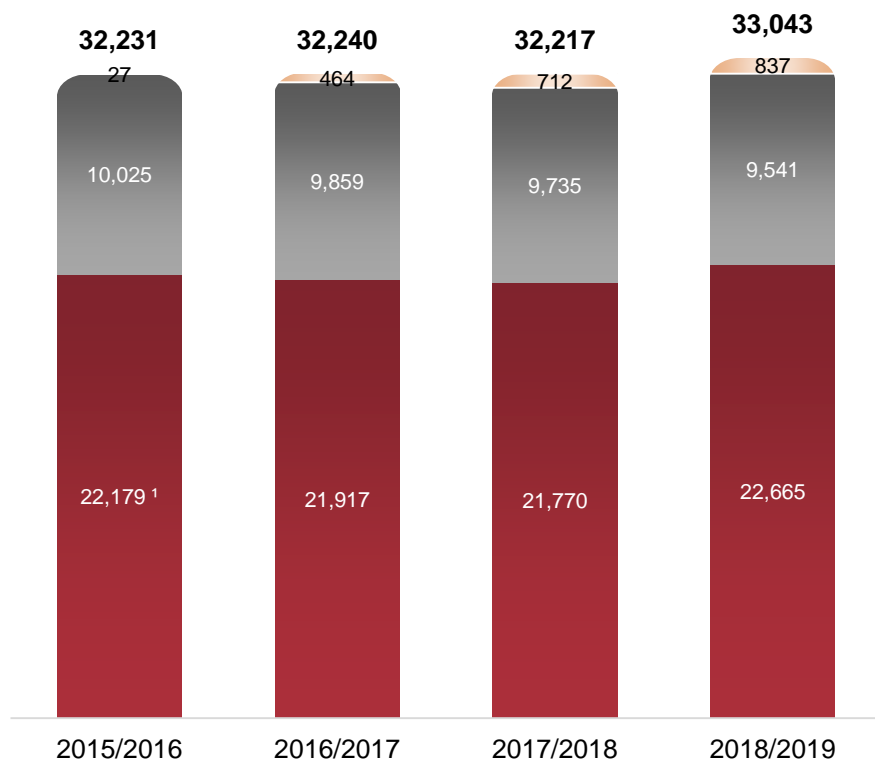
(1) Net profit represents the profit of the year from continuing operations of the Group

Primary Sources of Revenue—Number of Students and Average Tuition Fee

Revenue growth driven by significant increase in number of students and average tuition fee

Number of students for the school years

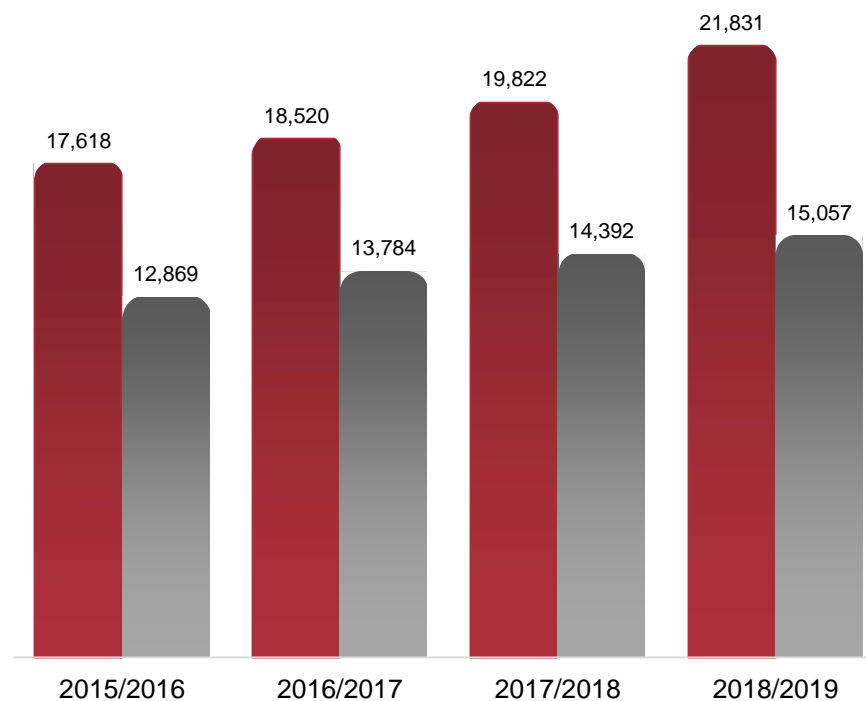
(Ppl)



	Change	%Change
Huashang College	895	4.1%
Huashang Vocational College	(194)	(2.0%)
Global Business College of Australia	125	17.6%
Total	826	2.6%

Average tuition fee for the school years

(RMB)



	Change	%Change
Huashang College	2,009	10.1%
Huashang Vocational College	665	4.6%

Note: The fiscal year of the Group ended on 31 August.




(1) The number of admission quotas and the student enrolment for Huashang College's bachelor's degree programmes were abnormally high for the 2015/2016 school year because 2015/2016 school year was the last year that Guangdong Province used the Guangdong examination paper for administering the National Higher Education Entrance Examination in Guangdong Province before Guangdong Province adopted the national unified examination paper for administering such exam

Primary Sources of Revenue——Tuition Fees Applicable to Newly Admitted Students for the School Years

High tuition fees level reflects our continuous improvement of teaching facilities and quality of education

- We have full discretion on the tuition and accommodation fees for the PRC Operating Schools based on market conditions, school facilities, students' affordability and other relevant factors
- According to the “Circular on Issues Concerning the Cancellation of Record-filing of Academic Education Tuition and Approval of Accommodation Fee on Private Schools and Private Secondary Vocational Schools” jointly issued on 11 October 2016 by Development and Reform Commission of Guangdong Province, Education Department of Guangdong Province and Department of Human Resources and Social Security of Guangdong Province, administrative approvals and registrations are no longer required for private higher education institutions in Guangdong Province when determining the level of tuition and board fees

Tuition fees applicable to newly admitted students for the school years

<i>(in RMB unless otherwise specified)</i>	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
 廣東財經大學華商學院 HUASHANG COLLEGE GUANGDONG UNIVERSITY OF FINANCE & ECONOMICS	Huashang College				
Bachelor's degree programmes ¹	18,300 – 28,000	19,300 – 28,000	22,000 – 35,000	25,000 – 36,000	27,000-39,800
Junior college to bachelor's degree transfer programmes ²	16,600 – 17,500	17,300 – 18,500	18,300 – 19,800	22,000 – 23,500	25,000-29,800
 廣州華商職業學院 GUANGZHOU HUASHANG VOCATIONAL COLLEGE	Huashang Vocational College				
Junior college diploma programmes	13,500 – 26,000	14,500 – 26,000	14,500 – 26,000	15,000 – 26,000	15,500-27,000
 Global Business College of Australia GLOBAL BUSINESS COLLEGE OF AUSTRALIA	Global Business College of Australia				
Vocational education training programmes	3,500 – 7,500 AUD	3,500 – 9,000 AUD	5,000 – 15,000 AUD	4,700 – 15,000 AUD	3,500-13,000 AUD

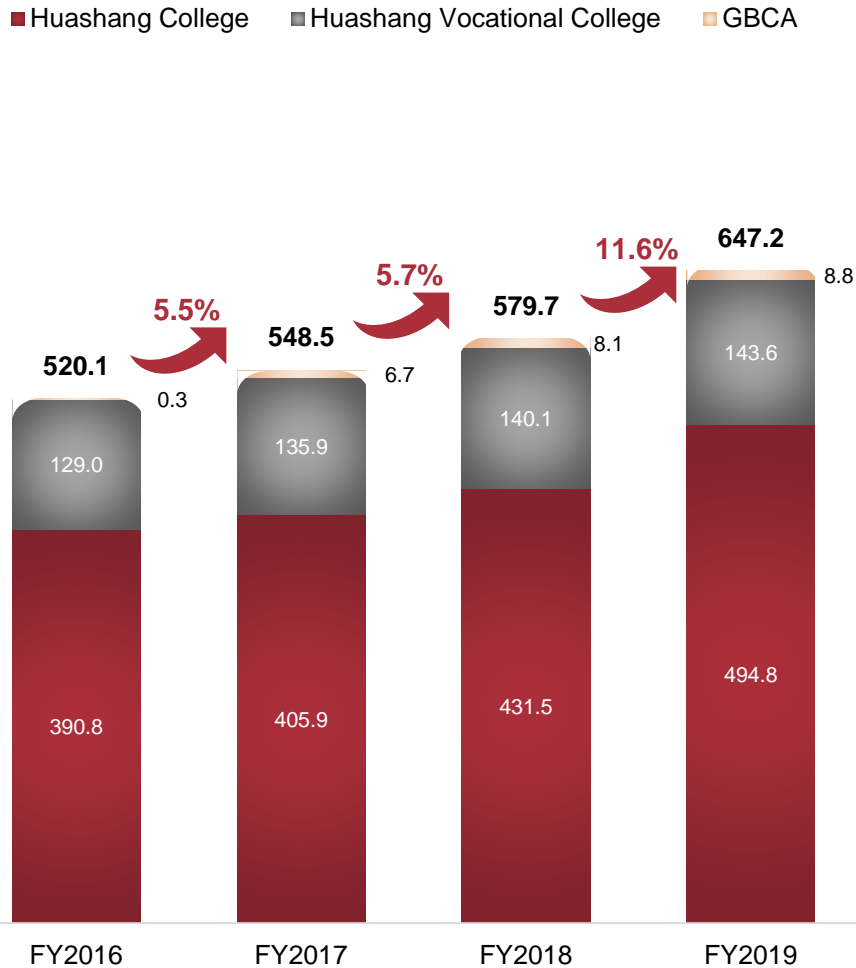
Note: The fiscal year of the Group ended on 31 August

(1) The fee ranges for Huashang College's bachelor's degree programmes listed in this table do not include additional tuition fees charged by GBCA or other foreign higher education institutions for Huashang College's study abroad programmes (2) Newly admitted students for the junior college to bachelor's degree transfer programmes commence their studies at Huashang College as third-year bachelor's degree programme students. The level of tuition fees and boarding fees required for those students is generally the same for other students who are enrolled in our third-year bachelor's degree programmes which may differ from newly admitted students who are first year students at Huashang College

Revenue Breakdown

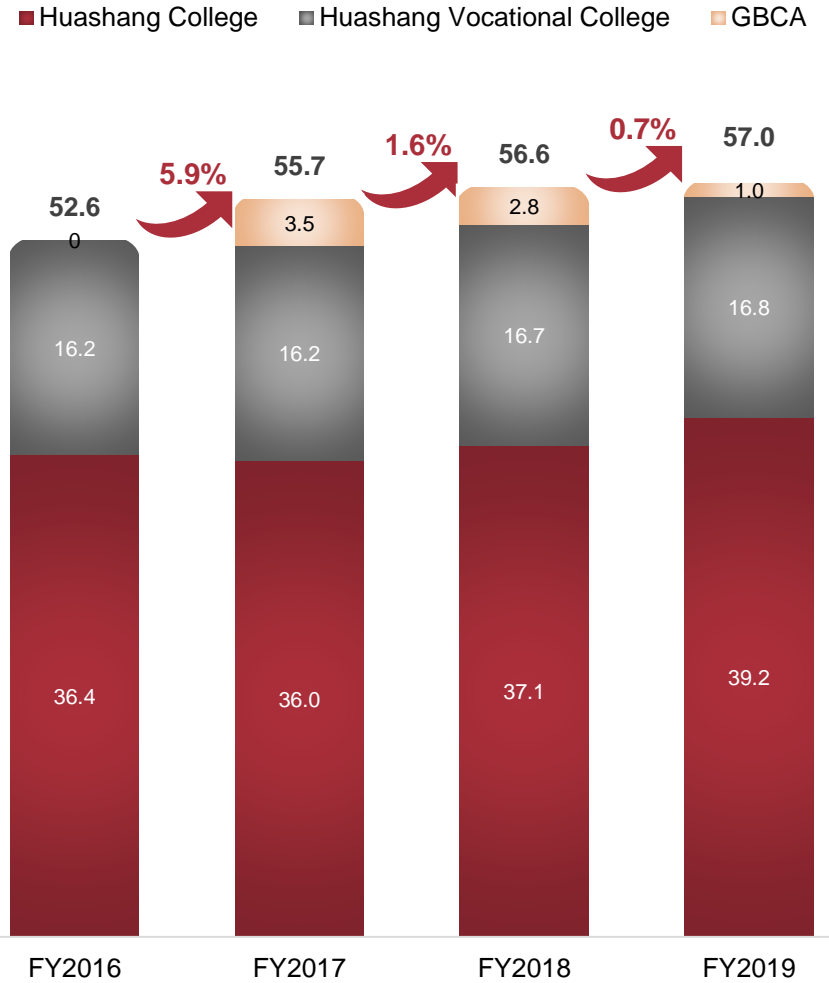
Revenue breakdown by main service – Tuition fees

(approximately RMB million)



Revenue breakdown by main service – Boarding fees and other revenue¹

(approximately RMB million)



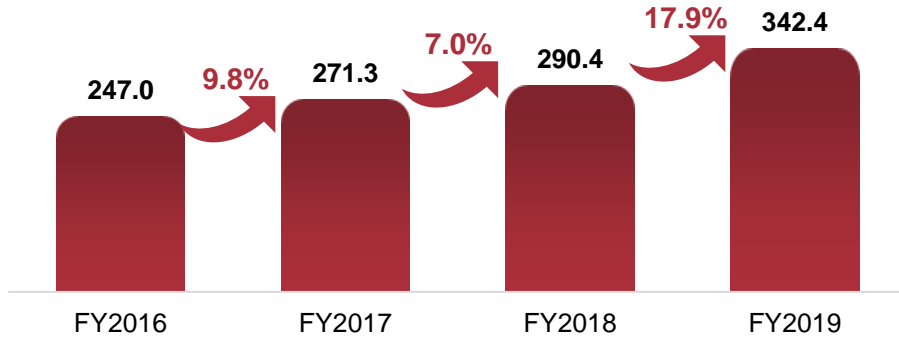
Note: The fiscal year of the Group ended on 31 August

(1) Other income refers to University cooperation programme fees which were mainly from the undergraduate programmes provided by the cooperation of GBCA and University of Canberra

Profit Analysis

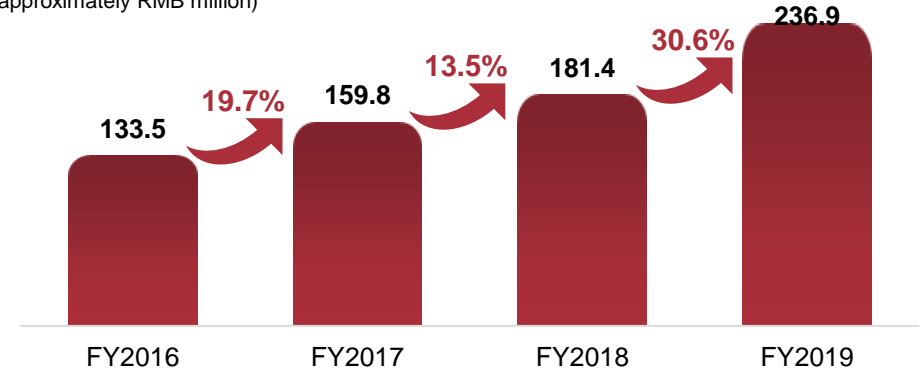
Gross profit

(approximately RMB million)



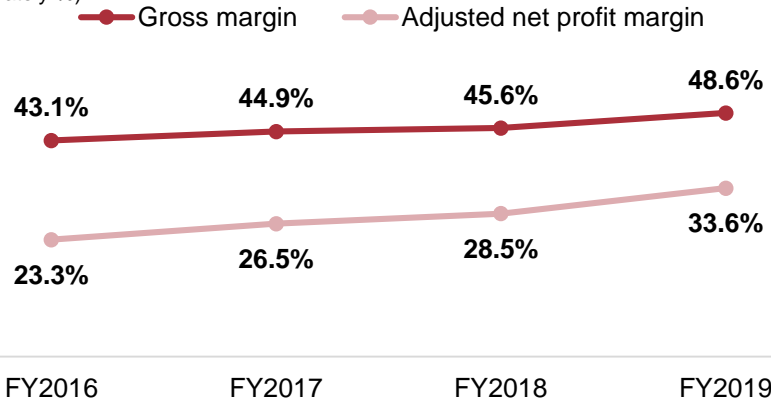
Adjusted net profit

(approximately RMB million)



Gross margin and adjusted net profit margin

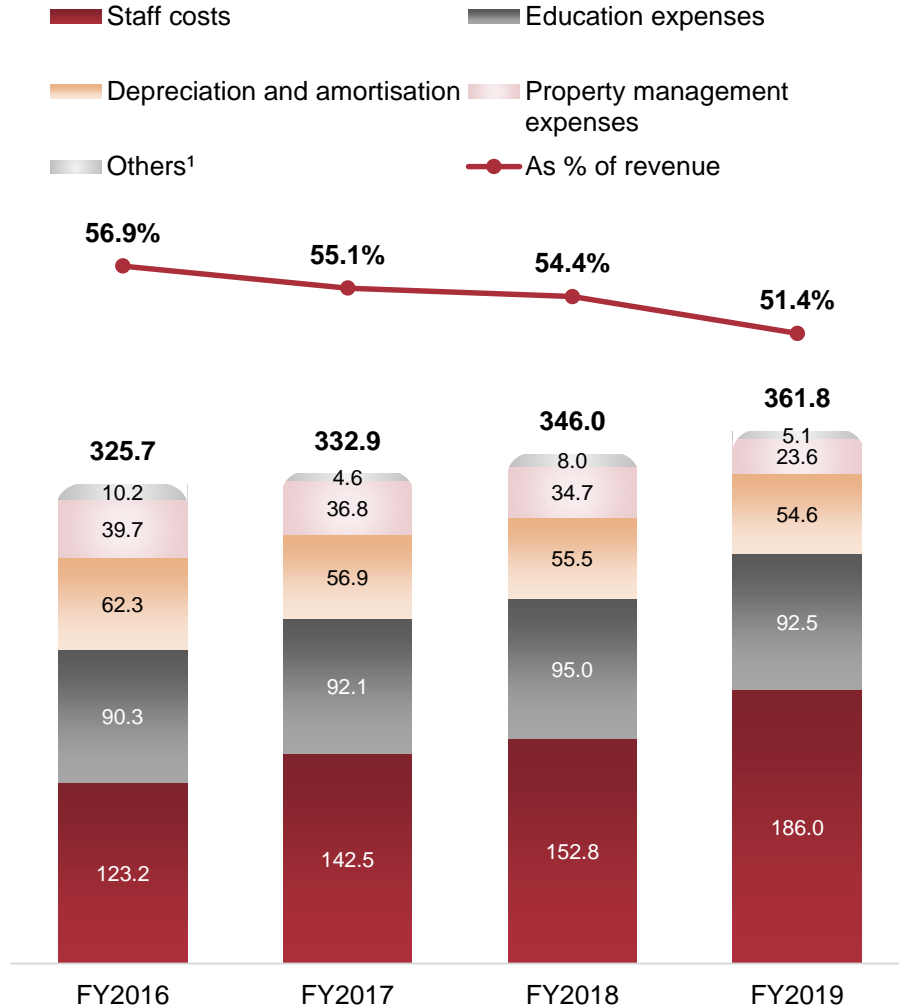
(approximately %)



Breakdown of Costs and Expenses

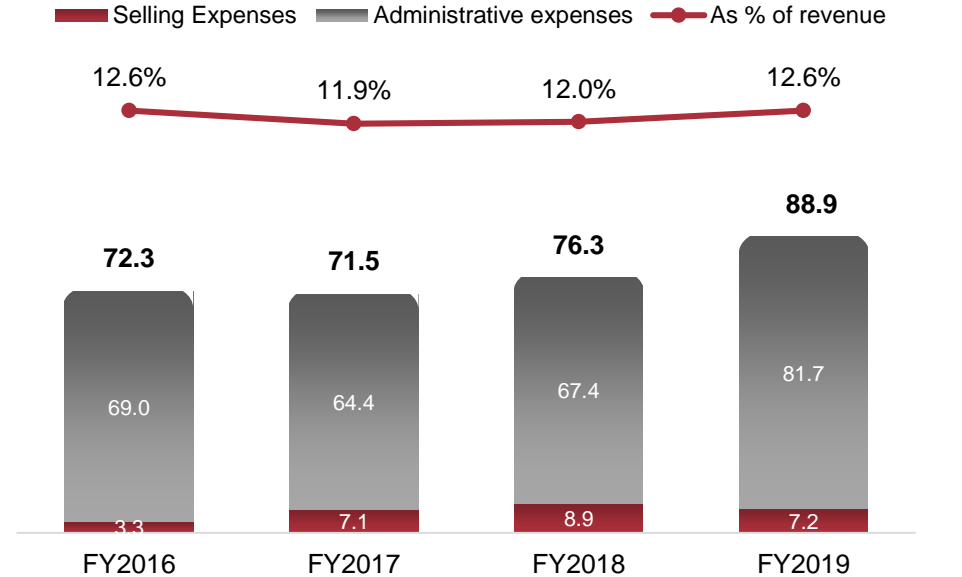
Cost of revenue

(approximately RMB million, As approximately % of revenue)



Selling and administrative expenses

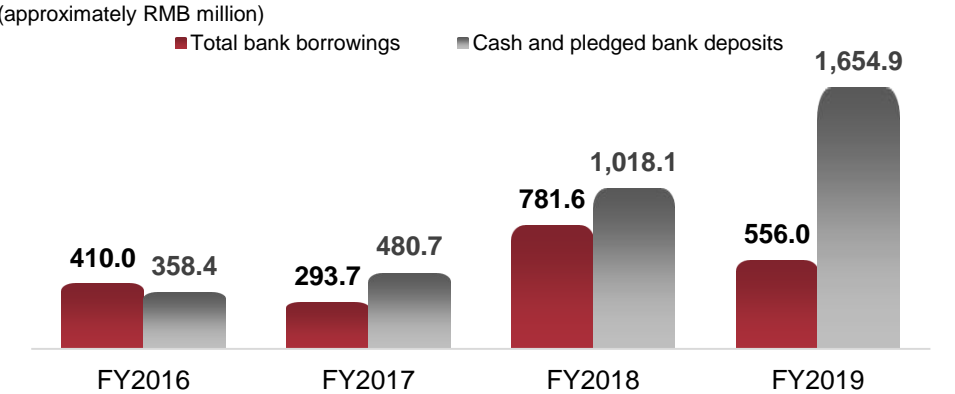
(approximately RMB million, As approximately % of revenue)



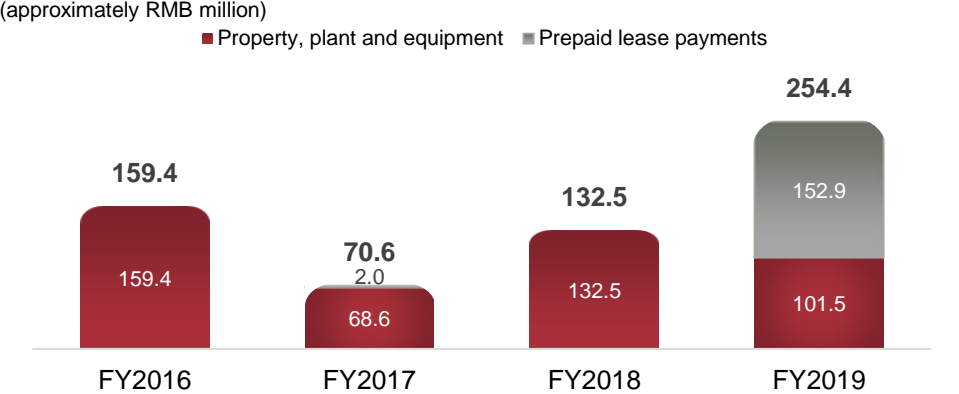
- The Group's selling expenses consist of advertising expenses, recruiting expenses, salary expenses and commission fees GBCA paid to admission agents
- Administrative expenses primarily consist of administrative payroll, repair, maintenance and property management expenses, office expenses, depreciation and amortization, donation, business development related expenses, other tax expenses, one-off expenses and others
- The cost of revenue and selling and administrative expenses have a steady trend over the years, which indicates that the Group has the capability of cost management

Capital Structure

Total bank borrowings & Cash and pledged bank deposits*

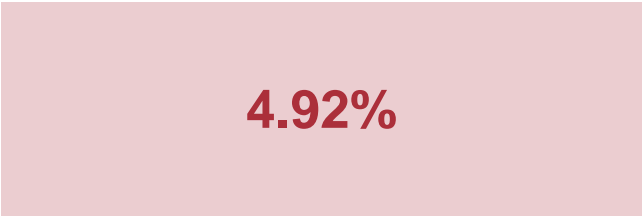


Capital expenditure



FY2019 weighted average interest rate of bank borrowings

(approximately %)



Note: The fiscal year of the Group ended on 31 August ;
 * In view of the high liquidity, structured deposits was included in cash and cash equivalents

Balance Sheet and Key Financial Ratios

<i>(In approximately RMB million unless otherwise specified)</i>	FY2016	FY2017	FY2018	FY2019	Change	% Change
Non-current assets	1,155	1,159	1,238	1,432	194	15.7%
Current assets	393	509	1,158	1,695	537	46.4%
- Bank balance and cash	196	216	149	1,352	1,203	807.4%
Current liabilities	774	932	1,024	1,019	(5)	(0.5%)
Net current (liabilities) assets	(381)	(423)	134	676	542	404.5%
Net assets	476	627	699	1,606	907	129.8%
Net assets per share (RMB)	N/A	N/A	N/A	1.58	N/A	N/A

<i>Approximately %</i>	FY2016	FY2017	FY2018	FY2019	Change <i>percentage point</i>
Current ratio (%)	51%	55%	113%	166%	improve 53 percentage points
Debt to asset ratio (total) (%)¹	69%	62%	71%	49%	improve 22 percentage points

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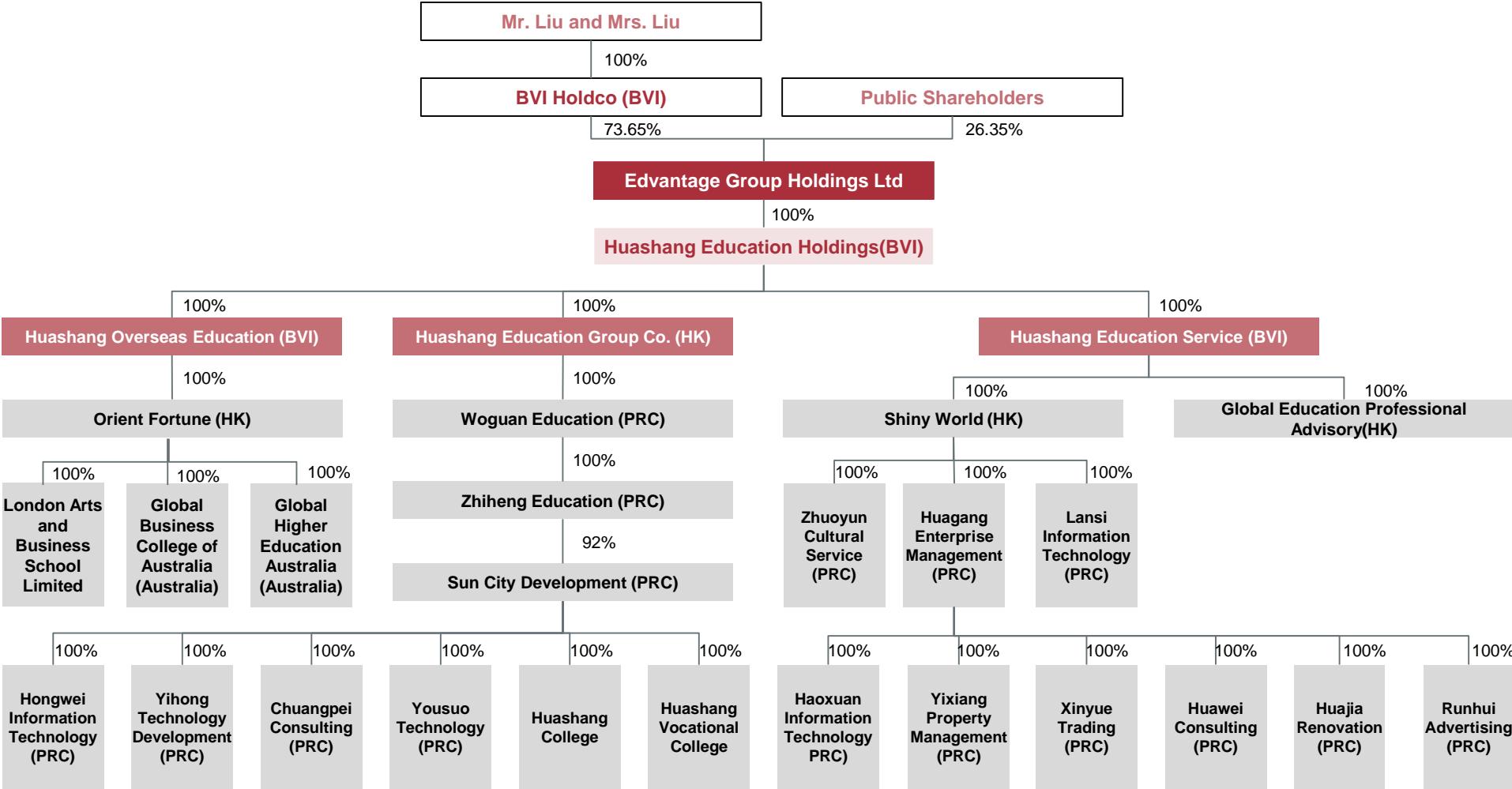
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Our Corporate Structure

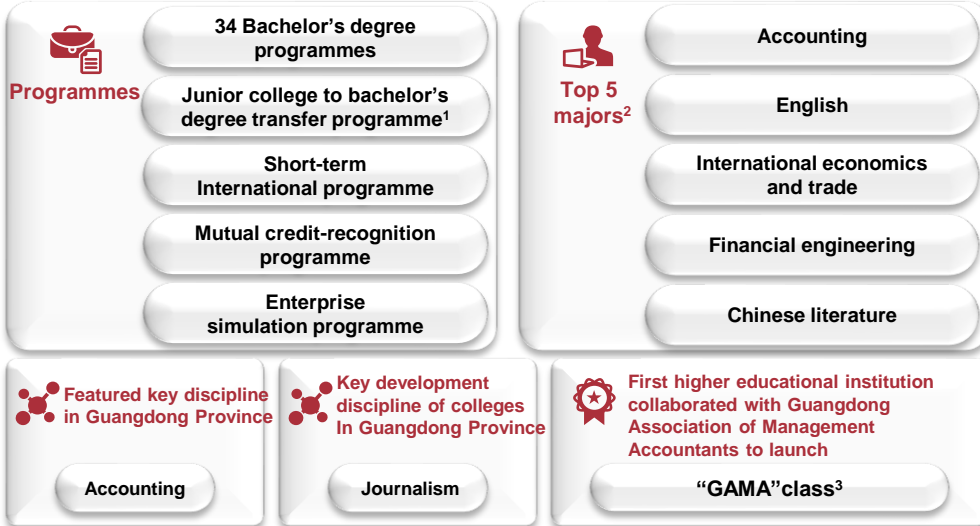
Red chip structure



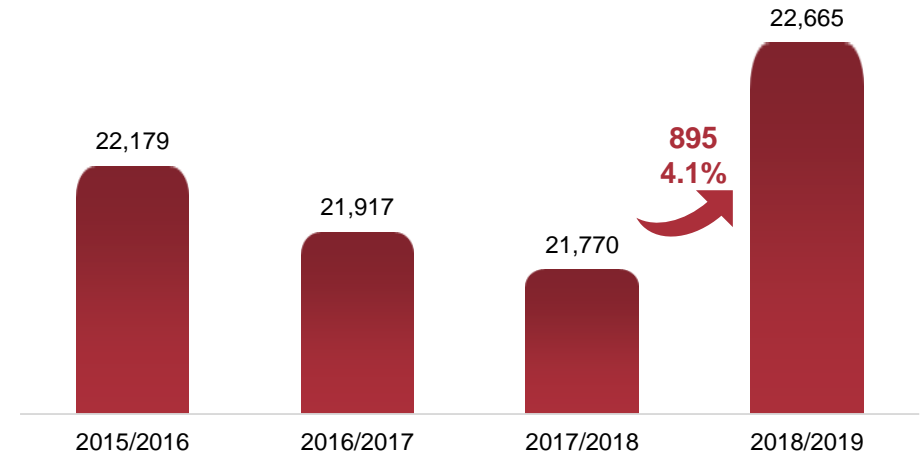
Schools We Operate – Huashang College

Vocational education courses adhere to market demand to achieve high initial employment rate

Programmes

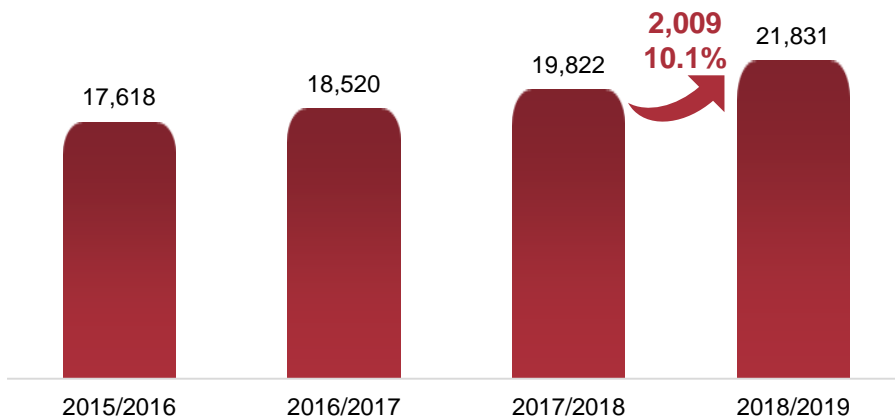


Number of students for the school years

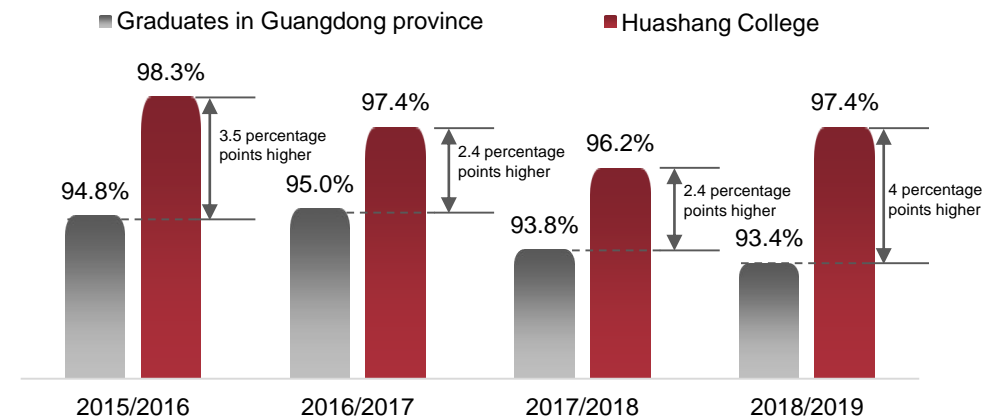


Average tuition fee for the school years

(RMB)



Graduates in Guangdong province and Huashang College Initial employment rate for the school years

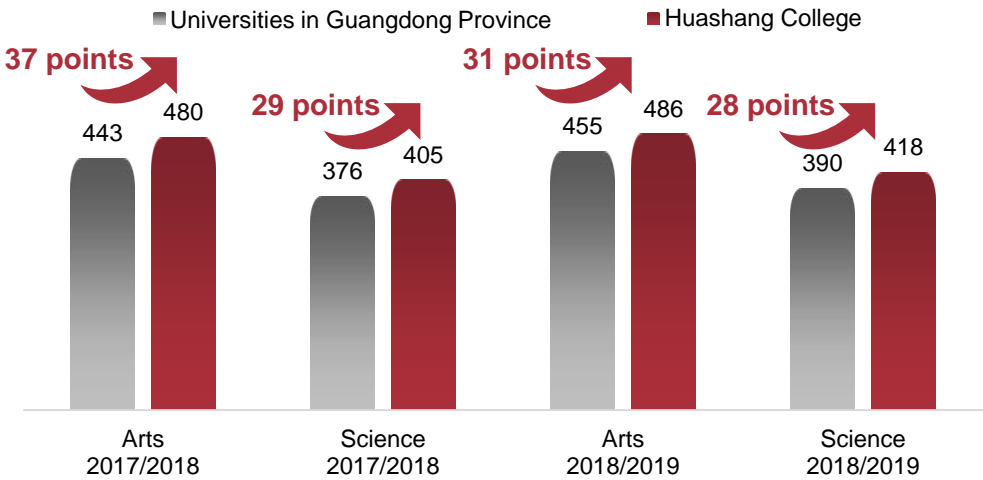


Source : Frost & Sullivan

Note: (1) Starting from 2018/2019 school year, the enrolment plans for junior college to bachelor's degree transfer programmes no longer account for the overall admission plan that is subject to approval by provincial education department. For the 2018/2019 school year, the total of newly admitted student enrolment for the junior college to bachelor's degree transfer programmes reached 900 as compared to 344 for the 2017/2018 school year (2) In terms of total student enrolment; (3) The first bilingual class in Guangdong Province which jointly launched with Guangdong Association of Management Accountants in 2016; (4) In 2019, the initial employment rate of Huashang College graduates ranks No. 1 among 16 private colleges in Guangdong province; 108 accounting graduates of Huashang College joined the top 50 accounting firms in China which ranked by CICPA, 58 graduates were employed by the top 10 accounting firms in China including CITIC, Ruihua, Tianjian, Zhitong, Dahua and Tianzhi; 27 students were even hired by the "International Big Four", namely Deloitte, Ernst & Young, KPMG and PwC.

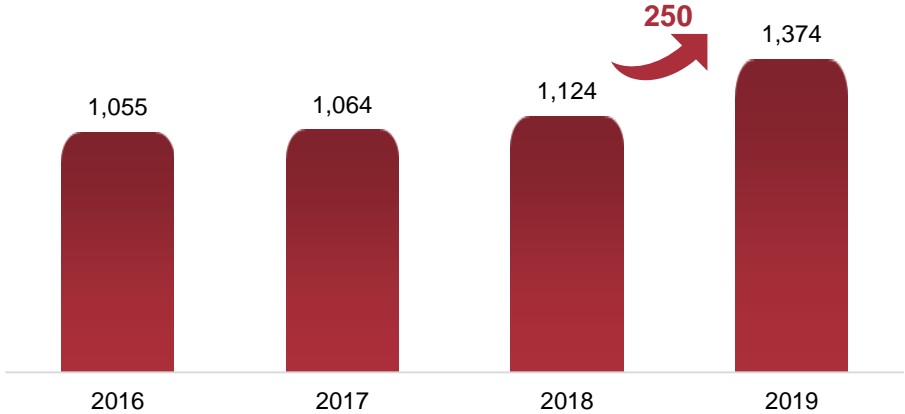
Schools We Operate – Huashang College

Universities in Guangdong Province and Huashang College admission score for the school years



Number of teachers for the school years¹

(Ppl)
As of 31 August



Note: (1) Teachers consist of full-time and part-time teachers

Schools We Operate – Huashang Vocational College

Vocational Education Courses Adhere to Market Demand to Achieve High Initial Employment Rate



Programmes



Programmes

32 junior college diploma programmes

Short-term international programmes

Mutual credit-recognition programmes

Enterprise simulation programmes



Huashang Auto Engineering School

Offers four majors, including automotive application and maintenance, automotive electronics, auto marketing and sales and new energy

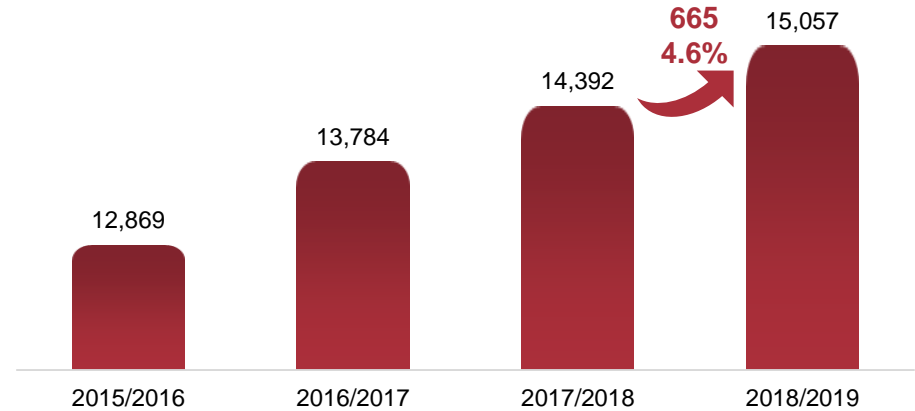


Huashang Hospitality Management School

The Education Department of Guangdong Province recognized our tourism and hotel management as one of the “key disciplines” in 2014

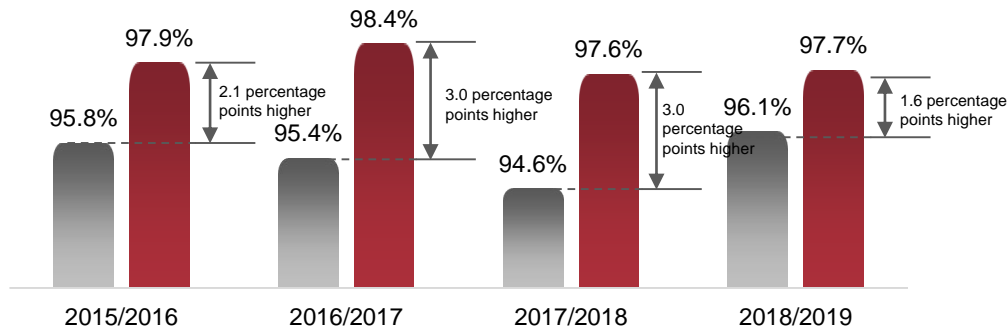
Average tuition fee for the school years

(RMB)

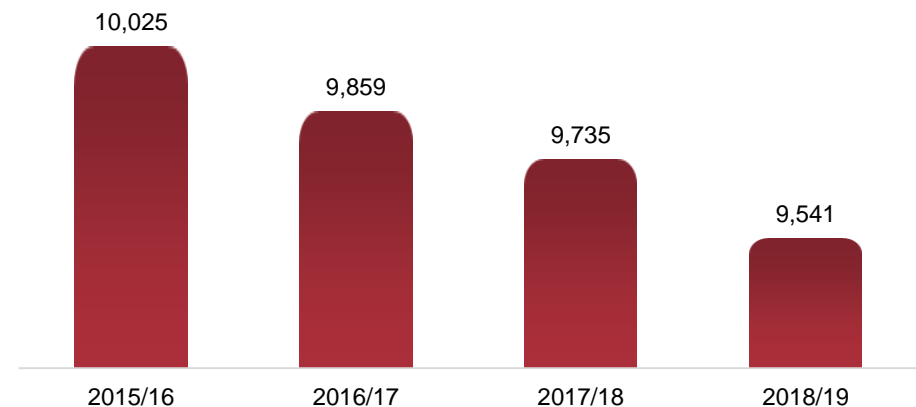


Vocational College Graduates in Guangdong province and Huashang Vocational College Initial employment rate for the school years¹

■ Vocational College graduates in Guangdong province ■ Huashang Vocational College



Number of students for the school years²



Note: (1) The initial employment rate of Huashang Vocational College graduates for the 2018/2019 School year ranked No. 4 among private vocational colleges in Guangdong province
 (2) Huashang College and Huashang Vocational College are located in the same campus, therefore resources are shared

Schools We Operate – Global Business College of Australia

An early mover in pursuing international expansion



GBCA

- Authorised by ASQA¹, the Global Business College of Australia is the first Chinese international educational institution approved by the Australian government
- Provide **vocational education training programme and non-formal education programme** to both local and non-local students, its number of students was 837 for the year ended 31 August 2019
- Transited into “asset-light” business model, during the reporting period, the school basically achieved break-even
- The Group has developed partnerships with multiple higher educational institutions around the world, the partner network covered various countries and regions, including the United Kingdom, Canada, Australia and Spain



✓ 5 Major Course Areas	✓ 22 Training Courses	✓ 6 collaborative relationships with international enterprises	✓ Short-term International Programmes	✓ Mutual credit-recognition Overseas Programmes
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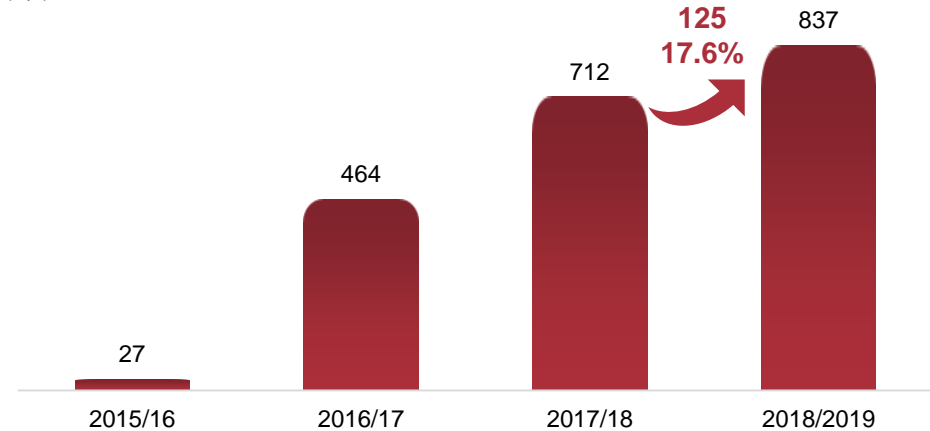
Provide advanced diploma, diploma or other certifications recognised vocational education training agencies:
Core courses include business, information technology, business analysis, etc.

Other non-formal education programmes:
Include short study tour programmes, English language intensive courses for overseas students

GBCA represents a replicable example for future international expansion

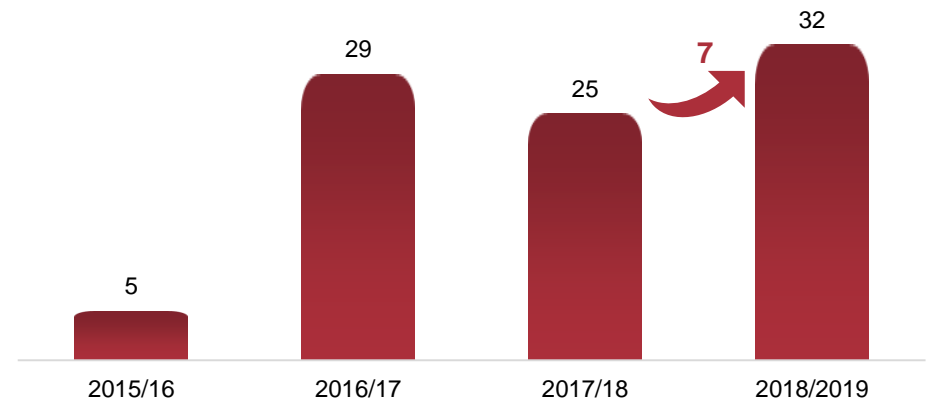
Number of students for the school years

(Ppl)



Number of teachers for the school years

(Ppl)



Constructed Dedicated Work Simulation Training Facilities and Highly Qualified Teaching Staff

Approximately 25 simulation training studios

Invested heavily in constructing multiple practical training facilities dedicated and tailored to different programmes and disciplines, **more than 6,000 students have so far participated in practical training programmes**

~25 Simulation Training Platform

Including simulated banking laboratory, comprehensive financial laboratory, enterprise simulation laboratory, audit practice laboratory and business negotiation laboratory, etc

- The investment in constructing and improving teaching and practical training facilities **has created higher entry barriers** for potential competitors of the Group
- Help to maintain the position as one of the **leading private education providers in the Greater Bay Area**

Newsroom integrated laboratory



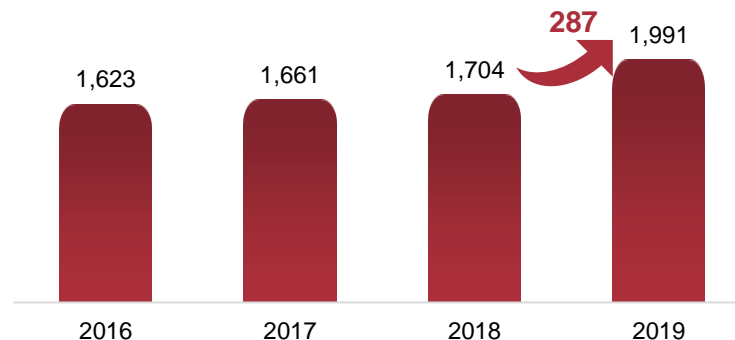
Cloud Finance Laboratory



~2,000 Professional teachers with industry experience

(People)
As of 31 August

Professional teachers for the school years



- Hire market petitioners and technical specialists worked at various enterprises to teach on either a full-time or a part-time basis

Albert Sun-Chi Chan*

Appointed as the Principal of Huashang College Guangdong University of Finance and Economics in Nov 2018

- Academician of Chinese Academy of Sciences
- Member of the 13th National Committee of the Chinese People's Political
- Former President of Hong Kong Baptist University, had served as Dean of Faculty of Applied Science and Textiles and Vice President of Hong Kong Polytechnic University, visiting specialist of National Taiwan University, Chair Professor and Head of the Department of Applied Biology and Chemical Technology, Dean of School of Pharmaceutical Sciences of Sun Yat-sen University



Outcome of Huashang E-Home APP

Huashang E-Home App covers all-rounded college services such as fundamental platform, teaching management and services, student management and services, electronic school services, digital resources etc.

The app also promotes the idea of solution provider of teaching integration, student's integration, office integration and resources integration.



- ### Promotion Channel of the Group

An official media platform of Edvantage Group, to disseminate the latest news and promote the Group.
- ### Smart Services

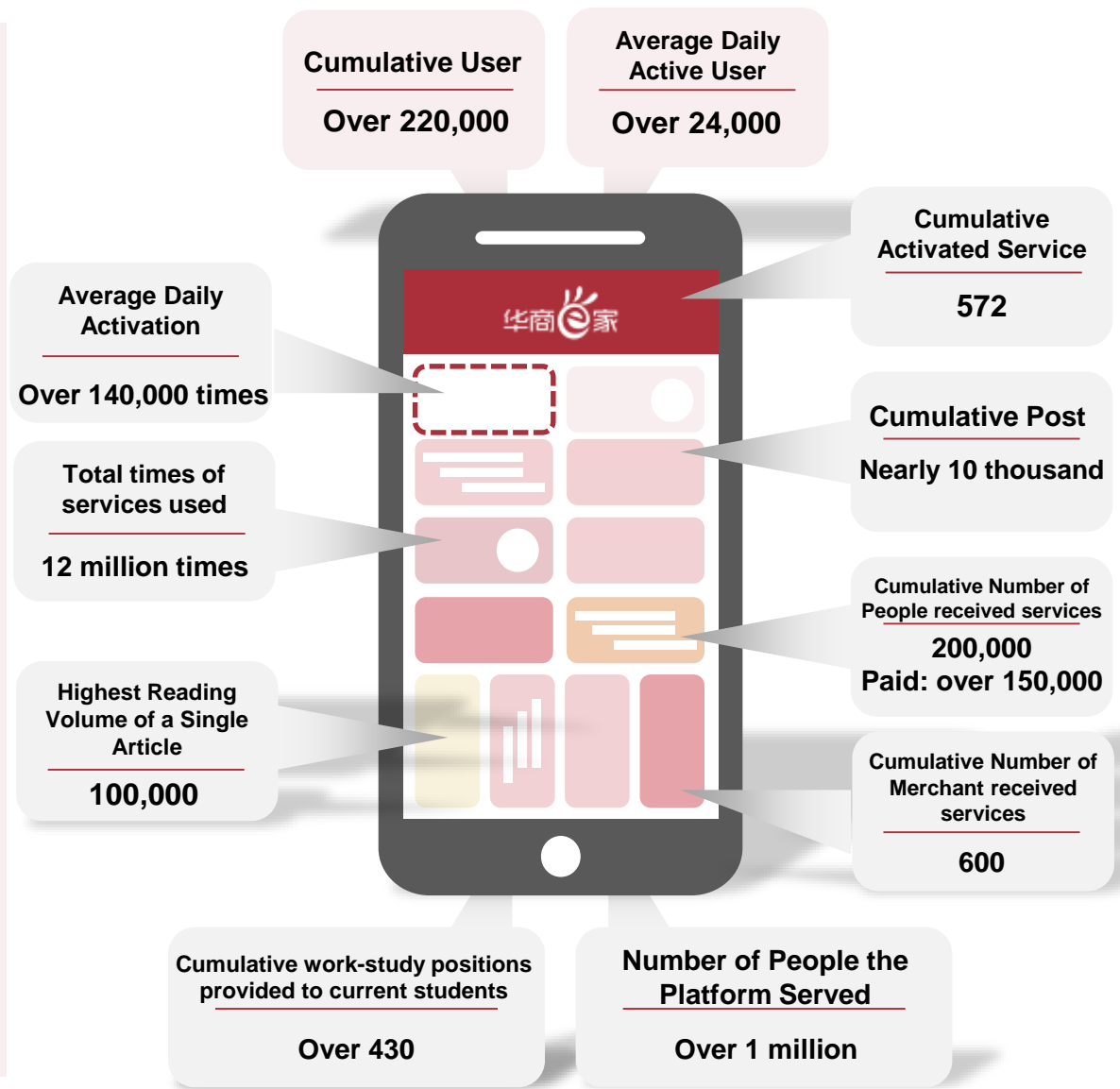
Provide services and bring all-round convenience to staff and students of Edvantage Group
- ### Talent Nurturing Base

Provide opportunities that allow students to put knowledge into practice, nurture talents for the society
- ### Youth Entrepreneurial Platform

Offer students of Edvantage Group an entrepreneurial platform and introduce more capital for students to start their own businesses
- ### Sharing of Operational Experiences

Huashang E-home aspired to be a role model of smart campus, will summarise its previous operational experiences as a reference to its sister schools
- ### New Source of Benefits

Huashang E-home introduce social resources, providing convenience to users while bringing in new benefits to the Group and business partners



Established Collaborative Relationship with 100+ Enterprises (Partial)

Huashang College and Huashang Vocational College

✔ more than 100 enterprises

Established collaborative relationships with enterprises from diverse industries to provide students with internship and training opportunities

✔ more than 580 enterprises

Enterprises and organisations participated in on-campus recruiting events at Zengcheng District Campus in 2017 and 2018



校企融合 共赢共建

School-Enterprise Cooperation for Mutual Prosperity



会计、经济与金融	工商管理、市场营销及物流管理	文学艺术	信息技术
			

Established Collaborative Relationship with Enterprises (Partial)

Global Business College of Australia



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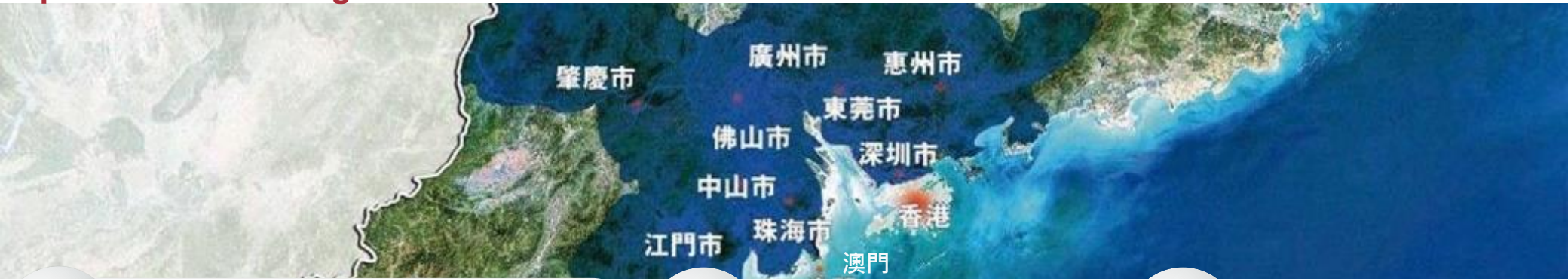
Future Strategies

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Future Strategies

Government supporting policies and huge supply of students promote the development of private business higher education



National policies supporting

2019 Government Report

- Accelerate the development of Vocational Education Modernization, the vocational college student's enrolment for 2019 is expected to be one million

Jan 2019 Implementation Plan on National Vocational Education Reform

- Encourage ordinary colleges and universities to shift toward providing Applied Education, target to have 50 high quality higher vocational schools and 150 core specialties by 2022

Feb 2019 Outline Development Plan for the Greater Bay Area

- Encourage higher education institutions of the three regions to explore cooperation and exchange in the mutual recognition of academic credits of specified courses, to implement more flexible arrangements for exchange students
- Improve the model for nurturing internationalized talents, strengthen international talent exchanges and cooperation, and promote the international mutual recognition of professional qualifications

Aug 2018 Speech Given by National Leaders on importance of vocational education

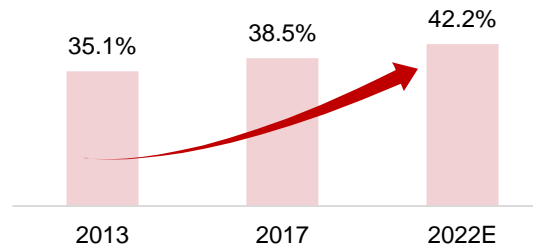
- The national leaders pointed out that the government will make great efforts to develop vocational education during visits. President Xi Jinping addressed that the development of vocational education has a promising future. Prime Minister Li Keqiang also stated that more than 2,000 vocational colleges and universities in China are valuable assets



Strong demand for business professional in the Greater Bay Area

- With the rapid economic development of the Greater Bay Area

GBA excluding Hong Kong and Macau
Proportion of employees in the tertiary industry



- Only 3% of employees in Guangdong province possess limited English proficiency

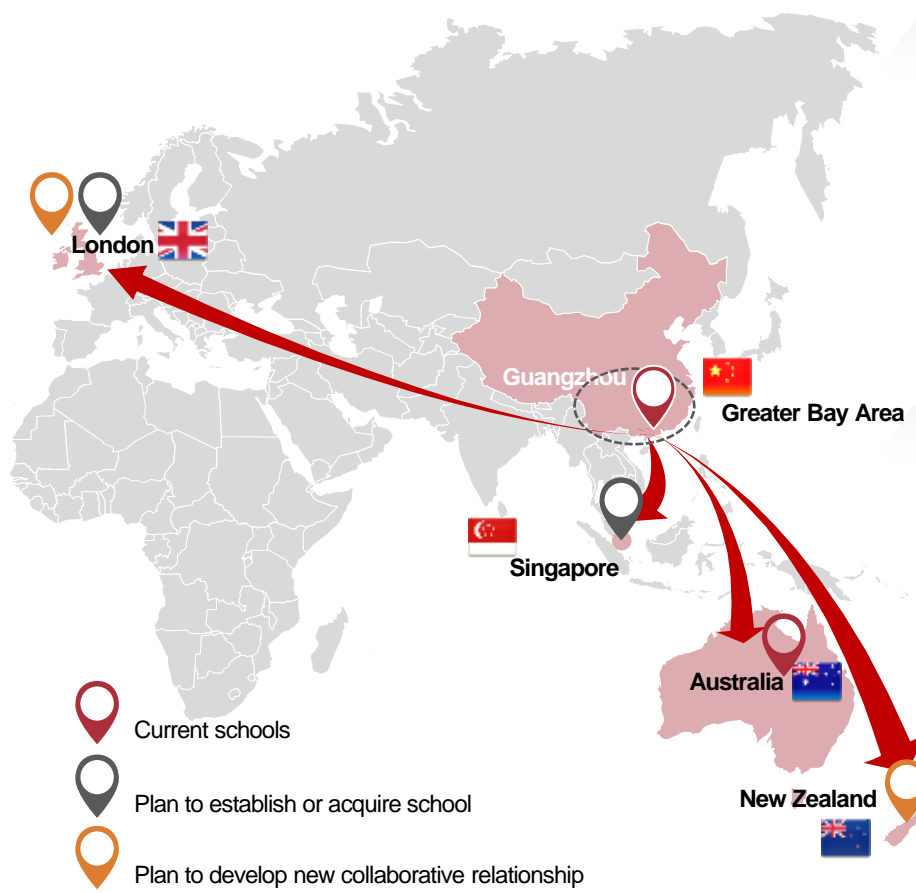


Large population in the Greater Bay Area with limited higher education resources

- Guangdong Province is the second largest Province in China in terms of population**
Large pool of students taking National Higher Education Entrance Examination, Pearl River Delta Area has attracted many migrant workers to work in this region which contributes to the growth of the population base in the Greater Bay Area
- Enrolment of higher education in Guangdong Province is lower than national average**
Education resources are insufficient to meet the corresponding demand
- As an important manufacturing and commercial center in China**
Strong demand for high-skilled talents in the Greater Bay Area

Future Strategies

Aim to consolidate our leading position in the Greater Bay Area's private higher education market and further enhance our national and international reputation



Business and Cashflow Stabilization Strategy

- Expansion of the Zengcheng district campus and establishment of new campus in Sihui**
- Zengcheng district:** Plan to construct science and technology centre and international conference centre
 - Huashang College's Sihui campus:** Plan to commence operation in September 2020

Enrich Diversified Education Service and Upgrade Branding Influence Strategy

- Refine disciplines, set Shenzhen business and acquisition**
- Refine disciplines:** opening new courses (A.I., Fintech, Health Science etc.)
 - Shenzhen business:** Base for innovation and entrepreneurship and Fintech and other vocational training
 - GBA and Pearl River Delta Area:** Establish new campus and explore acquisition opportunities

Optimize Pricing Strategy by Internationalization

- Expansion of international network**
- Optimize pricing strategy:** Increase local tuition fees by the synergies between local and overseas schools
 - Singapore and London:** Establish overseas platform

Future Strategies

Business and cashflow stabilization strategy : Expansion of Zengcheng district campus and establishment of new campus in Sihui



Expand Zengcheng district campus- Huashang Science and Technology Centre

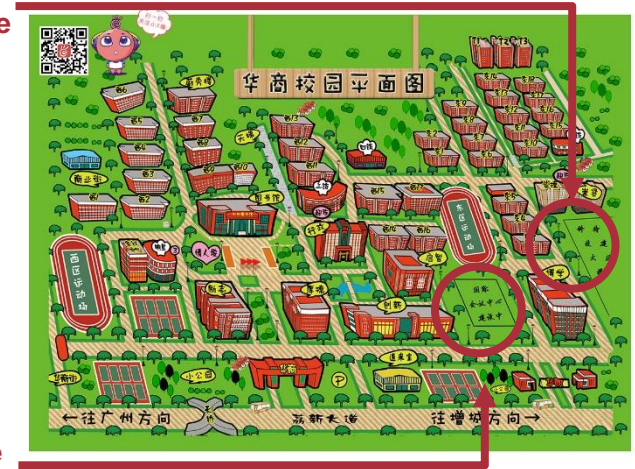
- To conduct teaching activities
- Total GFA of approximately 69,000 s.q.m.
- Total investment to be around RMB200 million

Expand Zengcheng district campus- Huashang International Conference Centre

- To hold industry or school-enterprise conferences, conduct academic events and practical trainings as well as provide office space for teaching and administrative staffs
- Total GFA of approximately 28,000 s.q.m.
- Total investment to be around RMB75 million

New campus establishment— Huashang College's Sihui campus

- Located in Sihui, Zhaoqing, Guangdong Province
- Total campus area to cover up to approximately 533,300 sq.m. (800 Mu), able to accommodate approximately 16,000 students
- Branch school of Huashang College, categorised as a university
- **New campus is expected to commence operation in September 2020, therefore, resources for Huashang College & Huashang vocational college will be increased, the total number of school students will increase by 3,000. Meanwhile, the increasing number of school students will be recorded as 3,000 annually in the coming years**
- Total investment for this Sihui campus is estimated to be around RMB800 million



Future Strategies

Enrich Diversified Education Service and Upgrade Branding Influence Strategy: Refine disciplines, set Shenzhen business and acquisition



School type

Private universities and vocational colleges



Priority Target region

Pan-Pearl River Delta

Guangxi, Yunnan, Hunan, Hainan, Fujian, Sichuan, Jiangxi, Guizhou, Guangdong region



Selection criteria

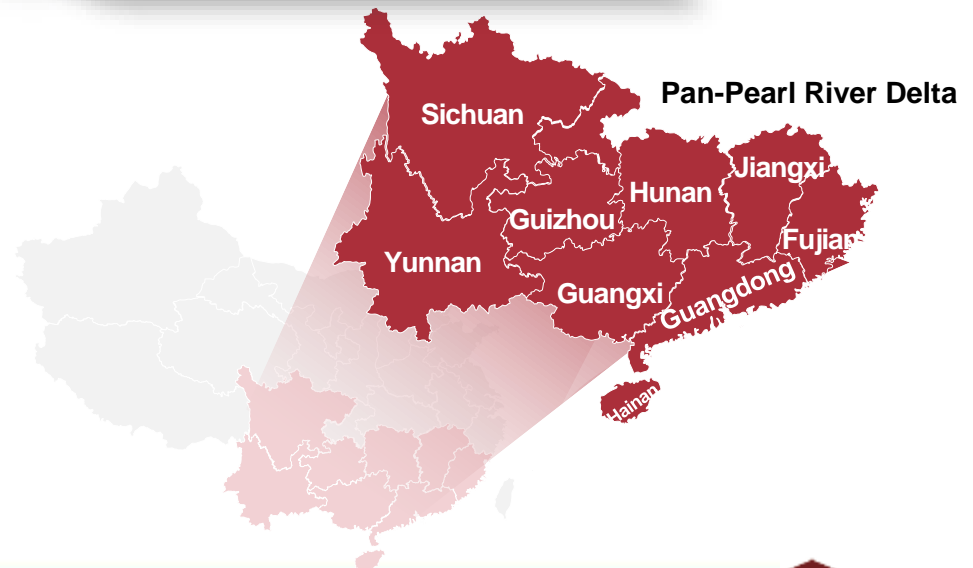
- Scale
- Profitability
- Reputation and Operation History
- Course Offerings
- The city or region where the target school is located and connectivity of the industry or business of the regional economy to the economy of the Greater Bay Area
- Operating condition and long-term potential of the target school
- The integration and potential synergy that the target school may bring to the Group
- The consistency of educational philosophy and compliance with laws and regulations between the Group and the target school

Shenzhen business

- Hong Kong-Shenzhen-Guangzhou is the central point of the Greater Bay Area. It takes only 1 hour from the central to any point in the GBA by high speed railway
- Base for Innovation and entrepreneurship
- Base for Fintech and other vocational training

Refine disciplines

- Launching new courses
(A.I., Fintech, Healthcare and Medical Science etc.)

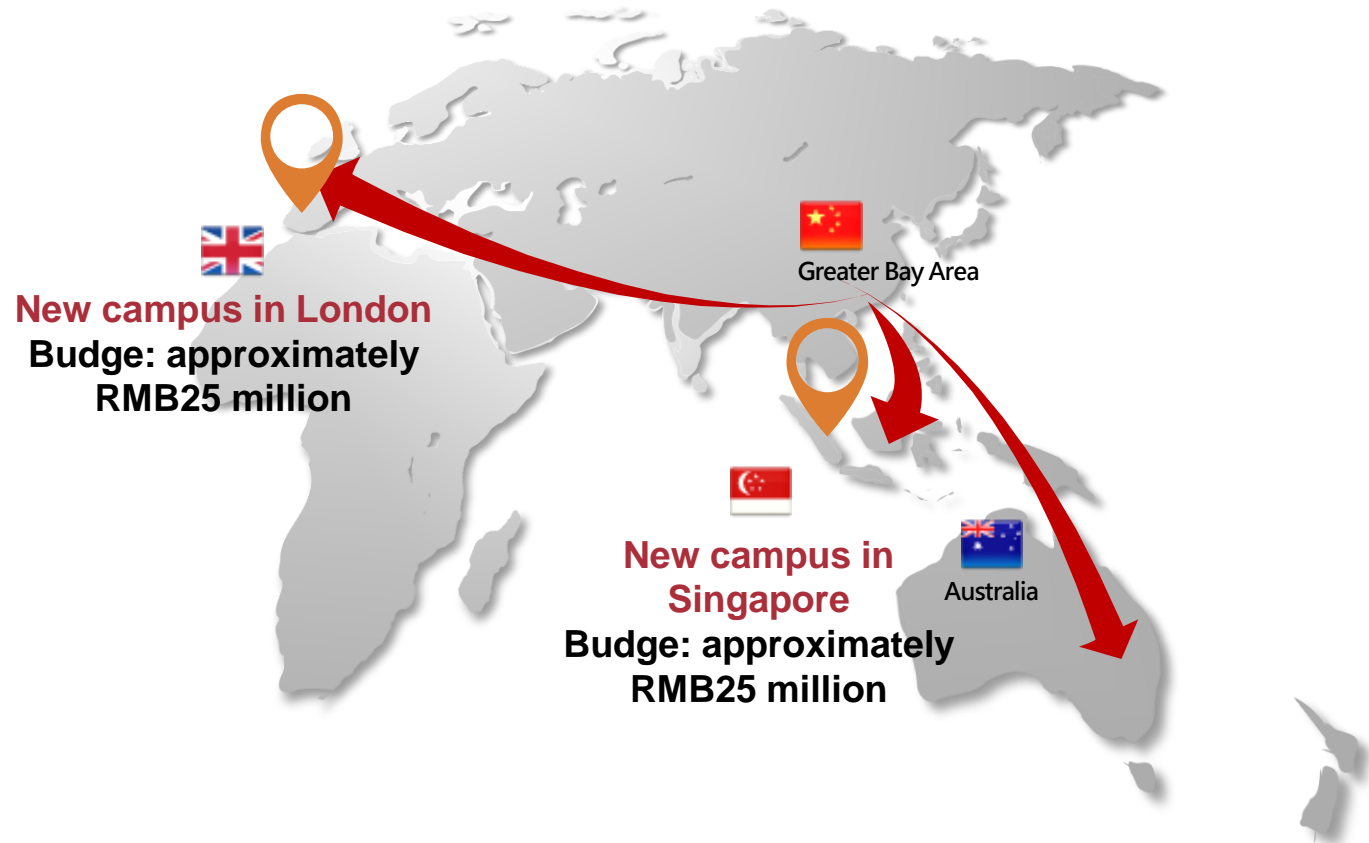


Future Strategies

Optimize pricing strategy by internationalization: Expansion of international network

Expansion of international network

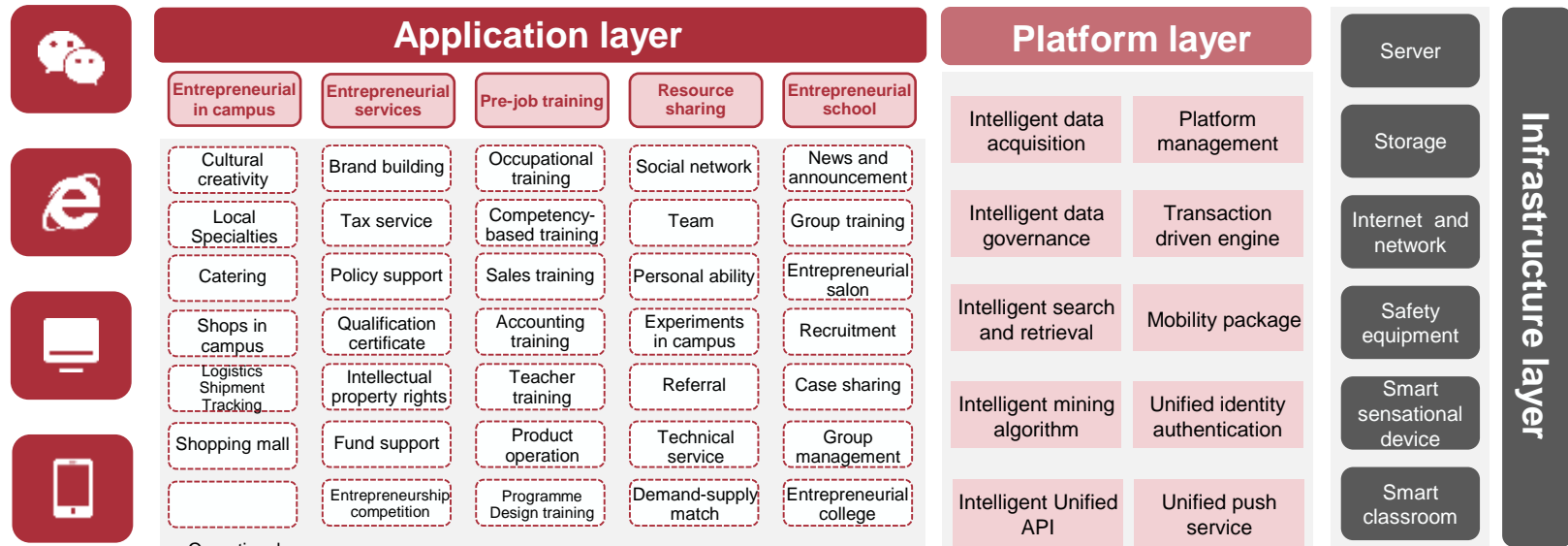
- In view of the successful “asset-light” model of Global Business College of Australia, the Group will replicate the operation model in new overseas market. The current target regions are **Singapore** and **London** ; Meanwhile, the Group has gained strong support of students and parents; the extension of overseas network not only provide students more choices of study aboard destination, but also further broaden students' international horizons and enhance their foreign language proficiency
- The reason the Group targeted at Singapore and London is that both are English-dominant countries and international financial centres. Our students will have a better experience and development prospects as most of them major in business



Planning for Smart Campus

Focus on the “5A” intelligence innovative entrepreneurship stage of colleges

- Based on the talent cultivation with Internet model, break the innovative entrepreneurship ecosystem construction of traditional campus, combine the school life with entrepreneurship and create the “5A” new innovative entrepreneurship model, i.e. anyone can do any business and get any services related to entrepreneurship and employment at anywhere in anytime



Entrepreneurial Online startup incubator for university students

Take cultural and creative projects as a set-off point to promote cultural and creative products, enrich the platform content and deepen students' understanding of entrepreneurial

Social Dynamic school life

The lively social community helps students to expand their social circle, participate in various associations and grab the latest campus news

Shopping district Integrate online and offline shop resources

Show all intra and extra-campus shop resources, providing a practical platform for college students in innovation and entrepreneurship

Alumni Alumni service center

Communicate and provide service to alumni, providing them continuing education and vocational education. Organise and summarize achievements of outstanding alumni to motivate students

FY2019 / 2019 School Year Performance and FY2020 / 2020 School Year Targets

	FY2019 / 2019 School Year Actual			FY2020 / 2020 School Year Target / Policy		
	Total ¹	Huashang College	Huashang Vocational College	Total ¹ <i>Change</i>	Huashang College <i>Change</i>	Huashang Vocational College <i>Change</i>
Revenue <i>(approximately RMB million)</i>	704	534	160	826 +17.3%	636 +19.1%	190 +18.8%
Number of students	33,043	22,665	9,541	34,782 +5.3%	24,059 +6.2%	10,723 +12.4%
Tuition Fees (Range)² <i>(RMB)</i>	15,000-36,000	22,000-36,000	15,000-26,000	15,500-39,800	25,000-39,800	15,500-27,000
Tuition Fees (Average) <i>(RMB)</i>	N/A	21,831	15,057	N/A	24,393 +11.7%	15,570 +3.4%
	FY2019 Actual		FY2020 Target / Policy			
Tax Rate	12%		10%		<i>Improve 2 percentage points</i>	
Gross Margin	48.6%		49%		<i>Improve 0.3 percentage point</i>	
Dividend Payout Ratio	30%		30%		<i>Remains the same</i>	

Thank You !

Q&A Session



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This presentation may be subject to a number of forward-looking statements. Forward-looking statements are statements that are not historical facts. These forward-looking statements are based on the Group's current expectations and the Group cannot guarantee that such expectations are fully correct. Due to the risks and uncertainties in the forward-looking statements, the actual results of the Group may significantly differ from those statements.

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Consolidated Statements of Profit or Loss and Other Comprehensive Income

<i>RMB thousand</i>	For the year ended 31 August			
	2016	2017	2018	2019
Continuing operations				
Revenue	572,587	604,172	636,381	704,239
Cost of revenue	(325,599)	(332,910)	(345,947)	(361,877)
Gross Profit	246,988	271,262	290,434	342,362
Other income	8,184	7,649	17,190	22,389
Investment income	728	613	1,012	4,565
Other gains and losses	1,244	4,761	14,368	29,413
Selling expenses	(3,363)	(7,086)	(8,938)	(7,221)
Administrative expenses	(68,967)	(64,400)	(67,438)	(81,697)
Listing expenses	-	-	(4,174)	(38,896)
Share of results of associates	-	(36)	-	-
Finance costs	(19,141)	(14,333)	(17,665)	(27,725)
Profit before taxation	165,673	198,430	224,789	243,190
Taxation	(32,151)	(38,604)	(47,638)	(28,136)
Profit for the year from continuing operations	133,522	159,826	177,151	215,054
Discontinued operations				
Profit (loss) for the year from discontinued operations	121	958	(1,703)	7,464
Profit for the year	133,643	160,784	175,448	222,518
Other comprehensive (expense) income				
Item that will not be classified to profit or loss:				
Fair value gain on buildings transferred to investment properties	-	-	-	4,856
Item that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	(422)	(124)	245	(275)
	(422)	(124)	245	4,581
Total comprehensive income for the year	133,221	160,660	175,693	227,099
Profit (loss) for the year attributable to owners of the Company				
- from continuing operations	90,892	130,290	163,328	209,291
- from discontinued operation	124	920	(1,703)	7,471
	91,016	131,210	161,625	216,762
Profit (loss) for the year attributable to non-controlling interests				
- from continuing operations	42,630	29,536	13,823	5,763
- from discontinued operation	(3)	38	-	(7)
	42,627	29,574	13,823	5,756
	133,643	160,784	175,448	222,518
Total comprehensive income for the year attributable to:				
- owners of the Company	90,594	131,086	161,870	220,954
- non-controlling interests	42,627	29,574	13,823	6,145
	133,221	160,660	175,693	227,099

Consolidated Statements of Financial Position : Assets

<i>RMB Thousand</i>	As of 31 August			
	2016	2017	2018	2019
Non-current assets				
Property, plant and equipment	1,090,927	1,096,733	1,175,743	1,180,097
Prepaid lease payments	55,455	55,829	54,269	198,955
Investment properties	-	-	-	44,900
Interests in associates	42	241	200	-
Amounts due from related parties	4,150	8	-	-
Deposits paid for acquisition of property, plant and equipment	1,600	2,953	3,307	2,457
Deferred tax asset	3,234	3,326	4,944	5,423
Total non-current assets	1,155,408	1,159,090	1,238,463	1,431,832
Current assets				
Inventories	447	1,424	494	455
Trade receivables, deposits, prepayments and other receivables	22,983	7,750	22,582	31,805
Amounts due from related parties	9,690	17,662	115,088	2,330
Financial assets at fair value through profit or loss	162,043	264,226	869,259	252,666
Prepaid lease payments	1,508	1,547	1,547	5,288
Pledged bank deposits	-	-	-	50,000
Bank balances and cash	196,328	216,433	148,763	1,352,220
Total current assets	392,999	509,042	1,157,733	1,694,764
Total assets	1,548,407	1,668,132	2,396,196	3,126,596

Consolidated Statements of Financial Position : Liabilities and Equity

<i>RMB thousand</i>	As of 31 August			
	2016	2017	2018	2019
Current liabilities				
Contract liabilities	436,428	456,846	568,239	681,756
Trade payables	16,379	18,434	8,065	6,642
Other payables and accrued expenses	74,096	115,813	83,249	106,374
Amounts due to related parties	13,597	16,499	11,702	3,131
Amount due to an associate	-	-	200	-
Amounts due to directors	50,270	37,889	28,330	-
Deferred income	957	4,075	5,783	6,458
Income tax payable	5,812	16,570	28,480	39,822
Bank borrowings	176,400	265,833	213,900	166,399
Dividend payable	-	-	17,391	8,232
Financial guarantee contract	-	-	58,281	-
Total current liabilities	773,939	931,959	1,023,620	1,018,814
Net current (liabilities) assets	(380,940)	(422,917)	134,113	675,950
Total assets less current liabilities	774,468	736,173	1,372,576	2,107,782
Non-current liabilities				
Bank borrowings	233,633	27,900	567,700	389,600
Deferred tax liabilities	65,152	81,644	105,746	112,522
Total non-current liabilities	298,785	109,544	673,446	502,122
Total assets less total liabilities	475,683	626,629	699,130	1,605,660
Capital and reserves				
Share capital/registered capital	35,416	31	21	70,005
Reserves	287,214	567,514	626,202	1,535,655
Equity attributable to owners of the Company	322,630	567,545	626,223	1,605,660
Non-controlling interests	153,053	59,084	72,907	-
Total equity	475,683	626,629	699,130	1,605,660

Consolidated Statement of Cash Flow

<i>RMB thousand</i>	For the year ended 31 August			
	2016	2017	2018	2019
Operating activities				
Profit for the year	133,643	160,784	175,448	222,518
Adjustments for:				
Taxation	32,151	38,604	47,638	28,136
Depreciation of property, plant and equipment	69,814	64,594	62,868	59,753
Amortisation of prepaid lease payments	1,508	1,543	1,560	4,460
Finance costs	19,141	14,333	17,665	27,725
Financial guarantee income	–	–	(2,010)	(5,024)
Impairment loss recognized on trade receivables	597	90	61	97
Fair value change on financial assets at fair value through profit or loss	(2,404)	(3,490)	(7,932)	(12,405)
Imputed interest income from amount due from a related party	(360)	(156)	(523)	–
Interest income from banks	(368)	(457)	(489)	(4,565)
Gain on disposal of subsidiaries	–	(685)	(4,667)	(8,112)
Gain on disposal of an associate	–	–	(36)	–
Share of results of associates	20	51	27	–
Loss on disposal of property, plant and equipment	114	139	80	–
Write off of property, plant and equipment	–	–	–	5,485
Gain from changes in fair value of investment properties	–	–	–	(500)
Foreign exchange gain, net	–	–	–	(14,140)
Operating cash flows before movements in working capital	253,856	275,350	289,690	303,428
Decrease (increase) in inventories	214	(977)	930	39
(Increase) decrease in trade receivables, deposits, prepayments and other receivables	(13,478)	15,072	(14,917)	(11,024)
Decrease (increase) in amounts due from related parties	2,208	(24)	(3,592)	(1,342)
Increase (decrease) in contract liabilities	50,710	20,418	111,393	117,749
(Decrease) increase in trade payables	(4,126)	2,373	(10,505)	(1,209)
Increase (decrease) in other payables and accrued expenses	14,512	42,128	(25,523)	25,307
(Decrease) increase in deferred income	(1,355)	3,118	1,708	675
(Decrease) increase in amounts due to related parties	(13,198)	41	2,081	230
Cash generated from (used in) operations	289,343	357,499	351,265	433,853
Income tax paid	(12,049)	(11,446)	(13,218)	(10,740)
Net cash from operating activities	277,294	346,053	338,047	423,113

Consolidated Statements of Cash Flows (continued)

<i>RMB thousand</i>	For the year ended 31 August			
	2016	2017	2018	2019
Investing activities				
Purchase of financial assets at fair value through profit or loss	(1,883,000)	(1,634,340)	(5,067,900)	(3,822,720)
Advances to related parties	(319,105)	(132,743)	(523,991)	(201,914)
Payments for acquisition of property, plant and equipment	(159,357)	(68,630)	(132,478)	(101,547)
Advances to directors	(1,890)	(8)	(192)	(6)
Deposits paid for acquisition of property, plant and equipment	(312)	(1,353)	(354)	(734)
Redemption of financial assets at fair value through profit or loss	1,811,000	1,532,200	4,464,330	4,438,730
Repayment from related parties	302,267	123,626	414,452	302,040
Interest income from financial assets at fair value through profit or loss	2,433	3,447	6,469	12,988
Interest income from banks	368	457	489	4,565
Acquisition of prepaid lease payments	–	(1,960)	–	(152,887)
Acquisition of interest in associates	–	(250)	–	–
Net cash inflow on disposal of subsidiaries	–	445	659	4,320
Proceeds from disposal of property, plant and equipment	–	–	10	–
Placement of pledged bank deposits	–	–	–	(50,000)
Net cash (used in) from investing activities	(247,596)	(179,109)	(838,506)	432,835
Financing activities				
Repayment of bank borrowings	(103,167)	(176,400)	(223,033)	(326,800)
Repayments to directors	(85,557)	(39,002)	(10,820)	(31,310)
Reduction of registered capital of an entity comprising the Group	(25,000)	–	–	–
Interest paid	(21,724)	(16,402)	(27,495)	(37,077)
Repayments to related parties	(1,241)	(64)	(4,560)	(16,544)
Dividend paid	–	–	–	(9,159)
New bank borrowings raised	104,000	60,100	710,900	99,791
Advances from directors	41,451	26,995	463	3,596
Advances from related parties	12,448	7,114	11,959	20,593
Payment for acquiring entities under common control	–	(10,000)	(25,516)	(18)
Issuance of new shares	–	15	6	672,371
Proceeds from disposal of partial interest in a subsidiary	–	–	–	100
Issue costs paid	–	–	(242)	(43,755)
Net cash (used in) from financing activities	(78,790)	(147,644)	431,662	331,788
Net (decrease) increase in cash and cash equivalents	(49,092)	19,300	(68,797)	1,187,736
Cash and cash equivalents at the beginning of the year	244,614	196,328	216,433	148,763
Effect of foreign exchange rate changes	806	805	1,127	15,721
Cash and cash equivalents at the end of the year, representing bank balances and cash	196,328	216,433	148,763	1,352,220