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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. He Huishan (*Chairman*)  
Ms. He Huifen (*Chief Executive Officer*)  
Mr. Lao Hansheng

#### Independent Non-executive Directors

Ms. Yang Yang (*appointed with effect from 29 August 2025*)  
Mr. Yeh Zhe-Wei  
Mr. Ma Shuchao  
Mr. Luo Pan (*resigned with effect from 29 August 2025*)

### COMPANY SECRETARY

Ms. Suen Ka Yan

### AUTHORISED REPRESENTATIVES

Mr. He Huishan  
Mr. Lao Hansheng

### AUDIT COMMITTEE

Ms. Yang Yang (*Chairperson*) (*appointed with effect from 29 August 2025*)  
Mr. Luo Pan (*Chairman*) (*resigned with effect from 29 August 2025*)  
Mr. Yeh Zhe-Wei  
Mr. Ma Shuchao

### REMUNERATION COMMITTEE

Mr. Yeh Zhe-Wei (*Chairman*)  
Ms. Yang Yang (*appointed with effect from 29 August 2025*)  
Mr. Lao Hansheng  
Mr. Luo Pan (*resigned with effect from 29 August 2025*)

### NOMINATION COMMITTEE

Mr. He Huishan (*Chairman*)  
Ms. He Huifen (*appointed with effect from 30 June 2025*)  
Ms. Yang Yang (*appointed with effect from 29 August 2025*)  
Mr. Yeh Zhe-Wei  
Mr. Ma Shuchao (*appointed with effect from 30 June 2025*)  
Mr. Luo Pan (*resigned with effect from 29 August 2025*)

### LEGAL ADVISORS AS TO HONG KONG LAW

Haiwen & Partners LLP  
Suites 1101-1104, 11/F, One Exchange Square  
8 Connaught Place, Central  
Hong Kong

### CORPORATE HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 492 Da Guan Zhong Road  
Tianhe District  
Guangzhou  
Guangdong Province  
PRC

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre  
No. 248 Queen's Road East  
Wanchai  
Hong Kong

## CORPORATE INFORMATION

### REGISTERED OFFICE

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

### CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

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

### HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### AUDITOR

AOGB CPA Limited  
Suite 2501-03, Tesbury Centre  
28 Queen's Road East  
Admiralty  
Hong Kong

### STOCK CODE

06913

### COMPANY WEBSITE

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

During the six months ended 30 June 2025 (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 2025, Lingnan Institute of Technology consolidated the original 13 secondary colleges into eight secondary colleges, two public colleges and a college of continuing education, and re-integrated and established the School of Medical Applied Technology (醫學應用技術學院), with the addition of the new majors of stomatology technology (口腔醫學技術) and ophthalmic technology (眼視光技術), offering over 40 majors in a wide range of disciplines, including but not limited to, rehabilitation techniques, medical laboratory technology, electronic information engineering technology, e-commerce, computer network technology, cloud computing technology application, webcasting and operation, industrial internet, digital manufacturing technology of aircraft and intelligent logistics technology.

##### *Lingnan Modern Technician College*

Lingnan Modern Technician College is a private vocational education institution located in Guangzhou and provides vocational education and training in various industries for students. As at 30 June 2025, Lingnan Modern Technician College had 8 departments and offered over 38 majors, including but not limited to, mechatronics, drones, vehicle inspection and maintenance, fire engineering, traditional Chinese medicine, rehabilitation, nursing, advertising design, computer network application, computer program design and digital media application, etc.

## Ancillary Education Services

The Group also generates revenue from certain ancillary education services, which primarily comprise of 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 qualification and certificates. 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 34,748 for the 2024/2025 school year. As at 30 June 2025, the average tuition fee of Lingnan Institute of Technology and Lingnan Modern Technician College amounted to RMB18,065 and RMB15,023, respectively, and the average boarding fee of these two schools amounted to RMB2,586 and RMB2,079, 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年現代職業教育品質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 has allocated RMB31.257 billion for the Modern Vocational Education Quality Enhancement Program. The funds will primarily support the improvement of teaching facilities, faculty development, and teaching quality in vocational institutions, covering equipment upgrades, practical training base construction, and other related areas. Concurrently, the Measures for the Evaluating National Scholarships in Secondary Vocational Education (《中等職業教育國家獎學金評審辦法》), which was issued by the Ministry of Education, the Ministry of Human Resources and Social Security and the Ministry of Finance indicate that, tuition fees are exempted for rural students, urban students enrolled in agriculture-related programs, and economically disadvantaged students in secondary vocational schools, with further improvements to the national scholarship and financial aid system.

## MANAGEMENT DISCUSSION AND ANALYSIS

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

According to the Notice on Strengthening the Development of City-based Industry-Education Consortiums (《關於加強市域產教聯合體建設的通知》) (the Ministry of Education), and the Implementation Plan for the Industry-Education Integration Empowerment and Enhancement Initiative in Vocational Education (2023–2025) (《職業教育產教融合賦能提升行動實施方案(2023–2025年)》) (National Development and Reform Commission and other authorities), City-based Industry-Education Consortiums and Sectoral Alliances will be established, including an initial batch of 28 national-level city-based industry-education consortiums. Additionally, over 1,000 provincial-level Industry-Education Integration Alliances will be developed in key sectors such as modern agriculture and advanced manufacturing. The ‘Thousand Colleges and Ten Thousand Enterprises’ Collaborative Innovation Partnership Initiative will also be launched. Concurrently, the Notice on Implementing the Specialized Training Program for On-site Engineers in Vocational Education (《關於實施職業教育現場工程師專項培養計劃的通知》) (five departments, including the Ministry of Education) has established clear objectives for cultivating on-site engineering specialists, with 447 leading enterprises in advanced manufacturing sectors being selected to participate in the “Vocational Education On-Site Engineer Training Program”. This specialized talent training scheme employs innovative collaborative models including customized training programs and co-constructed practice training bases to systematically develop high-skilled professionals who meet exact industry requirements.

### 3) *Vocational education system optimization and program specialization*

The General Office of the CPC Central Committee and the State Council’s Guidelines 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 city-based 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 Implementation Guidelines 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品質充分就業的意見》), which was issued jointly 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.

The vocational education business engaged in by the Group is in line with the direction of encouragement and support of national policies, has initially formed a favorable trend of industry-education integration with leading enterprises, and has a great potential for future development.

#### **Deepening the Development in the Guangdong-Hong Kong-Macau Greater Bay Area to Continue Providing High-Caliber Talents for the Greater Bay Area**

The Guangdong-Hong Kong-Macau Greater Bay Area (the “Greater Bay Area”) has become one of the key economic growth drivers in China. According to relevant data, the total economic volume of the Greater Bay Area accounted for more than 11% of the country’s total economic volume in 2023, and the shortage of talents in emerging industries will continue to expand. With the economic transformation and the population aging, there will be a growing demand for skilled talents in emerging industries and big health-related industries in the Greater Bay Area.

Based on the two existing schools, the Group will continue to expand its school network and vocational education market in the Greater Bay Area, including formal and non-formal vocational training market, to gradually increase its market share and solidify its position as a leading vocational education service provider in the Greater Bay Area.

## Business Development Strategy

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

### 1) *High-quality development of formal vocational education*

The Group and Lingnan Institute of Technology have established an ambitious decade-long strategic vision: to transform Lingnan Institute of Technology into an entrepreneurial vocational university specializing in the holistic health sector, while establishing itself as the Greater Bay Area's benchmark for industry-education integration and scientific innovation convergence in the theme of "Health+TMT", and being anchored in the institution's "Double Excellence" initiative (pursuing both high-quality development and premium service standards) in the next decade. With a focus on degree-upgrading majors, and in accordance with the "New Dual-High" and degree-upgrading standards, greater efforts will be made to promote faculty development, professional strength building, and service capacity building, with a view to developing into institutions that achieve the national "New Dual-High" criteria (including national-level specialty clusters).

In addition, the Lingnan Modern Technician College and JD Group jointly established an industrial college, which will further deepen the ecosystem of "industry-education-evaluation", introduce corporate instructors to participate in curriculum design, jointly build training bases, and realize the mode of "customized classes" in which students will enter the workforce upon graduation. The college will focus on industries with special characteristics such as artificial intelligence, big data, cloud computing and other emerging technologies applications, and build an "industry-education-evaluation" ecological talent cultivation system with functions such as "talent cultivation, enterprise service and student entrepreneurship" based on the industry and enterprise position standards. It also will proactively identify new venues in the Greater Bay Area for its new branches or new independent colleges, which will help expand its network of secondary vocational schools.

### 2) *Expanding school networks by mergers and acquisitions*

In addition to robust endogenous growth, the Group will also strive to expand its school networks by means of mergers and acquisitions. For the target of mergers and acquisitions, the Group will give priority to high-quality technical schools and institutions providing non-formal vocational training in the Greater Bay Area. Acquisition of existing schools will not only help the Group expand its scale, but is also conducive to the generation of synergies with its existing schools, thereby identifying more business opportunities and materialising more values.

### 3) *Expanding ancillary education business*

China's vocational skills training market is projected to exceed RMB900 billion by 2025, driven by rising online education penetration rates. Capitalizing on this growth, 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 25 vocational skills, and has set up 28 social training and evaluation outlets in 9 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 value and social impact of our expanded training programs and technical services.

### 4) *Developing international cooperation*

The Group actively carries out international cooperation in running schools, introduces advanced vocational education and basic education resources and projects, and enhances the attractiveness of majors and courses and international characteristics through international cooperation. The Group explores cooperation with overseas colleges and institutions for higher education (focusing on colleges and institutions in Hong Kong, Macau, Singapore, the European Union and other countries and regions).

### 5) *A new development pattern of "Five-in-One"*

On the basis of the steady development, quality improvement and upgrading of the vocational education entities, the Group is actively exploring and expanding the five major sectors, namely training, dispatch, health, e-commerce and public welfare, and shifting 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 7.8% from approximately RMB335.8 million for the six months ended 30 June 2024 to approximately RMB361.8 million for the six months ended 30 June 2025. The increase was primarily due to an increase in tuition fees and boarding fees as a result of the increase in total full-time student enrollment 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 18.3% from approximately RMB201.8 million for the six months ended 30 June 2024 to approximately RMB238.8 million for the six months ended 30 June 2025. The increase was primarily due to (i) an increase in the number of faculty 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; (iii) an increase in cost of cooperative education due to the expansion of cooperative education scale; and (iv) an increase in campus property management and service expenditures in line with the expansion of campus building area.

### Gross profit and gross profit margin

The Group's gross profit decreased by approximately 8.2% from approximately RMB134.0 million for the six months ended 30 June 2024 to approximately RMB123.0 million for the six months ended 30 June 2025 and the Group's gross profit margin decreased from approximately 39.9% to approximately 34.0% during the same periods. The decrease was primarily due to (i) an increase in the number of faculty 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; (iii) an increase in cost of cooperative education due to the expansion of cooperative education scale; and (iv) an increase in campus property management and service expenditures in line with the expansion of campus building area.

### 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 21.6% from approximately RMB27.8 million for the six months ended 30 June 2024 to approximately RMB33.9 million for the six months ended 30 June 2025. The increase was primarily due to an increase in rental 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 3.7% from approximately RMB13.4 million for the six months ended 30 June 2024 to approximately RMB13.9 million for the six months ended 30 June 2025. The increase was primarily due to an increase in promotion expenses as a result of the expectation of total full-time student enrollment increase in the 2025/2026 academic year.

### 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 decreased by approximately 4.7% from approximately RMB43.9 million for the six months ended 30 June 2024 to approximately RMB41.8 million for the six months ended 30 June 2025. The decrease was primarily due to a decrease of staff costs and welfare.

### Other expenses

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

The Group's other expenses decreased by approximately 9.9% from approximately RMB14.0 million for the six months ended 30 June 2024 to approximately RMB12.6 million for the six months ended 30 June 2025. The decrease was primarily due to a decrease of donation and exchange loss.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Finance costs

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

The Group's finance costs decreased by approximately 18.7% from approximately RMB6.0 million for the six months ended 30 June 2024 to approximately RMB4.9 million for the six months ended 30 June 2025. The decrease was primarily in line with the decrease in weighted average long-term interest-bearing bank and other borrowings during the Reporting Period.

### Profit for the period

As a result of the above factors, profit for the period of the Group decreased by approximately 4.6% from approximately RMB87.8 million for the six months ended 30 June 2024 to approximately RMB83.7 million for the six months ended 30 June 2025.

## FINANCIAL AND LIQUIDITY POSITION

### Current assets and current liabilities

As at 30 June 2025, the Group had net current assets of approximately RMB5.2 million, increased by approximately 102.9% from the net current liabilities of approximately RMB177.3 million as at 31 December 2024. The increase in net current assets as at such date was primarily due to (i) an increase in cash and cash equivalents due to the rise in long-term borrowing; and (ii) a decrease in contract liabilities of tuition fee collected from students in the 2024/2025 school year.

The Group's current assets increased by RMB8.0 million to approximately RMB429.2 million as at 30 June 2025 from approximately RMB421.2 million as at 31 December 2024. The increase in current assets was primarily attributable to the increase in cash and cash equivalents due to the rise in long-term borrowing.

The Group's current liabilities decreased by RMB174.5 million to approximately RMB424.0 million as at 30 June 2025 from approximately RMB598.5 million as at 31 December 2024, mainly reflecting a decrease in contract liabilities of approximately RMB172.9 million as a result of revenue recognition of tuition fees and boarding fees for the 2024/2025 school year.

## 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 RMB323.4 million as at 30 June 2025, denominated in RMB. As at 30 June 2025, the Group's interest-bearing bank and other borrowings bore effective interest rates ranging from approximately 2.6% to 6.8% per annum.

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.

## Financial assets at fair value through profit or loss

As at 30 June 2025, the Group did not have any financial assets at fair value through profit or loss (31 December 2024: RMB0.03 million). The decrease was mainly due to the refund of an unlisted investment in February 2025.

## Contingent liabilities and guarantees

As at 30 June 2025, the Group did not have any unrecorded significant contingent liabilities, guarantees or any material litigation against any member of the Group (31 December 2024: nil).

## Pledge of assets

As at 30 June 2025, no assets of the Group were pledged to secure bank loans and other borrowings (31 December 2024: nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Foreign exchange exposure

All of the Group's revenue and the majority of its expenditures are denominated in RMB. As at 30 June 2025, majority of the Group's bank balances were denominated in RMB. The Group currently does not have any foreign currency hedging policies. 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 18.7% as at 30 June 2025 from approximately 10.9% as at 31 December 2024, mainly due to an increase of the Group's interest-bearing bank and other borrowings.

### EMPLOYMENT, REMUNERATION POLICY AND TRAINING

As at 30 June 2025, the Group had a total of 2,005 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. 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.

## CORPORATE GOVERNANCE/OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARE, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”), Chapter 571 of the Laws of Hong Kong), as notified to the Company and The Stock Exchange of Hong Kong Limited (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), 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 for Securities Transactions by Directors of Listed Issuers (the “Model Code”), were as follows:

#### Long Position in the Shares of the Company

Name of Director	Nature of interest	Number of shares held	Position	Approximate percentage of shareholding in the Company as at 30 June 2025 <sup>(1)</sup>
Mr. He Huishan	Interest in a controlled Corporation <sup>(2)(3)</sup>	677,000,000	Long	50.75%
Ms. He Huifen	Interest in a controlled Corporation <sup>(4)</sup>	247,000,000	Long	18.52%

#### Notes:

- (1) Based on the number of issued shares of the Company (the “Shares”) as at 30 June 2025, being, 1,334,000,000 Shares.
- (2) Zhihui Guang Limited (“Zhihui Guang”) is owned as to 51% by Mr. He Huishan and 49% by Ms. Zhou Lanqing, respectively. Ms. Zhou Lanqing is the spouse of Mr. He Huishan. Mr. He Huishan is therefore deemed to be interested in the Shares held by Zhihui Guang by virtue of the SFO, being 570,000,000 Shares.
- (3) Mr. He Huishan is the sole shareholder of Good Booming Limited (“Good Booming”). Mr. He Huishan is therefore deemed to be interested in the Shares held by Good Booming by virtue of the SFO, being 107,000,000 Shares.
- (4) Ms. He Huifen is the sole shareholder of China Foreign Education Limited (“China Foreign Education”). Ms. He Huifen is therefore deemed to be interested in the Shares held by China Foreign Education by virtue of the SFO, being 247,000,000 Shares.

## CORPORATE GOVERNANCE/OTHER INFORMATION

### Long Position in the Shares of the Associated Companies

*Long Position in the Shares of Guangzhou Lingnan Education Group Co., Ltd. (廣州嶺南教育集團有限公司)*

Name of Director	Nature of interest	Number of shares held	Position	Approximate percentage of shareholding in the associated company as at 30 June 2025 <sup>(1)</sup>
Mr. He Huishan	Beneficial owner	21,000,000	Long	70.00%
Ms. He Huifen	Beneficial owner	9,000,000	Long	30.00%

Note:

- (1) Based on the number of issued shares of Guangzhou Lingnan Education Group Co., Ltd. as at 30 June 2025, being, 30,000,000 shares.

Save as disclosed above, as at 30 June 2025, neither the chief executive of the Company nor any of the Directors 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.

## CORPORATE GOVERNANCE/OTHER INFORMATION

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

As at 30 June 2025, so far as is known to the Directors or chief executive of the Company, the following persons (other than Directors 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 Divisions 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 Substantial Shareholder	Nature of interest	Number of shares held	Position	Approximate percentage of shareholding in the Company as at 30 June 2025 <sup>(1)</sup>
Zhihui Guang	Beneficial owner <sup>(2)</sup>	570,000,000	Long	42.73%
Good Booming	Beneficial owner <sup>(3)</sup>	107,000,000	Long	8.02%
Ms. Zhou Lanqing	Interest in a controlled corporation <sup>(2)</sup>	570,000,000	Long	42.73%
	Spouse interest <sup>(2)(3)</sup>	107,000,000	Long	8.02%
China Foreign Education	Beneficial owner <sup>(4)</sup>	247,000,000	Long	18.52%
Mr. Han Liqing	Spouse interest <sup>(4)</sup>	247,000,000	Long	18.52%
Fangyuan Education	Beneficial owner <sup>(5)</sup>	76,000,000	Long	5.70%
Mr. Du Wenyu	Interest in a controlled corporation <sup>(5)</sup>	76,000,000	Long	5.70%

Notes:

- (1) Based on the number of issued Shares as at 30 June 2025, being, 1,334,000,000 Shares.
- (2) Zhuihui Guang is owned as to 51% by Mr. He Huishan and 49% by Ms. Zhou Lanqing, respectively. Ms. Zhou Lanqing is the spouse of Mr. He Huishan. Ms. Zhou Lanqing is therefore deemed to be interested in the Shares held by Zhihui Guang by virtue of the SFO, being 570,000,000 Shares.
- (3) Mr. He Huishan is the sole shareholder of Good Booming. Ms. Zhou Lanqing is the spouse of Mr. He Huishan. Ms. Zhou Lanqing is therefore deemed to be interested in the Shares held by Good Booming by virtue of the SFO, being 107,000,000 Shares.
- (4) Ms. He Huifen is the sole shareholder of China Foreign Education. Mr. Han Liqing is the spouse of Ms. He Huifen. Mr. Han Liqing is therefore deemed to be interested in the Shares held by China Foreign Education by virtue of the SFO, being 247,000,000 Shares.
- (5) Mr. Du Wenyu is the sole shareholder of Fangyuan International Education Investment Limited ("Fangyuan Education"). Mr. Du Wenyu is therefore deemed to be interested in the Shares held by Fangyuan Education by virtue of the SFO, being 76,000,000 Shares.

## CORPORATE GOVERNANCE/OTHER INFORMATION

Save as disclosed above, as at 30 June 2025, the Directors and the chief executive of the Company are not aware of any other person (other than Directors or chief executive of the Company) 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 Divisions 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.

### SHARE OPTION SCHEME

A share option scheme (the “Scheme”) was conditionally approved by a written resolution of the Shareholder on 23 June 2021 and adopted by a resolution of the board of directors on the same day before the effective date of the new Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) (i.e. 1 January 2023). Details of the share option scheme are set out in “Appendix IV — Statutory and General Information” of the prospectus of the Company dated 30 June 2021 (the “Prospectus”).

The purpose of the Scheme is to give the Eligible Persons (as defined below) an opportunity to have a personal stake in the Company and help motivate them to optimize their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of Executives (as defined below), to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

The Board may, at its absolute discretion, offer options (“Options”) to subscribe for such number of Shares in accordance with the terms set out in the Scheme to:

- (a) any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of our Group (“Executive”), any proposed employee, any full-time or part-time employee, or a person for the time being seconded to work full-time or part-time for any member of our Group (“Employee”);
- (b) a director or proposed director (including an independent non-executive director) of any member of our Group;
- (c) a direct or indirect shareholder of any member of our Group;
- (d) a supplier of goods or services to any member of our Group;

## CORPORATE GOVERNANCE/OTHER INFORMATION

- (e) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of our Group;
- (f) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of our Group;
- (g) an associate of any of the persons referred to in paragraphs (a) to (f) above; and
- (h) any person involved in the business affairs of our Company whom our Board determined to participate in the Share Option Scheme (the person referred above are the “Eligible Persons”)\*.

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the Shares in issued as at the Listing Date, representing 133,400,000 Shares. The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes of our Group shall not exceed 30% of the Company’s issued share capital from time to time. No Options may be granted under the Scheme and any other share option scheme of the Company if this will result in such limit being exceeded.

No option may be granted to any participant of the Scheme such that the total number of Shares issued and to be issued upon exercise of the Options granted and to be granted to that person in any 12-month period exceeds 1% of the Company’s issued share capital from time to time. Where any further grant of Options to such an Eligible Person would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such Eligible Person (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant shall be separately approved by the Shareholders in general meeting with such Eligible Person and his close associates (or his associates if such Eligible Person is a connected person) abstaining from voting.

Note:

- \* Pursuant to the amendments to the Listing Rules with effect from 1 January 2023, the Eligible Persons under the Scheme is subject to Rule 17.03A of the Listing Rules.

## CORPORATE GOVERNANCE/OTHER INFORMATION

An option may be exercised in accordance with the terms of the Scheme at any time during a period as determined by the Board. Subject to the terms of the Scheme, the Scheme shall be valid and effective for a period of 10 years from the Listing Date, after which no further Options will be granted or offered but the provisions of the Scheme shall remain in force and effect in all other respects. All Options granted prior to such expiry and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Scheme. Subject to the terms and conditions as the Board may determine (including such terms and conditions in relation to their vesting, exercise or otherwise), there is no minimum period for which an Option must be held before it can be exercised. Participants of the Scheme are required to pay the Company HK\$1.0 upon acceptance of the grant on or before the 28 days after the offer date. The exercise price of the Options is determined by the Board in its absolute discretion and shall not be less than whichever is the highest of:

- (a) the nominal value of a Share;
- (b) the closing price of a Share as stated in the Stock Exchange's daily quotations sheets on the offer date; and
- (c) the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the offer date.

The Scheme has a remaining life of approximately 5 years and 10 months as at the date of this interim report.

For the period from the date of the adoption of the Scheme to the date of this report, no options were granted, outstanding, exercised, cancelled or lapsed under the Scheme. Thus, as at the beginning and the end of the six months ended 30 June 2025 and the date of this report, the number of Shares issuable under the Scheme was 133,400,000, which represented 10% of the Shares in issue (excluding treasury shares) as at the same date and the weighted average number of the Shares in issue (excluding treasury shares) of the Company. As there had been no grant or exercise of any share options during the Reporting Period, the disclosure requirements under Rules 17.07(1)(d) and 17.07(3) of the Listing Rules regarding the weighted average closing price of the Shares immediately prior to exercise date and the number of shares that may be issued in respect of options and awards granted under all schemes of the Company during the Reporting Period divided by the weighted average number of shares of the relevant class in issue (excluding treasury shares) for the Reporting Period are not applicable.

### SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

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 report.

## CORPORATE GOVERNANCE/OTHER INFORMATION

### 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 2025, the Company had utilised HK\$325.1 million of the Net Proceeds, representing approximately 72.9% of the Net Proceeds. The amount of the unutilised Net Proceeds is HK\$120.9 million, representing approximately 27.1% of the Net Proceeds.

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	Re-allocation of the unutilised Net Proceeds as stated	Unutilised amount (i.e. amount brought forward) as at	Utilised amount during the Reporting Period	Utilised amount as at 30 June 2025	Unutilised amount as at 30 June 2025	Expected timeline
	portion as stated in the announcement of the Company dated 28 August 2024	in the announcement of the Company dated 28 August 2024	1 January 2025		at 30 June 2025	at 30 June 2025	
	HK\$' Million	HK\$' Million	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	61.1%	272.6	81.9	11.1	201.8	70.8	2022-2025
– Constructing an industry and education integrated industrial park	3.0%	13.4	9.1	–	4.3	9.1	2022-2025
Acquire other schools and educational service providers to expand the school network	25.9%	115.4	41.0	–	74.4	41.0	2022-2025
Working capital	10.0%	44.6	–	–	44.6	–	N/A
<b>Total</b>	<b>100.0%</b>	<b>446.0</b>	<b>132.0</b>	<b>11.1</b>	<b>325.1</b>	<b>120.9</b>	

## CORPORATE GOVERNANCE/OTHER INFORMATION

As at the date of this report, there was no change in the intended use of Net Proceeds and the expected timeline as previously disclosed in the announcement of the Company dated 28 August 2024, and will gradually utilise the residual amount of the Net Proceeds in accordance with the intended purposes.

### Supplemental Information in relation to the 2024 Annual Report

Reference is made to the annual report (the “2024 Annual Report”) of the Company for the year ended 31 December 2024 published on 30 April 2025. The Company would like to provide supplemental information in respect of the use of Net Proceeds to the 2024 Annual Report:

“The amount of Net Proceeds brought forward to the year ended 31 December 2024 (i.e. the unutilised amount as at 1 January 2024) was approximately RMB262.1 million.

As previously disclosed in the announcement of the Company dated 28 August 2024: the Board is of the view that the use of proceeds should be appropriately adjusted to maintain maximum flexibility for better accommodation to the changing market conditions and industry environment. The Company has been actively exploring various strategic acquisition opportunities since 2022, but has not identified suitable acquisition opportunities for additional land. Accordingly, in order to improve the efficiency of the use of proceeds, reduce financial expenses and align with the Company’s strategic objectives, taking into account the sequence of the original use of the Net Proceeds, the Company intended to adjust the planning and proportion of the use of unutilised Net Proceeds. Based on the interests of the Company and its shareholders as a whole and in light of market conditions and the Company’s business needs, the Company intended to reallocate the entire remaining balance of the proceeds of HK\$209.6 million designated for acquiring additional land to expand Qingyuan Campus to enhance constructing additional teaching and administrative facilities and purchasing teaching equipment of the Group. The Group will continue to explore different acquisition opportunities for additional lands bringing values to the Group. In the event that there are suitable acquisitions in the future, the Company shall still use its own funds for the acquisitions, and the Company’s acquisition strategy will not be affected because of the change in the use of the Net Proceeds. The Board considers that the change in use of the Net Proceeds will not have any material adverse impact on the operations of the Group and is in the interests of the Company and the shareholders of the Company as a whole. The Board will closely monitor the utilisation of the Net Proceeds. Save as disclosed in this report, there is no other change in the use of the Net Proceeds. Should there be any further change in the use of the Net Proceeds, further announcement(s) will be made by the Company as and when appropriate.”

## CORPORATE GOVERNANCE/OTHER INFORMATION

### INTERIM DIVIDEND

The Board has proposed to declare an interim dividend of HK2.0 cents per share for the six months ended 30 June 2025 (30 June 2024: HK2.2 cents). The interim dividend will be declared and paid in Hong Kong dollars. The interim dividend will be paid on 30 September 2025 to the Shareholders whose names appear on the register of members of the Company on 16 September 2025.

### CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 15 September 2025 to Tuesday, 16 September 2025, both days inclusive, during which period no share transfers can be registered. In order to be qualified for the proposed interim dividend, all transfer instruments accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Friday, 12 September 2025.

### 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 Listing Rules)) for the six months ended 30 June 2025. As at 30 June 2025, 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 2025, the Group did not have any plans for material investments or investments in capital assets.

## CORPORATE GOVERNANCE/OTHER INFORMATION

### CHANGES IN THE INFORMATION OF THE DIRECTORS OR THE CHIEF EXECUTIVE AS REQUIRED TO BE DISCLOSED PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Changes in the information of the Directors or the chief executive as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

- (1) Ms. He Huifen, an executive Director, has been appointed as a member of the Nomination Committee with effect from 30 June 2025;
- (2) Mr. Ma Shuchao, an independent non-executive Director, has been appointed as a member of the Nomination Committee with effect from 30 June 2025;
- (3) Mr. Luo Pan has tendered his resignation as an independent non-executive Director, the chairman of the Audit Committee, and a member of each of the Remuneration Committee and the Nomination Committee with effect from 29 August 2025; and
- (4) Ms. Yang Yang has been appointed as an independent non-executive Director, the chairperson of the Audit Committee, and a member of each of the Remuneration Committee and the Nomination Committee with effect from 29 August 2025.

### 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 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 2025.

### 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 2025.

## CONTRACTUAL ARRANGEMENTS

Please refer to the section headed “Contractual Arrangements” of the Prospectus for details. The Board has reviewed the overall performance of the Contractual Arrangements and believe that the Group complied with the Contractual Arrangements in all material respects during the Reporting Period and up to the date of this report.

## QUALIFICATION REQUIREMENTS

Please refer to the section headed “Contractual Arrangements – PRC Laws and Regulations relating to Foreign Ownership in the Education Industry – Higher Education and Secondary Vocational Education” of the Prospectus in relation to the Sino-foreign cooperation requirement under the Negative List for the provision of higher education in the PRC where the foreign investor shall operate higher education in the PRC through cooperation with a PRC educational institution in compliance with the Sino-Foreign Regulation.

In relation to the interpretation of Sino-foreign cooperation, pursuant to the Sino-Foreign Regulation, if the Group were to apply for Lingnan Institute of Technology to be reorganized as a Sino-foreign joint venture private school for PRC students at a higher education institution (a “Sino-Foreign Joint Venture Private School”), the foreign investor in the Sino-Foreign Joint Venture Private School must be a foreign educational institution with relevant qualification and that provides high quality education (the “Qualification Requirement I”). Furthermore, pursuant to the Implementation Opinions of the MOE on Encouraging and Guiding the Entry of Private Capital in the Fields of Education and Promoting the Healthy Development of Private Education (《教育部關於鼓勵和引導民間資金進入教育領域促進民辦教育健康發展的實施意見》), the foreign portion of the total investment in a Sino-Foreign Joint Venture Private School should be below 50% (the “Foreign Ownership Restriction”). In addition, pursuant to the Sino-Foreign Regulation, the establishment of Sino-Foreign Joint Venture Private School is subject to approval of education authorities at the provincial or national level. Pursuant to the Sino-foreign Vocational Skills Training Measures (《中外合作職業技能培訓辦學管理辦法》), the foreign investor in a Sino foreign technical school (a “Sino-Foreign Joint Venture Private Technical School”) must be a foreign education institution or a foreign vocational skills training institution with relevant qualification and high quality (the “Qualification Requirement II”). If the Group were to apply for Lingnan Modern Technician College to be reorganized as a Sino-Foreign Joint Venture Private Technical School for PRC students at a technical school, it shall abide by the Qualification Requirement II.

## CORPORATE GOVERNANCE/OTHER INFORMATION

As advised by the Company's PRC legal advisors, there was no update on any implementing measures or specific guidance being promulgated pursuant to the Sino-Foreign Regulation to provide quantitative or specific standards on the Qualification Requirement I and/or Qualification Requirement II in Guangdong Province during the Reporting Period and up to the date of this report.

Please also refer to the section headed "Contractual Arrangements — PRC Laws and Regulations relating to Foreign Ownership in the Education Industry — Plan to Comply with the Qualification Requirement" in the Prospectus for further details on the Group's efforts and actions undertaken to comply with the Qualification Requirement I and/or Qualification Requirement II. As of the date of this report, the Group is still waiting for approval from the California Bureau for Private Postsecondary Education to establish the new school in the State of California, the United States.

### FOREIGN INVESTMENT LAW

Please refer to the section headed "Contractual Arrangements — Development In The PRC Legislation On Foreign Investment" of the Prospectus for the background of the Foreign Investment Law (外商投資法實施條例) and the impact and potential consequences of the Foreign Investment Law and its implementation regulations on the Group's contractual arrangements. As advised by the Company's PRC legal advisors, neither was there any change on the compliance status of the Group's contractual arrangements with the Foreign Investment Law as described in the Prospectus, nor was there any update on regulatory development in relation to the Foreign Investment Law since 1 January 2025 and up to the date of this report.

### COMPETING BUSINESS

The Board confirmed that neither the Directors nor any of their associates had any business or interest that competes or may compete with the business of the Group and there were no other conflicts of interest which any such person had or may have with the Group during the Reporting Period and up to the date of this report.

## THE 2016 DECISION AND THE 2021 IMPLEMENTATION RULES

Please refer to the section headed “Business – Potential Implications of the 2016 Decision and Related Implementation Rules” and “Business – The 2021 Implementation Rules” of the Prospectus for details of the 2016 Decision and the 2021 Implementation Rules.

As part of the Group’s measures to mitigate its compliance risks in relation to the 2016 Decision, the 2021 Implementation Rules and other relevant legal and regulatory developments, including its decision to register its schools as for-profit private schools or non-profit private schools in the future, the Group has assigned the responsibility to its finance and legal departments to pay close attention to the developments of these policies and regulations and the operations of its schools. They will report to the Group’s Board on a regular basis and the Group will promptly consult with its PRC legal advisors as and when required. The Group will also ensure that its acquisition in the future will fully comply with the relevant rules and regulations in effect from time to time. The Group will ensure that any decision will be made on a fully-informed basis by its Board, taking into account the findings of its finance and legal departments and will update its shareholders and investors as and when appropriate.

The Board confirmed that no relevant update was required to be provided to its Shareholders and investors in this regard during the Reporting Period and up to the date of this report.

By order of the Board  
**He Huishan**  
*Chairman*

Hong Kong, 29 August 2025

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

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

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Notes	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
REVENUE	4	361,785	335,761
Cost of sales		<u>(238,775)</u>	<u>(201,790)</u>
Gross profit		123,010	133,971
Other income and gains	4	33,852	27,832
Selling and distribution expenses		(13,936)	(13,438)
Administrative expenses		(41,825)	(43,895)
Other expenses		(12,606)	(13,992)
Finance costs		<u>(4,882)</u>	<u>(6,003)</u>
PROFIT BEFORE TAX	5	83,613	84,475
Income tax credit	6	<u>128</u>	<u>3,300</u>
PROFIT FOR THE PERIOD		<u>83,741</u>	<u>87,775</u>
OTHER COMPREHENSIVE INCOME			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of financial statements		<u>49</u>	<u>(74)</u>
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods		<u>49</u>	<u>(74)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		<u>49</u>	<u>(74)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>83,790</u>	<u>87,701</u>

# UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Note	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Profit attributable to:			
Owners of the parent		83,660	87,722
Non-controlling interests		81	53
		83,741	87,775
Total comprehensive income attributable to:			
Owners of the parent		83,709	87,648
Non-controlling interests		81	53
		83,790	87,701
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	<b>8</b>		
Basic and diluted			
— For profit for the period		RMB0.06	RMB0.07

# UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 JUNE 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	1,658,636	1,648,359
Investment properties		46,944	47,909
Right-of-use assets		346,039	362,105
Goodwill		3,052	3,052
Other intangible assets		11,629	10,771
Contract costs		8,441	9,055
Prepayments, other receivables and other assets		9,064	15,346
Deferred tax assets		13,028	12,843
<b>Total non-current assets</b>		<b>2,096,833</b>	<b>2,109,440</b>
<b>CURRENT ASSETS</b>			
Prepayments, other receivables and other assets		16,432	13,315
Accounts receivable	10	2,381	9,254
Amounts due from related parties	14(c)	4,720	891
Contract costs		10,466	10,641
Financial assets at fair value through profit or loss	15	—	30
Cash and cash equivalents		300,211	279,190
Time deposits		95,000	85,000
Restricted bank deposits		—	22,888
<b>Total current assets</b>		<b>429,210</b>	<b>421,209</b>
<b>CURRENT LIABILITIES</b>			
Contract liabilities	4	120,861	293,790
Other payables and accruals		165,150	194,671
Interest-bearing bank and other borrowings		94,062	63,079
Lease liabilities		22,261	24,632
Tax payable		13,925	15,629
Amounts due to related parties	14(c)	3,562	1,658
Deferred income		4,201	5,072
<b>Total current liabilities</b>		<b>424,022</b>	<b>598,531</b>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>5,188</b>	<b>(177,322)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>2,102,021</b>	<b>1,932,118</b>

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

30 JUNE 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank and other borrowings		229,374	118,140
Lease liabilities		71,102	78,626
Deferred income		76,330	77,923
<b>Total non-current liabilities</b>		<b>376,806</b>	<b>274,689</b>
<b>Net assets</b>		<b>1,725,215</b>	<b>1,657,429</b>
<b>EQUITY</b>			
Equity attributable to owners of the parent			
Share capital	11	11,124	11,124
Reserves		1,713,701	1,645,996
		<b>1,724,825</b>	<b>1,657,120</b>
Non-controlling interests		390	309
<b>Total equity</b>		<b>1,725,215</b>	<b>1,657,429</b>

# UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Attributable to owners of the parent								
	Share capital	Capital reserve – share premium	Capital reserve – others	Statutory and other reserves	Exchange fluctuation reserve	Retained profits	Non-controlling interests	Total equity	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Note 11									
At 31 December 2024 (audited)	11,124	262,031	5,593	284,280	(233)	1,094,325	1,657,120	309	1,657,429
Profit for the period	-	-	-	-	-	83,660	83,660	81	83,741
Other comprehensive loss for the period:									
Exchange differences on translation of financial statements	-	-	-	-	49	-	49	-	49
Total comprehensive income for the period	-	-	-	-	49	83,660	83,709	81	83,790
Transfer from retained profits	-	-	-	9,115	-	(9,115)	-	-	-
Final dividend declared for 2024	-	(16,004)	-	-	-	-	(16,004)	-	(16,004)
At 30 June 2025 (unaudited)	<u>11,124</u>	<u>246,027*</u>	<u>5,593*</u>	<u>293,395*</u>	<u>(184)*</u>	<u>1,168,870*</u>	<u>1,724,825</u>	<u>390</u>	<u>1,725,215</u>

\* These reserve accounts comprise the consolidated reserves of RMB1,713,701,000 in the unaudited interim condensed consolidated statement of financial position as at 30 June 2025.

# UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Attributable to owners of the parent								
	Capital		Statutory			Retained	Total	Non-	Total
	reserve –	Capital	and other	Exchange	profits				
Share	share	reserve –	surplus	fluctuation	Total	interests	Total	equity	
capital	premium	others	reserves	reserve	profits	Total	interests	Total	equity
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Note 11									
At 31 December 2023 (audited)	11,124	346,895	5,593	273,335	(481)	1,014,378	1,650,844	309	1,651,153
Profit for the period	–	–	–	–	–	87,722	87,722	53	87,775
Other comprehensive income for the period:									
Exchange differences on translation of financial statements	–	–	–	–	(74)	–	(74)	–	(74)
Total comprehensive income for the period	–	–	–	–	(74)	87,722	87,648	53	87,701
Final 2023 dividend declared	–	(58,076)	–	–	–	–	(58,076)	–	(58,076)
Transfer from retained profits	–	–	–	10,123	–	(10,123)	–	–	–
At 30 June 2024 (unaudited)	<u>11,124</u>	<u>288,819*</u>	<u>5,593*</u>	<u>283,458*</u>	<u>(555)*</u>	<u>1,091,977*</u>	<u>1,680,416</u>	<u>362</u>	<u>1,680,778</u>

\* These reserve accounts comprise the consolidated reserves of RMB1,669,292,000 in the unaudited interim condensed consolidated statement of financial position as at 30 June 2024.

# UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Notes	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		83,613	84,475
Adjustments for:			
Finance costs		4,882	6,003
Bank interest income	4	(1,995)	(1,751)
Loan interest income	4	—	(294)
Fair value gain, net:			
Financial assets at fair value through profit or loss	4	—	(782)
Government grants released	4	(4,249)	(3,525)
Exchange loss, net	5	64	1,895
Loss on disposal of items of property, plant and equipment, net	5	90	15
Reversal of provision for expected credit losses on accounts receivable	5	—	(62)
Depreciation of property, plant and equipment	5	40,758	33,064
Depreciation of investment properties	5	965	965
Depreciation of right-of-use assets	5	16,066	15,453
Amortisation of other intangible assets	5	1,554	1,286
		<b>141,748</b>	<b>136,742</b>
Decrease in accounts receivable		6,873	2,257
Increase in prepayments, other receivables and other assets		(8,897)	(5,264)
Decrease in contract costs		789	2,465
Withdraw of restricted bank deposits		22,888	—
(Increase)/decrease in operating portion of amounts due from related parties		(3,829)	11,221
Increase in operating portion of amounts due to related parties		1,904	—
(Decrease)/increase in other payables and accruals		(24,320)	6,997
Decrease in contract liabilities		(172,929)	(163,055)
Receipt of government grants		1,211	1,979
Cash used in operations		<b>(34,562)</b>	<b>(6,658)</b>
Bank interest received		550	1,751
Chinese Mainland corporate income tax paid		(1,699)	(1,288)
Net cash flows used in operating activities		<b>(35,711)</b>	<b>(6,195)</b>

# UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in investing portion of prepayments, other receivables and other assets	—	(2,214)
Proceeds from disposal of financial assets at fair value through profit or loss	30	82,352
Interest received	1,445	—
Placement of non-pledged time deposits with original maturity of more than three months when acquired	(95,000)	(85,000)
Withdraw of non-pledged time deposits with original maturity of more than three months when acquired	85,000	
Additions to other intangible assets	(1,384)	(621)
Purchases of items of property, plant and equipment	(43,491)	(56,023)
Proceeds from disposal of items of property, plant and equipment	89	—
<b>Net cash flows used in investing activities</b>	<b>(53,311)</b>	<b>(61,506)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
New bank and other borrowings	172,325	71,000
Repayments of bank and other borrowings	(30,131)	(96,000)
Interest paid	(4,067)	(4,221)
Dividends paid	(16,004)	(58,076)
Lease payments	(12,066)	(11,487)
Decrease in pledged deposits	—	18,170
<b>Net cash flows from/(used in) financing activities</b>	<b>110,057</b>	<b>(80,614)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>21,035</b>	<b>(148,315)</b>
Cash and cash equivalents at beginning of period	279,190	421,417
Effect of foreign exchange rate changes, net	(14)	(1,969)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>300,211</b>	<b>271,133</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	300,211	271,133
Cash and cash equivalents as stated in the unaudited interim condensed consolidated statement of financial position and the unaudited interim condensed consolidated statement of cash flows	300,211	271,133

## 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 2025 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 2024.

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 2024, except for the adoption of amendments to HKFRS Accounting Standards effective as of 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

One amendment applies for the first time in 2025, but does not have an impact on the interim condensed consolidated financial statements of the Group.

## 2. ACCOUNTING POLICIES *(continued)*

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(continued)*

#### *Lack of exchangeability – Amendments to HKAS 21*

The amendments to HKAS 21 *The Effects of Changes in Foreign Exchange Rates* specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have a material impact on the Group's 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.

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2025

### 3. OPERATING SEGMENT INFORMATION *(continued)*

#### 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 2024: Nil).

### 4. REVENUE, OTHER INCOME AND GAINS

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

	Notes	For the six months ended	
		30 June	
		2025	2024
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
<b>Revenue</b>			
<i>Revenue from contracts with customers</i>			
Tuition fees	(a)	328,837	302,546
Boarding fees	(a)	30,463	29,296
Other education service fees	(b)	2,485	3,919
<b>Total</b>		<b>361,785</b>	<b>335,761</b>
<b>Other income and gains</b>			
Rental income		18,267	13,567
Training income		7,998	6,653
Government grants:			
Related to assets	(c)	3,417	2,731
Related to income	(d)	832	794
Bank interest income		1,995	1,751
Loan interest income		—	294
Brand licensing income	14(b)	909	863
Fair value gain, net:			
Financial assets at fair value through profit or loss		—	782
Exchange gain, net		4	—
Others		430	397
<b>Total</b>		<b>33,852</b>	<b>27,832</b>

#### 4. REVENUE, OTHER INCOME AND GAINS (continued)

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 2025 RMB'000 (Unaudited)	Year ended 31 December 2024 RMB'000 (Audited)
At the beginning of the period/year	293,790	234,117
Revenue recognised that was included in the balance of contract liabilities at the beginning of the period/year	(270,530)	(232,302)
Increases due to cash received, including amounts recognised as revenue during the period/year	205,241	760,377
Revenue recognised that was not included in contract liabilities at the beginning of the period/year	(99,252)	(466,471)
Transfer to refund liabilities	(8,388)	(1,931)
At the end of the period/year	<u>120,861</u>	<u>293,790</u>

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2025

### 4. REVENUE, OTHER INCOME AND GAINS (continued)

#### Contract liabilities (continued)

#### 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	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue recognised that was included in the balance of contract liabilities at the beginning of the period		
Tuition fees	242,306	204,583
Boarding fees	28,224	27,856
Total	<u>270,530</u>	<u>232,439</u>

#### Unsatisfied performance obligations

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June 2025 are as follows:

	30 June	31 December
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Expected to be recognised within one year:		
Tuition fees	118,067	261,407
Boarding fees	2,794	32,383
Total	<u>120,861</u>	<u>293,790</u>

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.

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2025

### 5. PROFIT BEFORE TAX

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

	Notes	For the six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Employee benefit expense (excluding directors' and chief executive's remuneration):			
Wages and salaries		129,872	117,609
Pension scheme contributions (defined contribution scheme)****		<u>8,775</u>	<u>14,473</u>
<b>Total</b>		<b><u>138,647</u></b>	<b><u>132,082</u></b>
Depreciation of property, plant and equipment		40,758	33,064
Depreciation of right-of-use assets		16,066	15,453
Depreciation of investment properties		965	965
Amortisation of other intangible assets*		1,554	1,286
Exchange loss, net		64	1,895
Donation expenses***		316	1,370
Lease payments not included in the measurement of lease liabilities		1,157	346
Auditor's remuneration		—	1,100
Loss on disposal of items of property, plant and equipment, net***	9	90	15
Reversal of provision for expected credit losses on accounts receivable		—	(62)
Fair value gain, net			
Financial assets at fair value through profit or loss	4	—	(782)
Bank interest income	4	(1,995)	(1,751)
Loan interest income	4	—	(294)
Government grants**	4	<u>(4,249)</u>	<u>(3,525)</u>

\* 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.

## 6. INCOME TAX (continued)

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 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.

Considering that the relevant tax policies regarding schools for which the school sponsor(s) require reasonable returns or schools for which the school sponsor(s) do not require reasonable returns remain unchanged, no further new and specific tax implementation regulations are announced and the PRC Schools remain as private non-enterprise units and, in accordance with the historical tax compliance confirmations obtained from the local tax authorities and the Group's external legal advisor's comments on the preferential tax treatments for the current period, the PRC Schools treated their academic education income as non-taxable income and did not pay corporate income tax for the academic education income and have enjoyed the preferential tax treatments during the period. In the event the PRC Schools elect to register as for-profit private schools, the PRC Schools may be subject to corporate income tax ("CIT") at a rate of 25% in respect of service fees they receive from the provision of academic educational services going forward, if they do not enjoy any preferential tax treatment. As such, a significant impact on the Group's profit and loss may arise.

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, an subsidiary was entitled to a preferential tax rate of 20% of its respective taxable income. Except for that, the Group's other non-school subsidiaries which operate in Chinese Mainland are subject to CIT at a rate of 25% on their respective taxable income.

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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### 6. INCOME TAX (continued)

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	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current — Chinese Mainland		
Charge for the period	58	257
Deferred	<u>(186)</u>	<u>(3,557)</u>
Total	<u><u>(128)</u></u>	<u><u>(3,300)</u></u>

### 7. DIVIDENDS

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Proposed Interim — HK 2.0 cents (six months ended 30 June 2024: HK2.2 cents) per ordinary share	24,321	26,788
Final declared and paid — HK1.3 cents (2024: HK4.8 cents) per ordinary share	<u>16,004</u>	<u>58,076</u>

On 29 August 2025, the board of directors proposed to declare an interim dividend of HK2.0 cent (six months ended 30 June 2024: HK2.2 cents) per ordinary share, amounting to a total of approximately RMB24,321,000 (six months ended 30 June 2024: RMB26,788,000).

## 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 2024: 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 2025 and 2024.

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

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	<u>83,660</u>	<u>87,722</u>

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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### 8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT *(continued)*

	Number of shares For the six months ended 30 June	
	2025	2024
<b>Shares</b>		
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. PROPERTY, PLANT AND EQUIPMENT

Assets with a net book value of RMB179,000 were disposed of by the Group during the six months ended 30 June 2025 (six months ended 30 June 2024: RMB15,000), resulting in a net loss on disposal of RMB90,000 (six months ended 30 June 2024: RMB15,000) (note 5).

### 10. 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 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within one year	2,255	8,930
One to two years	<u>126</u>	<u>324</u>
Total	<u><u>2,381</u></u>	<u><u>9,254</u></u>

## 11. SHARE CAPITAL

### Shares

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Issued and fully paid:		
1,334,000,000 (31 December 2024: 1,334,000,000) ordinary shares	<u>11,124</u>	<u>11,124</u>

## 12. CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any significant contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened (31 December 2024: Nil).

## 13. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Property, plant and equipment	<u>24,933</u>	<u>91,791</u>

## 14. RELATED PARTY TRANSACTIONS

The Directors are of the view that the following persons and companies are related parties that had material transactions or balances with the Group during the period.

### (a) Name and relationship of related parties

Name	Relationship
Mr. He Huishan (賀惠山)	Director of the Company and one of the shareholders
Ms. Zhou Lanqing (周蘭慶)	Spouse of Mr. He Huishan and one of the shareholders
Ms. He Huifen (賀惠芬)	Director of the Company, one of the shareholders and sister of Mr. He Huishan and Ms. He Huifang
Mr. Han Liqing (韓利慶)	Spouse of Ms. He Huifen
Mr. Du Wenyu (杜文宇)	One of the shareholders of the Company
Guangzhou Lingnan Tongwen Education Investment Management Co., Ltd.* (廣州嶺南同文教育投資管理有限公司) “Tongwen Investment”)	A limited liability company indirectly owned by Ms. He Huifen, Mr. Han Liqing and Ms. Zhou Lanqing
Guangzhou Lingnan Health Valley Investment Co., Ltd.* (廣州嶺南養生谷投資有限公司, “Health Valley”)	A limited liability company controlled by Mr. He Huishan and Ms. Zhou Lanqing
Guangzhoushi Huangpuqu Lingnan Shuyuan Academy Training Center* (廣州市黃埔區嶺南書院培訓中心, “Huangpu Training Center”)	A company controlled by Mr. Du Wenyu
Guangzhou Tianhe Lingnan Kindergarten (廣州市天河區嶺南幼兒園, “Lingnan Kindergarten”) (formerly named Guangzhou Tianhe Lingnan International Kindergarten)	A school controlled by Mr. He Huishan
Guangzhoushi Huangpuqu Huawai Tongwen Foreign Language School* (廣州市黃埔區華外同問外國語學校, “Huawai”)	A school controlled by Ms. He Huifen

\* The English names of these companies established in the PRC represent the best effort made by the Directors to translate the Chinese names as they have not been registered with any official English names.

14. RELATED PARTY TRANSACTIONS (continued)

(b) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the period:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Rental income		
Tongwen Investment	328	318
Health Valley	3,439	3,830
Huangpu Training Center	—	73
Total	<u>3,767</u>	<u>4,221</u>

The rental income was made according to the published prices and conditions offered to the other third party lessees of the Group.

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Brand licensing income		
Lingnan Kindergarten	<u>909</u>	<u>863</u>

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2025

### 14. RELATED PARTY TRANSACTIONS (continued)

#### (b) (continued)

The brand licensing income was received for the brand name used by Lingnan International Kindergarten. The fees were charged pursuant to the normal commercial terms in the agreements signed between the Group and Lingnan Kindergarten.

	For the six months ended	
	30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Services fee		
Health Valley	<u>1,927</u>	<u>—</u>

The services fee was paid to Health Valley for the cost incurred for the practical teaching course for the students from healthcare college provided by Health Valley. The fees were charged pursuant to the normal commercial terms in the agreements signed between the Group and Health Valley.

#### (c) Outstanding balances with a related party

As disclosed in the unaudited interim condensed consolidated statement of financial position, the Group had outstanding balances due from related parties as at 30 June 2025 as follows:

*Amounts due from related parties:*

Name	30 June	31 December
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Health Valley	4,626	516
Lingnan Kindergarten	<u>94</u>	<u>375</u>
Total	<u>4,720</u>	<u>891</u>

14. RELATED PARTY TRANSACTIONS (continued)

(c) Outstanding balances with a related party (continued)

As at 30 June 2025, the amounts due from the related parties were mainly trade in nature, unsecured, interest-free and repayable within one year, and were caused by the transactions disclosed in note 14(b) to the interim condensed consolidated financial statements.

Amounts due to related parties:

Name	30 June	31 December
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Tongwen Investment	1,784	1,658
Huawai	1,778	—
Total	<u>3,562</u>	<u>1,658</u>

The amounts due to related parties were unsecured, interest-free and repayable on demand.

(d) Compensation of key management personnel of the Group:

	For the six months ended	
	30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries, allowances and benefits in kind	1,374	1,174
Performance related bonuses	—	1,010
Pension scheme contributions	—	28
Total compensation paid to key management personnel	<u>1,374</u>	<u>2,212</u>

The related party transactions in respect of rental income and brand licensing income above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

## 15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

As at 30 June 2025, the fair values of the Group's financial assets and liabilities approximated to their respective carrying amounts.

Management has assessed that the fair values of financial assets included in prepayments, other receivables and other assets, accounts receivable, amounts due from related parties, cash and cash equivalents, time deposits, financial liabilities included in other payables and accruals, the current portion of interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short term maturities of instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for non-current portion of interest-bearing bank and other borrowings as at the end of the reporting period were assessed to be insignificant. The fair values of the non-current portion of interest-bearing bank and other borrowings approximate to their carrying amounts as at the end of the reporting period.

15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

No assets were measured at fair value as at 30 June 2025.

As at 31 December 2024

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000 (Audited)	RMB'000 (Audited)	RMB'000 (Audited)	RMB'000 (Audited)
Financial asset at fair value through profit or loss	—	—	30	30

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2025

### 15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(continued)

Fair value hierarchy (continued)

Liabilities for which fair values are disclosed:

As at 30 June 2025

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Non-current portion of interest-bearing bank and other borrowings	—	229,374	—	229,374

As at 31 December 2024

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
	(Audited)	(Audited)	(Audited)	(Audited)
Non-current portion of interest-bearing bank and other borrowings	—	118,140	—	118,140

During the reporting period, there were no transfers of fair value measurement between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 June 2024: Nil).