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SOUTH CHINA VOCATIONAL EDUCATION GROUP COMPANY LIMITED

中國華南職業教育集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6913)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026 AND CHANGE OF FINANCIAL YEAR END DATE

The board (the “**Board**”) of directors (the “**Directors**”) of South China Vocational Education Group Company Limited (the “**Company**”) is pleased to announce the unaudited interim condensed consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2026 (the “**Reporting Period**”) together with the comparative figures for the corresponding period in 2025.

FINANCIAL HIGHLIGHTS

	Six months ended 30 June			Percentage change (%)
	2026 <i>RMB'000</i> (Unaudited)	2025 <i>RMB'000</i> (Unaudited)	Change <i>RMB'000</i>	
Revenue	386,573	361,785	24,788	+6.9
Cost of sales	257,671	238,775	18,896	+7.9
Gross profit	128,902	123,010	5,892	+4.8
Profit before tax	79,008	83,613	-4,605	-5.5
Profit for the period	57,962	83,741	-25,779	-30.8
Basic and diluted earnings per share	RMB0.04	RMB0.06	RMB-0.02	-33.3

Note:

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: HK2.0 cents per share).

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	<i>Notes</i>	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
REVENUE	4	386,573	361,785
Cost of sales		<u>(257,671)</u>	<u>(238,775)</u>
Gross profit		128,902	123,010
Other income and gains	4	38,473	33,852
Selling and distribution expenses		(14,660)	(13,936)
Administrative expenses		(42,564)	(41,825)
Other expenses		(25,116)	(12,606)
Finance costs		<u>(6,027)</u>	<u>(4,882)</u>
PROFIT BEFORE TAX	5	<u>79,008</u>	<u>83,613</u>
Income tax (expense)/credit	6	<u>(21,046)</u>	<u>128</u>
PROFIT FOR THE PERIOD		<u>57,962</u>	<u>83,741</u>
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of financial statements		<u>1,735</u>	<u>49</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods		<u>1,735</u>	<u>49</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		<u>1,735</u>	<u>49</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>59,697</u>	<u>83,790</u>

		Six months ended 30 June	
		2026	2025
<i>Note</i>		<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Unaudited)
Profit attributable to:			
	Owners of the parent	57,849	83,660
	Non-controlling interests	113	81
		<u>57,962</u>	<u>83,741</u>
Total comprehensive income attributable to:			
	Owners of the parent	59,584	83,709
	Non-controlling interests	113	81
		<u>59,697</u>	<u>83,790</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
		8	
Basic and diluted			
	— For profit for the period	<u>RMB0.04</u>	<u>RMB0.06</u>

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**

30 June 2026

		30 June 2026	31 December 2025
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		1,840,615	1,823,472
Investment properties		45,013	45,979
Right-of-use assets		370,471	386,634
Goodwill		3,052	3,052
Other intangible assets		13,896	14,246
Contract costs		6,882	10,677
Prepayments, other receivables and other assets		17,055	18,456
Deferred tax assets		10,853	12,426
Total non-current assets		2,307,837	2,314,942
CURRENT ASSETS			
Prepayments, other receivables and other assets		37,500	17,644
Accounts receivable	9	7,668	8,129
Amounts due from related parties		8,346	1,961
Contract costs		10,464	11,930
Cash and cash equivalents		230,290	479,592
Time deposits		50,000	80,000
Total current assets		344,268	599,256
CURRENT LIABILITIES			
Contract liabilities	4	92,538	321,462
Other payables and accruals		253,356	275,718
Interest-bearing bank and other borrowings		140,492	103,572
Lease liabilities		23,160	23,604
Tax payable		43,156	146,627
Amounts due to related parties		259	557
Deferred income		2,406	3,529
Total current liabilities		555,367	875,069
NET CURRENT LIABILITIES		(211,099)	(275,813)
TOTAL ASSETS LESS CURRENT LIABILITIES		2,096,738	2,039,129

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	281,451	274,423
Lease liabilities	108,453	117,999
Deferred tax liabilities	7,925	7,722
Deferred income	83,157	82,930
Total non-current liabilities	480,986	483,074
Net assets	1,615,752	1,556,055
EQUITY		
Equity attributable to owners of the parent		
Share capital	11,124	11,124
Reserves	1,604,034	1,544,450
	1,615,158	1,555,574
Non-controlling interests	594	481
Total equity	1,615,752	1,556,055

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

South China Vocational Education Group Company Limited (中國華南職業教育集團有限公司, the “**Company**”) was incorporated in the Cayman Islands on 15 August 2018 as an exempted company with limited liability under the Companies Act of the Cayman Islands. The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The principal activity of the Company is investment holding. During the reporting period, the Company and its subsidiaries (collectively referred to as the “**Group**”) were principally engaged in providing private higher vocational education in the People’s Republic of China (the “**PRC**”).

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2026 have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 *Interim Financial Reporting*. The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2025.

The unaudited interim condensed consolidated financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of amendments to HKFRS Accounting Standards effective as of 1 January 2026. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The below amendments apply for the first time in 2026, but do not have material impact on the unaudited interim condensed consolidated financial statements of the Group.

Amendments to HKFRS 9 and HKFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

The major changes in amendments to HKFRS 9 and HKFRS 7 are summarised as follows:

- clarified the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarified and added further guidance for assessing whether a financial asset meets the solely payments of principal and interest (“SPPI”) criterion;
- added new disclosures for certain instruments with contractual terms that can change cash flows (e.g. some financial instruments with features linked to the achievement of environment, social and governance targets); and
- updated the disclosures for equity instruments designated at fair value through other comprehensive income “FVOCI”.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 and are applied retrospectively with an adjustment to opening retained earnings.

The amendments did not have a material impact on the Group’s unaudited interim condensed consolidated financial statements.

Amendments to HKFRS 9 and HKFRS 7 “Contracts Referencing Nature-dependent Electricity”

Nature-dependent electricity contracts assist companies to secure their electricity supply from wind and solar power sources. Since the amount of electricity generated under these contracts may vary based on uncontrollable factors related to weather conditions, current accounting requirements may not adequately capture how these contracts affect a company’s performance.

The amendments include:

- clarified the application of the ‘own-use’ requirements;
- permitted hedge accounting if these contracts are used as hedging instruments; and
- added new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 and are applied retrospectively.

The amendments did not have a material impact on the Group’s unaudited interim condensed consolidated financial statements.

Annual Improvements to HKFRS Accounting Standards — Volume 11

Annual Improvements to HKFRS Accounting Standards — Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are applicable to the Group are as follows:

- **HKFRS 7 *Financial Instruments: Disclosures*:** The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. The amendments did not have any significant impact on the Group's unaudited interim condensed consolidated financial statements.
- **HKFRS 9 *Financial Instruments*:** The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. The amendments did not have any significant impact on the Group's unaudited interim condensed consolidated financial statements.
- **HKFRS 10 *Consolidated Financial Statements*:** The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. The amendments did not have any significant impact on the Group's unaudited interim condensed consolidated financial statements.
- **HKAS 7 *Statement of Cash Flows*:** The amendments replace the term “cost method” with “at cost” in paragraph 37 of HKAS 7 following the prior deletion of the definition of “cost method”. The amendments did not have any impact on the Group's unaudited interim condensed consolidated financial statements.

3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the provision of higher vocational education services in the PRC.

HKFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision makers in order to allocate resources to segments and to assess their performance. The information reported to the Directors, who are the chief operating decision makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the Directors review the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Geographical information

During the reporting period, the Group operated within one geographical segment because all of its revenue was generated in the PRC and all of its long-term assets/capital expenditure were located/incurred in the PRC. Accordingly, no further geographical segment information is presented.

Information about major customers

No revenue from services provided to a single customer accounted for 10% or more of the total revenue of the Group during the reporting period (six months ended 30 June 2025: Nil).

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue, other income and gains is as follows:

	<i>Notes</i>	For the six months ended 30 June	
		2026	2025
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
<u>Revenue</u>			
<i>Revenue from contracts with customers</i>			
Tuition fees	(a)	351,028	328,837
Boarding fees	(a)	31,080	30,463
Other education service fees	(b)	4,465	2,485
Total		386,573	361,785
<u>Other income and gains</u>			
Rental income		20,886	18,267
Training income		13,986	7,998
Government grants:			
Related to assets	(c)	1,607	3,417
Related to income	(d)	912	832
Bank interest income		897	1,995
Brand licensing income		—	909
Exchange gain, net		154	—
Others		31	434
Total		38,473	33,852

Notes:

- (a) Tuition fees and boarding fees mainly represented income received from the provision of education and boarding services to the students, which were recognised over time, i.e. the academic year, of the services rendered.
- (b) Other education service fees mainly represented income received from the provision of other education services including training services to the students, which was recognised over time, i.e. the training periods, of the services rendered.
- (c) Government grants related to assets represent the subsidies in connection with certain pieces of leasehold land and the electronic devices relating to teaching activities. These grants related to assets are released to profit or loss over the expected useful lives of the relevant assets.
- (d) Government grants related to income represent the subsidies compensated for the incurred operating expenses arising from teaching activities, which were recognised as other income when the incurred operating expenses fulfilled the conditions attached.

Contract liabilities

The Group receives tuition and boarding fees from students in advance prior to the beginning of each academic year or semester. The performance obligation is satisfied proportionately over the relevant period of the applicable program. The students are entitled to the refund of the payment in relation to the proportionate service not yet provided.

Significant changes in the contract liability balances during the period/year are as follows:

	Six months ended 30 June 2026 <i>RMB'000</i> (Unaudited)	Year ended 31 December 2025 <i>RMB'000</i> (Audited)
At the beginning of the period/year	321,462	293,790
Revenue recognised that was included in the balance of contract liabilities at the beginning of the period/year	(319,647)	(291,975)
Increases due to cash received, including amounts recognised as revenue during the period/year	159,675	806,514
Revenue recognised that was not included in contract liabilities at the beginning of the period/year	(62,461)	(485,370)
Transfer to refund liabilities	(6,491)	(1,497)
At the end of the period/year	<u>92,538</u>	<u>321,462</u>

Revenue recognised in relation to contract liabilities

The following table shows the amounts of revenue recognised in the current period that were included in the contract liabilities at the beginning of the reporting period:

	For the six months ended 30 June 2026 <i>RMB'000</i> (Unaudited)	2025 <i>RMB'000</i> (Unaudited)
Revenue recognised that was included in the balance of contract liabilities at the beginning of the period		
Tuition fees	284,877	242,306
Boarding fees	<u>34,770</u>	<u>28,224</u>
Total	<u>319,647</u>	<u>270,530</u>

Unsatisfied performance obligations

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June 2026 are as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Expected to be recognised within one year:		
Tuition fees	88,020	287,889
Boarding fees	4,518	33,573
Total	92,538	321,462

The amounts of transaction prices associated with unsatisfied or partially unsatisfied performance obligations do not include variable consideration which is constrained.

There were no contract assets at the end of the reporting period recognised in the unaudited interim condensed consolidated statement of financial position.

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	<i>Note</i>	For the six months ended 30 June	
		2026	2025
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Employee benefit expense (excluding directors' and chief executive's remuneration):			
Wages and salaries		142,674	129,872
Pension scheme contributions (defined contribution scheme)****		9,598	8,775
Total		152,272	138,647
Depreciation of property, plant and equipment		44,233	40,758
Depreciation of right-of-use assets		16,164	16,066
Depreciation of investment properties		965	965
Amortisation of other intangible assets*		2,604	1,554
Exchange loss, net		—	64
Donation expenses***		3	316
Lease payments not included in the measurement of lease liabilities		1,480	1,157
Auditor's remuneration		—	—
Loss on disposal of items of property, plant and equipment, net***		90	90
Bank interest income	4	(897)	(1,995)
Government grants**	4	(2,519)	(4,249)

* The amortisation of other intangible assets is included in cost of sales in the unaudited interim condensed consolidated statement of profit or loss and other comprehensive income.

** There are no unfulfilled conditions or other contingencies attaching to the government grants that have been recognised.

*** These amounts are included in other expenses in the unaudited interim condensed consolidated statement of profit or loss and other comprehensive income.

**** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands and accordingly is not subject to income tax from business carried out in the Cayman Islands.

Lingnan Education Investment Limited, the Company's directly held subsidiary, was incorporated in the BVI as an exempted company with limited liability under the BVI Companies Act and accordingly is not subject to income tax from business carried out in the BVI.

South China Vocational Education Group (Hong Kong) Limited, a subsidiary incorporated in Hong Kong, is subject to income tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong. No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the period.

Pursuant to the decision (the “**2016 Decision**”) of the Standing Committee of the National People's Congress on Amending the Private Schools Promotion Law of the PRC (《全國人民代表大會常務委員會關於修改〈中華人民共和國民辦教育促進法〉的決定》), which was promulgated on 7 November 2016 and came into force on 1 September 2017, private schools are no longer being classified as either schools for which the school sponsor(s) require reasonable returns or schools for which the school sponsor(s) do not require reasonable returns. Instead, the school sponsor(s) of a private school may choose for the school to be a for-profit private school or a non-profit private school, with the exception that schools providing nine-year compulsory education must be non-profit.

On 14 May 2021, the State Council released the Regulations for the Implementation of the Private Schools Promotion Law of the PRC (《中華人民共和國民辦教育促進法實施條例》) with an effective date of 1 September 2021 (the “**2021 Implementation Rules**”). The 2021 Implementation Rules are the detailed implementation rules of the Private Schools Promotion Law of the PRC. Pursuant to the 2016 Decision and the 2021 Implementation Rules, a private school may enjoy the preferential tax policies, which are not defined under both the 2016 Decision and the 2021 Implementation Rules, as stipulated by the related government authorities and a non-profit school may enjoy the same tax policies as enjoyed by a public school.

According to the Implementing Opinions of the Guangdong Provincial Government on Encouraging Private Entities and Individuals to Operate Schools and Promote the Healthy Development of Private Education (《廣東省人民政府關於鼓勵社會力量興辦教育促進民辦教育健康發展的實施意見》), which was promulgated by the People's Government of Guangdong Province on 4 May 2018 and the 2016 Decision, school sponsors of private schools which were established and registered in Guangdong prior to 7 November 2016 may choose for the schools to be for-profit private schools or non-profit private schools at their own discretion, except for the schools providing compulsory education, which must be non-profit. However, the Implementing Measures of Classification Registration for Private Schools (《關於民辦學校分類登記的實施辦法》), which was promulgated by five departments of the Guangdong province government and came into effect on 30 December 2018, does not specify a deadline for the existing private schools to elect to be registered as non-profit or for-profit private schools. As at the date of approval of these unaudited interim condensed consolidated financial statements, the PRC Schools have not yet registered as for-profit private schools or non-profit private schools and remain as private non-enterprise units.

During the six months ended 30 June 2026, although no new taxation policies or implementation regulations have been promulgated that would expressly require private schools to be subject to PRC corporate income tax (“CIT”), series of tax re-assessments were initiated by the local tax authority in relation to the vocational education industry in the region since prior year. During this re-assessment process, the local tax authority requires the PRC Schools to treat their academic education income as taxable. In light of the prevailing practice adopted by the local tax authority, the Group has recognised a provision for CIT of approximately RMB19,269,000 in respect of the academic education income generated by the PRC Schools for the six months ended 30 June 2026.

Pursuant to the PRC CIT Law, the Notice Regarding the Implementation on Tax Reduction/Exemption Policies for Small and Micro-sized Enterprises (SMEs) and the respective regulations, Qingyuan Lingnan Driving School Co., Ltd. (“**Lingnan Driving**”) and Guangzhou Production and Education Integration Industry Service Co., Ltd (“**Production and Education Integration**”) was entitled to a preferential tax rate of 20% of its respective taxable income during both periods ended 30 June 2026 and 2025. Except for Lingnan Driving and Production and Education Integration, the Group’s other subsidiaries (six months ended 30 June 2025: other non-school subsidiaries) which operate in Mainland China are subject to CIT at a rate of 25% on their respective taxable income during the period ended 30 June 2026.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	For the six months ended 30 June	
	2026	2025
	RMB’000	RMB’000
	(Unaudited)	(Unaudited)
Current — Chinese Mainland		
Charge for the period	19,269	58
Deferred	1,777	(186)
Total	21,046	(128)

7. DIVIDENDS

	For the six months ended 30 June	
	2026	2025
	RMB’000	RMB’000
	(Unaudited)	(Unaudited)
Proposed Interim — nil (six months ended		
30 June 2025: HK2.0 cents) per ordinary share	—	24,321
Final declared and paid — nil (2025: HK1.3 cents)		
per ordinary share	—	16,004

No dividend declared for the six months ended 30 June 2026 (six months ended 30 June 2025: on 29 August 2025, the board of directors proposed to declare an interim dividend of HK2.0 cents per ordinary share, amounting to a total of approximately RMB24,321,000).

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,334,000,000 (six months ended 30 June 2025: 1,334,000,000) in issue during the period.

The calculation of the diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The Group had no potentially dilutive ordinary shares in issue during the periods ended 30 June 2026 and 2025.

The calculations of basic and diluted earnings per share are based on:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<u>Earnings</u>		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	<u>57,849</u>	<u>83,660</u>
	Number of shares	
	For the six months ended 30 June	
	2026	2025
<u>Shares</u>		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings per share calculations	<u>1,334,000,000</u>	<u>1,334,000,000</u>

9. ACCOUNTS RECEIVABLE

An ageing analysis of the accounts receivable as at the end of the reporting period, based on the transaction date and net of loss allowance, is as follows:

	30 June	31 December
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Within one year	7,682	8,143
One to two years	<u>(14)</u>	<u>(14)</u>
Total	<u>7,668</u>	<u>8,129</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the Reporting Period, the Group operated two schools in the Greater Bay Area, namely, Guangdong Lingnan Institute of Technology* (廣東嶺南職業技術學院) (“**Lingnan Institute of Technology**”) and Guangdong Lingnan Modern Technician College* (廣東嶺南現代技師學院) (“**Lingnan Modern Technician College**”).

Key Operating Business

The Group’s Lingnan Institute of Technology was established in May 2002 to provide diploma education and vocational training and its Lingnan Modern Technician College was established in July 2005 to provide vocational education and training.

Lingnan Institute of Technology

Lingnan Institute of Technology is a private vocational education institution that has two campuses, one of which is located in Guangzhou, Guangdong Province (the “**Guangzhou Campus**”), and the other is located in Qingyuan, Guangdong Province (the “**Qingyuan Campus**”). As at 30 June 2026, Lingnan Institute of Technology had eight secondary colleges, two public colleges, a college of continuing education, offering over 46 majors in a wide range of disciplines, including but not limited to, rehabilitation therapy and rehabilitation technology, medical laboratory technology, pet medical technology, electronic information engineering technology, e-commerce, computer network technology, intelligent robotics technology, live streaming and operations, industrial robotics technology, digital manufacturing technology of aircraft and intelligent logistics technology. Among these, 4 are provincial key programs, 1 is a provincial type II brand program, and 5 are provincial high-level construction programs. The college has also co-founded an industry college with Unitree Robotics, with a focus on embodied intelligence initiatives.

Lingnan Modern Technician College

Lingnan Modern Technician College is a private vocational education institution located in Guangzhou and a state-level skilled talent training base that provides full-time secondary vocational education and short-term vocational skills training programs to the public. As at 30 June 2026, the college comprises 8 faculties, being Health Care, E-commerce, Intelligent Manufacturing, Information Technology, Cultural Creativity and Entrepreneurship Management, Culinary Arts, Fashion and Beauty Industry, and International Education, offering nearly 40 programs including nursing, advertising design, computer network application, computer program design and digital media application. It has also set up 3 industry colleges with industry leaders including JD.com, Huawei, and Siemens. At the same time, standardized pet medical training bases have been established to support the high-quality development of specialized programmes in the broader health and pet medical sectors.

Ancillary Education Services

The Group also generates revenue from certain ancillary education services, which primarily comprise continuing education programs and other education services. Other education services primarily consist of test preparation and training services the Group provides to the students of its schools for occupational skills appraisal and professional qualifications and certificates, based on which the Group will thereafter expand social training and enterprise technical services on a province-wide scale. These educational services are referred to as the Group's "Ancillary Education Services".

Business Operating Data

The aggregate number of full-time students enrolled at the Group's schools amounted to 37,191 for the 2025/2026 school year. As at 30 June 2026, the average tuition fee of Lingnan Institute of Technology and Lingnan Modern Technician College amounted to RMB19,755 and RMB16,109, respectively, and the average boarding fee of these two schools amounted to RMB2,630 and RMB2,412, respectively.

OUTLOOK

Continuous Improvement in Status of Vocational Education and Increasing Improvement of the Vocational Education System

1) Increased fiscal investment and improved school facilities

According to the Notice on Issuing the 2024 Budget for the Modern Vocational Education Quality Enhancement Program (《關於下達2024年現代職業教育質量提升計劃資金預算的通知》), the Notice on Issuing the 2025 Budget for the Modern Vocational Education Quality Enhancement Program (《關於下達2025年現代職業教育質量提升計劃資金預算的通知》) and the Notice on Issuing the 2026 Budget for the Modern Vocational Education Quality Enhancement Program (《關於下達2026年現代職業教育質量提升計劃資金預算的通知》) jointly issued by the Ministry of Education and the Ministry of Finance, the central government's special fund budget for the Modern Vocational Education Quality Improvement Plan has been RMB31,257 million in each of the three consecutive years of 2024, 2025 and 2026. The fund is used to support and guide local governments in actively developing modern vocational education, primarily to promote the high-level development of higher vocational schools and to consolidate and improve the per-student funding system for higher vocational institutions; to strengthen the training and professional development of "dual-qualified" full-time teachers, thereby enhancing teaching quality; and to promote industry-education integration, as well as school-enterprise cooperation, while supporting qualified localities in exploring public-private partnership models and other collaborative approaches.

Meanwhile, according to the Measures for the Evaluation of National Scholarships for Secondary Vocational Education (《中等職業教育國家獎學金評審辦法》) jointly issued by the Ministry of Education, the Ministry of Human Resources and Social Security and the Ministry of Finance, tuition fees are waived for secondary vocational school students from rural areas, urban students enrolled in agriculture-related programs, and those from economically disadvantaged families. The measures also further improved national scholarship and financial aid systems.

2) *Deepening integration of industry and education as well as enhanced school-enterprise cooperation*

According to the Opinions of the Ministry of Education on Deepening the Reform of Key Elements in Vocational Education Teaching (《教育部關於深化職業教育教學關鍵要素改革的意見》), the two-way empowerment between schools and enterprises will be advanced through commissioned construction, school-enterprise co-development, and cluster-based collaborative initiatives. A number of industry-education integration internship and training bases are to be planned and established across schools, enterprises, and industrial parks. Schools are encouraged to explore shareholding and mixed-ownership models, as well as entrusted production line operations and production task contracting, to upgrade and develop additional training facilities. Multiple types of public funds will be allocated to build regional open industry-education integration practice centres. In pilot provinces, on-campus training facilities will be upgraded, with corresponding training carriers deployed by municipal industry-education consortia and industry-wide communities across industrial parks and along industrial chains.

Furthermore, the 15th Five-Year Plan for Educational Development mandates the accelerated development of high-level school-running capacity and high-quality industry-education integration (the “**New Double High**” initiative) in vocational education. It calls for the coordinated cultivation of students across secondary vocational, higher vocational, and vocational undergraduate programmes, with a steady increase in the number of vocational undergraduate institutions and the expansion of enrolment. Lifelong learning public services will be enhanced, with greater synergy among general higher education institutions, vocational schools and open universities to develop resources and deliver training that is responsive to learner needs. Institutional safeguards for continuing education, self-study examinations and non-degree education will be strengthened, and the digital and intelligent transformation of education will be advanced, with improvements to schools’ digital infrastructure and research into new teaching models.

3) *Vocational education system optimization and program specialization*

The General Office of the CPC Central Committee and the State Council’s Opinions on Deepening the Reform of Modern Vocational Education System Development (《關於深化現代職業教育體系建設改革的意見》), along with the Ministry of

Education's Notice on Accelerating Key Reform Tasks for Modern Vocational Education System Reform (《關於加快推進現代職業教育體系建設改革重點任務的通知》), mandate accelerated development of a modern vocational education framework. This reform adopts a “One Core with Dual Wings” framework (with provincial-level modern vocational education systems as the core, supported by municipal-level industry-education consortiums and sectoral alliances as dual wings) to drive multi-tiered, coordinated advancement across China's vocational education landscape.

4) *Employment and skilled talent development*

The Opinions on Implementing the Employment-First Strategy to Promote High-Quality and Full Employment (《關於實施就業優先戰略促進高質量充分就業的意見》), which was jointly issued by the CPC Central Committee and the State Council in September 2024, accelerates the development of modern vocational education by promoting the integration of vocational and academic education (職普融通), industry-education collaboration (產教融合), and science-education synergy (科教融匯). Key measures include establishing technical education alliances (groups), identifying and developing high-quality technical institutes and programs, incorporating career education into higher education talent cultivation, and advancing career-oriented enlightenment education at the senior high school level.

Deepening the Development in the Guangdong-Hong Kong-Macao Greater Bay Area to Continue Cultivating and Supplying High-Caliber Talents

The Guangdong-Hong Kong-Macao Greater Bay Area has become a core growth pole for China's high-quality economic development, with its total economic output accounting for over 10% of the national total in 2025. As the region undergoes economic transformation and upgrading, coupled with the deepening trend of population aging, the skill gap for high-skilled talents in emerging industries and health-related fields continues to widen, with talent demand showing a trend toward large-scale and high-end development.

According to the “Guangdong-Hong Kong-Macao Greater Bay Area (Mainland) Talent Demand Catalog (《粵港澳大灣區(內地)人才需求目錄》)” released by the Human Resources and Social Security Department of Guangdong Province in 2025, the Greater Bay Area is focusing on the development of 20 strategic industrial clusters. Among them, five industries — next-generation information technology, biomedicine and health, new energy, software and information services, and ultra-high-definition video display — rank as the top tier in terms of demand for highly skilled talents. Job development is undergoing a comprehensive transformation toward high skill, high salary, and high growth. To align with industrial talent demands, Guangdong Province and cities within the Greater Bay Area introduced a series of major support policies in 2025. Among these, the “Skills Light the Way to the Future, Talents Empower Industries” Large-Scale Vocational Skills Enhancement Training Initiative (2025–2027) (《「技能照亮前程人才賦能

產業」大規模職業技能提升培訓行動 (2025–2027)》) provides a full-chain guarantee for the cultivation, deployment, and settling down of highly skilled talents across four dimensions: training subsidies, employment support, settlement benefits, and school-enterprise cooperation, creating a favorable policy environment for the development of vocational education.

Business Development Strategy

The Group will improve its results performance through the following six aspects:

1) High-quality development of academic vocational education

The Group has formulated medium-to-long-term development objectives for Lingnan Institute of Technology, aligning with the national “New Double High” official requirements for vocational education. Guided by the core principles of “high-level school-running capacity and high-quality industry-education integration”, we aim to transform the institute into an entrepreneurial vocational university with distinctive strengths in the health and wellness sector within a decade, positioning it as a benchmark institution for industry-education integration and the convergence of science, technology and education in the “Health & Wellness + TMT” sectors within the Guangdong-Hong Kong-Macao Greater Bay Area. The institute will strictly adhere to the assessment indicators for upgrading to a undergraduate-level university, focus on key programme clusters critical for the upgrade, and continuously strengthen its faculty, programme excellence and comprehensive service capabilities, with the goal of securing national recognition as a “New Double High” institution and developing high-level programme clusters. Concurrently, Lingnan Modern Technician College continues to deepen its collaboration with leading enterprises to establish industry colleges. In partnership with JD Group, it has co-established an industry college to refine the “industry-education-assessment” talent development cycle, introduced corporate instructors to jointly develop curricula, co-built training facilities and implemented order-based targeted training programmes. Together with Huawei, the college has jointly built four digital and intelligent industry-education platforms covering HarmonyOS development, 5G communications, artificial intelligence and cybersecurity. Benchmarking against Germany’s dual-system vocational training model, the college has also partnered with Siemens to establish an Intelligent Manufacturing Industry College, enhancing training hardware and the team of “dual-qualified” teachers, while cultivating and supplying interdisciplinary skilled talents for the advanced manufacturing sector of the Greater Bay Area. In addition, drawing on the proven model of its industry colleges, Lingnan Modern Technician College plans to identify new school premises within the Guangdong-Hong Kong-Macao Greater Bay Area and expand its secondary vocational education scale and coverage network by establishing branch campuses or new independent campuses.

2) *Deepening AI deployment and collaboratively build a new industry-education ecosystem*

Leveraging its solid foundation in academic vocational education and core strengths in educational scenarios, faculty, and student resources accumulated over years of entrepreneurial education, the Group has made a strategic, in-depth foray into new AI businesses to create a second growth curve. Rather than a standalone sector, the Group's AI business represents an upgrade and reconstruction of its existing education ecosystem in the AI era. It focuses on three core directions: AI talent cultivation, AI entrepreneurship incubation, and AI software and hardware research and development. This has established a multi-layered, synergistic business system encompassing “academic vocational education — AI training and incubation — data assets and vertical model capabilities,” building a differentiated and competitive AI-driven entrepreneurial vocational education ecosystem.

To effectively execute its AI strategy, the Group established a new Applied Education Research Institute in December 2025, concurrently launching three core business segments. First, it has partnered with renowned domestic AI enterprises to build an AI practical talent training base, focusing on three key areas: AIGC applications, AI agent development, and Vibe Coding. It offers practical training, certification and related services targeting job seekers and professionals undergoing career transitions, thereby strengthening the supply of AI talent. Second, it has developed an AI + OPC incubation hub, providing individual entrepreneurs and independent professional service providers with a full-suite offering of AI tool empowerment, professional training and startup incubation, nurturing “super individuals” in the AI era. Third, it is incubating proprietary AI software and hardware businesses, refining its technologies and accumulating experience in real-world business scenarios, while building capabilities in vertical educational applications, data assets, and vertical and on-device model competencies, thereby establishing long-term core competitiveness.

Looking ahead, the Group will continue to refine its AI-driven entrepreneurial vocational education ecosystem, with the AI practical talent training base serving as the ecosystem's entry point and AI entrepreneurship incubation as the core engine. It will continue to nurture high-calibre AI professionals and incubate high-quality innovative enterprises, proactively shaping and leading niche industry sectors, and transcend the traditional model of passively following industry trends in education and industry-education integration. The new AI businesses will be deeply integrated with the Group's core academic vocational education operations, underpinning the Group's long-term high-quality and sustainable development.

3) *M&A-driven expansion of campus network and deepening industry-education integration*

Building on a foundation of steady organic growth, the Group is pursuing external expansion through mergers and acquisitions to broaden its campus network within the Greater Bay Area, with a strategic focus on acquiring high-quality technical colleges and non-degree vocational training institutions in the region, thereby achieving scale expansion and synergistic enhancement of existing assets. Beyond external expansion, and in line with national guidelines on industry-education integration, the Group will adopt a diverse range of models, including entrusted construction by enterprises, school-enterprise co-construction, and cluster-based collaborative development, to plan and build specialized industry-education integration internship and training bases across partner institutions, leading enterprises, and industrial parks. This will create open regional industry-education integration practice centres, forming a comprehensive hands-on education system in which on-campus industry colleges and off-campus industrial park training platforms complement each other, thereby fully realising an integrated industry-education integration framework.

4) *Expanding ancillary education business*

China's vocational skills training market is projected to exceed RMB780 billion by 2026, driven by rising online education penetration rates. Capitalizing on this growth opportunity, the Group is aggressively expanding into vocational skill certification and adult continuing education services. Lingnan Modern Technician College has been approved for the accreditation for 28 types of work, and has set up 28 public training and evaluation outlets in 11 prefectural cities in Guangdong Province, with plans to achieve substantial provincial coverage within three years. Simultaneously, Lingnan Institute of Technology is deepening collaborations with leading industries, major enterprises, and flagship projects, particularly in cross-sector technical services and corporate training. Through its college of continuing education (including the rural revitalization academy), the institution mobilizes secondary schools to participate, leveraging resources such as industry-education integration parks, school-enterprise cooperation platforms, rural revitalization training bases and STEM education centers. This multi-pronged approach enhances both the economic benefits and social impact of our expanded training programs and technical services.

5) *Developing international cooperation*

The Group actively promotes international cooperation in running schools, introduces advanced vocational education projects, and enhances the attractiveness and international characteristics of majors and courses through international cooperation. The Group explores cooperation with overseas colleges and institutions for undergraduate pathway programs (particularly colleges and institutions in Hong Kong, Macao, Singapore, the European Union and other countries and regions).

6) A new development pattern of “Five-in-One”

On the basis of the steady growth, quality improvement and upgrading of the vocational education entities, the Group is actively exploring and expanding five major sectors, namely training, talent dispatch, health, e-commerce and public welfare. We are transitioning from an academic education-oriented model to a new development pattern of “five-in-one” driven by “academic education + vocational training + technical services”.

FINANCIAL REVIEW

Revenue

Revenue represents the value of services rendered during the Reporting Period. The Group’s revenue is consisted of tuition fees, boarding fees and other education service fees its schools collected from students.

The Group’s revenue increased by approximately 6.9% from approximately RMB361.8 million for the six months ended 30 June 2025 to approximately RMB386.6 million for the six months ended 30 June 2026. The increase was primarily due to an increase in tuition fees and boarding fee as a result of the increase in total full-time student enrollment and increase in tuition fees during the Reporting Period.

Cost of sales

Cost of sales consists primarily of (i) staff costs; (ii) depreciation of property, plant and equipment; (iii) depreciation of right-of-use assets; (iv) amortization of other intangible assets; (v) cost of cooperative education; (vi) utilities; (vii) teaching expenditures; (viii) student study and practice fees; and (ix) campus property management fee.

The Group’s cost of sales increased by approximately 7.9% from approximately RMB238.8 million for the six months ended 30 June 2025 to approximately RMB257.7 million for the six months ended 30 June 2026. The increase was primarily due to (i) an increase in the number of faculty staff members and their average salaries during the Reporting Period; (ii) an increase in depreciation of property, plant and equipment in line with the expansion of the Group’s school operating scale during the Reporting Period; and (iii) increased expenditure on maintenance and renovation of campus facilities.

Gross profit and gross profit margin

The Group's gross profit increased by approximately 4.8% from approximately RMB123.0 million for the six months ended 30 June 2025 to approximately RMB128.9 million for the six months ended 30 June 2026 and the Group's gross profit margin decreased from approximately 34.0% to approximately 33.3% during the same periods. The increase was primarily due to the increase in student enrollment, the scale of the corresponding educational sector has expanded, leading to a corresponding increase in both revenue and costs. However, the growth rate of revenue was slightly lower than that of costs, resulting in a corresponding decrease in gross profit margin.

Other income and gains

Other income and gains consist primarily of (i) bank interest income; (ii) rental income; (iii) training income; (iv) government grants; (v) brand licensing income; and (vi) service income.

The Group's other income and gains increased by approximately 13.7% from approximately RMB33.9 million for the six months ended 30 June 2025 to approximately RMB38.5 million for the six months ended 30 June 2026. The increase was primarily due to the increase in training income.

Selling and distribution expenses

Selling and distribution expenses refer to costs incurred for the purpose of marketing and student recruitment promotion, including staff costs, advertising expenses, promotion expenses, office expenses and others.

The Group's selling and distribution expenses increased by approximately 5.2% from approximately RMB13.9 million for the six months ended 30 June 2025 to approximately RMB14.7 million for the six months ended 30 June 2026. The increase was primarily due to the increase in salary of the sales department.

Administrative expenses

Administrative expenses primarily consist of (i) staff costs and welfare; (ii) depreciation and amortization; (iii) office expenses; and (iv) consulting expenses.

The Group's administrative expenses increased by approximately 1.8% from approximately RMB41.8 million for the six months ended 30 June 2025 to approximately RMB42.6 million for the six months ended 30 June 2026. The increase was primarily due to the increase in consulting service expenses.

Other expenses

Other expenses consist primarily of (i) cost for rental income; (ii) cost for training income; (iii) donation; (iv) taxes and surcharges; and (v) exchange loss.

The Group's other expenses increased by approximately 99.2% from approximately RMB12.6 million for the six months ended 30 June 2025 to approximately RMB25.1 million for the six months ended 30 June 2026. The increase was primarily due to the payment of domestic taxes from this year and prior years and late payment surcharges for these taxes from prior years.

Finance costs

Finance costs primarily consist of the interest expenses for its bank and other borrowings and lease liabilities.

The Group's finance costs increased by approximately 23.5% from approximately RMB4.9 million for the six months ended 30 June 2025 to approximately RMB6.0 million for the six months ended 30 June 2026. The increase was primarily in line with the increase in weighted average long-term interest-bearing bank borrowings during the Reporting Period.

Income tax

The Group's income tax increased by approximately RMB21.2 million for the six months ended 30 June 2026. The increase in income tax is mainly due to the provision for corporate income tax expenses for the period.

Profit for the period

As a result of the above factors, profit for the period of the Group decreased by approximately 30.8% from approximately RMB83.7 million for the six months ended 30 June 2025 to approximately RMB58.0 million for the six months ended 30 June 2026.

FINANCIAL AND LIQUIDITY POSITION

Current assets and current liabilities

As at 30 June 2026, the Group had net current liabilities of approximately RMB211.1 million, decreased by approximately 23.5% from the net current liabilities of approximately RMB275.8 million as at 31 December 2025. The decrease in net current liabilities as at such date was primarily due to (i) a decrease in contract liabilities as a result of revenue recognition of tuition fees and boarding fees for 2025/2026 school year; and (ii) a decrease in taxes payable as a result of payment of corporate income tax expenses from prior years.

The Group's current assets decreased by approximately RMB255.0 million to approximately RMB344.3 million as at 30 June 2026 from approximately RMB599.3 million as at 31 December 2025. The decrease in current assets was primarily attributable to the decrease in cash and cash equivalents due to payment of corporate income tax expenses and the late payment surcharges for taxes expenses from prior years.

The Group's current liabilities decreased by approximately RMB319.7 million to approximately RMB555.4 million as at 30 June 2026 from approximately RMB875.1 million as at 31 December 2025, mainly reflecting a decrease in contract liabilities of approximately RMB228.9 million as a result of revenue recognition of tuition fees and boarding fees for 2025/2026 school year; and decrease in tax payable of approximately RMB103.5 million as a result of payment of corporate income tax expenses from prior years.

Indebtedness

Interest-bearing bank and other borrowings primarily consist of short-term working capital loans to supplement its working capital and finance its expenditure and long-term project loans for the continuous development of its school buildings and facilities.

The Group's interest-bearing bank and other borrowings amounted to approximately RMB421.9 million as at 30 June 2026, denominated in RMB. As at 30 June 2026, the Group's interest-bearing bank and other borrowings bore effective interest rates ranging from approximately 2.7% to 4.7% per annum. The fixed interest rate borrowing was RMB107.1 million. The Group has not used any financial instruments for interest rate hedging purposes during the Reporting Period while the Group pays vigilant attention to and monitors interest rate risk continuously and cautiously.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of internally generated cash flows from operations and bank and other borrowings. The Group regularly assesses its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations. The Group has adopted a prudent financial management approach towards its treasury policies and will revisit such policies from time to time, taking into account, among other things, the cash flows requirement and expansion of the Group.

Financial assets at fair value through profit or loss

As at 30 June 2026, the Group did not have any financial assets at fair value through profit or loss (31 December 2025: nil).

Contingent liabilities and guarantees

As at 30 June 2026, the Group did not have any unrecorded significant contingent liabilities, guarantees or any material litigation against any member of the Group (31 December 2025: nil).

Pledge of assets

As at 30 June 2026, no assets of the Group were pledged to secure bank loans and other borrowings (31 December 2025: nil).

Foreign exchange exposure

All of the Group's revenue and the majority of its expenditures are denominated in RMB. As at 30 June 2026, majority of the Group's bank balances were denominated in RMB. The Group currently does not have any foreign currency hedging policies and did not hedge against any fluctuation in foreign exchange rates during the Reporting Period due to the insignificance of foreign exchange risk. The management will continue to assess the Group's foreign exchange risk exposure and consider adopting prudent measures as appropriate.

Gearing ratio

The gearing ratio, which is calculated by using total interest-bearing bank and other borrowings divided by total equity, increased to approximately 26.1% as at 30 June 2026 from approximately 24.3% as at 31 December 2025, mainly due to the increase of the Group's interest-bearing bank and other borrowings.

EMPLOYMENT, REMUNERATION POLICY AND TRAINING

As at 30 June 2026, the Group had a total of 2,077 employees. Employees of the Group are remunerated based on their performance, experience and prevailing industry practices, with all compensation policies and packages reviewed on a regular basis. The remuneration of the Group's employees includes salaries and allowances. During the Reporting Period, the remuneration of the Group's employees was RMB154.6 million (30 June 2025: RMB140.0 million). As required by the PRC laws and regulations, the Group participates in various employee social security plans for its employees that are administered by local governments, including housing, pension, medical insurance, maternity insurance and unemployment insurance. The Group also emphasises employee trainings and career development, and invests in the education and training programs for its employees with the purpose of upgrading their knowledge on the latest trends and developments of the industry.

USE OF NET PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The net proceeds (the "Net Proceeds") from the global offering of ordinary shares, after deducting underwriting commission and other expenses, were approximately HK\$446.0 million.

As at 30 June 2026, the Company had utilised HK\$446.0 million of the Net Proceeds, representing 100.0% of the Net Proceeds. The Net Proceeds had been fully utilised.

The following table sets forth a summary of the utilisation of the Net Proceeds and the expected timeline of the use of the Net Proceeds:

Purpose	Revised portion as stated in the announcement of the Company	Re- allocation of the Net Proceeds as stated in the announcement of the Company	Utilised amount during the Reporting Period	Utilised amount as at 30 June 2026	Unutilised amount as at 30 June 2026	Expected timeline
	dated 30 March 2026	dated 30 March 2026	HK\$' Million	HK\$' Million	HK\$' Million	HK\$' Million
Further increase student capacity of the schools with an aim to upgrade Lingnan Institute of Technology from an associate college to a vocational university						
— Acquiring additional land of approximately 400,200 sq.m.	—	—	—	—	—	N/A
— Constructing additional teaching and administrative facilities and purchasing teaching equipment	72.3%	322.7	50.1	322.7	—	N/A
— Constructing an industry and education integrated industrial park	1.0%	4.3	—	4.3	—	N/A
Acquire other schools and educational service providers to expand the school network	16.7%	74.4	—	74.4	—	N/A
Working capital	10.0%	44.6	—	44.6	—	N/A
Total	100.0%	446.0	50.1	446.0	—	

The Board closely monitors the use of Net Proceeds with reference to those previously disclosed in the announcement of the Company dated 30 March 2026. The Net Proceeds have been fully utilized as at 30 June 2026 in accordance with the expected timeline and intended purposes.

OTHER INFORMATION

Significant Events after the Reporting Period

Save as disclosed herein, the Company did not have any significant events that should be brought to the attention of the shareholders of the Company (the “**Shareholders**”) from the end of the Reporting Period and up to the date of this announcement.

Interim Dividend

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2026 (30 June 2025: HK2.0 cents).

Purchase, Sale or Redemption of Listed Securities of the Company

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities (including sale of treasury shares (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”))) for the six months ended 30 June 2026. As at 30 June 2026, no treasury shares (as defined in the Listing Rules) were held by the Company.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

Save as disclosed herein, the Group did not hold any significant investment nor did the Group carry out any material acquisition or disposal of subsidiaries, associates, joint ventures or affiliated companies during the Reporting Period.

Future Plans for Material Investments and Investments in Capital Assets

Save as disclosed herein, as at 30 June 2026, the Group did not have any plans for material investments or investments in capital assets.

Corporate Governance Code

The Directors recognise the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. The Company has adopted corporate governance practices based on the principles and code provisions as set out in Part 2 of the Corporate Governance Code (the “**CG Code**”) as contained in Appendix C1 to the Listing Rules as its own code of corporate governance practices. During the Reporting Period, the Company has complied with all code provisions in Part 2 of the CG Code.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the code of conduct governing Directors’ securities transactions. The Company confirms that, having made specific enquiries of all the Directors, each of them has complied with the required standard as set out in the Model Code for the six months ended 30 June 2026.

Audit Committee and Review of Interim Financial Information

The audit committee of the Board has reviewed, together with the management, the accounting principles and policies adopted by the Group, and discussed, among other things, financial reporting matters including a review of the unaudited consolidated results of the Group for the six months ended 30 June 2026.

Publication of Interim Results Announcement and Interim Report

This interim results announcement is published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and on the website of the Company at www.scvedugroup.com, respectively. The interim report of the Company for the six months ended 30 June 2026 containing all the information required by the Listing Rules will be provided to the Shareholders and published on the above websites in due course.

Acknowledgement

The Board would like to express its sincere gratitude to the Group’s management and staff members for their dedication and hard work as well as the shareholders, business partners, bankers and auditors of the Company for their support to the Group throughout the Reporting Period.

CHANGE OF FINANCIAL YEAR END DATE

Pursuant to Rule 13.51(4) of the Listing Rules, the Board would like to announce that it has resolved to change the financial year end date of the Company from 31 December to 31 August (the “**Change**”). Accordingly, the next financial year end date of the Group will be 31 August 2026 and the next audited consolidated financial statements of the Group to be published will be in respect of the 8-month period from 1 January 2026 to 31 August 2026.

Reasons for the Change

The Change is to align the financial year end date of the Group with the academic year of the schools operated by the Group in the PRC, which ends in August each year. The Board considers that the Change will facilitate the preparation of the consolidated financial statements of the Group and to better reflect the operational results of the Group for the financial year.

To the best of its knowledge, belief and information, the Board does not foresee any material adverse impact on the Group resulting from the Change and there is no other significant matter that needs to be brought to the attention of the Shareholders in this regard.

Subsequent Financial Reporting Periods

Following the Change, the Company will announce and publish its financial results with respect to the following financial periods on or before the following deadlines:

Financial period	Deadline for publication of results announcement	Deadline for publication of interim/annual report
Audited consolidated financial results of the Group for the 8 months ending 31 August 2026	30 November 2026	31 December 2026
Unaudited consolidated interim results of the Group for the 6 months ending 28 February 2027	30 April 2027	31 May 2027
Audited consolidated financial results of the Group for the financial year ending 31 August 2027	30 November 2027	31 December 2027

By order of the Board
South China Vocational Education Group Company Limited
He Huishan
Chairman

Hong Kong, 26 August 2026

In this announcement, the English translation of company or entity names in Chinese which are marked with “” is for identification purpose only.*

As at the date of this announcement, the Board comprises Mr. He Huishan, Ms. He Huifen and Mr. Lao Hansheng as executive Directors; and Ms. Yang Yang, Mr. Yeh Zhe-Wei and Mr. Ma Shuchao as independent non-executive Directors.