#### HAILIANG EDUCATION GROUP INC.

# CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED JUNE 30, 2016, 2017 AND 2018

(Amounts in thousands except per share data)

	2016	2017	2018
	RMB	RMB	RMB
Revenue	654,060	853,295	1,169,348
Cost of revenue	(498,944)	(648,482)	(804,674)
Gross profit	155,116	204,813	364,674
Other income, net	1,756	6,325	3,689
Selling expenses	(16,753)	(21,902)	(24,539)
Administrative expenses	(36,153)	(28,385)	(63,374)
Disposal loss of leasehold improvement	(10,286)		
Operating profit	93,680	160,851	280,450
Gain on disposal of affiliated entities	_	_	5,349
Net finance income	5,752	6,892	11,391
Profit before tax	99,432	167,743	297,190
Income tax expenses	_	_	(66,288)
Net Profit	99,432	167,743	230,902
Profit attributable to:			
Net Profit attributable to non-controlling interests	_	_	8,314
Net Profit attributable to the Group's shareholders	99,432	167,743	222,588
	99,432	167,743	230,902
Earnings per share			
Basic and diluted earnings per share	0.24	0.41	0.54
Net Profit	99,432	167,743	230,902
Other comprehensive income/(loss)	8,437	2,202	(2,542)
Total comprehensive income	107,869	169,945	228,360
		-	
Comprehensive income attributable to:			
Comprehensive income attributable to non-controlling interests	_	_	8,314
Comprehensive income attributable to the Group's shareholders	107,869	169,945	220,046
	107,869	169,945	228,360
	107,009	109,943	220,300

### HAILIANG EDUCATION GROUP INC.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF JUNE 30, 2017 AND 2018

(Amounts in thousands)

Assets     70,619     678,874       Property and equipment, net     79,059     678,874       Prepayments to third party suppliers     5,692     92       Non-current assets     805,910     257,920       Other receivables due from related parties     112,773     95,128       Other courrent assets     1,526     15,182       Term deposits held at a related party finance entity     40,000     204,000       Cash and cash equivalents     93,001     1,262,000       Current assets     39,001     1,884,800       Current assets     39,000     1,884,800       Current assets     298,000     2,884,800       Current assets     298,000     2,884,800		2017 RMB	2018 RMB
Intangible assets and goodwill, net     79,599     78,747       Prepayments to third party suppliers     5,692     92       Non-current assets     805,910     757,920       Other receivables due from related parties     112,773     95,128       Other current assets     1,256     1,818       Clare med posits hedd at a related party finance entity     40,000     204,000       Cash and cash equivalents     77,801     812,620       Current assets     593,100     1,126,930       Total assets     1,399,010     1,884,850       Total assets     267     268       Share premium     134,584     134,838       Contributed capital     267     268       Reserves     278,044     312,667       Restricted camings     452,823     36,895       Restricted capital     1,101,613     1,315,64       Total Hailiang Education Group Inc. shareholders' equity     1,101,613     1,324,69       Non-controlling interests     1,101,613     1,334,81       Libilities     1,101,613     1,334,81       Libilities     1,24,841	Assets	THID	TUILD
Intangible assets and goodwill, net     79,599     78,747       Prepayments to third party suppliers     5,692     92       Non-current assets     805,910     757,920       Other receivables due from related parties     112,773     95,128       Other current assets     1,256     1,818       Clare med posits hedd at a related party finance entity     40,000     204,000       Cash and cash equivalents     77,801     812,620       Current assets     593,100     1,126,930       Total assets     1,399,010     1,884,850       Total assets     267     268       Share premium     134,584     134,838       Contributed capital     267     268       Reserves     278,044     312,667       Restricted camings     452,823     36,895       Restricted capital     1,101,613     1,315,64       Total Hailiang Education Group Inc. shareholders' equity     1,101,613     1,324,69       Non-controlling interests     1,101,613     1,334,81       Libilities     1,101,613     1,334,81       Libilities     1,24,841		720,619	679,081
Prepayments to third party suppliers     5.692     92       Non-current assets     805,910     757,920       Other receivables due from related parties     112,773     95,128       Other current assets     1,526     15,182       Term deposits held at a related party finance entity     401,000     204,000       Cash and cash equivalents     77,801     812,620       Current assets     593,100     1,126,930       Equity     1     267     268       Share capital     267     268       Share premium     134,584     134,583       Contributed capital     255,895     225,895       Reserves     278,044     312,667       Restrued carnings     452,823     638,246       Total Hailiang Education Group Inc. shareholders' equity     1,101,613     1,334,813       Total equity     1,101,613     1,334,813       Total equity     1,101,613     1,334,813       Liabilities     113,863     141,904       Other payables due to third parties     113,863     141,904       Other payables due related parties			
Non-current assets     805,910     757,920       Other receivables due from related parties     112,773     95,128       Other courrent assets     1,526     15,182       Term deposits held at a related party finance entity     401,000     204,000       Cash and eash equivalents     77,801     812,620       Current assets     593,100     1,126,930       Total assets     1,399,010     1,884,850       Equity     5     268       Share capital     267     268       Share capital     267     268       Share capital     25,895     235,895       Reserves     278,044     312,667       Restance damings     452,823     638,246       Total Halliang Education Group Inc. shareholders' equity     1,101,613     1,321,659       Non-controlling interests     1     1,101,613     1,334,813       Total equity     1,101,613     1,334,813       Current labilities     112,841     138,215       Deferred revenue     56,09     212,969       Income tax payable     -     57,349 <td></td> <td>,</td> <td></td>		,	
Other receivables due from related parties     112,773     95,128       Other current assets     1,526     15,182       Term deposits held at a related party finance entity     401,000     204,000       Cash and cash equivalents     77,801     812,620       Current assets     593,100     1,126,930       Total assets     1,399,010     1,884,850       Equity     58,000     1,126,930       Share capital     267     268       Share premium     134,584     134,583       Contributed capital     235,895     235,895       Reserves     278,044     312,667       Retained earnings     452,823     638,246       Total Haliliang Education Group Inc. shareholders' equity     1,101,613     1,321,659       Non-controlling interests     —     13,154       Total equity     1,101,613     1,334,813       Liabilities     —     13,348,813       Urger payables due to third parties     113,863     141,904       Other payables due to related parties     124,841     138,215       Deferred revenue     58,693			
Other current assets     1,526     15,182       Term deposits held at a related party finance entity     401,000     204,000       Cash and cash equivalents     77,801     812,620       Current assets     593,100     1,126,930       Total assets     1,399,010     1,884,850       Equity     267     268       Share capital     267     268       Share permium     134,584     134,583       Contributed capital     235,895     235,895       Reserves     278,404     312,667       Retained earnings     452,823     638,246       Total Hailiang Education Group Inc. shareholders' equity     1,101,613     1,321,639       Non-controlling interests     —     13,154       Total equity     1,101,613     1,334,813       Liabilities     1     1,101,613     1,334,813       Liabilities     113,863     141,504       Other payables due to trid parties     113,863     141,504       Other payables due to related parties     124,841     138,215       Deferred revenue     58,693     212,	Non-current assets	805,910	757,920
Other current assets     1,526     15,182       Term deposits held at a related party finance entity     401,000     204,000       Cash and cash equivalents     77,801     812,620       Current assets     593,100     1,126,930       Total assets     1,399,010     1,884,850       Equity     2     2     2.68       Share capital     267     2.68     2.35,895 <td></td> <td></td> <td></td>			
Term deposits held at a related party finance entity     401,000     204,000       Cash and cash equivalents     77,801     812,620       Current assets     593,100     1,26,930       Equity     Total assets     1,399,010     1,884,850       Equity     Share capital     267     268       Share premium     134,584     134,584     134,583       Contributed capital     235,895     235,895     235,895       Reserves     278,044     312,667     268       Retained earnings     452,823     638,246     267     268       Total Hailiang Education Group Inc. shareholders' equity     1,101,613     1,321,659     205       Non-controlling interests     1,101,613     1,334,813     205	Other receivables due from related parties	112,773	95,128
Current assets     77,801     812,620       Current assets     593,100     1,26,930       Total assets     1,399,010     1,884,850       Equity     267     268       Share capital     267     268       Share premium     134,584     134,583       Contributed capital     235,895     235,895       Reserves     278,044     312,667       Retained earnings     452,823     638,246       Total Hailiang Education Group Inc. shareholders' equity     1,101,613     1,321,659       Non-controlling interests     —     13,154       Total equity     1,101,613     1,334,813       Liabilities     113,863     141,504       Other payables due to third parties     113,863     141,504       Other payables due to related parties     124,841     138,215       Deferend revenue     58,693     212,969       Income tax payable     —     57,349       Current liabilities     297,397     550,037       Total liabilities     297,397     550,037	Other current assets	1,526	15,182
Current assets     593,100     1,126,930       Total assets     1,399,010     1,884,850       Equity     Equity       Share capital     267     268       Share premium     134,584     134,588       Contributed capital     25,895     235,895 <td>Term deposits held at a related party finance entity</td> <td>401,000</td> <td>204,000</td>	Term deposits held at a related party finance entity	401,000	204,000
Equity     Share capital     267     268       Share premium     134,584     134,583       Contributed capital     235,895     235,895       Reserves     278,044     312,667       Retained earnings     452,823     638,246       Total Hailiang Education Group Inc. shareholders' equity     1,101,613     1,321,659       Non-controlling interests     —     13,154       Total equity     1,101,613     1,334,813       Liabilities     —     113,863     141,504       Other payables due to hird parties     113,863     141,504       Other payables due to related parties     124,841     138,215       Deferred revenue     58,693     212,969       Income tax payable     —     57,349       Current liabilities     297,397     550,037       Total liabilities     297,397     550,037	Cash and cash equivalents	77,801	812,620
Equity     Share capital     267     268       Share premium     134,584     134,583       Contributed capital     235,895     235,895       Reserves     278,044     312,667       Retained earnings     452,823     638,246       Total Hailiang Education Group Inc. shareholders' equity     1,101,613     1,321,659       Non-controlling interests     —     13,154       Total equity     1,101,613     1,334,813       Liabilities     —     113,863     141,504       Other payables due to hird parties     113,863     141,504       Other payables due to related parties     124,841     138,215       Deferred revenue     58,693     212,969       Income tax payable     —     57,349       Current liabilities     297,397     550,037       Total liabilities     297,397     550,037			
Equity     Share capital     267     268       Share premium     134,584     134,583       Contributed capital     235,895     235,895       Reserves     278,044     312,667       Retained earnings     452,823     638,246       Total Hailiang Education Group Inc. shareholders' equity     1,101,613     1,321,659       Non-controlling interests     —     13,154       Total equity     1,101,613     1,334,813       Liabilities     —     113,863     141,504       Other payables due to third parties     113,863     141,504       Other payables due to related parties     124,841     138,215       Deferred revenue     58,693     212,969       Income tax payable     —     57,349       Current liabilities     297,397     550,037       Total liabilities     297,397     550,037	Current assets	593,100	1,126,930
Equity     Share capital     267     268       Share premium     134,584     134,583       Contributed capital     235,895     235,895       Reserves     278,044     312,667       Retained earnings     452,823     638,246       Total Hailiang Education Group Inc. shareholders' equity     1,101,613     1,321,659       Non-controlling interests     —     13,154       Total equity     1,101,613     1,334,813       Liabilities     —     113,863     141,504       Other payables due to third parties     113,863     141,504       Other payables due to related parties     124,841     138,215       Deferred revenue     58,693     212,969       Income tax payable     —     57,349       Current liabilities     297,397     550,037       Total liabilities     297,397     550,037			
Share capital     267     268       Share premium     134,584     134,583       Contributed capital     235,895     235,895       Reserves     278,044     312,667       Retained earnings     452,823     638,246       Total Hailiang Education Group Inc. shareholders' equity     1,101,613     1,321,659       Non-controlling interests     —     13,154       Total equity     1,101,613     1,334,813       Liabilities       Trade and other payables due to third parties     113,863     141,504       Other payables due to related parties     124,841     138,215       Deferred revenue     58,693     212,969       Income tax payable     —     57,349       Current liabilities     297,397     550,037       Total liabilities     297,397     550,037	Total assets	1,399,010	1,884,850
Share capital     267     268       Share premium     134,584     134,583       Contributed capital     235,895     235,895       Reserves     278,044     312,667       Retained earnings     452,823     638,246       Total Hailiang Education Group Inc. shareholders' equity     1,101,613     1,321,659       Non-controlling interests     —     13,154       Total equity     1,101,613     1,334,813       Liabilities       Trade and other payables due to third parties     113,863     141,504       Other payables due to related parties     124,841     138,215       Deferred revenue     58,693     212,969       Income tax payable     —     57,349       Current liabilities     297,397     550,037       Total liabilities     297,397     550,037			
Share premium     134,584     134,583       Contributed capital     235,895     235,895       Reserves     278,044     312,667       Retained earnings     452,823     638,246       Total Hailiang Education Group Inc. shareholders' equity     1,101,613     1,321,659       Non-controlling interests     —     13,154       Total equity     1,101,613     1,334,813       Liabilities       Trade and other payables due to third parties     113,863     141,504       Other payables due to related parties     124,841     138,215       Deferred revenue     58,693     212,969       Income tax payable     —     57,349       Current liabilities     297,397     550,037       Total liabilities     297,397     550,037	Equity		
Contributed capital     235,895     235,895       Reserves     278,044     312,667       Retained earnings     452,823     638,246       Total Hailiang Education Group Inc. shareholders' equity     1,101,613     1,321,659       Non-controlling interests     —     13,154       Total equity     1,101,613     1,334,813       Liabilities       Trade and other payables due to third parties     113,863     141,504       Other payables due to related parties     124,841     138,215       Deferred revenue     58,693     212,969       Income tax payable     —     57,349       Current liabilities     297,397     550,037       Total liabilities     297,397     550,037	Share capital	267	268
Reserves     278,044     312,667       Retained earnings     452,823     638,246       Total Hailiang Education Group Inc. shareholders' equity     1,101,613     1,321,659       Non-controlling interests     —     13,154       Total equity     1,101,613     1,334,813       Liabilities       Trade and other payables due to third parties     113,863     141,504       Other payables due to related parties     124,841     138,215       Deferred revenue     58,693     212,969       Income tax payable     —     57,349       Current liabilities     297,397     550,037       Total liabilities     297,397     550,037	Share premium	134,584	134,583
Retained earnings     452,823     638,246       Total Hailiang Education Group Inc. shareholders' equity     1,101,613     1,321,659       Non-controlling interests     —     13,154       Liabilities       Trade and other payables due to third parties     113,863     141,504       Other payables due to related parties     124,841     138,215       Deferred revenue     58,693     212,969       Income tax payable     —     57,349       Current liabilities     297,397     550,037       Total liabilities     297,397     550,037	Contributed capital	235,895	235,895
Total Hailiang Education Group Inc. shareholders' equity     1,101,613     1,321,659       Non-controlling interests     —     13,154       Total equity     1,101,613     1,334,813       Liabilities       Trade and other payables due to third parties     113,863     141,504       Other payables due to related parties     124,841     138,215       Deferred revenue     58,693     212,969       Income tax payable     —     57,349       Current liabilities     297,397     550,037       Total liabilities     297,397     550,037	Reserves	278,044	312,667
Non-controlling interests     —     13,154       Total equity     1,101,613     1,334,813       Liabilities     Trade and other payables due to third parties     113,863     141,504       Other payables due to related parties     124,841     138,215       Deferred revenue     58,693     212,969       Income tax payable     —     57,349       Current liabilities     297,397     550,037       Total liabilities     297,397     550,037	Retained earnings	452,823	638,246
Total equity     1,101,613     1,334,813       Liabilities       Trade and other payables due to third parties     113,863     141,504       Other payables due to related parties     124,841     138,215       Deferred revenue     58,693     212,969       Income tax payable     —     57,349       Current liabilities     297,397     550,037       Total liabilities     297,397     550,037	Total Hailiang Education Group Inc. shareholders' equity	1,101,613	1,321,659
Liabilities     Trade and other payables due to third parties   113,863   141,504     Other payables due to related parties   124,841   138,215     Deferred revenue   58,693   212,969     Income tax payable   —   57,349     Current liabilities   297,397   550,037     Total liabilities   297,397   550,037	Non-controlling interests		13,154
Liabilities     Trade and other payables due to third parties   113,863   141,504     Other payables due to related parties   124,841   138,215     Deferred revenue   58,693   212,969     Income tax payable   —   57,349     Current liabilities   297,397   550,037     Total liabilities   297,397   550,037			
Trade and other payables due to third parties   113,863   141,504     Other payables due to related parties   124,841   138,215     Deferred revenue   58,693   212,969     Income tax payable   —   57,349     Current liabilities   297,397   550,037     Total liabilities   297,397   550,037	Total equity	1,101,613	1,334,813
Trade and other payables due to third parties   113,863   141,504     Other payables due to related parties   124,841   138,215     Deferred revenue   58,693   212,969     Income tax payable   —   57,349     Current liabilities   297,397   550,037     Total liabilities   297,397   550,037			
Other payables due to related parties   124,841   138,215     Deferred revenue   58,693   212,969     Income tax payable   —   57,349     Current liabilities   297,397   550,037     Total liabilities   297,397   550,037	Liabilities		
Deferred revenue     58,693     212,969       Income tax payable     -     57,349       Current liabilities     297,397     550,037       Total liabilities     297,397     550,037	Trade and other payables due to third parties	113,863	141,504
Income tax payable     —     57,349       Current liabilities     297,397     550,037       Total liabilities     297,397     550,037	Other payables due to related parties	124,841	138,215
Current liabilities     297,397     550,037       Total liabilities     297,397     550,037	Deferred revenue	58,693	212,969
Total liabilities 297,397 550,037	Income tax payable	_	57,349
Total liabilities 297,397 550,037			
	Current liabilities	297,397	550,037
<b>Total equity and liabilities</b> 1,399,010 1,884,850	Total liabilities	297,397	550,037
<b>Total equity and liabilities</b> 1,399,010 1,884,850			
	Total equity and liabilities	1,399,010	1,884,850

#### HAILIANG EDUCATION GROUP INC.

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2016, 2017 AND 2018

(Amounts in thousands)

	2016 RMB	2017 RMB	2018 RMB
Cash flows from operating activities			
Profit for the year	99,432	167,743	230,902
Adjustments for:			
Depreciation	65,038	110,485	113,128
Disposal loss of leasehold improvement	10,286	_	_
Gain on disposal of affiliated entities	_	_	(5,349)
(Gain)/loss on sale of other property and equipment	(157)	(41)	371
Amortization of intangible assets	948	662	446
Share based payment	1,459	_	_
Net foreign exchange (gain)/loss	(1,049)	(282)	324
Interest income	(4,906)	(6,709)	(11,715)
Income tax expenses			66,288
	171,051	271,858	394,395
Change in other current assets	2,126	(530)	(13,681)
Change in prepayment to third party suppliers	(4,424)	2,235	2,157
Change in trade and other payables due to third parties	21,789	23,313	30,416
Change in amount due to related parties	26,136	(27,636)	18,000
Change in deferred revenue	(489)	17,713	165,583
change in actoriou revenue	(107)	17,713	103,303
Cash generated from operating activities	216,189	286,953	596,870
Income tax paid	<u> </u>		(8,939)
Net cash from operating activities	216,189	286,953	587,931
Cash flows from investing activities			
Interest received	3,265	5,873	10,677
Proceeds from sale of property and equipment	762	64	1,015
Purchase of property and equipment	(346,595)	(108,959)	(89,369)
Term deposits placed with a related party finance entity	(1,212,430)	(1,953,600)	(204,000)
Maturity of term deposits placed with a related party finance entity	1,272,430	1,552,600	401,000
Loans made to a related party	_	(98,229)	
Acquisition of subsidiaries	_	_	(6,160)
Net proceeds from disposal of affiliated entities		<u> </u>	17,982
Net cash (used in)/from investing activities	(282,568)	(602,251)	131,145
Cash flows from financing activities			
Proceeds from issue of ordinary shares	122,369	_	_
Payment of new shares issuance cost	(7,844)	_	_

Loan made from related parties	_	99,603	7,609
Capital contribution from former shareholder	_	_	11,000
Net cash from financing activities	114,525	99,603	18,609
Net increase/(decrease) in cash and cash equivalents	48,146	(215,695)	737,685
Cash and cash equivalents at beginning of the year	233,379	291,011	77,801
Effect of movements in exchange rates on cash held	9,486	2,485	(2,866)
Cash and cash equivalents at the end of the year	291,011	77,801	812,620
Non cash transaction:			
Share based payment	3,166	_	_
Capital transaction	_	10,000	_