



# BExcellent Group Holdings Limited 精英匯集團控股有限公司

(Incorporated in the Cayman Islands with limited liability 於開曼群島註冊成立的有限公司)

Stock Code 股份代號：1775

**2021**  
中期報告

**INTERIM**  
REPORT



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## FINANCIAL AND OPERATIONAL HIGHLIGHTS

### FINANCIAL HIGHLIGHTS

	For the six months ended 31 January	
	2021 HK\$'000	2020 HK\$'000
Revenue	93,260	194,481
(Loss)/profit for the period	(5,583)	19,404
(Loss)/profit attributable to the owners of the Company	(5,117)	19,803
(Loss)/earnings per share		
Basic (HK cents)	(1.02)	3.96
Diluted (HK cents)	(1.02)	3.96

### OPERATIONAL HIGHLIGHTS

The summary below lists out the number of unique private supplementary secondary school education students enrolling in at least one of our private supplementary secondary school education sessions for the six months ended 31 January 2021 and 2020.

	For the six months ended 31 January	
	2021	2020
Number of unique student enrollments ('000)	17	33
Total number of session enrollments ('000)	118	278
Average number of sessions enrolled per student	6.9	8.4
Maximum classroom capacity (Note 1)	3,249	3,835
Revenue per average classroom capacity (HK\$'000)	23	42
Occupancy rate (Note 2)	6.3	31.2

*Note 1:*

Being the average of the maximum number of students permitted in our classrooms as at beginning and closing of the period pursuant to the certificates of accommodation issued to our schools, and for school(s) in which the application for the certificate(s) of accommodation is/are being made, the maximum number of students in our classrooms that we have applied for.

*Note 2:*

The occupancy rate is calculated as being (a) the total session enrollments (excluding sessions delivered online) for the respective financial period multiplied by four (assuming one session consists of four lessons), divided by (b) the maximum classroom capacity approved by the EDB for all teaching centres multiplied by the number of lessons that can be conducted throughout the respective year (assuming the classrooms are occupied on the basis that four lessons daily can be conducted from Monday to Friday and eight lessons daily can be conducted on Saturday and Sunday).

## CORPORATE INFORMATION

### EXECUTIVE DIRECTORS

Ms. Leung Ho Ki, June  
(*Chairman of the Board*)  
Mr. Tam Wai Lung (*Chief Executive Officer*)  
Mr. Chan Tsz Ying, Wister  
Mr. Li Man Wai

### NON-EXECUTIVE DIRECTOR

Dr. Shen Simon (*formerly known as Dr. Shen Xu Hui, resigned on 16 October 2020*)

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Kwan Chi Hong  
Mr. Li Kai Sing  
Professor Wong Roderick Sue Cheun

### COMPANY SECRETARY

Mr. Choi Shing Wai, *FCCA*

### AUDIT COMMITTEE

Mr. Li Kai Sing (*Chairman*)  
Mr. Kwan Chi Hong  
Professor Wong Roderick Sue Cheun

### REMUNERATION COMMITTEE

Mr. Kwan Chi Hong (*Chairman*)  
Professor Wong Roderick Sue Cheun  
Mr. Li Kai Sing  
Mr. Tam Wai Lung  
Mr. Li Man Wai

### NOMINATION COMMITTEE

Ms. Leung Ho Ki, June (*Chairman*)  
Professor Wong Roderick Sue Cheun  
Mr. Kwan Chi Hong  
Mr. Li Kai Sing  
Mr. Tam Wai Lung

### AUTHORISED REPRESENTATIVES

Ms. Leung Ho Ki, June  
Mr. Choi Shing Wai, *FCCA*

### INDEPENDENT AUDITOR

PricewaterhouseCoopers  
*Certified Public Accountants*  
Registered Public Interest Entity Auditor  
22/F, Prince's Building, Central, Hong Kong

### LEGAL ADVISERS

Adrian Lau & Yim Lawyers

### PRINCIPAL BANKER

Standard Chartered Bank  
(Hong Kong) Limited

### REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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CDW Building  
388 Castle Peak Road  
Tsuen Wan  
New Territories  
Hong Kong

### CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited  
Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong

### COMPANY'S WEBSITE

[www.bexcellentgroup.com](http://www.bexcellentgroup.com)

### STOCK CODE

1775

## MANAGEMENT DISCUSSION AND ANALYSIS

Unless otherwise specified, (i) capitalised terms used in this interim report shall have the same meanings as those used in the immediately preceding annual report of the Company; and (ii) where appropriate, numerical figures or percentages presented herein shall be approximate figures and/or percentages (as the case may be).

### BUSINESS REVIEW

Our Group is a leading provider of private supplementary secondary school education services in Hong Kong. We principally engage in the provision of private supplementary secondary school education services and the operation of private secondary day schools in Hong Kong. We also offer ancillary education services and products targeted at pre-school, kindergarten, primary and secondary school students and individuals pursuing further education/other interest learning and/or personal development. We provide all of our private supplementary education services from teaching centres on Hong Kong Island, in Kowloon and the New Territories. As at 31 January 2021, we operated 16 teaching centres, with a total of 127 classrooms, which, in accordance with the EDB's guidelines, allow a maximum classroom capacity of 3,398 students to attend class at any one time.

The operating environment in Hong Kong has remained difficult since the outbreak of the novel coronavirus (the "COVID-19"). Adverse impacts on the financial performance of the Group for the six months ended 31 January 2021 were obvious. The outbreak spurred the government to impose public health measures, such as prolonged suspension of, as well as the restriction on student number in face-to-face classes which adversely affected the operation of our teaching centres seriously. As a result, there was a significant decrease in the number of both new and current students' enrollments, though the provision of online classes helped to partly offset the impact. Accordingly, the Group recorded a significant decrease in revenue from HK\$194.5 million for the six months ended 31 January 2020, to HK\$93.3 million for the six months ended 31 January 2021, representing a decrease of 52.0%.

Below is a summary of revenue and session enrollments for each category of services which we provided, the number of unique students for private supplementary secondary school education services and private secondary day school services for the six months ended 31 January 2021 and 2020:

	For the six months ended 31 January	
	2021	2020
Private supplementary secondary school education services		
– Revenue (HK\$'000)	<b>74,259</b>	162,549
– Unique student enrollment ('000)	<b>17</b>	33
– Session enrollment ('000)	<b>118</b>	278
Private secondary day school services		
– Revenue (HK\$'000)	<b>4,319</b>	5,637
– Unique student enrollment ('000)	<b>0.3</b>	0.4
– Session enrollment ('000)	<b>1.2</b>	1.5
Ancillary education services and products		
– Revenue (HK\$'000)	<b>14,682</b>	26,295
– Session enrollment ('000)	<b>12</b>	25

## MANAGEMENT DISCUSSION AND ANALYSIS

### i) Private supplementary secondary school education services

The following table sets forth the revenue, the number of session enrollments of each course category, and the average course fee of private supplementary secondary school education services for each of the six months ended 31 January 2021 and 2020:

	For the six months ended 31 January			
	2021		2020	
	Session enrollment '000	Revenue HK\$'000	Session enrollment '000	Revenue HK\$'000
Regular courses	76	50,084	195	127,509
Intensive courses	16	6,623	32	14,050
Summer courses	26	17,552	51	20,990
<b>Total</b>	<b>118</b>	<b>74,259</b>	<b>278</b>	<b>162,549</b>
Average course fee per session enrollment (HK\$)		<b>629</b>		<b>585</b>

The Group's revenue derived from private supplementary secondary school education services declined by 54.3% when compared with that in the same period in the previous financial year. This was mainly attributable to the decrease in the overall number of session enrollments during the period due to the prolonged school suspension and the restriction imposed on class size.

With the pandemic prompting a shifting of learning mode towards online education, the Group has put more efforts and IT resources to enhance online learning experience in order to lessen the impact of face-to-face class suspensions.

### ii) Private secondary day school services

We operated two private secondary day schools located in Yuen Long and Mong Kok under our "Beacon Day School" (遵理日校) brand. Due to the decrease in the number of private secondary day school unique student enrollments from approximately 400 to approximately 300, accordingly, the revenue decreased by approximately 23.4% when compared with that in the same period in the previous financial year.

### iii) Ancillary education services and products

The table below shows the revenue components of the ancillary education services and products for each of the six months ended 31 January 2021 and 2020:

	For the six months ended 31 January	
	2021 HK\$'000	2020 HK\$'000
Mock examination services	4,276	9,682
Childhood education services	2,539	3,687
VIP self-study services	877	3,331
Beacon BExcellent	4,816	4,421
Others	2,174	5,174
<b>Total</b>	<b>14,682</b>	<b>26,295</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

Mock examination services are one of the largest revenue contributors of our ancillary education services and products. Due to the persisting COVID-19 pandemic, the mock examination could not take place as usual at large exhibition halls to avoid indoor mass gathering for public health reason. Instead, our mock examination took place either in our teaching centres or at students' places and therefore the scale of our mock examinations was restricted this year. Moreover, there is a timing difference for the income recognition of mock examinations for the six months ended 31 January 2021 and 2020 respectively, as some of our mock examinations were scheduled in February this year in response to postponement of HKDSE while all mock examinations finished by the end of January in the previous year. Therefore, the revenue from such services decreased by HK\$5.4 million or 55.8% from HK\$9.7 million for the six months ended 31 January 2020 to HK\$4.3 million for the six months ended 31 January 2021.

Revenue from childhood education services decreased by HK\$1.2 million, or 31.2% from HK\$3.7 million for the six months ended 31 January 2020 to HK\$2.5 million for the six months ended 31 January 2021. The revenue from VIP self-study services dropped significantly by HK\$2.5 million or 73.7% from HK\$3.3 million for the six months ended 31 January 2020 to HK\$0.9 million for the six months ended 31 January 2021. Since childhood education services relied much on face-to-face delivery and VIP self-study services were delivered in teaching centres, such services revenue recorded a widened decline for the six months ended 31 January 2021 due to the prolonged class suspension caused by COVID-19 outbreak, resulting in a drastic decline in session enrollments.

Sustained increases in the demand for overseas study, continuing education and training provided momentum for the growth of IELTS courses demand. The revenue of Beacon BExcellent has been growing steadily by 8.9% from HK\$4.4 million for the six months ended 31 January 2020 to HK\$4.8 million for the six months ended 31 January 2021 and the major part of the revenue is mainly contributed by IELTS courses. In view of the market demand for the continuing education programs, the Group will continue to capture market share by increasing course variety and expanding our service offerings.

### OUTLOOK AND FUTURE DEVELOPMENTS

The first half of this financial year has not been easy. The COVID-19 pandemic hasn't been stabilized throughout the six months ended 31 January 2021; the face-to-face class suspension and class size restriction orders issued by the EDB have been in force for more than 110 days out of the 183 days during the period, which have incessantly affected the study plans and learning habits of students. The Group has strived to maintain students' learning progress through providing quality online-offline learning experiences during the pandemic and to put continuous effort in the development of IT infrastructure as well as a streamlined online learning environment.

Against the backdrop of the severe pandemic, societal and economic uncertainties in Hong Kong, the Group is prepared to expedite its pace in reforming and diversifying the business to cater the change in students' learning modes during the pandemic. The Group will continue to (i) expand and diversify its business by swiftly reacting to market dynamics and grasping opportunities of partnership and collaboration in a wider geographical coverage, including but not limited to the Greater Bay Area; (ii) step up efforts to improve operation efficiency via more stringent cost control measures and more flexible human resources allocation; and (iii) further differentiate the brand, education services and products in the fast-developing online-offline education ecology.

Given the continuing challenges, the outlook for the remaining months of this financial year remains gloom-ridden, mainly because face-to-face teaching has not fully resumed yet, so loss may persist for a longer period. Nevertheless, the Group will exert relentless efforts to achieve a positive turnaround of its business with vitality, agility and vigilance so as to create sustainable long-term returns for the shareholders and stakeholders.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

#### Revenue

For the components of our revenue, please refer to the section headed “Business Review” above.

The Group’s total revenue decreased by HK\$101.2 million, or 52.0%, from HK\$194.5 million for the six months ended 31 January 2020 to HK\$93.3 million for the six months ended 31 January 2021. This was mainly due to the revenue decline from our Group’s overall education services. As the COVID-19 is still rampant, the third and fourth waves of it urged the government to impose stringent social-distancing measures. During such period, the Group has temporarily suspended the face-to-face classes and limited the number of students attending classes in our teaching centres according to the orders instructed by the EDB.

Revenue from the provision of private supplementary secondary school education services decreased by HK\$88.3 million, or 54.3% from HK\$162.5 million for the six months ended 31 January 2020 to HK\$74.3 million for the six months ended 31 January 2021, which was largely due to the decrease in the number of the Group’s session enrollments by approximately 160,000 or 57.6% from approximately 278,000 for the six months ended 31 January 2020 to approximately 118,000 for the six months ended 31 January 2021.

Revenue from the provision of the ancillary education services and products decreased by HK\$11.6 million, or 44.2% from HK\$26.3 million for the six months ended 31 January 2020 to HK\$14.7 million for the six months ended 31 January 2021. This was mainly due to the decrease in mock examination services by HK\$5.4 million or 55.8% from HK\$9.7 million for the six months ended 31 January 2020 to HK\$4.3 million for the six months ended 31 January 2021 and the decrease in VIP self-study services by HK\$2.5 million or 73.7% from HK\$3.3 million for the six months ended 31 January 2020 to HK\$0.9 million for the six months ended 31 January 2021.

#### Other income

Other income primarily consists of government subsidies, IT service income, rental income from an investment property, interest income from bank deposits, advertising income, and dividend income from an unlisted investment.

Other income increased by 386.9% from HK\$3.3 million for the six months ended 31 January 2020 to HK\$16.1 million for the six months ended 31 January 2021. This increase was primarily attributable to the “Anti-epidemic Fund” received from the government of approximately HK\$13.9 million in total.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Major costs components

The summary below shows the major costs components of the Group among which 61.1% (2020: 58.2%) is related to labor costs (staff costs and tutor service fees), followed by printing and other operating expenses, depreciation of right-of-use (“ROU”) assets and short-term lease and low-value lease payments, advertising and promotion expenses.

	For the six months ended 31 January			
	2021 HK\$'000	% of revenue	2020 HK\$'000	% of revenue
Staff costs	44,606	47.8	52,712	27.1
Tutor service fees	23,576	25.3	44,254	22.8
Printing and other operating expenses	23,035	24.7	35,882	18.5
Depreciation of ROU assets	14,381	15.4	19,550	10.1
Short-term lease and low-value lease payments	2,738	2.9	9,452	4.9
Advertising and promotion expenses	3,287	3.5	4,733	2.4

### Staff costs

As at 31 January 2021, the Group had 308 full time employees and maintained an accumulated pool of part-time employees for seasonal and cyclical business needs, in which 103 are active ones.

Staff costs mainly consist of (i) salaries, allowances and bonus; (ii) pension costs; and (iii) share-based compensation expenses incurred for our employees.

The staff costs decreased by HK\$8.1 million or 15.4% from HK\$52.7 million for the six months ended 31 January 2020 to HK\$44.6 million for the six months ended 31 January 2021. Such a decrease was mainly attributable to the decrease of part-time staff cost due to, among others, human resources reallocation, the suspension of face-to-face classes and closure of certain centres.

### Tutor service fees

Tutor service fees include service agreements and share-based compensation expenses.

Typically we offer a revenue sharing scheme to our tutors and thus the tutor service fee is in general positively correlated to the Group's revenue. Such an expense decreased by HK\$20.7 million or 46.7% from HK\$44.3 million for the six months ended 31 January 2020 to HK\$23.6 million for the six months ended 31 January 2021.

The decrease was mainly attributable to the decrease in revenue from the provision of private supplementary secondary school education services.

### Depreciation of ROU assets, short-term leases and low-value lease payments

Depreciation of ROU assets and short-term leases and low-value lease payments are part of the largest components of the Group's operating costs, accounting for 15.4% and 2.9% respectively (2020: 10.1% and 4.9%) of the Group's total revenue. During the period, the Group continued its negotiations with landlords for rental concessions and more favorable lease terms in respect of the renewal of lease contracts. The Group has taken steps to continuously review the utilisation and efficiency of the classroom resources with factors including but not limited to the occupancy rate, the rent and the lease terms. During the six months ended 31 January 2021, the Group had closed one teaching centre in Causeway Bay. Two more centres in Prince Edward and Kowloon Bay respectively, were also closed after the reporting period and as at the date of this interim report.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Advertising and promotion expenses

During the pandemic period, regular promotion and advertising largely relied on online channels, the Group has put more focus on acquisition of customers and strengthening brand awareness through social media platforms such as Facebook, Instagram and Google. Short videos and live broadcast marketing for promotional purposes were implemented periodically. Comparing to traditional marketing channels like placing advertisements on public transit vehicles, outdoor billboards or newspapers, e-commerce marketing strategies were relatively more effective and efficient. The marketing expenditure for the Group decreased by approximately 30.6% from HK\$4.7 million for the six months ended 31 January 2020 to HK\$3.3 million for the six months ended 31 January 2021.

### Printing and other operating expenses

Printing and other operating expenses primarily consist of the printing expenses, building management fees, service fees to freelancers, legal and professional fees, utilities and other administrative expenses. These expenses decreased by HK\$12.8 million or 35.8% from HK\$35.9 million for the six months ended 31 January 2020 to HK\$23.0 million for the six months ended 31 January 2021.

The decrease was mainly attributable to the decrease in printing expenses in relation to the private supplementary secondary school education services, such expenses dropped by 54.0% from HK\$12.1 million for the six months ended 31 January 2020 to HK\$5.6 million for the six months ended 31 January 2021.

### Income tax credit/expenses

Income tax credit for the period ended 31 January 2021 was HK\$2.1 million (Income tax expenses for the period ended 31 January 2020: HK\$4.1 million). The effective tax rates of the Group for the six months ended 31 January 2021 and 2020 were 27.1% and 17.3% respectively.

### Loss/profit for the period

The Group recorded a loss of HK\$5.6 million for the six months ended 31 January 2021. The loss was mainly due to significant decrease in revenue due to prolonged face-to-face class suspension and class size restriction instructed by the EDB during the pandemic period (2020: Profit of the Group for the six months ended 31 January 2020 was HK\$19.4 million).

### Liquidity, financial resources and capital structure

As at 31 January 2021, the Group's net current asset value was HK\$58.1 million, which mainly consisted of prepayments, deposits and other receivables and cash and cash equivalents less other payables, contract liabilities, current income tax payable, borrowings and lease liabilities.

The Group's current assets slightly decreased from HK\$144.4 million as at 31 July 2020 to HK\$133.3 million as at 31 January 2021. Such a decrease in current assets was primarily due to the decrease in cash and cash equivalents from HK\$121.3 million as at 31 July 2020 to HK\$106.3 million as at 31 January 2021.

As at 31 January 2021, around HK\$21.3 million of current lease liabilities out of the net current assets of HK\$58.1 million (31 July 2020: net current assets of HK\$68.4 million) arose from the adoption of HKFRS16.

As at 31 January 2021, the current ratio of the Group (expressed as current assets divided by current liabilities) was 1.77, compared with 1.90 as at 31 July 2020.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Charges on the Group's Assets

The Group has investment property with carrying value of approximately HK\$19.4 million pledged to secure borrowings and general banking facilities granted to the Group. There was no charge on the Group's other assets.

### Gearing ratio

As at 31 January 2021, the Group's gearing ratio (calculated based on bank borrowings amounting to approximately HK\$7.8 million and lease liabilities amounting to approximately HK\$28.8 million divided by equity attributable to the owners of the Company as at the period end date amounting to approximately HK\$149.5 million) was approximately 24.5% (31 July 2020: 34.5%).

### Contingent liabilities

The Group did not have any material contingent liabilities as at 31 January 2021 (2020: nil), other than the on-going litigation disclosed in the section headed "Other Information – Litigation" in this interim report.

### Dividends

The Board does not recommend the payment of an interim dividend for the six months ended 31 January 2021 (2020: nil).

### Acquisition and disposal of subsidiaries, associates and joint ventures

There was no material acquisition or disposal of subsidiaries, associates or joint ventures during the six months ended 31 January 2021.

### USE OF NET PROCEEDS FROM THE LISTING

The net proceeds from the Listing of the Company in July 2018 amounted to approximately HK\$92.0 million, after deducting the underwriting fees, the Stock Exchange trading fee, SFC transaction levy and the Listing expense in connection with the Share Offer as defined in the prospectus of the Company dated 30 June 2018 ("Prospectus").

## MANAGEMENT DISCUSSION AND ANALYSIS

On 20 January 2020, the Board resolved to change the use of the remaining unutilised amount of net proceeds from the Listing (the “Reallocation”). For details of the Reallocation, please refer to the announcement of the Company dated 20 January 2020. Details of the original allocation of the Net Proceeds, the revised allocation of the Net Proceeds and the utilisation of the Net Proceeds are set out below:

	Original use of net proceeds HK\$ million	Revised allocation of use of net proceeds HK\$ million	Amount of net proceeds utilized up to 31 January 2021 HK\$ million	Amount of net proceeds unutilized as at 31 January 2021 HK\$ million	Progress up to the date of this interim report
Acquisition of premises(s)	31.1	31.1	31.1	–	The Group completed the acquisition of a property located at Kowloon Bay and fully utilized the remaining net proceeds on 14 August 2020.
Optimization of teaching centres	23.3	13.3	6.9	6.4	The Group has optimised the centres at Causeway Bay during the period for better utilisation and efficiency of the classroom resources.
Acquisition of established teaching centres or opening new teaching centres for Childhood education services	12.8	12.8	2.9	9.9	The Group has introduced more courses and content to the two teaching spots established in the prior year and is looking for appropriate investment opportunities
Upgrades of teaching centres’ facilities, IT infrastructure and recruitment of non-teaching staff	16.9	16.9	16.9	–	N/A
Enhancing brand awareness	5.8	5.8	5.8	–	N/A
General working capital	2.1	2.1	2.1	–	N/A
Enhancement and development of online education services and content; and investment in education-related projects	–	10.0	0.6	9.4	The Group continued to develop the new online education platform, namely “CourseZ”. Besides, the Group is looking for appropriate investment opportunities.
<b>Total</b>	<b>92.0</b>	<b>92.0</b>	<b>66.3</b>	<b>25.7</b>	

*Note:* Details of the original allocation of the Net Proceeds are set out in the Prospectus.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 January 2021

	Note	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Revenue	3	93,260	194,481
Other income	4	16,121	3,311
Other gains	4	97	96
Staff costs	5	(44,606)	(52,712)
Tutor service fees		(23,576)	(44,254)
Short-term lease and low-value lease payments		(2,738)	(9,452)
Advertising and promotion expenses		(3,287)	(4,733)
Printing and other operating expenses		(23,035)	(35,882)
Depreciation and amortisation		(18,907)	(24,361)
Change in fair value of investment property	13	56	(2,177)
Operating (loss)/profit		(6,615)	24,317
Finance costs	6	(838)	(800)
Share of losses of an associate		(126)	(53)
Loss on deemed disposal of an associate		(78)	–
<b>(Loss)/profit before taxation</b>	7	<b>(7,657)</b>	23,464
Taxation	8	2,074	(4,060)
<b>(Loss)/profit for the period</b>		<b>(5,583)</b>	19,404
<b>Other comprehensive loss</b>			
Item that will not be reclassified to profit or loss			
Change in the fair value of equity investment at fair value through other comprehensive income		(214)	–
Other comprehensive loss for the period		(214)	–
Total comprehensive (loss)/income for the period		(5,797)	19,404
(Loss)/profit attributable to			
– Owners of the Company		(5,117)	19,803
– Non-controlling interests		(466)	(399)
		(5,583)	19,404
Total comprehensive (loss)/income for the period attributable to			
– Owners of the Company		(5,331)	19,803
– Non-controlling interests		(466)	(399)
		(5,797)	19,404
(Loss)/earnings per share for (loss)/profit attributable to the owners of the Company (expressed in HK cents per share):			
Basic (loss)/earnings per share	9a	(1.02)	3.96
Diluted (loss)/earnings per share	9b	(1.02)	3.96

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 January 2021

	Note	31 January 2021 HK\$'000 (Unaudited)	31 July 2020 HK\$'000 (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	22,096	19,231
Right-of-use assets	12	39,025	42,998
Investment property	13	19,356	19,300
Intangible assets		4,645	4,403
Financial assets at fair value through other comprehensive income		287	–
Deferred income tax assets		7,910	5,433
Interest in an associate	14	–	704
Deposits and prepayments		4,888	12,573
		<b>98,207</b>	<b>104,642</b>
<b>Current assets</b>			
Accounts receivables	15	5,334	1,604
Deposits, prepayments and other receivables	16	20,583	20,450
Income tax recoverable		1,067	1,079
Cash and cash equivalents	17	106,289	121,303
		<b>133,273</b>	<b>144,436</b>
<b>Total assets</b>		<b>231,480</b>	<b>249,078</b>
<b>Equity</b>			
Share capital	21	120,956	120,956
Other reserves		17,417	15,520
Retained earnings		11,109	21,226
<b>Equity attributable to owners of the Company</b>		<b>149,482</b>	<b>157,702</b>
Non-controlling interests		(2,319)	(1,853)
<b>Total equity</b>		<b>147,163</b>	<b>155,849</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Other payables	19	17,886	20,838
Contract liabilities	18	27,701	14,676
Current income tax payable		505	811
Borrowings		7,837	8,085
Lease liabilities		21,270	31,620
		<b>75,199</b>	<b>76,030</b>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 January 2021

	<i>Note</i>	<b>31 January 2021 HK\$'000 (Unaudited)</b>	31 July 2020 HK\$'000 (Audited)
<b>Non-current liabilities</b>			
Other non-current liabilities	20	1,376	2,406
Deferred income tax liabilities		240	13
Lease liabilities		7,502	14,780
		<b>9,118</b>	17,199
<b>Total liabilities</b>		<b>84,317</b>	93,229
<b>Total equity and liabilities</b>		<b>231,480</b>	249,078

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 January 2021

	Attributable to owners of the Company					Total equity HK\$'000
	Share capital and share premium HK\$'000	Other reserves HK\$'000	Retained earnings HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	
<i>Note</i>						
<b>Balance at 1 August 2019 (audited)</b>	120,956	12,731	55,541	189,228	(1,707)	187,521
Profit/(loss) for the period	-	-	19,803	19,803	(399)	19,404
<b>Transactions with owners in their capacity as owners</b>						
Dividends approved in respect of the previous year	10.1	-	(15,000)	(15,000)	-	(15,000)
Share-based compensation-value of employee services	10.2	-	911	911	-	911
Acquisition of additional interests in a subsidiary		-	1,062	1,062	405	1,467
<b>Total transactions with owners in their capacity as owners</b>		-	1,973	(13,027)	405	(12,622)
<b>Balance at 31 January 2020 (unaudited)</b>	120,956	14,704	60,344	196,004	(1,701)	194,303
<b>Balance at 1 August 2020 (audited)</b>	120,956	15,520	21,226	157,702	(1,853)	155,849
Loss for the period	-	-	(5,117)	(5,117)	(466)	(5,583)
<b>Other comprehensive loss for the period</b>						
Change in the fair value of equity investment at fair value through other comprehensive income		-	(214)	(214)	-	(214)
<b>Total comprehensive loss for the period</b>		-	(214)	(5,331)	(466)	(5,797)
<b>Transactions with owners in their capacity as owners</b>						
Dividends approved in respect of the previous year	10.1	-	(5,000)	(5,000)	-	(5,000)
Share-based compensation-value of employee services	10.2	-	2,111	2,111	-	2,111
<b>Total transactions with owners in their capacity as owners</b>		-	2,111	(2,889)	-	(2,889)
<b>Balance at 31 January 2021 (unaudited)</b>	120,956	17,417	11,109	149,482	(2,319)	147,163

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the six months ended 31 January 2021

	Note	For the six months ended 31 January	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
<b>Cash flows from operating activities</b>			
Cash generated from operations	22	26,949	50,232
Income tax paid		(470)	(5,454)
Net cash from operating activities		26,479	44,778
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	11	(7,183)	(2,408)
Purchases of right-of-use assets	12	(12,790)	–
Purchases of intangible assets		(451)	(100)
Acquisition of additional interest in a subsidiary		–	(532)
Sales proceeds from disposal of property, plant and equipment		–	130
Investment in an associate	14	–	(900)
Dividend received		–	342
Interest received		166	1,031
Net cash used in investing activities		(20,258)	(2,437)
<b>Cash flows from financing activities</b>			
Principal elements of lease payment		(15,246)	(18,966)
Interest elements of lease payment	6	(752)	(705)
Repayment of borrowings		(248)	(242)
Dividend paid	10.1	(5,000)	(15,000)
Interest paid		(86)	(95)
Net cash used in financing activities		(21,332)	(35,008)
<b>Net (decrease)/increase in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of the period		(15,111)	7,333
Exchange gains on cash and cash equivalents		121,303	145,857
		97	2
<b>Cash and cash equivalents at end of the period</b>		<b>106,289</b>	<b>153,192</b>

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1 GENERAL INFORMATION

BExcellent Group Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and listed (the “Listing”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 13 July 2018. The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together “the Group”) are principally engaged in the provision of private supplementary secondary school education services, the operation of private secondary day schools and offer ancillary education services and products in Hong Kong. The ultimate holding company is Beacon Enterprise Limited, a company incorporated in British Virgin Islands with limited liability.

These condensed consolidated financial statements are presented in thousands of Hong Kong dollars (“HK\$’000”), unless otherwise stated.

### 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of presentation

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

#### 2.2 Principal Accounting Policies

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated interim financial information are consistent with those used in the Group’s annual financial statements for the year ended 31 July 2020, except for the adoption of the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) and interpretation issued by the HKICPA as noted below.

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 16	COVID-19 Related Rent Concessions

Except as described below, the application of the amendments to HKFRSs in the current period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

## 2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.3 Impacts and accounting policies on Amendment to HKFRS 16 “COVID-19 - Related Rent Concessions”

#### *COVID-19-related rent concessions*

Rent concessions relating to lease contracts that occurred as a direct consequence of the COVID-19 pandemic, the Group has elected to apply the practical expedient not to assess whether the change is a lease modification if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 “Leases” if the changes were not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

The Group has applied the amendment in the current interim period. The application has no impact to the opening retained earnings at 1 August 2020. Rent concessions totalling HK\$2.2 million have been accounted as negative variable lease payments and recognised in the profit or loss for the six months ended 31 January 2021, with a corresponding adjustment to the lease liability.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 3 REVENUE AND SEGMENT INFORMATION

The Executive Directors are the Group's chief operating decision-makers ("CODM"). Management has determined the operating segments based on the information reviewed by the CODM for the purposes of allocating resources and assessing performance.

The CODM consider the business by nature of business activities and assess the performance of private supplementary secondary school education services, private secondary day school services and ancillary education services and products. Ancillary education services and products mainly represent education related income including interview preparation, language and supplementary primary school education and tutorial services under "Diverse Learning Club", "Beacon Childhood", "BeConfident", "Glocal Education" and "Mathgic" brands, IELTS, general interest and foreign language courses under "Beacon BExcellent" brand, overseas study consultancy services under "GES" brand, online retail business under "Beacon Living" brand, mock examination services, VIP self-study services, online course scheduling and management services and other education services. The CODM consider that the Group operates and is managed as a single operating segment.

In the following table, revenue recognised during the period is disaggregated by major products/services lines and timing of revenue recognition.

	Six months ended 31 January	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
<b>Major products/service lines</b>		
Private supplementary secondary school education services	74,259	162,549
Private secondary day school services	4,319	5,637
Ancillary education services and products	14,682	26,295
	<b>93,260</b>	<b>194,481</b>
	Six months ended 31 January	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Timing of revenue recognition:		
Overtime	86,941	179,524
At a point in time	6,319	14,957
	<b>93,260</b>	<b>194,481</b>

Almost all of the Group's revenue from external customers and assets were generated from and located in Hong Kong. All unsatisfied contracts of the Group are related to education service contracts and those contracts are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 4 OTHER INCOME AND OTHER GAINS

	Six months ended 31 January	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Other income		
– Government subsidies ( <i>Note (a)</i> )	13,885	–
– Interest income	166	1,110
– Advertising income	67	577
– IT service income	1,609	796
– Rental income from investment property	296	402
– Dividend income from unlisted investment	–	342
– Sundry income	98	84
	<b>16,121</b>	<b>3,311</b>
Other gains		
Gain on disposal of property, plant and equipment	–	94
Exchange differences - net	97	2
	<b>97</b>	<b>96</b>

*Note:*

- (a) During the six months ended 31 January 2021, the Group applied for the second tranche of the “Hong Kong SAR Government’s Employment Support Scheme” and the one-off relief grant for private schools offering non-formal curriculum registered under the Education Ordinance (Cap 279). A total of HK\$13,885,000 was recognised as other income in the condensed consolidated statement of comprehensive income.

## 5 STAFF COSTS

	Six months ended 31 January	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Salaries, allowances and bonus	41,039	50,094
Pension costs-defined contribution retirement plans ( <i>Note (a)</i> )	1,812	2,227
Share-based compensation expenses	1,755	391
	<b>44,606</b>	<b>52,712</b>

*Note:*

- (a) Pension costs-defined contribution retirement plans

The Group participates in a Mandatory Provident Fund scheme (the “MPF Scheme”) in accordance with the Mandatory Provident Fund Scheme Ordinance of Hong Kong. Under the rules of the MPF Scheme, the employer and its employees in Hong Kong are each required to contribute 5% of the employees’ gross earnings with a ceiling of HK\$1,500 per month commencing on or after 1 June 2014 to the MPF Scheme.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 6 FINANCE COSTS

	Six months ended 31 January	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Interest on lease liabilities	752	705
Interest on bank loan	86	95
	<b>838</b>	<b>800</b>

## 7 (LOSS)/PROFIT BEFORE TAXATION

	Six months ended 31 January	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
<b>(Loss)/profit before taxation has been arrived at after charging:</b>		
Short-term lease expenses	2,738	9,452
Depreciation of right-of-use assets	14,381	19,550
Depreciation of property, plant and equipment	4,317	4,651
Printing and stationery	5,563	12,093
Amortisation of intangible assets	209	160

## 8 TAXATION

The amounts of taxation (credited)/charged to the profit or loss represent:

	Six months ended 31 January	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Current income tax		
– Hong Kong profits tax	176	4,900
– Deferred income tax	(2,250)	(840)
	<b>(2,074)</b>	<b>4,060</b>

Hong Kong profits tax has been provided at a rate of 16.5% on the estimated assessable profit for both periods.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 9 (LOSS)/EARNINGS PER SHARE

## (a) Basic

Basic (loss)/earnings per share are calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period. In determining the weighted average number of ordinary shares, the followings have been accounted for:

	Six months ended 31 January	
	2021 (Unaudited)	2020 (Unaudited)
(Loss)/profit attributable to owners of the Company (HK\$'000)	(5,117)	19,803
Weighted average number of shares in issue (thousand shares)	500,000	500,000
Basic (loss)/earnings per share for (loss)/profit attributable to owners of the Company during the period (HK cents)	(1.02)	3.96

## (b) Diluted

Diluted (loss)/earnings per share adjusts the figures used in the determination of basic (loss)/earnings per share to take into account the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

	Six months ended 31 January	
	2021 (Unaudited)	2020 (Unaudited)
(Loss)/profit attributable to owners of the Company (HK\$'000)	(5,117)	19,803
Total diluted (loss)/earnings per share attributable to owners of the company (HK cents)	(1.02)	3.96

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 9 (LOSS)/EARNINGS PER SHARE (CONTINUED)

#### (b) Diluted (continued)

##### Weighted average number of shares used as the denominator

	Six months ended 31 January	
	2021 (Unaudited)	2020 (Unaudited)
Weighted average number of ordinary shares used as the denominator in calculating basic (loss)/earnings per share (thousand shares)	500,000	500,000
Adjustments for calculation of diluted (loss)/earnings per share:		
Options (thousand shares)	–	161
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted (loss)/earnings per share (thousand shares)	500,000	500,161

### 10 CAPITAL, RESERVES AND DIVIDENDS

#### 10.1 Dividend

During the six months ended 31 January 2020, a final dividend of HK1.0 cent per share and a special dividend of HK2.0 cents per share, totalling HK\$15,000,000 were declared and paid to its shareholders in respect of the retained earnings for the year ended 31 July 2019.

During the six months ended 31 January 2021, a final dividend of HK1.0 cents per share, totalling HK\$5,000,000 was declared and paid to its shareholders in respect of the retained earnings for the year ended 31 July 2020.

The Directors do not recommend the payment of interim dividend for the six months ended 31 January 2021 (2020: nil).



## 10 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

## 10.2 Share option scheme

## (a) Share option plan with a tutor's service company

On 3 June 2016, the Group entered into a contract with a tutor's service company, pursuant to which the service company will be granted share options of the Company. The exercise price of all options to be granted to the tutor's service company is 50% of the offer price of the final initial public offering of the Company. The total number of shares which may be issued upon exercise of all share options shall be an aggregate of 5% of the issued share capital of the Company immediately upon completion of the initial public offering of the Company's shares and capitalisation of certain sums standing to credit of the share premium account of the Company. 30% of the share options shall vest on the first anniversary of the option legal grant date; another 30% of the share options shall vest on the second anniversary of the option legal grant date; and the remaining 40% of the share options shall vest on the third anniversary of the option legal grant date. The options are exercisable within a period of three years once the options become vested subject to service condition. Share-based compensation expenses are recognised over the options' respective vesting period starting from the contract signing date.

Movements of the share options are set out below:

	Six months ended 31 January			
	2021		2020	
	Average exercise price per share option HK cents	Number of Options	Average exercise price per share option HK cents	Number of Options
At beginning and end of the period	54	25,000,000	54	25,000,000
Vested and exercisable at end of the period	54	15,000,000	54	7,500,000

No options were granted, exercised, forfeited and expired during the period covered by the above tables.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 10 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

#### 10.2 Share option scheme (continued)

(a) (continued)

Share options outstanding at the end of the six months ended January 2021 and 2020 have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price HK cents	Six months ended 31 January	
			2021	2020
27 June 2018	26 June 2022	54	7,500,000	7,500,000
27 June 2018	26 June 2023	54	7,500,000	7,500,000
27 June 2018	26 June 2024	54	10,000,000	10,000,000
			<b>25,000,000</b>	<b>25,000,000</b>

Based on the fair value of the underlying ordinary share, the directors have used Black-Scholes valuation model to determine the fair value of the share option as at the grant date. Key assumptions are set as below:

Risk-free interest rate	0.858% - 1.276%
Volatility	35%
Dividend yield	0%

The fair value of the share option as at the grant date was HK\$0.6504. During the six months ended 31 January 2021, the total expenses recognised in the condensed consolidated statement of comprehensive income for share options was approximately HK\$356,000 (2020: HK\$520,000) and were included in tutor service fees.

(b) Share option plan with staff (including directors)

On 21 June 2018, the shareholders of the Company approved the adoption of a share option scheme. This share option scheme is designed to provide long-term incentives for staff (including directors) to deliver long-term shareholder returns. A nominal consideration of HK\$1.00 was paid by the grantees for the acceptance of share options. Pursuant to the terms of the grant of share options to such staff (including directors), the options are exercisable once the options become vested subject to service conditions and expiring after ten years from the date of grant. 30% of the share options shall vest on the first anniversary of the option legal grant date; another 30% of the share options shall vest on the second anniversary of the option legal grant date; and the remaining 40% of the share options shall vest on the third anniversary of the option legal grant date. Share-based compensation expenses are recognised over the options' respective vesting period starting from the contract signing date.

## 10 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

## 10.2 Share option scheme (continued)

## (b) Share option plan with staff (including directors) (continued)

Movements of the share options are set out below:

	Six months ended 31 January			
	2021		2020	
	Average exercise price per share option HK cents	Number of options	Average exercise price per share option HK cents	Number of options
At beginning and end of the period	54.7	19,400,000	54.7	19,400,000
Granted during the period	-	-	-	-
At end of the period	54.7	19,400,000	54.7	19,400,000
Vested and exercisable at end of the period	52.3	10,320,000	49.3	4,500,000

No options were exercised, forfeited and expired during the periods covered by the above tables.

Share options outstanding at the end of the period have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price HK cents	Six months ended 31 January	
			2021	2020
23 January 2019	22 January 2029	49.3	15,000,000	15,000,000
1 April 2019	31 March 2029	73.0	4,400,000	4,400,000

Based on the fair value of the underlying ordinary share, the directors have used Black-Scholes valuation model to determine the fair value of the share option as at the grant date. Key assumptions are set as below:

Risk-free interest rate	1.421% - 1.845%
Volatility	35%
Dividend yield	8%

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 10 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

#### 10.2 Share option scheme (continued)

(b) (continued)

The fair values of the share option as at 23 January 2019 and as at 1 April 2019 were HK\$0.49 and HK\$0.70 respectively.

During the six months ended 31 January 2021, the total expenses recognised in the condensed consolidated statement of comprehensive income for share options was approximately HK\$188,000 (2020: HK\$391,000) and were included in staff costs.

(c) Share Option plan with a consultant

On 29 July 2020, the Board of Directors of the Company resolved that the Company grant to a Strategic Development Consultant (the “Consultant”) share options under the Post-IPO Share Option Scheme, subject to acceptance by the Consultant and satisfaction of the certain granting conditions, to subscribe for and be allotted 20,000,000 Shares at an exercise price of HK\$0.60 per share. The grant became unconditional on 16 October 2020 upon fulfillment of all conditions precedent, amongst others, the approval by the shareholders of the Company at the extraordinary general meeting convened and held on 28 September 2020 and the listing approval by the Stock Exchange on 16 October 2020. Share-based compensation expenses are recognised over the options’ respective vesting period starting from 29 July 2020. Pursuant to the terms and conditions of the grant of the 20,000,000 share options to the Consultant, the Consultant undertakes, amongst others, not to transfer or otherwise dispose of any Shares allotted to him pursuant to any exercise of the share option at a price per Share which is lower than HK\$1.08, being the final price per Share offered under the initial public offering and Listing of the Company on 13 July 2018, during the period of 10 years from the initial grant date.

Movements of the share options are set out below:

	Six months ended 31 January			
	2021		2020	
	Average exercise price per share option HK cent	Number of options	Average exercise price per share option HK cent	Number of options
At beginning of the period	60.0	20,000,000	-	-
Granted during the period	-	-	-	-
At end of the period	60.0	20,000,000	-	-
Vested and exercisable at end of the period	60.0	6,000,000	-	-

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 10 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

#### 10.2 Share option scheme (continued)

(c) (continued)

No options were exercised, forfeited and expired during the periods covered by the above tables.

Share options outstanding at the end of the period have the following expiry date and exercise price:

Grant date	Expiry date	Exercise price	Six months ended 31 January	
			2021	2020
29 July 2020	28 July 2030	HK\$0.60	20,000,000	–

Based on the fair value of the underlying ordinary share, the directors have used Binomial Option-Pricing Model to determine the fair value of the share option as at the grant date. Key assumptions are set as below:

Risk-free interest rate	0.451%
Volatility	37.94%
Dividend yield	3%

The fair values of the share option as at 29 July 2020 were HK\$0.1417. During the period ended 31 January 2021, the total expenses recognised in the condensed consolidated statement of comprehensive income for share options was approximately HK\$1,567,000 (2020: nil) and were included in staff costs.

### 11 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 January 2021, the Group acquired property, plant and equipment of approximately HK\$7,183,000 (2020: approximately HK\$2,408,000), out of which HK\$5,326,000 was for the acquisition of a property located at Kowloon Bay.

### 12 RIGHT-OF-USE ASSETS

During the six months ended 31 January 2021, the Group acquired right-of-use assets of approximately HK\$12,790,000 (2020: approximately HK\$15,061,000) which was for the acquisition of a leasehold land located at Kowloon Bay.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 13 INVESTMENT PROPERTY

	<b>31 January 2021 HK\$'000 (Unaudited)</b>	31 July 2020 HK\$'000 (Audited)
As beginning of period/year	<b>19,300</b>	23,347
Increase/(decrease) in fair value of investment property during the period/year ( <i>Note (i)</i> )	<b>56</b>	(4,047)
At the end of period/year	<b>19,356</b>	19,300

*Note:*

- (i) The Group measures its investment property at fair value. The fair value of the Group's investment property as at 31 January 2021 was determined based on management's assessment with reference to the recent market transaction price.

The Group's investment property carried at fair value of HK\$19,356,000 are valued by fair value measurements using significant unobservable inputs (level 3). The valuation method used by the Group to measure the fair value of the investment property is direct comparison method. It is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

As at 31 January 2021, the Group's investment property with carrying value of approximately HK\$19,356,000 were pledged to secure bank facilities of the Group.

### 14 INTEREST IN AN ASSOCIATE

On 6 November 2019, the Group acquired 40% of the equity interest in Futura Education Limited ("Futura") at a total consideration of HK\$900,000. Futura is principally engaged in development and operation of an online learning platform. During the six months ended 31 January 2021, due to share allotment of Futura, the shareholding held by the Group was diluted and was regarded as losing significant influence over Futura. Accordingly, the Group's investment in Futura has been accounted for as financial assets at fair value through other comprehensive income whose fair value at the date of deemed disposal was HK\$500,000. The deemed disposal has resulted in a loss of HK\$78,000 being recognised in the condensed consolidated statement of comprehensive income.

### 15 ACCOUNTS RECEIVABLES

	<b>31 January 2021 HK\$'000 (Unaudited)</b>	31 July 2020 HK\$'000 (Audited)
Accounts receivables	<b>5,334</b>	1,604

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 15 ACCOUNTS RECEIVABLES (CONTINUED)

There is no credit period granted as the income from private supplementary secondary school education services and private secondary day school services are normally received in advance through settlement in cash, PayPal or credit cards. As at 31 January 2021 and 31 July 2020, the ageing analysis of the accounts receivables based on invoice date was as follows:

	<b>31 January 2021 HK\$'000 (Unaudited)</b>	31 July 2020 HK\$'000 (Audited)
1-30 days	4,826	1,497
31-60 days	14	24
Over 60 days	494	83
	<b>5,334</b>	<b>1,604</b>

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all accounts receivables. To measure the expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics and the days past due.

The ECL rates are based on the past repayment history and the historical credit losses experience. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The ECL provided on a collective basis is insignificant as there has been no history of material default from accounts receivables.

For accounts receivables relating to accounts with objective evidence that the Group is unable to contact some of the students to recover the debts, they are assessed individually for impairment allowance. Accordingly, no individual provision were made as at 31 January 2021 (31 July 2020: Nil).

The carrying amount of the Group's accounts receivables was denominated in the following currencies:

	<b>31 January 2021 HK\$'000 (Unaudited)</b>	31 July 2020 HK\$'000 (Audited)
Hong Kong dollar	4,841	1,553
Australian dollar	218	8
British Pound	134	23
United States dollar	126	20
Canadian dollar	15	-
	<b>5,334</b>	<b>1,604</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 16 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

		<b>31 January 2021 HK\$'000 (Unaudited)</b>	31 July 2020 HK\$'000 (Audited)
	<i>Note</i>		
Other receivables	<i>(i)</i>	5,571	5,817
Deposits and prepayments	<i>(ii)</i>	21,306	28,612
		<b>26,877</b>	34,429
Less: Allowance for impairment		<b>(1,406)</b>	(1,406)
		<b>25,471</b>	33,023
Less: non-current portion		<b>(4,888)</b>	(12,573)
Deposits, prepayments and other receivables – current portion		<b>20,583</b>	20,450

*Notes:*

- (i) As at 31 January 2021, other receivables of HK\$3,089,000 (31 July 2020: HK\$ 4,010,000) represent amounts due from tutors which arise from variable expenses incurred by the Group on behalf of the tutors.
- (ii) Deposits and prepayments mainly represent deposits for utilities, lease payments, building management fees, prepayments for service fees, renovation, license fees, advertising and others.

As at 31 January 2021, deposits of HK\$10,849,000 (31 July 2020: HK\$8,589,000), prepayments of HK\$5,569,000 (31 July 2020: HK\$7,450,000) and other receivables of HK\$4,165,000 (31 July 2020: HK\$4,411,000) are expected to be recovered within one year.

The carrying amount of the Group's other receivables and deposits was denominated in Hong Kong dollar.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 17 CASH AND BANK BALANCES

	31 January 2021 HK\$'000 (Unaudited)	31 July 2020 HK\$'000 (Audited)
Cash and cash equivalents	<b>106,289</b>	121,303

The carrying amounts of cash and bank balances approximate their fair values and are denominated in the following currencies:

	31 January 2021 HK\$'000 (unaudited)	31 July 2020 HK\$'000 (audited)
Hong Kong dollar	<b>104,650</b>	119,874
Renminbi	<b>179</b>	194
British pound	<b>825</b>	642
Australian dollar	<b>553</b>	496
United States dollar	<b>70</b>	86
New Zealand dollar	<b>12</b>	11
	<b>106,289</b>	121,303

## 18 CONTRACT LIABILITIES

Contract liabilities represents the tuition fee collected for tutoring services that have not yet been rendered before the end of respective period/year.

## 19 OTHER PAYABLES

	Note	31 January 2021 HK\$'000 (Unaudited)	31 July 2020 HK\$'000 (Audited)
Other payables	<i>(i)</i>	<b>15,489</b>	15,928
Provision of reinstatement cost	<i>(ii)</i>	<b>2,397</b>	1,566
Government subsidies		–	3,344
Current portion		<b>17,886</b>	20,838

*Note (i)*

Other payables mainly represent accrued staff costs, printing expenses, and legal and professional fees, etc.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 19 OTHER PAYABLES (CONTINUED)

*Note (ii)*

Included in other payables is a current portion of provision of reinstatement cost of HK\$2,397,000 (31 July 2020: HK\$1,566,000). Movement of provision of reinstatement cost is as follows:

	<b>31 January 2021 HK\$'000 (Unaudited)</b>	31 July 2020 HK\$'000 (Audited)
Balance as at beginning of the period/year	3,972	4,295
Additions	–	533
Utilisation	(199)	(856)
Balance as at closing of the period/year	3,773	3,972
Less: non-current portion	1,376	2,406
Current portion	2,397	1,566

### 20 OTHER NON-CURRENT LIABILITIES

	<b>31 January 2021 HK\$'000 (Unaudited)</b>	31 July 2020 HK\$'000 (Audited)
Provision of reinstatement cost	1,376	2,406
Other non-current liabilities	1,376	2,406

### 21 SHARE CAPITAL

	<b>Number of shares</b>	<b>HK\$'000</b>
Authorised:		
Ordinary shares at 31 July 2020 (audited) and at 31 January 2021 (unaudited)	10,000,000,000	100,000
Issued and fully paid:		
Ordinary shares at 31 July 2020 (audited) and at 31 January 2021 (unaudited)	500,000,000	120,956

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 22 NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

## Cash generated from operations

	Six months ended 31 January	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
(Loss)/Profit before taxation	(7,657)	23,464
Adjustments for:		
– Depreciation of property, plant and equipment	4,317	4,651
– Depreciation of right-of-use assets	14,381	19,550
– Amortisation of intangible assets	209	160
– Gain on disposal of property, plant and equipment	–	(94)
– Share-based compensation expenses	2,111	911
– Dividend income	–	(342)
– Interest income	(166)	(1,110)
– Exchange differences-net	(97)	(2)
– Interest on bank loan	86	95
– Interest on lease liabilities	752	705
– Share of losses of an associate	126	53
– Loss on deemed disposal of an associate	78	–
– (Increase)/decrease in fair value of investment property	(56)	2,177
Change in working capital		
– Accounts receivables	(3,730)	939
– Deposits, prepayments and other receivables	7,552	(2,995)
– Contract liabilities	13,025	(1,272)
– Other payables	(3,982)	3,342
Cash generated from operations	26,949	50,232

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 23 RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

#### Compensation of key management personnel of the Group:

	Six months ended 31 January	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Salaries, allowances and benefits in kind	3,818	3,968
Equity-settled share option expense	70	146
Pension scheme contributions	36	36
	<b>3,924</b>	<b>4,150</b>

### 24 COMMITMENTS

#### (a) Capital commitments - Property

	31 January 2021 HK\$'000 (Unaudited)	31 July 2020 HK\$'000 (Audited)
Contracted but not provided for	–	15,078

#### (b) Lease commitments – where the Group is the lessee

The Group had future aggregate minimum lease payments under non-cancellable short-term leases in respect of teaching centres are as follows:

	31 January 2021 HK\$ (Unaudited)	31 July 2020 HK\$ (Audited)
Within one year	10,612	3,521

**25 CONTINGENT LIABILITIES**

Save as disclosed below, the Group did not have any material contingent liabilities as at 31 January 2021 (2020: nil).

In March 2018, another education services provider (the “Tutorial Services Provider”) filed a writ of summons with an indorsement of claims against Beacon College Limited, a wholly owned subsidiary of the Group, claiming for procuring, inducing, encouraging or facilitating a Group’s newly joined tutor on the breach of the previous service contract and damages arising from such breach. A defence against the alleged claims by the Tutorial Services Provider was filed by Beacon College Limited with the High Court of Hong Kong on 22 October 2018. The legal action of the alleged claims by the Tutorial Services Provider is now in discovery stage and a Case Management Summons Hearing originally fixed in April 2020 was further adjourned to July 2021. The Directors have obtained independent legal advice and considered that it is not probable that the Group will incur any material losses resulted from this litigation.

**26 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

No significant events affecting the Group occurred after 31 January 2021 and up to the date of this interim report.

## DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 31 January 2021 (2020: nil).

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 January 2021, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) of the Company, as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

### Long positions in the shares or underlying shares of the Group

Name of company	Name of Director	Nature of interest	Number of shares held	Interest in underlying shares	Total interest in shares and underlying shares	Approximate percentage of shareholding	
The Company	Ms. Leung Ho Ki, June <i>Note 1</i>	Deemed interests held jointly with another person; interest in a controlled corporation	375,000,000	-	375,000,000	75%	
		Beneficial owner	-	1,000,000 <i>Note 2</i>	1,000,000	0.2%	
		Interest of spouse	-	3,500,000 <i>Note 3</i>	3,500,000	0.7%	
	Mr. Tam Wai Lung <i>Note 1</i>	Deemed interests held jointly with another person; interest in a controlled corporation	375,000,000	-	375,000,000	75%	
		Beneficial owner	-	3,500,000 <i>Note 2</i>	3,500,000	0.7%	
		Interest of spouse	-	1,000,000 <i>Note 3</i>	1,000,000	0.2%	
	Mr. Chan Tsz Ying, Wister	Beneficial owner		-	2,000,000 <i>Note 4</i>	2,000,000	0.4%
			Mr. Li Man Wai	Beneficial owner	-	1,000,000 <i>Note 2</i>	1,000,000
	Beacon Enterprise Limited <i>Note 5</i>	Ms. Leung Ho Ki, June	Beneficial owner	3,600	-	3,600	60%
Mr. Tam Wai Lung		Beneficial owner	1,560	-	1,560	26%	
Mr. Chan Tsz Ying, Wister		Beneficial owner	180	-	180	3%	
Mr. Li Man Wai		Beneficial owner	180	-	180	3%	

## OTHER INFORMATION

### Notes:

1. The Company is held as to approximately 75% by Beacon Enterprise Limited upon Listing. Beacon Enterprise Limited is beneficially owned as to 60%, 26%, 4%, 4%, 3% and 3%, respectively, by Ms. Leung Ho Ki, June, Mr. Tam Wai Lung, Ms. Leung Ho Yan, Irene, Mr. Ng King Hang, Mr. Chan Tsz Ying, Wister and Mr. Li Man Wai. Pursuant to the Deed of Acting in Concert, each of Ms. Leung Ho Ki, June, Ms. Leung Ho Yan, Irene, Mr. Ng King Hang and Mr. Tam Wai Lung (the “Core Shareholders”) has agreed to jointly control their respective interests in the Company and decisions as to the business and operations of the Group shall be in accordance with the unanimous consent of all Core Shareholders. Each of the Core Shareholders shall exercise their respective voting rights in the Company in the same way. Hence, each of the Core Shareholders is deemed to be interested in all the Shares held by the Core Shareholders in aggregate by virtue of the SFO.
2. These interests in underlying Shares represent the interests in outstanding options granted by the Company on 23 January 2019 pursuant to the Post-IPO Share Option Scheme approved and adopted by the Company on 21 June 2018 and effective from 13 July 2018 to subscribe for the relevant number of Shares.
3. Ms. Leung Ho Ki, June and Mr. Tam Wai Lung are spouses of each other, they are deemed to be interested in all the Shares and underlying Shares in which one another is interested by virtue of the SFO.
4. These interests in underlying shares represent the interests in outstanding options granted by the Company on 23 January 2019 and 1 April 2019 pursuant to the Post-IPO Share Option Scheme approved and adopted by the Company on 21 June 2018 and effective from 13 July 2018 to subscribe for the relevant number of shares.
5. The Company is held as to approximately 75% by Beacon Enterprise Limited upon Listing. Beacon Enterprise Limited is beneficially owned as to 60%, 26%, 4%, 4%, 3% and 3%, respectively, by Ms. Leung Ho Ki, June, Mr. Tam Wai Lung, Ms. Leung Ho Yan, Irene, Mr. Ng King Hang, Mr. Chan Tsz Ying, Wister and Mr. Li Man Wai.

Save as disclosed above, as at 31 January 2021, neither the chief executives nor any of the Directors of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 January 2021, so far as is known to any Directors or chief executives of the Company, the following persons (other than a Director or chief executive of the Company) or corporations who had interest or short positions in the Shares and underlying Shares of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of Shareholder	Nature of interest	Number of Shares held	Interest in underlying Shares	Position	Total interest in Shares and underlying Shares	Approximate percentage of shareholding
Beacon Enterprise Limited	Beneficial owner	375,000,000	–	Long	375,000,000	75.0%
Ms. Leung Ho Yan, Irene <i>Note 1</i>	Interests held jointly with another person; interest in controlled corporation	375,000,000	–	Long	375,000,000	75.0%
Mr. Ng King Hang <i>Note 1</i>	Interests held jointly with another person; interest in controlled corporation	375,000,000	–	Long	375,000,000	75.0%
Max Wisdom Development Limited <i>Note 2</i>	Beneficial owner	–	25,000,000	Long	25,000,000	5.0%
Mr. Lam Yat Yan <i>Note 2</i>	Interest in controlled corporation	–	25,000,000	Long	25,000,000	5.0%
Dr. Lam Yat Ming <i>Note 3</i>	Beneficial owner	6,280,000	20,000,000	Long	26,280,000	5.3%

### Notes:

- The Company is held as to approximately 75% by Beacon Enterprise Limited upon Listing. Beacon Enterprise Limited is beneficially owned as to 60%, 26%, 4%, 4%, 3% and 3%, respectively, by Ms. Leung Ho Ki, June, Mr. Tam Wai Lung, Ms. Leung Ho Yan, Irene, Mr. Ng King Hang, Mr. Chan Tsz Ying, Wister and Mr. Li Man Wai. Pursuant to the Deed of Acting in Concert, each of such Core Shareholders has agreed to jointly control their respective interests in the Company and decisions as to the business and operations of the Group shall be in accordance with the unanimous consent of all the Core Shareholders. Each of the Core Shareholders shall exercise their respective voting rights in the Company in the same way. Hence, each of the Core Shareholders is deemed to be interested in all the Shares held by the Core Shareholders in aggregate by virtue of the SFO.
- The said 25,000,000 Shares represent the number of Shares to be issued upon exercise in full of all the options granted under the Pre-IPO Share Option Scheme which represent 5% of the issued share capital of the Company as at 31 January 2021. As at 31 January 2021 and the date of this interim report, the options granted under the Pre-IPO Share Option Scheme are not exercised. The ultimate beneficial owner of Max Wisdom Development Limited ("Max Wisdom") is Mr. Lam Yat Yan ("Mr. Lam") who is a tutor of the Group. Hence, Mr. Lam is deemed to be interested in all the Shares which may be issued upon the exercise of the Pre-IPO Share Options and held by Max Wisdom by virtue of the SFO.
- Out of the 26,280,000 Shares and the underlying Shares in respect of which Dr. Lam Yat Ming is interested, and which represent approximately 5.3% of the issued share capital of the Company as at 31 January 2021, there are 20,000,000 underlying Shares which represent the number of Shares to be issued upon exercise in full of all the options granted to him under the Post-IPO Share Option Scheme on 29 July 2020, the grant of which became unconditional on 16 October 2020. As at 31 January 2021 and the date of this interim report, none of the options granted to Dr. Lam Yat Ming under the Post-IPO Share Option Scheme were exercised.



## OTHER INFORMATION

Save as disclosed above, as at 31 January 2021, the Directors and the chief executives of the Company are not aware of any other person or corporation having an interest or short position in the Shares and underlying Shares of the Company which would require to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed in the section headed "Share Option Schemes" below, at no time during the six months ended 31 January 2021 were rights to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate granted to any of the Directors or chief executives of the Company or their respective associates (as defined in the Listing Rules), or were any such rights exercised by any of them; or was the Company or any of its subsidiaries a party to any arrangement enabling the Directors or chief executives of the Company or their respective associates to acquire such rights.

### SHARE OPTION SCHEMES

To recognise the contribution of, and to provide an incentive to, the employees, officers, agents, consultants, contractors, service providers, representatives and sales partners of the Group who have contributed or will contribute to the Group; and to enable the Group to recruit and retain high-calibre employees and attract and retain human resources that are valuable to the Group, we adopted the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme on 21 June 2018 and they were effective from 13 July 2018.

For details of the terms of the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme, please refer to the section headed "Share Option Schemes" in the Directors' Report included in our 2020 annual report.

#### Pre-IPO Option Scheme

The following options with the rights for the subscription of in aggregate 25,000,000 Shares were granted on 13 July 2018. Subject to the vesting and exercisable periods as disclosed below, the validity period of the Options shall be at a maximum of 72 months from the date on which the grant of an option pursuant to such Share Option Scheme was made to a participant (the "Grant Date") and the options granted shall lapse on, whichever earlier, (i) at the expiry of the validity period; or (ii) the date on which the grantee ceases to be an employee, officer, agent, consultant, contractor, service provider or representative of any member of the Group by reason of the termination of his/her/its employment, office, agency, consultancy, service agreement or representation for the reasons of the grantee's unilateral material breach of the agreement between the grantee and any member of the Group or mutual consent between the grantee and any member of the Group. A grantee may exercise options by stages during the applicable option periods as follows:

- 30% of the options shall vest on and be exercisable from the expiration of 12 months after the Grant Date until the expiration of 48 months after the Grant Date;
- 30% of the options shall vest on and be exercisable from the expiration of 24 months after the Grant Date until the expiration of 60 months after the Grant Date; and
- 40% of the options shall vest on and be exercisable from the expiration of 36 months after the Grant Date until the expiration of 72 months after the Grant Date.

The following table discloses movements in the outstanding options granted to all grantees under the Pre-IPO Share Option Scheme during the six months ended 31 January 2021.

## OTHER INFORMATION

Grantee	Exercise price per share option	Number of options held at 1 August 2020	Options granted during the period (number of underlying Shares)	Options exercised, lapsed or cancelled during the period	Number of options held as at 31 January 2021 (number of underlying Shares)
Max Wisdom Development Limited <i>Note</i>	HK\$0.54	25,000,000	–	–	25,000,000

*Note:* The ultimate beneficial owner of Max Wisdom Development Limited is Mr. Lam Yat Yan, who is a tutor of the Group.

All the options under the Pre-IPO Share Option Scheme were not exercisable within first 12 months after the Grant Date. The exercise price per share option of HK\$0.54 was determined by the Board as at 13 July 2018, being a 50% discount to the offer price of the final initial public offering of the Company on the same date.

Save and except as disclosed above, no other options have been granted or agreed to be granted by the Company under the Pre-IPO Option Scheme.

### Post-IPO Option Scheme

The validity period of the following options granted shall be 10 years from the grant date and the options shall lapse at the expiry of the validity period or earlier if the service relationship between the Company and the respective grantee of the options has terminated prior to the expiry of the validity period, subject to the terms and conditions of the Post-IPO Share Option Scheme. The following table discloses movements in the outstanding options granted to all grantees under the Post-IPO Share Option Scheme during the six months ended 31 January 2021.

Grantee	Grant date	Exercisable period <i>Note 1</i>	Exercise price per share option	Number of options held at 1 August 2020	Options granted during the period (number of underlying Shares)	Options exercised, lapsed or cancelled during the period	Number of options held as at 31 January 2021 (number of underlying Shares)
<b>Directors</b>							
Ms. Leung Ho Ki, June	23.1.2019	23.1.2020 - 22.1.2029	HK\$0.493	1,000,000	-	-	1,000,000
Mr. Tam Wai Lung	23.1.2019	23.1.2020 - 22.1.2029	HK\$0.493	3,500,000	-	-	3,500,000
Mr. Li Man Wai	23.1.2019	23.1.2020 - 22.1.2029	HK\$0.493	1,000,000	-	-	1,000,000
Mr. Chan Tsz Ying, Wister	23.1.2019	23.1.2020 - 22.1.2029	HK\$0.493	1,000,000	-	-	1,000,000
	1.4.2019	1.4.2020 - 31.3.2029	HK\$0.730	1,000,000	-	-	1,000,000
Employees and Consultant	23.1.2019	23.1.2020 - 22.1.2029	HK\$0.493	8,500,000	-	-	8,500,000
	1.4.2019	1.4.2020 - 31.3.2029	HK\$0.730	3,400,000	-	-	3,400,000
	29.7.2020	16.10.2020 - 28.7.2030	HK\$0.600	20,000,000	-	-	20,000,000

*Note 2*

## OTHER INFORMATION

Notes 1: The options granted on 23 January 2019 and 1 April 2019 are exercisable in the following manner:

- 30% of the options shall vest in and be exercisable from the first anniversary of the grant date;
- 30% of the options shall vest in and be exercisable from the second anniversary of the grant date; and
- 40% of the options shall vest in and be exercisable from the third anniversary of the grant date.

The options granted on 29 July 2020 are exercisable in the following manner:

- 30% of the options shall vest in and be exercisable from the date on which the grant of the options becomes unconditional on 16 October 2020;
  - 30% of the options shall vest in and be exercisable from the first anniversary of the grant date; and
  - 40% of the options shall vest in and be exercisable from the second anniversary of the grant date.
- 2: The grant of the 20,000,000 options on 29 July 2020 was conditional upon the following: (a) the approval of the Shareholders at the extraordinary general meeting convened and held on 28 September 2020 for the grant of the 20,000,000 options to the grantee; (b) the grantee being a holder of at least 0.7% of the total number of Shares in issue as of the grant date, i.e. at least 3,500,000 Shares (500,000,000 Shares (being the total number of Shares in issue as at the grant date) x 0.7%); and (c) the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares that may be issued pursuant to the exercise of 14,400,000 of the total 20,000,000 options (which is in excess of the then existing Scheme Mandate Limit). The grant of the 20,000,000 options to the grantee on 29 July 2020 fulfilled the aforementioned conditions and became unconditional on 16 October 2020. Pursuant to the terms and conditions of the grant of the 20,000,000 options to the grantee, Dr. Lam Yat Ming, the grantee undertakes, amongst others, not to transfer or otherwise dispose of any Shares allotted to him pursuant to any exercise of the option at a price per Share which is lower than HK\$1.08, being the final price per Share offered under the initial public offering and Listing of the Company on 13 July 2018, during the period of 10 years from the initial grant date.

The options granted under the Post-IPO Share Option Scheme would not have a dilutive effect on the earnings per Share for the period of six months ended 31 January 2021. For the options granted on 23 January 2019 and 1 April 2019, the exercise price per option represents the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five consecutive business days immediately preceding the relevant grant date; for the options granted on 29 July 2020, the exercise price payable in respect of each Share upon the exercise of the options is determined in accordance with the terms of the Post-IPO Share Option Scheme, which exceeds HK\$0.378, being the average closing price per Share as stated in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the grant date. For the options granted with exercise price per option of HK\$0.493, HK\$0.730 and HK\$0.600 as detailed above, the closing price of the Shares on the relevant grant date was HK\$0.490, HK\$0.700 and HK\$0.360 respectively.

Save and except as disclosed above, no other options have been granted or agreed to be granted respectively by the Company under the Post-IPO Option Scheme as at the date of this Interim Report.

### PURCHASE, SALES OR REDEMPTION OF COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries, had purchased, sold or redeemed any listed securities of the Company during the period of the six months ended 31 January 2021.

### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board has committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of shareholders of the Company and to enhance corporate value and accountability. Since the listing of the Company's shares on the Main Board of the Stock Exchange and up to 31 January 2021, the Company has complied with all applicable code provisions set out in the Corporate Governance Code in Appendix 14 to the Listing Rules (the "Corporate Governance Code") as amended from time to time.

### COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules ("Model Code") as its own securities dealing code to regulate all dealings by Directors and relevant employees of securities in the Company and other matters covered by the Model Code. Specific enquiries have been made of all the Directors and the relevant employees and they have confirmed that they have complied with the Model Code during the period of the six months ended 31 January 2021 and up to the date of this interim report.

### CHANGE IN DIRECTORS' EMOLUMENTS

As approved by resolution of the board of directors of the Company with reference to the recommendation of its remuneration committee on 27 February 2021, the monthly salary of each of the executive Directors, being Ms. Leung Ho Ki, June, Mr. Tam Wai Lung, Mr. Chan Tsz Ying, Wister and Mr. Li Man Wai is reduced to HK\$112,000, HK\$89,600, HK\$80,000, and HK\$64,000 respectively, representing a 20% decrease from each of their respective original monthly salary as disclosed in the Annual Report 2020, with effect from 1 March 2021 for a period of six months ending 31 August 2021. Apart from the above, there is no other change in the Directors' emoluments as disclosed in the Annual Report 2020.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, up to the date of this interim report.

### LITIGATION

Reference is made to the Prospectus, the Annual Reports 2018, 2019 and 2020, and the Company's announcements dated 1 August 2018 and 22 October 2018 respectively. Capitalised terms used in this section of this Interim Report shall have the meanings as ascribed therein. The legal action of the alleged claims by the Tutorial Services Provider is in progress and the Case Management Summons Hearing originally fixed in April 2020 was further adjourned to July 2021. The Board, having obtained legal advice, considers that the Tutorial Services Provider has a very slim chance of success in holding Beacon College liable for the allegations. In view of the indemnities provided by the Controlling Shareholders in favour of the Group under the Deed of Indemnity for all damages, reasonable costs (including legal costs), expenses or other liabilities resulting from any litigation, the Company considers that the outcome of the litigation is unlikely to have any material adverse financial impact on the Group.

## OTHER INFORMATION

### AUDIT COMMITTEE

The Audit Committee was established in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The primary duties of the Audit Committee are inter alia, to (i) review and supervise the financial reporting, financial controls, risk management and internal control systems of the Group, (ii) review and approve connected transactions; and (iii) advise the Board in relation to the foregoing.

The Audit Committee consists of three members: Mr. Li Kai Sing, Mr. Kwan Chi Hong and Professor Wong Roderick Sue Cheun, all of whom are independent non-executive Directors. Mr. Li Kai Sing is the chairman of the Audit Committee. The Audit Committee has reviewed with the management this interim report including the unaudited financial statements of the Group for the six months ended 31 January 2021 and the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters.

### SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained the public float as required by the Listing Rules for the six months ended 31 January 2021 and up to the date of this interim report, based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this interim report.

### SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Except for the events disclosed in Note 26 in the section headed “Notes To The Condensed Consolidated Financial Statements” in this interim report, the Group has no other significant events after the reporting period.

On behalf of the Board

**Leung Ho Ki, June**  
*Chairman*

Hong Kong, 30 March 2021



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