



Hailiang Education Group Inc.
(Nasdaq: HLG)
2Q2021 Investor Presentation
March 2021





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Company Overview

Company Overview

One of the Largest Primary & Secondary School Education Service Provider in China

- **26 years** of school-running experience, started from 1995
- Founded by **Hailiang Group**, which is one of the Fortune 500 company of the world

- **13** affiliated schools with **26,936** students⁽¹⁾
- **41** affiliated and managed schools with **72,893** students⁽¹⁾
- The school network has expanded to **7 provinces in China**



- China's **first** private education group for primary, middle and high school listed in the United States

- **2,439** teachers ⁽¹⁾ in affiliated schools
- **39** Hailiang educational staff are graduated from Peking University and Tsinghua University⁽¹⁾

Company Overview – Development History⁽¹⁾



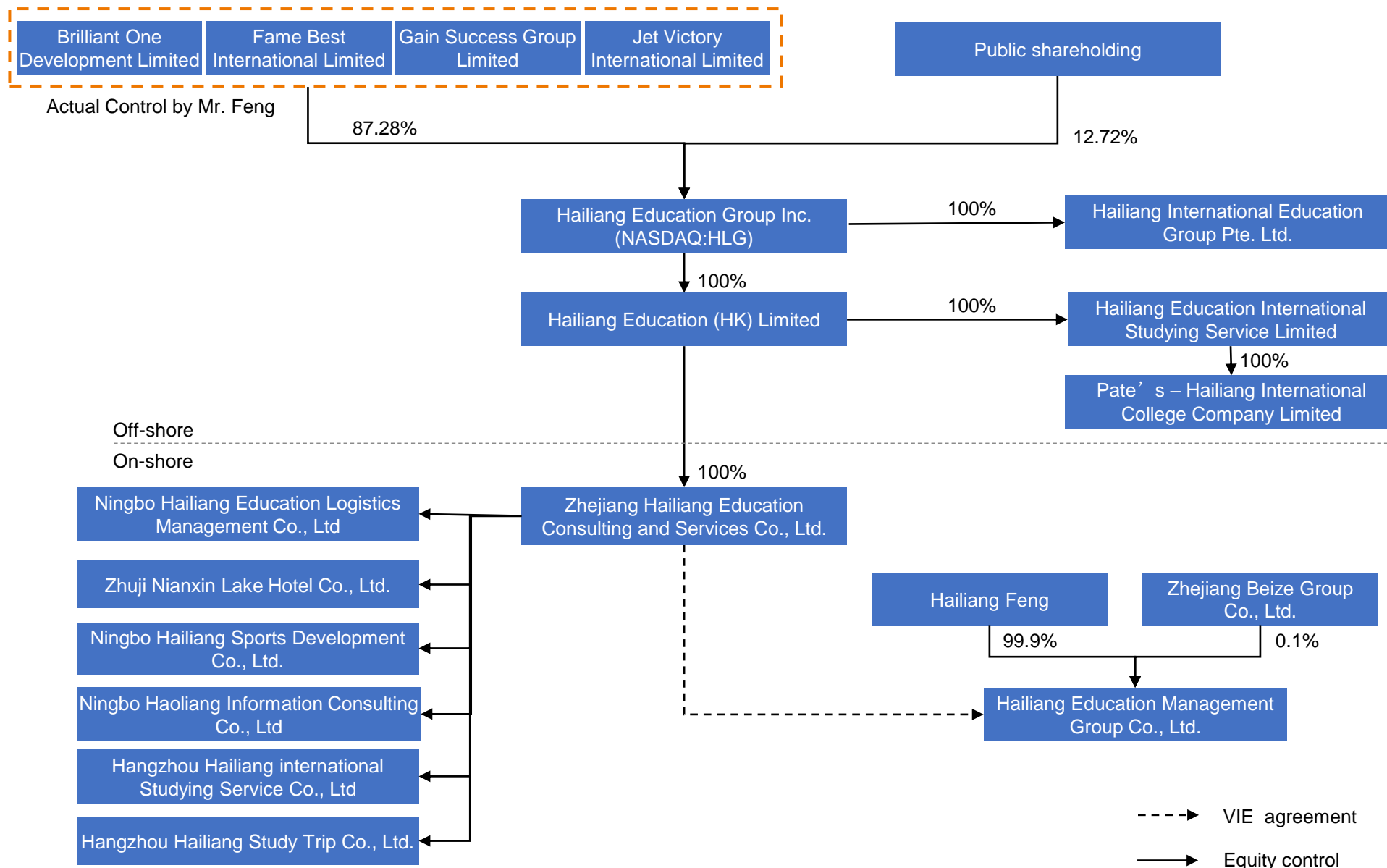
FY2018
<ul style="list-style-type: none"> Cooperated with Pate's Grammar School in United Kingdom

FY2019
<ul style="list-style-type: none"> Stated management of 4 managed schools: Xinchang Nanrui Experimental School, Jinhua Hailiang Foreign Language School, Feicheng Hailiang Foreign Language School and Xiantao No.1 Middle School Managed 5 public schools in Hangzhou: Chunhui Primary School, Xixing Middle School, Wenyan Middle School, Wenyan Primary School and Wenyan No. 2 Primary School Acquired Jiangsu Zhenjiang Jianghe High School of Art Established a friendship-school relationship with Morita School from California of United States Cooperated with Hikvision to create a smart campus Zhejiang Hangzhou Xianghu Public School is under construction

FY2020
<ul style="list-style-type: none"> Established International Headquarters in Singapore Managed 1 public school: Sihong Second Experimental School Zhejiang Ningbo Ninghai Public School is under construction

FY2021
<ul style="list-style-type: none"> Managed 2 public schools in Suqian 3 affiliated schools opened: Lanzhou Hailiang Experimental School, Hailiang Overseas Chinese School and Wuhu Hailiang Experimental School Acquired Jinhua Hailiang Foreign Language School It is expected to operate and manage a school in Pingyin County, Shandong Province in FY2023 (the agreement has been signed)

Company Overview – Shareholder/Company Structure



Company Overview – Management

Company Senior Management



Dr. Junwei Chen

- Serves as the **chairman and chief executive officer** since 2020
- Received a doctorate degree in Energy and Resource Engineering from Peking University.
- Served as the 38th chairman of the postgraduate student's association
- Owns multiple patents and has published several academic papers in international journals



Mr. Cuiwei Ye

- Serves as a **director and principal** since 2017.
- Accumulates 17-year experience of being the principal of Hangzhou No.2 High School with high reputation and rich experience in education.
- PhD candidate from East China Normal University and adjunct professor of many prestigious universities.



Mr. Ping Huang

- Serves as the **vice president** since 2018
- Worked in Hailiang Inc. since 1995 in various functions. Served as the principal of Hailiang Primary School, vice principal of Hailiang Education Group Inc. and the president of Hailiang Preschool education group.
- Received a bachelor's degree from Central Broadcast and Television University in 2006 and won various honor awards in the PRC education section including Outstanding Teacher of Zhejiang's Private Education



Ms. Lei Peng

- Serves as the **vice president** since 2019
- Awarded with several honorary titles, such as National Outstanding Private teacher, Shaoxing City's Famous Principle, First Prize of Zhejiang High School Geography Course since joining Hailiang Education.
- Received a bachelor degree in geography education from Xinjiang Normal University in 1992, and worked with Grain Corporation Futures Trading Department in Zhuji from 1993 to 2000



Mr. Zhougang Zhu

- Serves as the **vice president** since 2019
- Joined Hailiang Education Group Inc. since 1998, served as the principal of various schools for many years, and has won the honorary titles of "National First Prize of Mathematics Course", "Famous Principle of Zhejiang Province" and others.
- Received a bachelor degree in music education from Zhejiang Normal University, and is currently pursuing a master degree in mathematics at East China Jiao Tong University



Ms. Weixin Xie

- Serves as our **chief financial officer** since 2021
- Member of American Institute of Certified Public Accountants "AICPA" and California Institute of Certified Public Accountants "CalCPA", has extensive experience in cross-border investment strategy consulting and tax planning
- Prior to joining Hailiang, Ms. Xie served as a partner of PricewaterhouseCoopers LLP, Los Angeles Office, and served as the executive vice president of the Los Angeles branch of Ascend, a national non-profit organization in the United States, and awarded one of the "Outstanding 50 Asian Americans in Business in 2019"

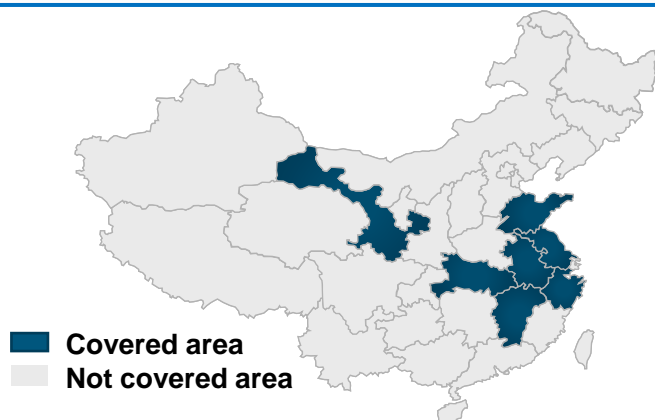


Mr. Litao Qiu

- Serves as our **board secretary** since 2017
- With extensive experience in corporate governance, information management, IT governance and SOX compliance
- Prior to joining Hailiang, served as the chief technology officer of Suntech Power (a company listed on NYSE Exchange) and the vice president of Zhejiang Chint Solar Technology Co., Ltd.

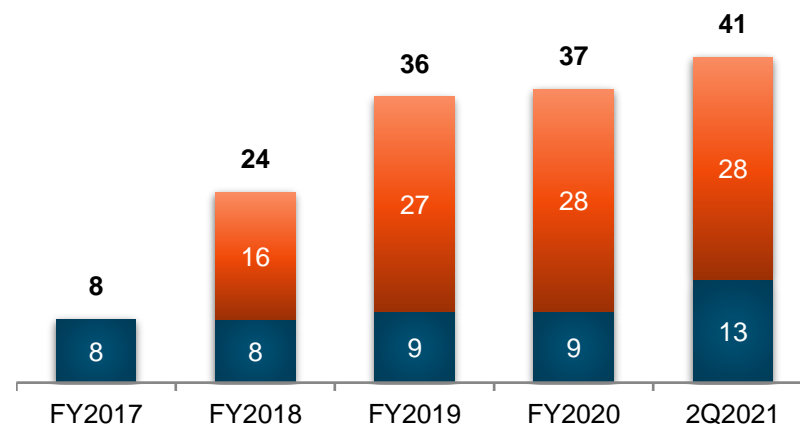
Company Overview – School Network

Deployed in 7 Provinces in China with 41 Affiliated Schools and Managed Schools ⁽¹⁾

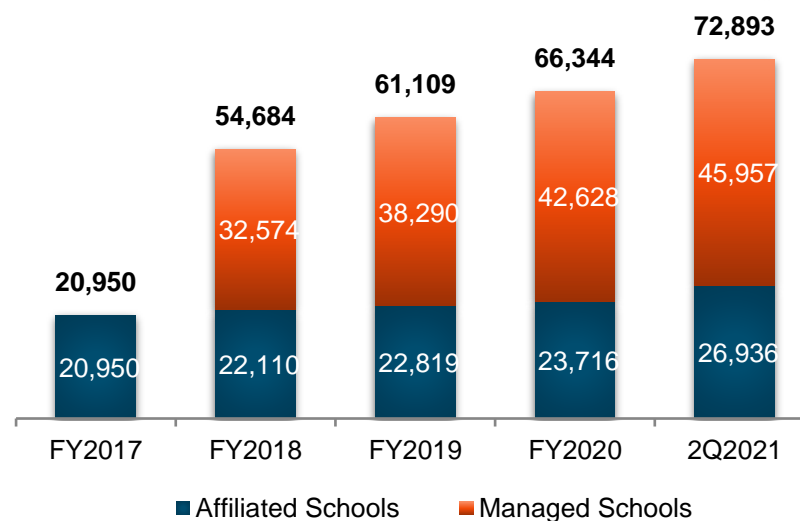


	Affiliated Schools	Managed Schools	Schools under Construction	Total Number of Students (2Q2021)
Zhejiang	10	8 (Hailiang Investment sponsored 1 school)	2	33,411
Jiangsu	1	3	-	7,549
Shandong	-	1 (Hailiang Investment sponsored 1 school)	-	693
Anhui	1	-	-	408
Jiangxi	-	15	-	22,381
Hubei	-	1 (Hailiang Investment sponsored 1 school)	-	7,870
Gansu	1	-	-	581
Total	13	28	2	72,893

Number of Schools



Number of Students



Company Overview – Company's Schools



Affiliated School	School Location	Number of Students ⁽¹⁾ FY2021	School Capacity ⁽²⁾	Fiscal Year Opened/Acquired
Hailiang Foreign Language School ⁽³⁾	Zhuji city of Zhejiang Province	3, 274	3, 374 ⁽³⁾	FY1996
Hailiang Experimental High School ⁽³⁾	Zhuji city of Zhejiang Province	4, 401	4, 450	FY2002
Tianma Experimental School ⁽³⁾	Zhuji city of Zhejiang Province	4, 493	4, 599	FY2010
Hailiang Primary School	Zhuji city of Zhejiang Province	2, 835	2, 856 ⁽³⁾	FY2017
Hailiang Junior Middle School	Zhuji city of Zhejiang Province	3, 314	3, 350 ⁽³⁾	FY2017
Hailiang Senior Middle School	Zhuji city of Zhejiang Province	1, 559	1, 642 ⁽³⁾	FY2017
Hailiang High School of Art	Zhuji city of Zhejiang Province	1, 667	1, 700	FY2018
Hailiang Foreign Language High	Zhuji city of Zhejiang Province	2, 026	2, 139 ⁽³⁾	FY2019
Zhenjiang Jianghe High School of Art	Zhenjiang city of Jiangsu Province	779	920	FY2019
Lanzhou Hailiang Experimental School	Lanzhou city of Gansu Province	581	2, 200	FY2021
Hailiang Overseas Chinese School	Wenzhou city of Zhejiang Province	865	1, 705	FY2021
Wuhu Hailiang Experimental School	Wuhu city of Anhui Province	408	1, 680	FY2021
Jinhua Hailiang Foreign Language School	Jinhua city of Zhejiang Province	734	900	FY2021
Ninghai Public School	Ningbo city of Zhejiang Province	N/A	4, 500	FY2022 (under construction)
Xianghu Future School	Hangzhou city of Zhejiang Province	N/A	1, 152	FY2022 (under construction)
Total		26, 936	37, 167	

(1) As of December 31, 2020.

(2) School physical capacity.

(3) The capacity of schools in the Education Park may be adjusted according to actual business conditions.

Company Overview – Company's Schools



Managed schools	School Location	Number of Students ⁽¹⁾ FY2021	School Capacity ⁽²⁾	Fiscal Year Started
Xiantao No.1 Middle School ⁽³⁾	Xiantao city of Hubei Province	7, 870	8, 000	FY2018
Xinchang Nanrui Experimental School ⁽³⁾	Shaoxing city of Zhejiang Province	2, 757	2, 900	FY2018
Feicheng Hailiang Foreign Language School ⁽³⁾	Feicheng city of Shandong Province	693	800	FY2019
15 Baishu Schools	Jiangxi Province	22, 381	29, 341	FY2018
Hangzhou Chunhui Primary School	Hangzhou city of Zhejiang Province	790	1, 600	FY2019
Xiaoshan District Wenyan Primary School	Hangzhou city of Zhejiang Province	2, 598	3, 000	FY2019
Xiaoshan District Wenyan No.2 Primary School	Hangzhou city of Zhejiang Province	334	400	FY2019
Xiaoshan District Wenyan Middle School	Hangzhou city of Zhejiang Province	895	1, 920	FY2019
Hailiang Kindergarten	Zhuji city of Zhejiang Province	290	400	FY2019
Zhuji Hailiang Jinshan Kindergarten	Zhuji city of Zhejiang Province	233	249	FY2019
Tianma Kindergarten	Zhuji city of Zhejiang Province	346	350	FY2019
Sihong Second Experimental School	Suqian city of Jiangsu Province	4, 994	5, 500	FY2020
Xiamen Road School	Suqian city of Jiangsu Province	1, 163	4, 600	FY2021
Fumin Avenue School	Suqian city of Jiangsu Province	613	3, 200	FY2021
Pingyin Binhu New District Nine-Year School (tentative name)	Jinan city of Shandong Province	N/A	N/A	FY2023 (Transfer Management rights)

(1) As of December 31, 2020.

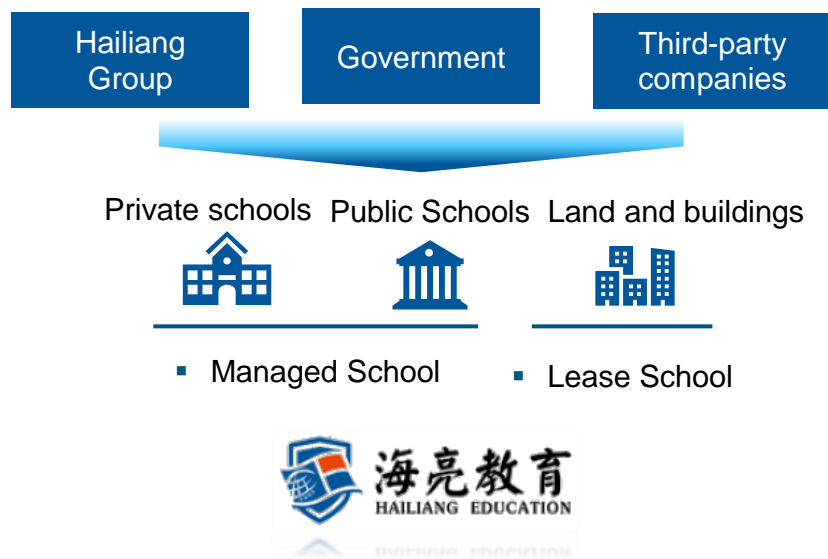
(2) School physical capacity.

(3) Schools sponsored by our affiliate Hailiang Education Investment Group Co., Ltd

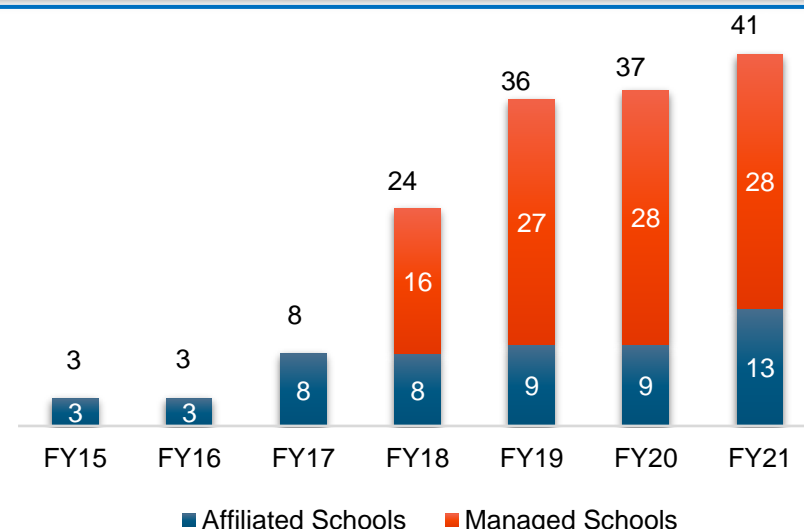
Company Overview – Development Model

- Hailiang Education Group Inc. entered into a strategic cooperation agreement with its parent company Hailiang Group in November 2017; according to the agreement, **Hailiang Group will fully entrust Hailiang Education to operate and manage private/public primary, middle and high schools that are built, merged, and managed by Hailiang Group.**
- Since fiscal year 2018, Hailiang Education has expanded and developed rapidly through the asset-light operation management model, partnering with Hailiang Group (based on the 2017 Strategic agreement), local governments and other third parties. **The diversification of the school-running model is expected to control costs more effectively, create new profit growth points, and facilitate rapid market expansion and improve the influence of Hailiang education's brand.**
- Hailiang Education will diversify business path and increase the proportion of ancillary education services. Education training business will base in the domestic, focusing on the layout of third-and fourth-tier cities to create a **localized development model**. It plans to set up Mingyou training centers where there are operating Hailiang Education Schools. In the future, we will **actively prepare for the layout of the overseas training market, deeply integrate domestic and international OMO business**, and give more possibilities to the new ecology of education training; With advanced technology, we are creating a business ecology of "**education + technology**" to inspire and empower the Hailiang children's future.

Asset-Light Expansion Mode



School Expansion in Recent Years⁽¹⁾



(1) The data of FY21 is as of December 31, 2020.



Investment Highlights

Investment Highlights – Distinguished

Excellent educational resources

- **Leading by famous educators.** The Company has rich resources in well-known education experts, such as Mr. Ye Cuiwei, a renowned contemporary educationist, serves as the director and principal general of Hailiang Education.
- **Rich in well-known institution's resources.** For example, the Company has started the National Earth Science Education's strategic cooperation with the Seismological Society of China and Peking University.
- **First-class teaching staffs,** the Company has formed a diverse teacher team that consists of olden Olympiad competition training coaches, exceptional teachers, foreign teachers.



Mr. Cuiwei Ye

Advanced education system

- **Open up different learning stages for long-term cultivation.** The primary school, middle school and high school will be opened up, and students' comprehensive quality will be improved in the long process, helping to form an open, diversified, dynamic and characteristic education system.
- **Customization and personality development.** According to the characteristics of students, to provide tailored educational resources and professional services to promote the comprehensive and personalized development of students.
- **Small class teaching, focus on details.** Use small-size class teaching mode, which the average teacher-student ratio is 1:11, to put the most significant attention to the details of students' growth.

Excellent results in Education

Since the establishment of Hailiang education,

- The affiliated schools has trained more than **40,000** high school graduates. Some of them have entered into world-class universities such as Peking University, Tsinghua University, University College London and Imperial College of technology.
- There are **42** students have won the highest scores at their studying area in the senior high school and college entrance examinations, and many students won the gold medal of national academic competitions.



.....

Education and research for development

- **Intensive research to facilitate development.** Study domestic and foreign education industry policies, learn advanced education concepts, teaching methods, and successful experience of the domestic and foreign education market.
- **Curriculum research, close to the needs.** Transform the research results of the education industry into application-oriented education programs and independently develop school elective courses, education training courses, course designs of study trips, etc.
- **Education and technology, development and innovation.** Build the smart campus with Internet, cloud computing, IOT, big data and other technologies to help the company leap forward in development.

Investment Highlights – Specialized

Specialized School	Positioning	Objectives	Specialized Programs	Competitiveness
Technology Middle School (Such as Hailiang Senior High School)	High-level development of subject competition	Everyone has talents to becomes a talent	Competition Course	Subject competition with bonus points One main body with two wings and three channels
Humanities Middle School (Such as Hailiang Experimental School)	Liberal Arts Building up humanistic highland	Humanistic temperament with gentle qualities Physical and mental literacy, competition development	Liberal Arts Class (additional reading, etiquette, prestigious research courses)	Comprehensive development, broad vision Tend to enter a university in the humanities
Art Middle School (Such as Hailiang High School of Art)	High-level development of art education	Every teacher and student have personal sentiments, talents and dreams	Music, art and media	Professional art education Art admission channels
Physical Education Middle School (Plan to open in the future)	Physical education as a school-based curriculum to enter the school compulsory course	Promote healthy body and mind, discover personal potential, and make the best use of talents	Basketball, tennis, fencing, shooting, rugby and swimming, etc.	Professional physical education Sports college entrance channels
International School (Such as Hailiang Foreign Language School)	Bilingual & international education dual system	Chinese literacy, understand world rules, and have a vision for the future	A-level, VCE, SAT&AP, IB PYP&DP	Diversified education system adapts to the different needs of students
Overseas Chinese/Foreign Children School (Such as Hailiang Overseas Chinese School)	Serving the education needs of children of overseas Chinese and foreign children	Outstanding thinking, diverse personalities, Comprehensive quality, second foreign language	Overseas Chinese Class (Additional Chinese Course) HSK class	Multiple growth channels Exclusive channel for overseas Chinese/foreigners

Specialized Programs



Subject Competition



Students Exchange Program



Study Trip Camp



Innovation Program



Minor language Courses



After-Class Training



Physical Training



Art Program

Specialized Services

- Hotel-style student apartments, hospitals, Chinese and Western restaurants
- International standard swimming pool, shooting hall
- Meals are provided by Mingkanghui, the supplier of the G20 summit, and scientifically prepared by professional nutritionists
- Safely transport students through special high-speed trains and 100 school buses

Investment Highlights – Internationalized

Enrollment Internationalization

- Hailiang Education officially established the International Student Institute in January 2020
- As of December 31, 2020, there are more than 100 foreign students from 25 countries



Course Internationalization (Dual-Track System)

Compulsory Education

International Education



Ancillary Educational Services Internationalization

International Study trip



Thailand Graduation Trip G5 University in-Depth Tour Spain Studytrip

Overseas Study Countries



United States

United Kingdom

Australia

Japan

South Korea

Cooperative Overseas Schools



Pater Grammar School, UK Thomaska School, Australia Deakin University, Australia

Expansion Internationalization

- In April 2020, Hailiang Education established a wholly-owned subsidiary in Singapore, Hailiang International Education Group Pte. Ltd., as the international education headquarters of Hailiang Education.
- In the future, Hailiang Education has plan to continue to expand business in countries with strategic synergies.



Investment Highlights – Education Technology

Smart Campus

Internet of Things, Cloud and Big Data



Home-School Communication

- Parents Service Platform
- Student Transportation System
- Live Broadcast of Classroom
-



Tuition Management

- Student Management System
- Course Registration System
- Online Registration System
-



Logistics Management

- Logistics Analysis System
- Asset Management System
- Logistics Order Grabbing
-

Improve management efficiency
Reduce energy costs
Enhance campus safety

Smart Class



iClass

iPad teaching enhances classroom interaction



Star Classroom

Efficient and convenient lesson preparation and teaching system



Cloud Exercise

Electronic distribution, correction and analysis platform for teaching materials



Star Teacher Training

Prestigious teachers team develops courseware and teaching standards, leading young teachers to grow rapidly

Improve the teaching quality of new teachers
Improve students' learning efficiency
Reduce teachers' repetitive work and protect intellectual property rights



Build up Excellent School

- Hailiang Education has 25-year experience in running schools, can refine various management standards
- Combine with intelligent management tools to reduce the difficulty of operating school and increase cost efficiency



Cultivate Distinguished Teachers

- Evaluate the professional level of teachers accurately based on big data, teacher professional portraits and talent competency model ;
- Big data, teacher professional portraits and talent competency models to accurately evaluate the professional level of teachers;
- Relying on the "Star Teacher Training" curriculum and tracking system, accelerate new teachers' maturity and become famous teachers;



Make Outstanding Students

- Assess the strengths and weaknesses of students accurately through precise measurement and evaluation;
- Based on comprehensive growth data and career planning, provide precise teaching and quality courses to allow students to enter more ideal schools and improve their skills more comprehensively;

Hailiang Education
School Collection

Education
Concept

Enrollment

Student
Growth

School
Construction

Informatization
Intelligence

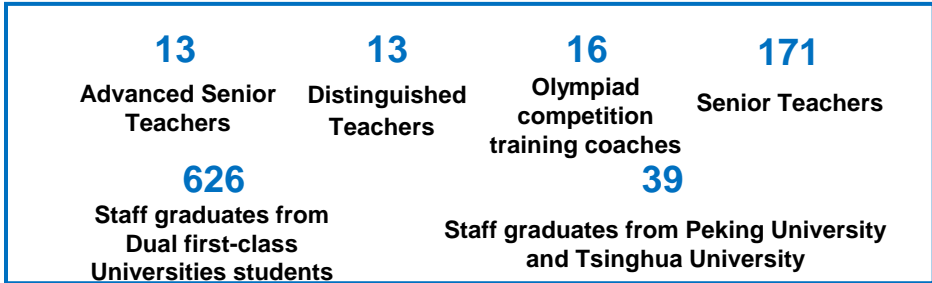
Subject and
Curriculum

Logistics
Management

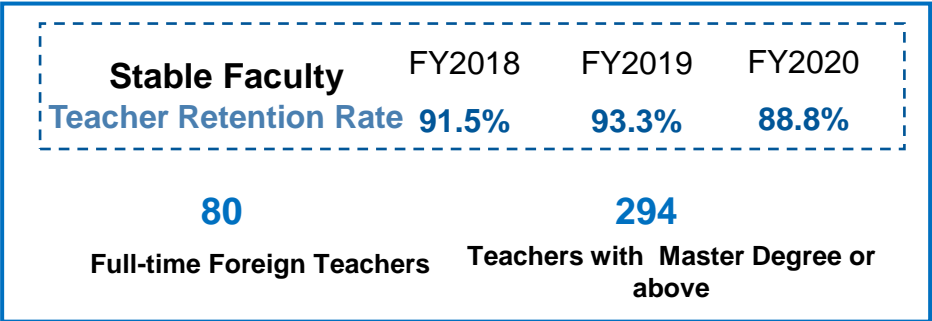
Investment Highlights – Talents Resources



Hailiang Education⁽¹⁾

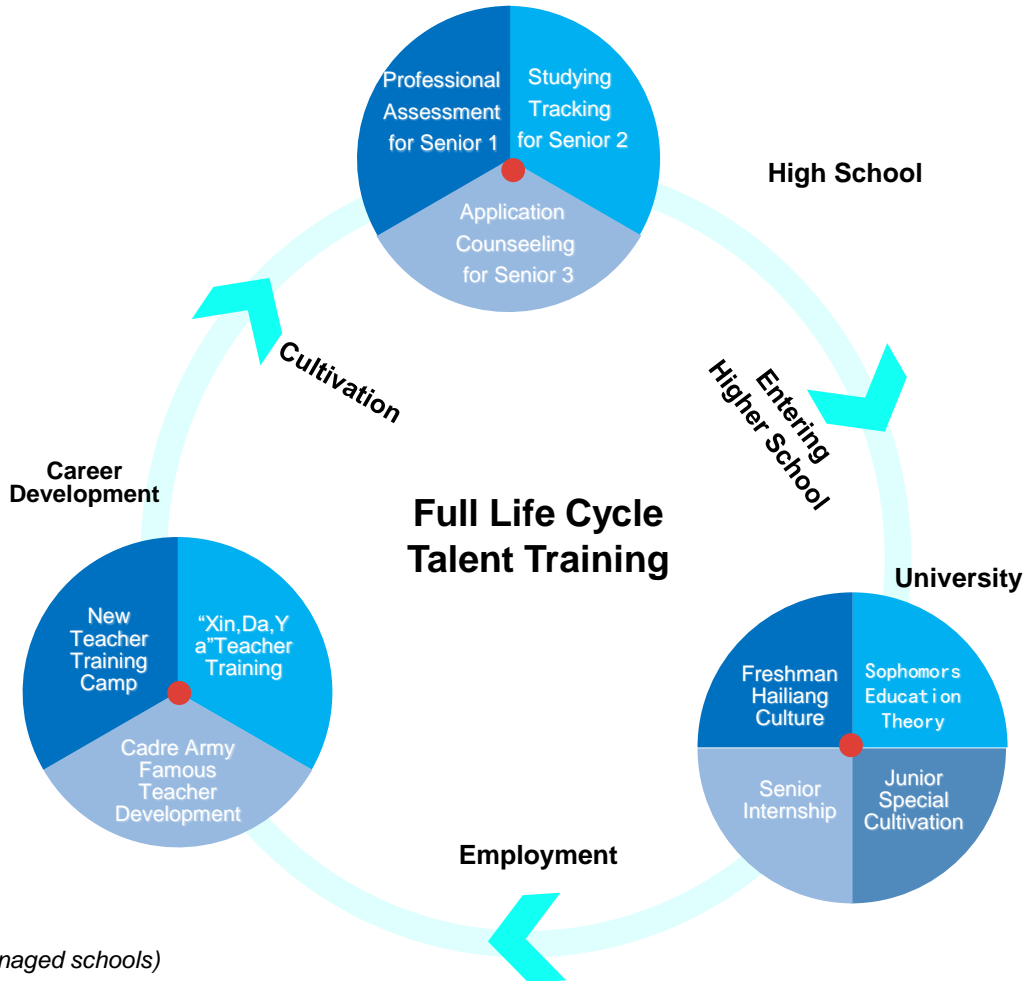
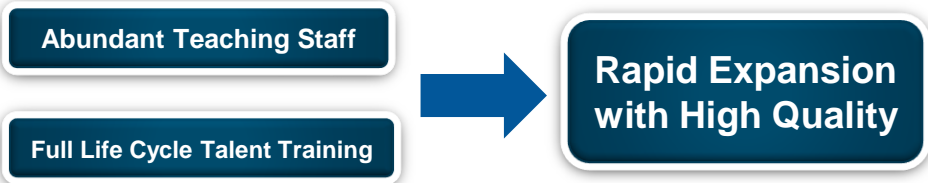


Educational Staff Team⁽²⁾



Future Plan

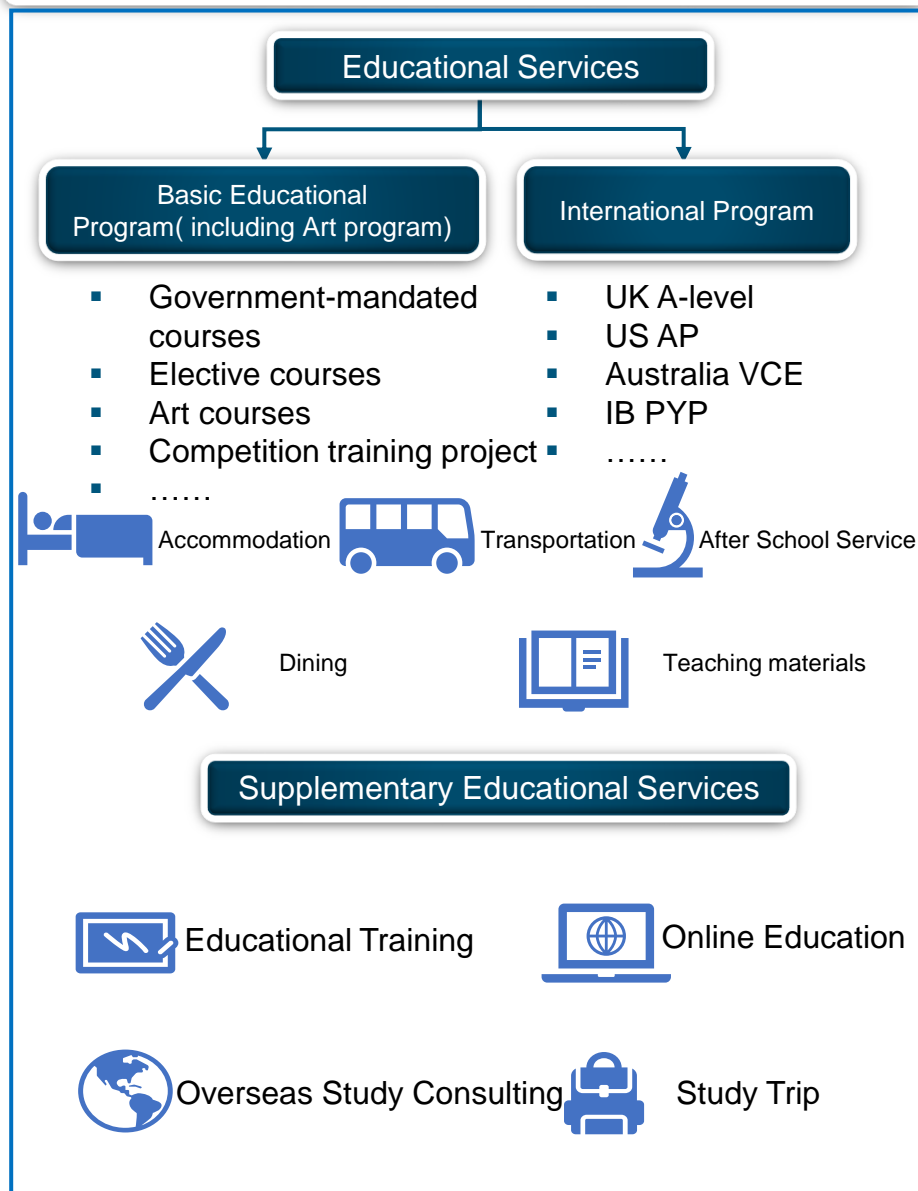
By FY2025 , expect to have 120 senior teachers/exceptional teachers/gold coaches, 250 students from Tsinghua and Peking University, 150 Ph.D. students, and 1,000 students from prestigious global schools. The undergraduate rate will up to 100%, mainly for masters and doctors.



(1) The data is for Hailiang Education employees as of December 31, 2020 (excluding managed schools)
(2) The data is the team of teachers in affiliated schools as of December 31, 2020

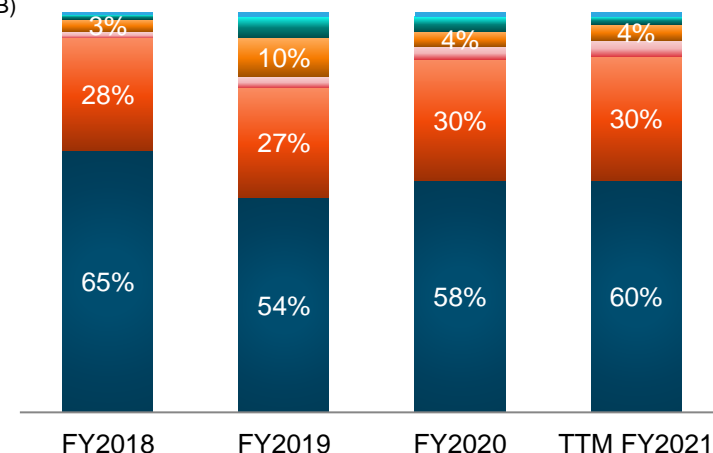
Investment Highlights – Diversified

Business Diversification



Income Diversification

(in Million of RMB)



	FY2018	FY2019	FY2020	TTM FY2021
Other Incomes	6.2	15.4	16.0	16.4
Study Trip	13.8	81.5	56.4	24.4
Educational Training	36.4	144.2	53.7	69.7
Management Service	19.0	40.9	48.3	65.7
International Program	329.8	411.3	449.0	496.3
Basic Program	764.2	805.7	859.3	997.8

All income segments of Hailiang Education maintain a high growth rate steadily, and income diversification is gradually consolidated. Primary, middle, and high school education services are accounted for the highest proportion of income, benefited from the gradual increase in the number of students and average income, **the overall financial situation was robust and solid.**



Attract and retain outstanding students, school management, and teachers to deliver quality education and high academic performance; as a result, strengthening our market presence **as a leading primary, middle, and high school educational service provider in China;**



Expedite the expansion of our affiliated and managed school network with the asset-light model through strategic partnerships with various parties, including but not limited to, Hailiang Group, local governments, and third-parties, to establish a virtual platform to fuel our revenue growth;



Further explore international expansion strategies, including increasing enrolment of our international program, recruiting international students, and build/invest/acquire private schools in Belt and Road countries and developed countries with strategic synergies;



Diversify business model, and increase the proportion of ancillary education services, especially committed to establishing Hailiang Mingyou's high-end primary, middle and high school educational training brand, and expand through standardized and localized products and teaching methods, as well as strategies for collaborative development with our schools, to realize the expansion of online education' training users and onsite education training centers, and;



Continue to invest in the application and development of education technology to improve our education quality, maximize academic performance, optimize management efficiency, support our school network expansion, and diversify our education service offerings.



Business Updates

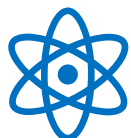
Business Updates - Insist on Educational Innovation and Improve Academic Competitiveness

Disciplines, Arts and Sports Competition ⁽¹⁾



100+ Provincial and National Awards

Won more than 100 provincial and national disciplines, arts and sports competition awards



National Level:

4 Gold Medals & 1 Bronze Medal

2020 Chinese Mathematical Olympiad

National Level: 1 Silver Medal

The 37th National Middle School Physics Competition Finals



National Level: Two Championships

In the 2020 National Youth U-Series Soft Hockey Skills Online Qualifying Tournament and Reserve Talent Points Tournament, Hailiang won two national championships in the U14 group of team head-on pass and receiver and U14 group of women's individual in-place dribble.

National Level: Second Prize

Won the National Second Prize of the 2020 "Luohe Cup" National Youth U-series 7-a-side Rugby Championship (school team)

International Program ⁽²⁾

300+ Admission Notices

The senior high school students have accumulated more than 300 formal and conditional university admission notices.

75%

World's Top 100 Universities



60%

World's Top 50 Universities



University College London The University of Manchester King's College London





Basic Program ⁽²⁾

- 16 Hailiang Senior High School students passed the preliminary review of the first "Qiu Chengtong Leading Talents Training Program in Mathematical Sciences" of **Tsinghua University**.
- In January 2021 college entrance examination, 1 student from Hailiang Senior High School was **selected** to the Computer Science Experimental Class (Yao Class) of **Tsinghua University**, 1 student **signed up** for the Qiu Chengtong Mathematics Elite Class of **Tsinghua University**, and 1 student **signed up** for the Mathematics Elite Class of **Peking University**.

(1) The data interval is the first half of fiscal year 2021

(2) Data as of early February in 2021

Business Updates – 4 New Affiliated Schools in the New School Year, the School Network is Expanded

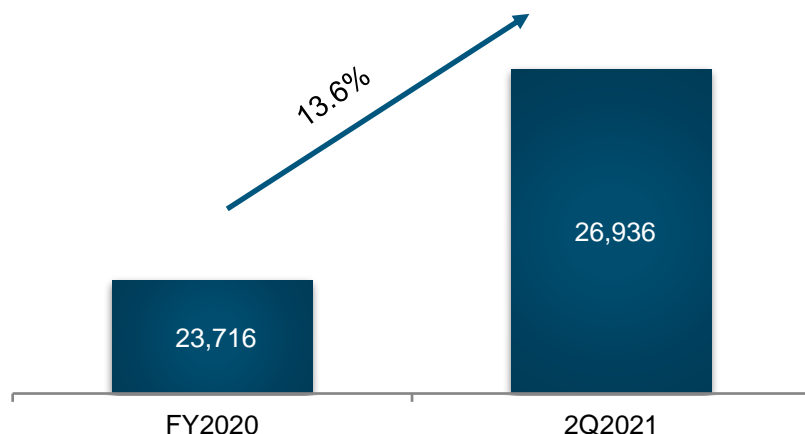
School Overview	Capacity	Number of Students ⁽¹⁾	Fiscal Year Opened/Acquired	Educational Program	Section
 Lanzhou Hailiang Experimental School	2,200	581	FY2021	Basic educational program	Primary and middle school
 Hailiang Overseas Chinese School(Wenzhou)	1,705	865	FY2021	Basic educational program	Primary and middle school
 Wuhu Hailiang Experimental School	1,680	408	FY2021	Basic educational program	Middle school and high School
 Jinhua Hailiang Foreign Language School⁽²⁾	900	734	FY2021	Basic educational program	Primary and middle school
Total	6,485	2,588			

(1) As of December 31, 2020.

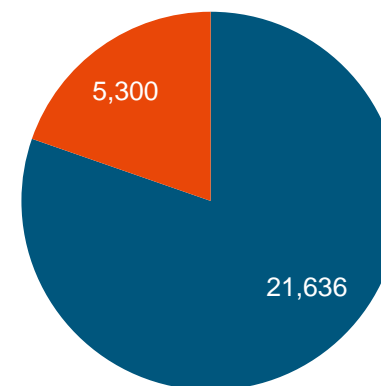
(2) The School started the first school year in 2018, and transfer the management rights in FY2021.

Business Updates – Students in Affiliated Schools

Affiliated Schools' Student Enrollment of 2Q2021 Compared to FY2020

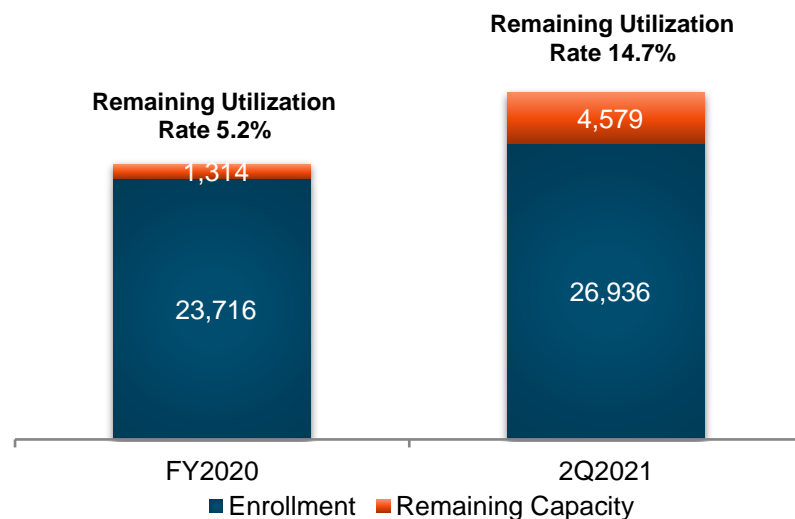


2Q2021 Student Breakdown in Affiliated Schools

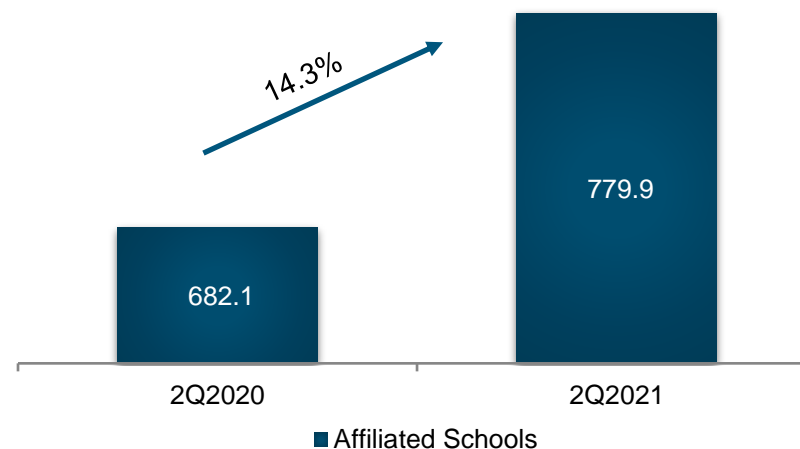


■ Basic Educational Program ■ International Educational Program

Overview of the Utilization Rate of Affiliated Schools (number of students/school size)



Balance of Tuition Received in Advance as of the end of Second Quarter (in million of RMB)



(1) FY2020 is as of June 30, 2020; 2Q2021 is as of December 31, 2020

Business Updates – Hailiang Mingyou: Steady Expansion of Offline Centers and Gradual Promotion of Online Business

Competitive Advantages of Mingyou

Complete Localized Curriculum System

Take the full subjects and full stages teaching curriculum as the main body and supplement by quality education courses

Online Centers (Mingyou Online)

Take online cloud classroom as the carrier, make full use of Internet concepts, AI intelligent technology and big data teaching products to **create an interactive teaching experience**.

Offline Centers

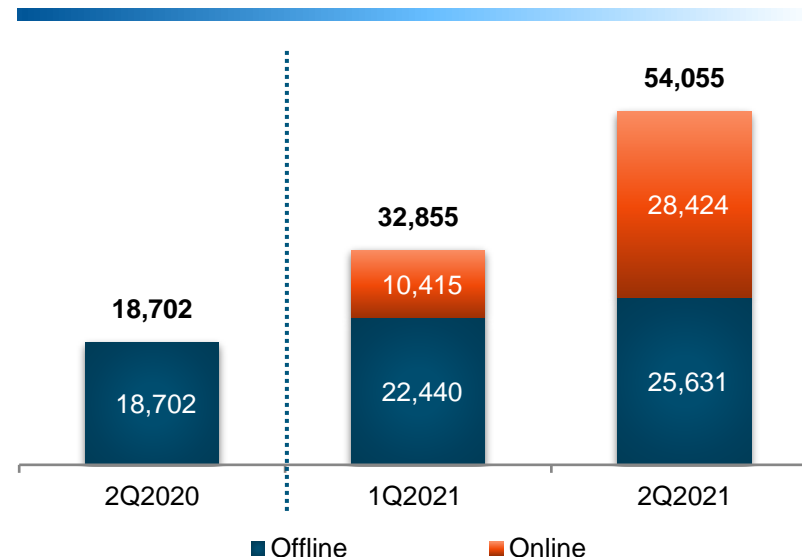
Open up the product discipline associations to ensure the knowledge of various disciplines will move from a split, closed, and single to integration, openness, and diversification.

Mingyou Offline Centers Location

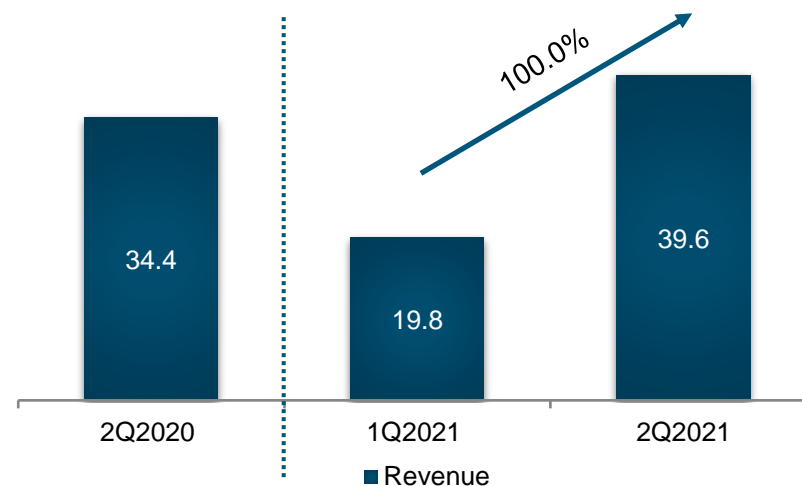
Type	Location	Number of Centers
Existed	Hangzhou City of Zhejiang Province Zhuji City, Shaoxing City of Zhejiang Province	4
Planning	Suqian City of Zhejiang Province Xiantao City of Zhejiang Province Ninghai County, Ningbo City of Zhejiang Province Xinchang County, Shaoxing City of Zhejiang Province Zhuji City, Shaoxing City of Zhejiang Province	5

- It is expected to gradually open Mingyou offline centers in places where Hailiang Education School is available in the future

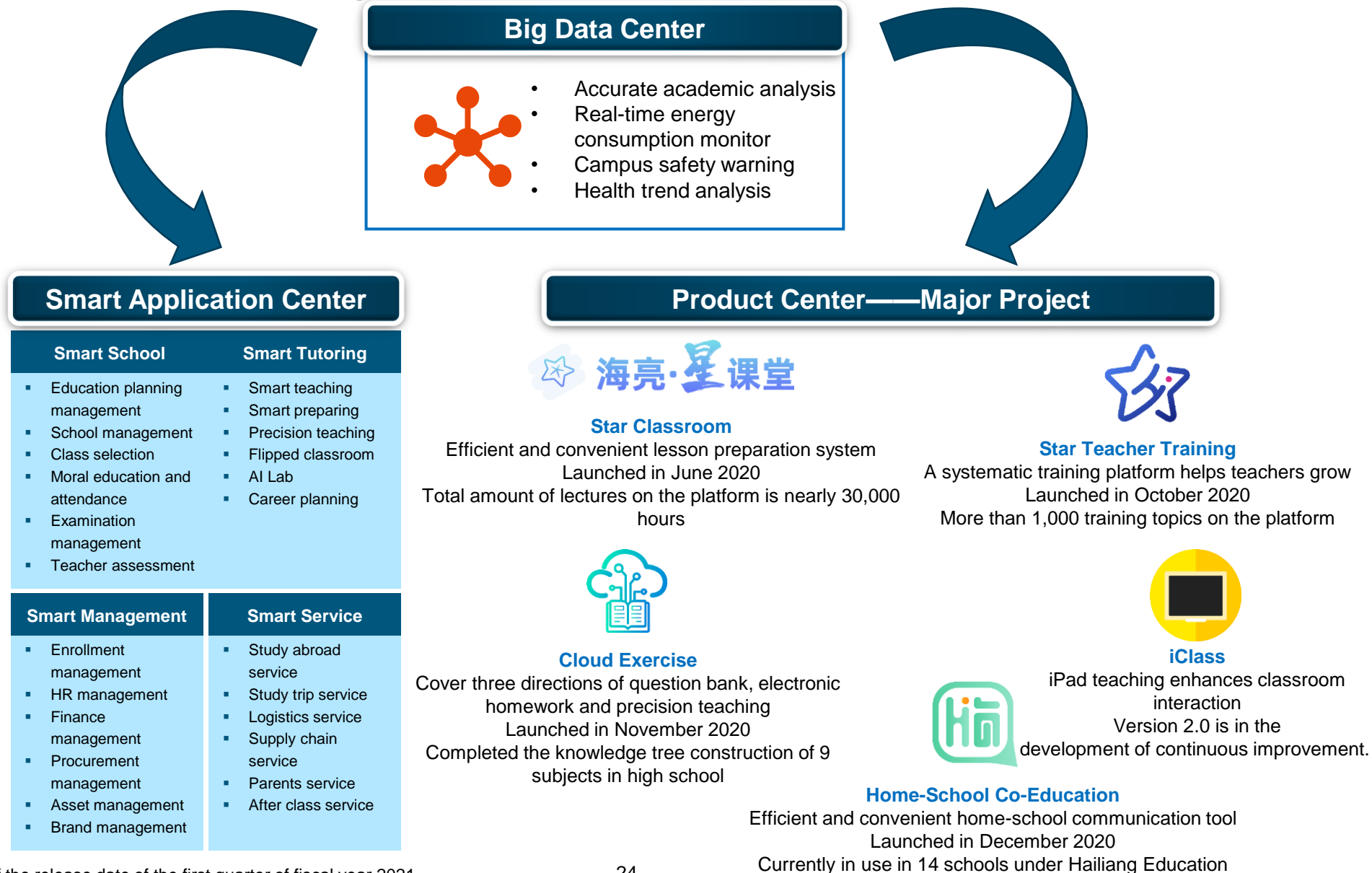
2Q2021 Enrollment of Educational Training (Cumulative number of students in this fiscal year)



2Q2021 Revenue from Educational Training (in million of RMB)



Business Updates – Revitalizing Education through Technology: Ensuring the Quality of Running Schools and Supporting Expansion in Other Regions



Business Updates – Invigorating Education with Talents: Abundant Talent Pool Supports Expansion in Other Regions

Campus Recruiting⁽¹⁾



Attracting Talent

- At present, the school recruitment team has visited 23 universities, such as Peking University, Tsinghua University, Renmin University of China, Zhejiang University, etc.
- At present, the school recruitment team has received 3,393 resumes, 77 of which are doctoral students, 1,563 from master students, and 1,741 from undergraduates
- 961 candidates have been interviewed
- Approximately 410 intention offers have been issued, of which 63 intentional freshmen are from Peking University and Tsinghua University



Full Life Cycle Talent Training⁽¹⁾



- Beijing Normal University



- Hangzhou Normal University

Deepen Strategic Cooperation with Top Universities Progress

- On August 25, 2020, Hailiang Education signed a contract with Changchun Normal University to establish Hailiang College
- On October 14, 2020, Hailiang Education signed a contract with Anhui Normal University to build Hailiang Innovation Class jointly
- On November 11, 2020, Hailiang Education signed a contract with Jilin Normal University to build Hailiang Innovation Class jointly
- On November 17, 2020, Hailiang Education signed a contract with Shanxi Normal University to build Hailiang Class jointly
- On December 11, 2020, Hailiang Education signed a contract with the Institute of Educational History and Culture of Beijing Normal University to build an educational and research base jointly
- On December 27, 2020, Hailiang Education and Hangzhou Normal University reached in-depth cooperation of "Teacher Development School" based on the original collaboration.

Business Updates - Revitalizing Education: Expansion of School Network to County Areas

Educational Promotion Plan Background and Target

Hailiang Group

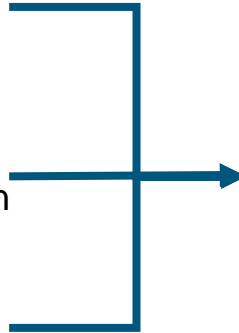
The strength of the world's top 500 companies

Hailiang Education

Hailiang Education complete education system support

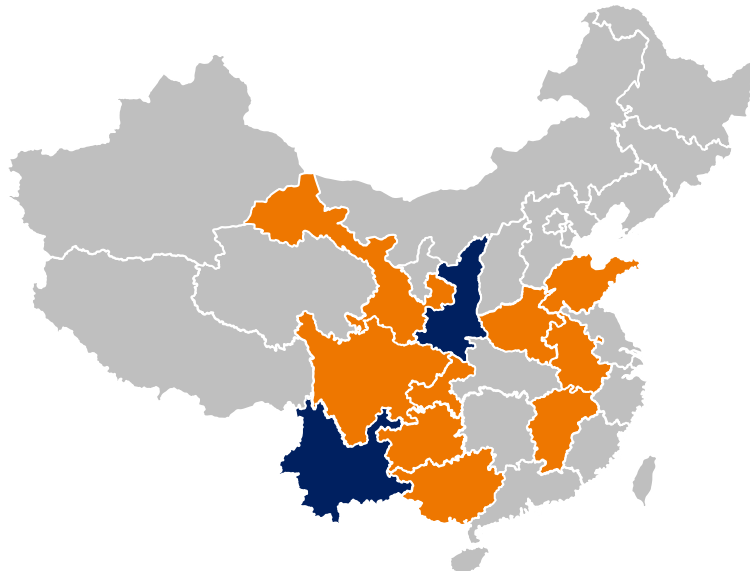
Education Institute

Smart campus technological support



- Operate Hailiang School
- Effectively promote the overall improvement of the county education
- Run a school, set up a banner, and make a forest

Progress of Educational Promotion Plan⁽¹⁾



- In the new period of building a moderately prosperous society in all respects in China, the basic education of many counties in the central and western underdeveloped region still lags.
- As of December 2020, Hailiang Education has visited 11 provinces in China and has signed cooperation framework agreements with Dingbian County in Shanxi Province, Yulin High-tech Zone in Shanxi Province and Yuanmou County in Yunnan Province.

(1) As of December 31, 2020



Financial Updates

Financial Updates – Financial Overview

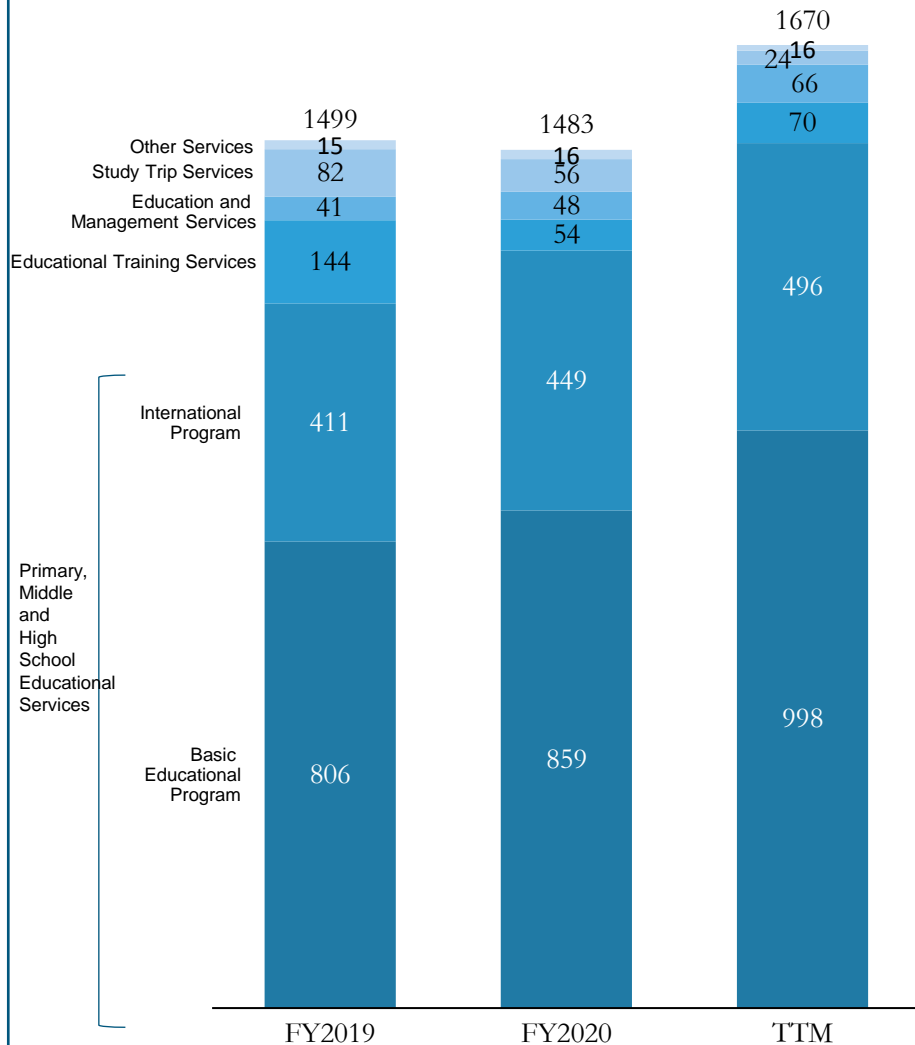
Excluding earnings per share (in million of RMB)	FY2019	FY2020	TTM	2Q2020	2Q2021	2QYoY	1H2020	1H2021	1HYoY
Revenue	1,499.0	1,482.6	1,670.2	519.5	638.5	22.9%	749.4	937.0	25.0%
Cost of revenue	-1,026.9	-983.2	-1,050.0	-275.5	-321.6	16.7%	-508.8	-575.6	13.1%
Gross profit	472.1	499.4	620.2	244.0	316.9	29.9%	240.6	361.4	50.2%
Gross margin	31.5%	33.6%	37.1%	47.0%	49.6%	2.6pp ⁽¹⁾	32.1%	38.6%	6.5pp
Net profit	315.8	366.6	437.7	219.2	245.6	12.0%	199.8	270.9	35.6%
Net profit attributable to the Company's shareholders	293.4	370.8	434.7	219.4	241.1	9.9%	204.1	268.0	31.3%
Earnings per share	0.71	0.90	1.05	0.53	0.58	9.9%	0.49	0.65	31.3%
Net profit margin attributable to the Company's shareholders	19.6%	25.0%	26.0%	42.2%	37.8%	-4.4pp	27.2%	28.6%	1.4pp
ROE (attributable to the Company's shareholders)	17.8%	18.3%	19.2%	10.8%	10.7%	-0.1pp	10.1%	11.9%	1.8pp

(1) pp represents percentage point

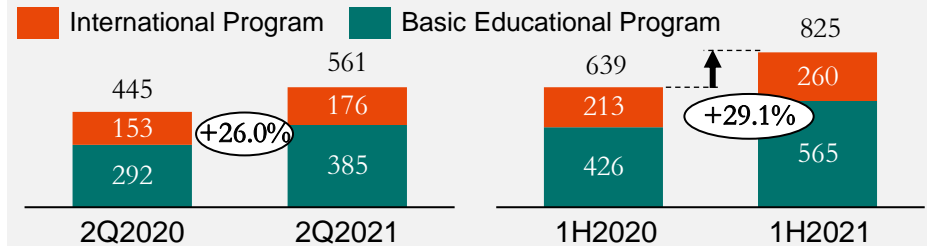
Financial Updates – Steady Revenue Growth with Diversified Business Streams



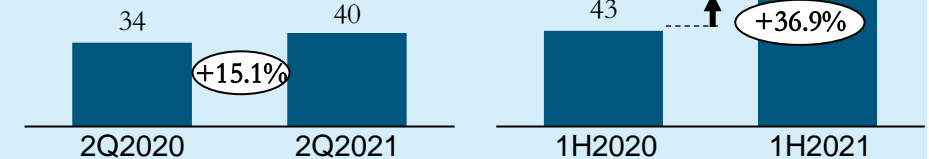
Revenue Breakdown (in million of RMB)



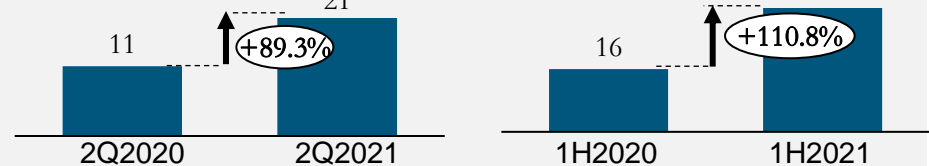
Revenue from Primary, Middle and High School Educational Services (in million of RMB)



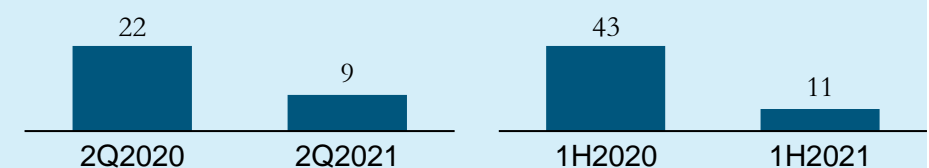
Revenue from Educational Training Services (in million of RMB)



Revenue from Education and Management Services (in million of RMB)



Revenue from Study Trip Services (in million of RMB)



(1) The decline in revenue from study trip services in fiscal year 2020 and first half of fiscal year 2021 is mainly due to the restriction on travels because of COVID-19.

Financial Updates – Reason for the Continuous Increase in Revenue from Primary, Middle and High school Educational Services

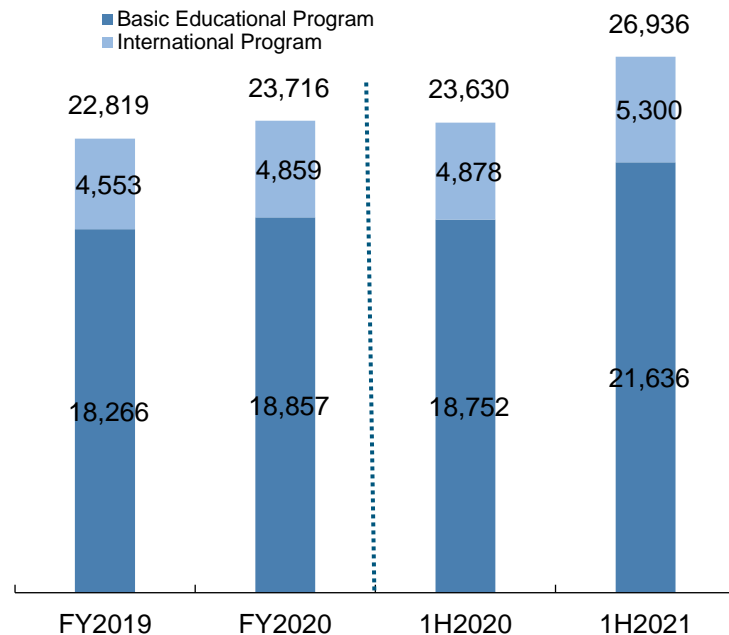


For the first half of fiscal year 2021, the number of students increased by 14% year-over-year, and the average tuition fee per student increased by 3.7% year-over-year

Number of Student Enrolled in primary, middle and high school Educational Services (Affiliated Schools)

1H2020 – 1H2021 YoY

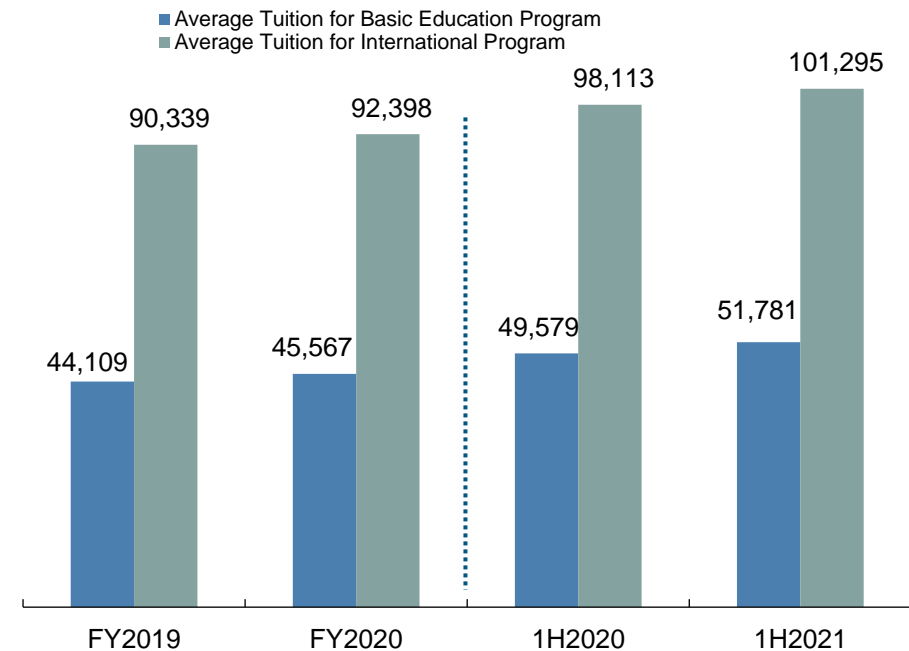
Basic: 15.4% International: 8.7% Total: 14.0%



Average Tuition for primary, middle and high school Educational Services (After annual adjustment) ⁽¹⁾

1H2020 – 1H2021 YoY

Basic: 4.4%, International: 3.2%, Total: 3.7%

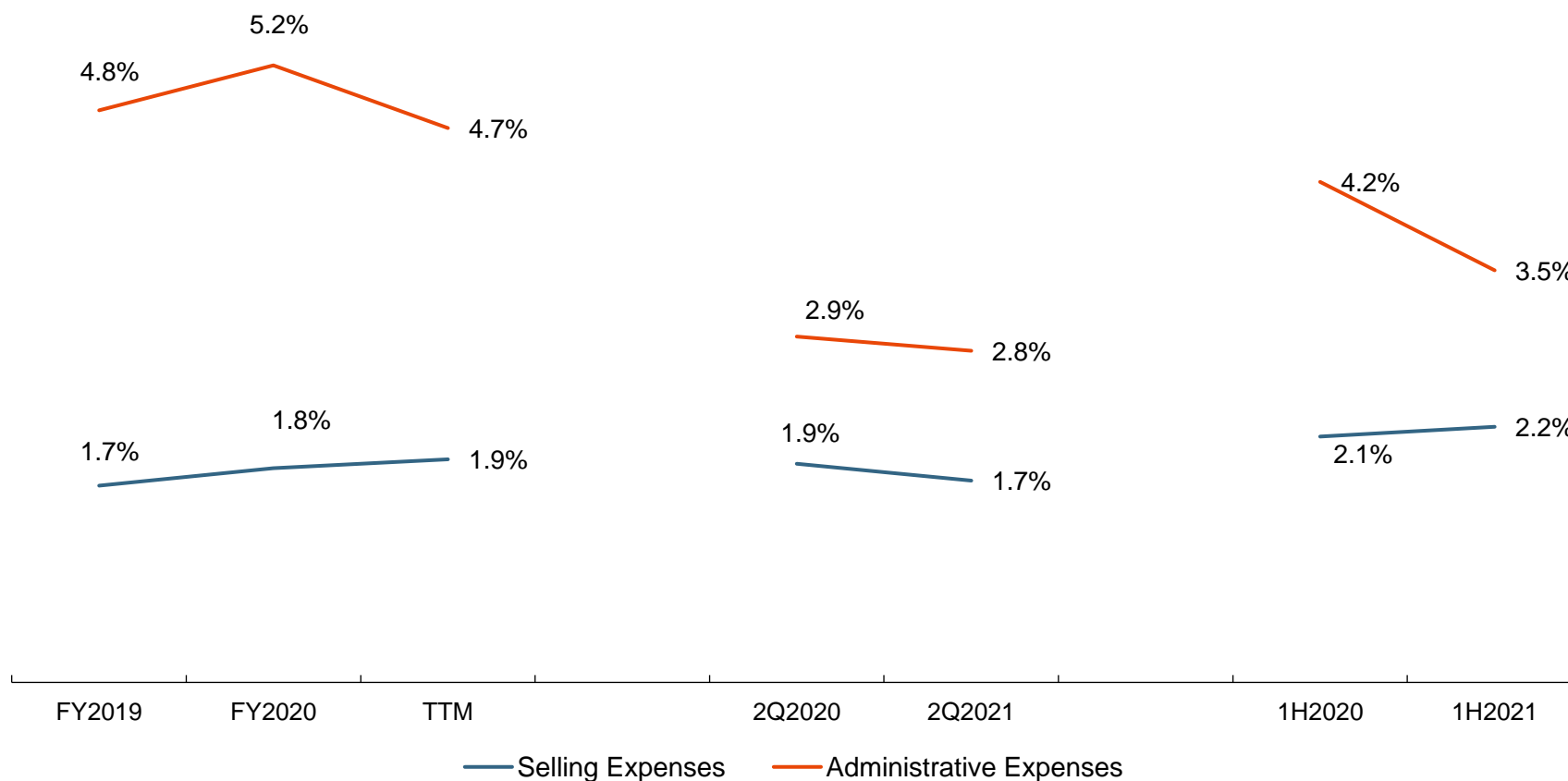


Fiscal Year	FY2019	FY2020	1H2020	1H2021
Total Average Tuition (Yuan/Year)	53,333	55,162	59,355	61,524

(1) When calculating the annualized average tuition fee for the fiscal year 2021, the deferred income in the previous fiscal year that was recognized in the first half of this fiscal year due to the impact of COVID-19 has been excluded, which amounts to approximately RMB36.35 million.

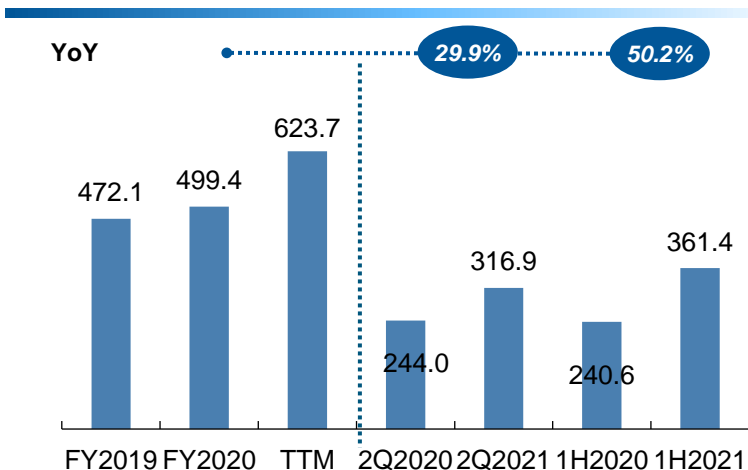
Financial Updates – the Administrative and Selling Expenses Remain Low in the Industry

Administrative/Selling Expenses as Percentage of Revenue

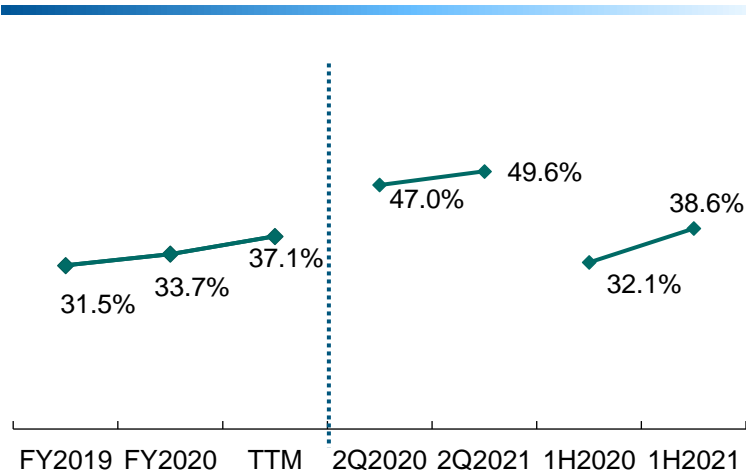


Financial Updates – Profitability is Increasing Year by Year, and the Debt Ratio Remains Healthy

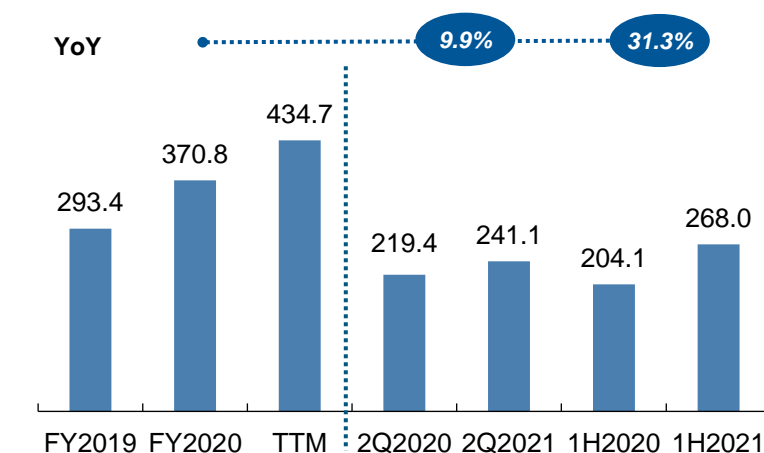
Gross Profit (in million of RMB)



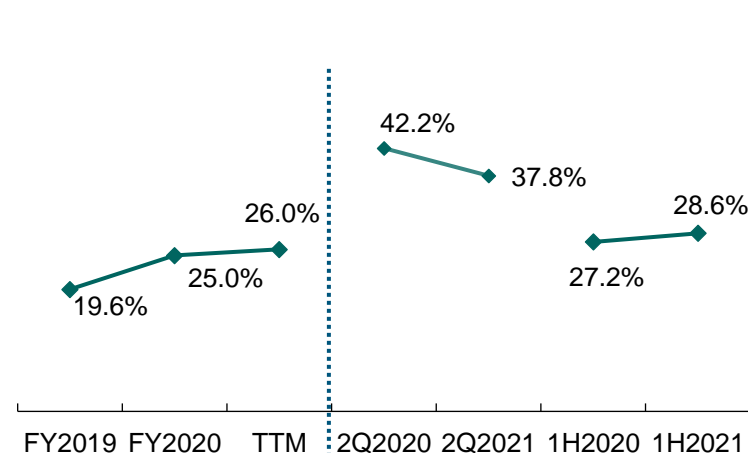
Gross Profit Margin



Net Profit Attributable to the Company's Shareholders (in million of RMB)

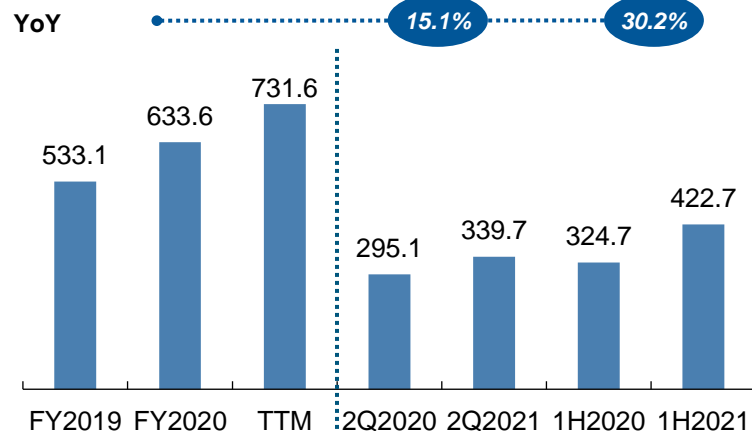


Net Profit Margin Attributable to the Company's Shareholders

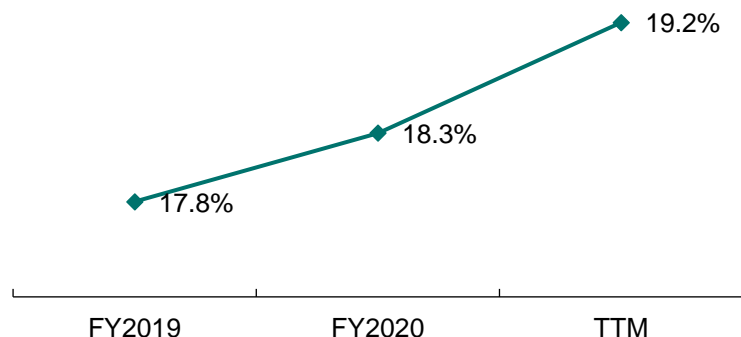


Financial Updates – Profitability is Increasing Year by Year, and the Debt Ratio Remains Healthy (Continued)

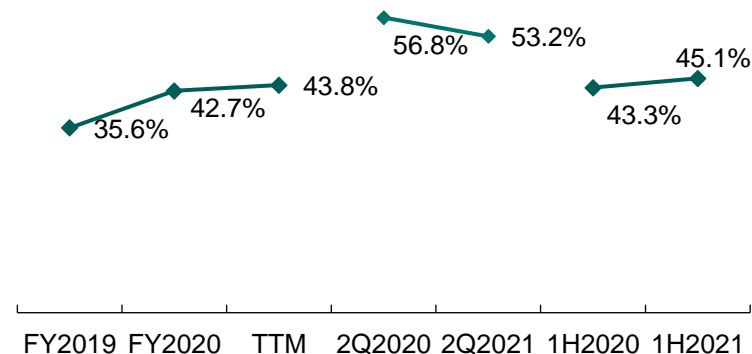
EBITDA (in million of RMB)



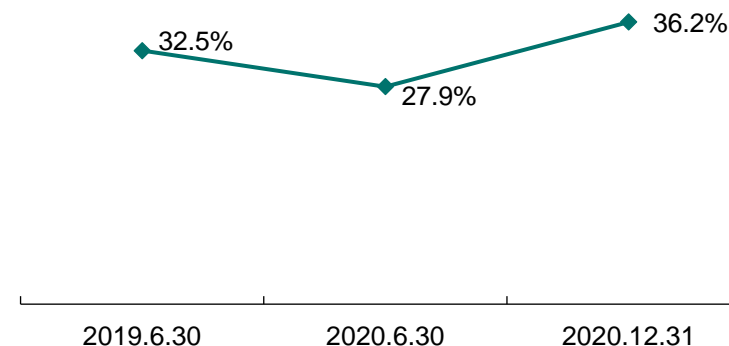
ROE (Attributable to the Company's Shareholders)



EBITDA Margin



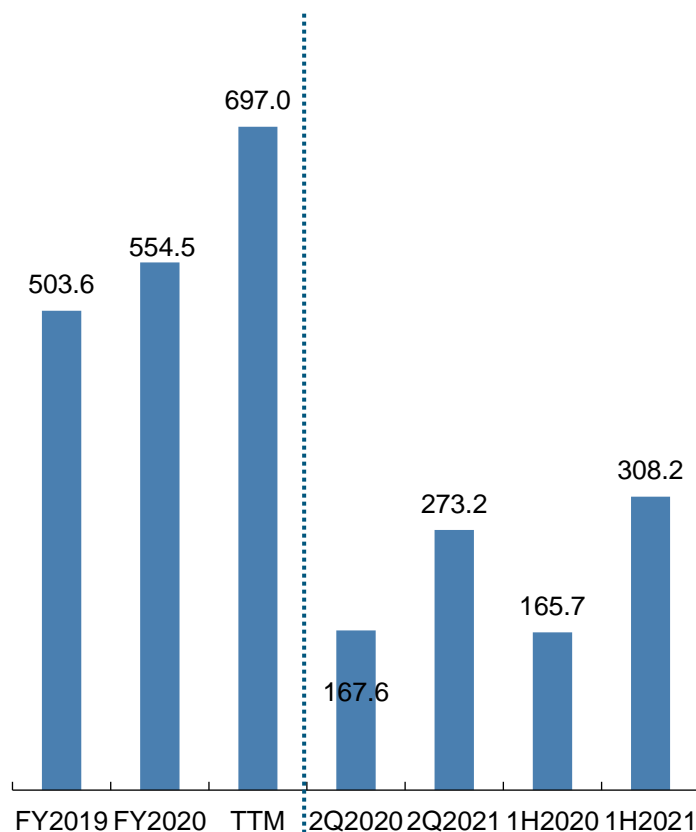
Debt Ratio⁽¹⁾



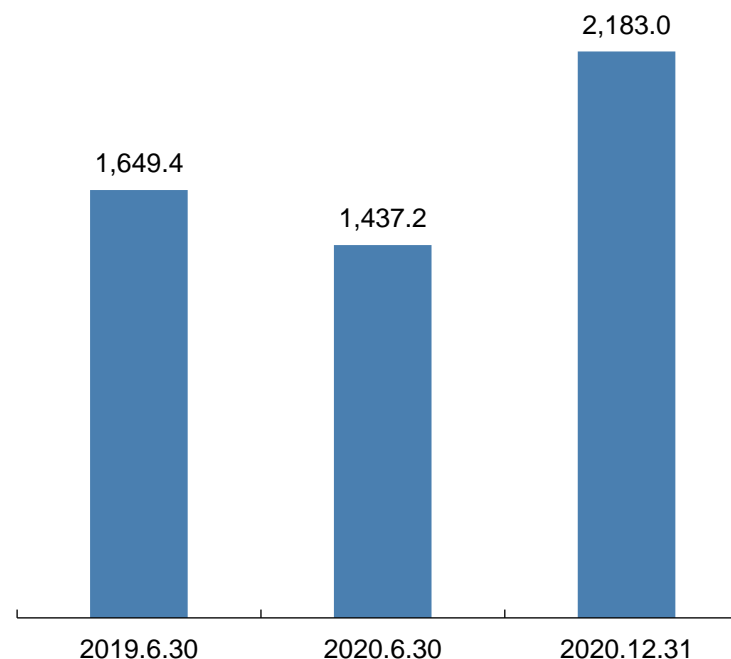
(1) Changes in debt ratio is mainly affected by fluctuations in the tuition fees collected in advance

Financial Updates – Adjusted Operating Cash Flow and Net Cash

Adjusted Operating Cash Flow (in Million of RMB) ⁽¹⁾



Net Cash (in Million of RMB) ⁽²⁾



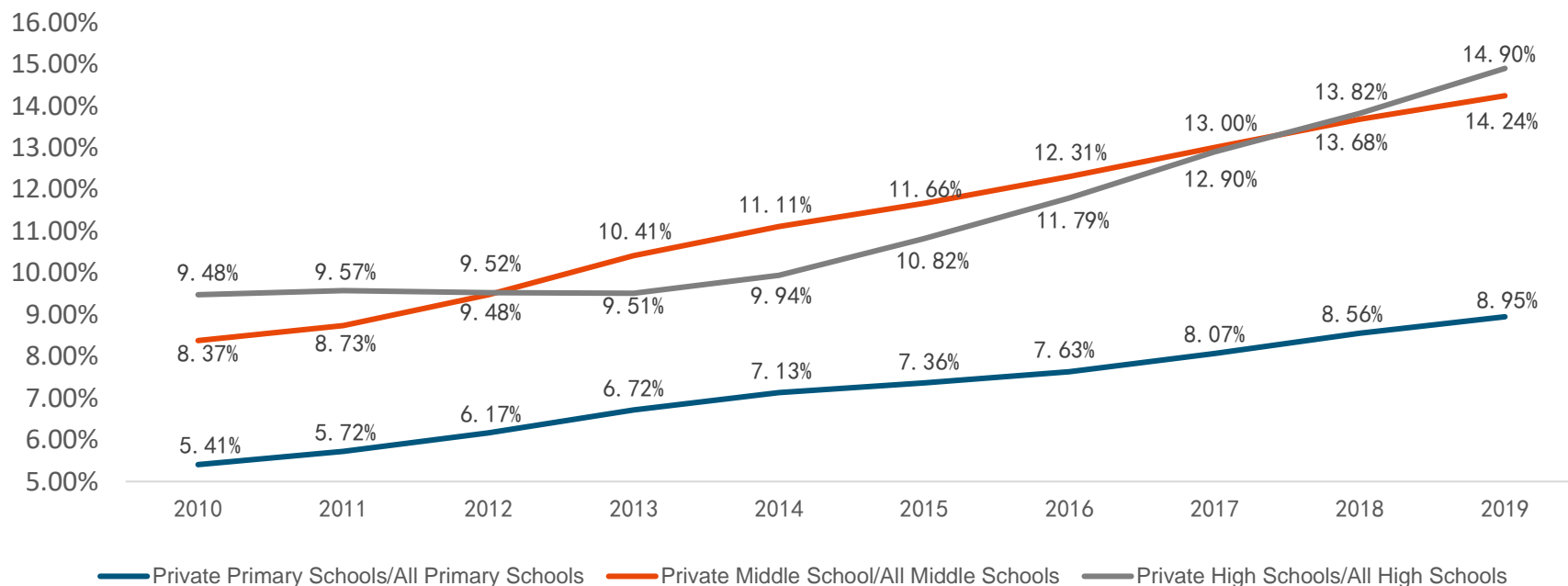
(1) Adjusted operating cash flow = Net cash generated from operating activities – Increase in contract liabilities.

(2) Net cash = cash - liability with interest. Cash refers to deposits, restricted currency funds and cash.

Appendix

Appendix 1.1 – Penetration of Private Education Industry

Penetration Rate of Students in Private Schools in China⁽¹⁾



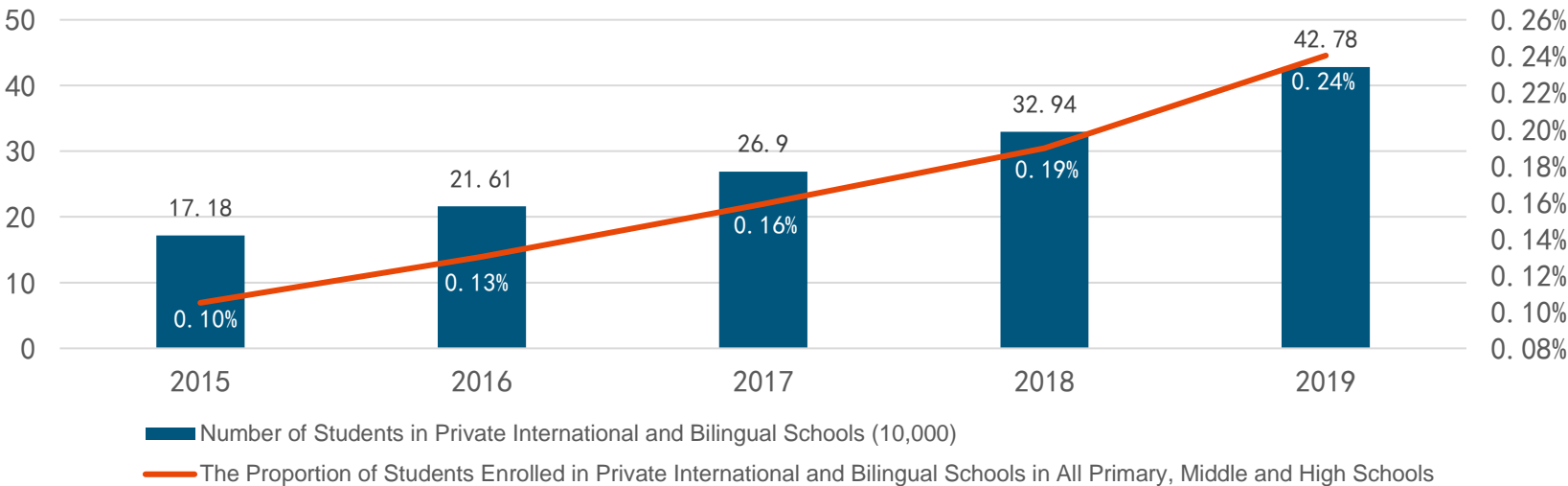
Private Education Group from the Same Industry in China	Location of Headquarter	Number of Students ⁽¹⁾	Number of Students The proportion of private education groups from the same industry in the total market in China ⁽¹⁾
Hailiang Education	Eastern China	72,893 (2020.12.31)	The total number of students in the top six private education groups (about 333,200) accounted for the total number of students in all elementary, middle and high schools in China (about 178 million) Ratio: 1.87%
Maple Leaf Education	Northeastern China	44,338 (2020.10.15)	
Bright Scholar	Southwestern China	54,318 (2020.11.30)	
Virscend Education	Southwestern China	49,459 (2020.06.30)	
Wisdom Education	Southern China	71,362 (2020.09.01)	
Tianli Education	Southwestern China	40,833 (2020.06.30)	

(1) Data comes from public data from the Ministry of Education and data disclosed by public companies

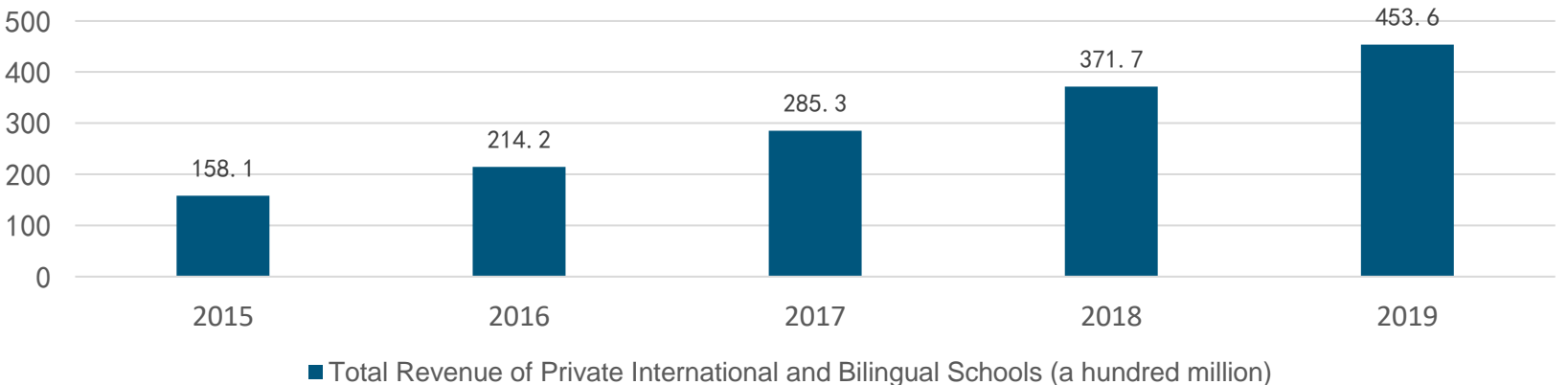
Appendix 1.2 – Analysis of International and Bilingual Education Industry in China



Penetration of Students in Private International and Biligual Schools in China⁽¹⁾



Total Revenue of Private International and Bilingual Schools in China⁽¹⁾



⁽¹⁾ Data comes from public data from the Ministry of Education and data from Sansheng Consulting Report

Appendix 2.1 – Balance Sheet

	As of June 30		As of December 31
(In thousands of RMB)	2019	2020	2020
Property and equipment, net	620,623	652,726	664,546
Intangible assets and goodwill, net	99,525	97,806	96,715
Right-of-use assets	—	517,609	506,965
Contract costs	9,899	10,924	16,675
Prepayments to third party suppliers	94	75	131
Term deposits held at a related party finance entity	—	—	510,000
Deferred tax assets	—	568	1,019
Non-current assets	730,141	1,279,708	1,796,051
Other receivables due from related parties	91,674	76,646	53,332
Other current assets	31,706	37,259	39,862
Term deposits held at a related party finance entity	1,387,094	921,601	1,478,319
Restricted bank deposits	1,613	324	3,324
Cash and cash equivalents	260,684	515,297	191,324
Current assets	1,772,771	1,551,127	1,766,161
Total assets	2,502,912	2,830,835	3,562,212
Share capital	268	268	268
Share premium	134,583	134,583	134,583
Contributed capital	251,034	252,034	218,034
Reserves	360,914	396,053	439,884
Retained earnings	905,009	1,247,762	1,466,387
Total Hailiang Education Group Inc. shareholders' equity	1,651,808	2,030,700	2,259,156
Non-controlling interests	37,439	10,797	13,678
Total equity	1,689,247	2,041,497	2,272,834
Contract liabilities	2,579	3,159	2,635
Deferred tax liabilities	4,691	4,607	5,138
Lease liabilities	—	18,749	22,068
Non-current liabilities	7,270	26,515	29,841
Trade and other payables due to third parties	218,122	270,207	248,272
Other payables due to related parties	134,745	148,363	138,483
Contract liabilities	398,951	293,643	821,352
Income tax payable	54,577	48,857	48,725
Lease liabilities	—	1,753	2,705
Current liabilities	806,395	762,823	1,259,537
Total liabilities	813,665	789,338	1,289,378
Total liabilities and equity	2,502,912	2,830,835	3,562,212

Appendix 2.2 – Income Statement

For the Second Quarter Ended December 31, For the Six Months Ended December 31,

(In thousands of RMB, except for EPS)

	2019	2020	2019	2020
Revenue	519,520	638,470	749,401	936,997
Cost of revenue	(275,492)	(321,552)	(508,829)	(575,550)
Gross profit	244,028	316,918	240,572	361,447
Other income, net	34,566	10,159	49,801	28,394
Selling expenses	(9,621)	(10,918)	(15,611)	(20,293)
Administrative expenses	(15,228)	(17,947)	(31,783)	(32,711)
Operating profit	253,745	298,212	242,979	336,837
Finance income	5,814	10,743	13,900	18,340
Finance costs	(217)	(385)	(3,910)	(674)
Profit before tax	259,342	308,570	252,969	354,503
Income tax expenses	(40,138)	(63,003)	(53,145)	(83,646)
Net profit for the period	219,204	245,567	199,824	270,857
Net Profit attributable to :				
Net profit attributable to the Company's shareholders	219,434	241,083	204,131	267,977
Net (loss)/profit attributable to non-controlling interests	(230)	4,484	(4,307)	2,880
Basic and diluted earnings per share	0.53	0.58	0.49	0.65
Other comprehensive (loss)/income, net of nil income tax	(1,137)	(2,708)	1,223	(5,521)
Total comprehensive income	218,067	242,859	201,047	265,336
Total comprehensive income attributable to:				
Total comprehensive income attributable to the Company's shareholders	218,297	238,375	205,354	262,456
Total comprehensive (loss)/income attributable to non-controlling interests	(230)	4,484	(4,307)	2,880

Appendix 2.3 – Cash Flows

	Fiscal Year Ended June 30,		
(on thousands of RMB)	2018	2019	2020
Net profit for the year	230,902	315,780	366,598
Adjustments for:			
Depreciation of owned property and equipment	113,128	132,026	132,654
Depreciation of right-of-use assets	—	—	30,485
Gain on disposal of affiliated entities	(5,349)	—	—
Gain on derecognition of a lease contract	—	—	(39)
Loss on the disposal of property and equipment	371	342	691
Amortization of intangible assets	446	1,494	2,694
Net foreign exchange loss/(gain)	324	(465)	(287)
Interest income	(11,715)	(24,470)	(24,833)
Interest on lease liabilities	—	—	4,363
Income tax expenses	66,288	108,713	121,924
Other current assets and contract costs	(13,681)	(8,127)	1,415
Prepayment to third party suppliers	2,157	—	—
Trade and other payables due to third parties	30,416	94,885	46,771
Other payables due to related parties	18,000	(5,275)	7,699
Deferred revenue and contract liabilities	165,583	186,731	(123,497)
Income tax paid	(8,939)	(111,317)	(135,596)
Net cash generated from operating activities	587,931	690,317	431,042
Interest received	10,677	20,592	25,271
Proceeds from sale of property and equipment	1,015	—	737
Purchase of property and equipment	(89,369)	(80,133)	(111,469)
Purchase of intangible assets	—	(1,743)	(935)
Purchase of right-of-use assets	—	—	(524,996)
Payments of restricted bank deposits	—	(1,613)	—
Term deposits placed with a related party finance entity	(204,000)	(4,709,697)	1,289
Maturity of term deposits placed with a related party finance entity	401,000	3,526,603	(3,808,762)
Repayment of loans from a related party	—	12,412	4,279,255
Acquisition of subsidiaries or an affiliated entity, net of cash acquired	(6,160)	(627)	11,850
Net proceeds from disposal of affiliated entities, net of cash disposed	17,982	—	—
Net cash generated from/(used in) investing activities	131,145	(1,234,206)	(127,760)
Loans borrowed from a related party	7,609	—	—
Repayment of loans to a related party	—	—	(32,079)
Capital contributions	11,000	139	2,450
Payments to a non-controlling shareholder upon the liquidation of subsidiaries	—	—	(3,713)
Capital element of lease rentals paid	—	—	(2,721)
Interest element of lease rentals paid	—	—	(4,174)
Dividends paid to a non-controlling shareholder of subsidiaries	—	(7,482)	(21,145)
Net cash generated from/(used in) financing activities	18,609	(7,343)	(61,382)
Net increase/(decrease) in cash and cash equivalents	737,685	(551,232)	241,900
Cash and cash equivalents at beginning of the year	77,801	812,620	260,684
Effect of movements in exchange rates on cash and cash equivalents	(2,866)	(704)	437
Cash and cash equivalents at the end of the year	812,620	260,684	503,021

Disclaimer

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