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CHINA EAST EDUCATION HOLDINGS LIMITED

中國東方教育控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 667)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

HIGHLIGHTS			
	Six months ended 30 June		Change
	2025	2024	Increase/ (Decrease)
Number of new students enrollments and new customers registered	83,521	78,009	7.1 %
Average number of students enrolled and customers registered	152,817	144,793	5.5 %
Revenue (RMB million)	2,186	1,983	10.2 %
Gross profit (RMB million)	1,253	1,051	19.2 %
Net profit (RMB million)	403	272	48.4 %
Adjusted net profit (RMB million) ⁽¹⁾	416	278	49.5 %
Adjusted EBITDA (RMB million) ⁽²⁾	893	715	25.0 %
	As at	As at	Change
	30 June 2025	31 December 2024	Increase/ (Decrease)
Number of schools and centers	234	233	1
Net assets (RMB million)	5,766	5,749	0.3 %
Total assets (RMB million)	9,821	9,484	3.6 %

(1) Adjusted net profit was derived from the net profit for the respective periods excluding the effect of (i) non-cash share-based payment expenses and (ii) the net foreign exchange gains. This is not Hong Kong Financial Reporting Standards measure. For details, please refer to the section headed “Management Discussion and Analysis – Financial Review – Adjusted Net Profit and Adjusted EBITDA” in this announcement.

(2) Adjusted EBITDA was derived from the adjusted net profit for the respective periods excluding finance costs, income tax expenses and depreciation expenses. This is not Hong Kong Financial Reporting Standards measure. For details, please refer to the section headed “Management Discussion and Analysis – Financial Review – Adjusted Net Profit and Adjusted EBITDA” in this announcement.

The board (the “**Board**”) of directors (the “**Director(s)**”) of China East Education Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2025 together with the comparative figures for the corresponding period in 2024. Deloitte Touche Tohmatsu, the Company’s auditor, has conducted its review on the unaudited condensed consolidated financial statements for the six months ended 30 June 2025 in accordance with the Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	<i>Notes</i>	Six months ended 30 June	
		2025	2024
		<i>RMB’000</i>	<i>RMB’000</i>
		(unaudited)	(unaudited)
Revenue	4	2,186,253	1,983,324
Cost of revenue		(932,881)	(932,200)
Gross profit		1,253,372	1,051,124
Other income and expenses	5	49,852	57,501
Other gains and losses	6	18,213	24,472
Selling expenses		(491,072)	(464,212)
Administrative expenses		(235,815)	(255,812)
Research and development expenses		(4,465)	(5,425)
Finance costs	7	(54,755)	(61,578)
Profit before tax		535,330	346,070
Income tax expense	8	(132,381)	(74,557)
Profit and total comprehensive income for the period	9	402,949	271,513
Earnings per share	11		
– Basic (<i>RMB cents</i>)		18.40	12.46
– Diluted (<i>RMB cents</i>)		18.10	12.45

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		As at 30 June 2025 <i>RMB'000</i> (unaudited)	As at 31 December 2024 <i>RMB'000</i> (audited)
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property and equipment		3,421,615	3,308,721
Right-of-use assets		2,215,741	2,148,822
Goodwill		661	–
Deferred tax assets		23,749	19,821
Deposits paid for acquisition of leasehold lands		1,641	6,206
Deposits for rental		17,967	18,919
Deposits for utilities and others		3,128	2,866
Deposit paid for acquisition of subsidiaries		–	10,000
		<u>5,684,502</u>	<u>5,515,355</u>
CURRENT ASSETS			
Inventories		65,011	64,349
Trade and other receivables	12	450,135	347,576
Other financial assets	13		
– measured at fair value through profit or loss (“FVTPL”)		1,257,883	499,769
– measured at amortised cost		50,000	50,000
Tax recoverable		2,311	3,404
Time deposits		536,795	1,536,862
Cash and cash equivalents		1,774,244	1,466,863
		<u>4,136,379</u>	<u>3,968,823</u>
CURRENT LIABILITIES			
Trade and other payables	14	668,143	706,794
Tax liabilities		110,017	94,837
Lease liabilities		315,240	336,426
Contract liabilities		1,697,616	1,456,590
		<u>2,791,016</u>	<u>2,594,647</u>
NET CURRENT ASSETS		<u>1,345,363</u>	<u>1,374,176</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,029,865</u>	<u>6,889,531</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2025

		As at 30 June 2025 <i>RMB'000</i> (unaudited)	As at 31 December 2024 <i>RMB'000</i> (audited)
	<i>Note</i>		
NON-CURRENT LIABILITIES			
Lease liabilities		1,166,604	1,085,784
Contract liabilities		45,632	24,235
Government grants		14,487	2,315
Deferred tax liabilities		36,968	27,733
		<u>1,263,691</u>	<u>1,140,067</u>
NET ASSETS			
		<u>5,766,174</u>	<u>5,749,464</u>
CAPITAL AND RESERVES			
Share capital	15	194	192
Reserves		<u>5,765,980</u>	<u>5,749,272</u>
TOTAL EQUITY			
		<u>5,766,174</u>	<u>5,749,464</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands and registered as an exempted company with limited liability under the Companies Act (Chapter 22) of the Cayman Islands on 4 October 2018. Its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 12 June 2019 (the “**Listing**”). Its ultimate controlling parties are Mr. Wu Junbao, Mr. Wu Wei and Mr. Xiao Guoqing, collectively referred as the “**Controlling Equity Holders**”. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business in the People’s Republic of China (the “**PRC**”) is No. 1009 Xuelin Road, Vocational Education Town, Yaohai District, Hefei City, Anhui Province, the PRC.

The Company is an investment holding company. The principal activities of its subsidiaries are mainly engaged in the operation of vocational education institutions.

The condensed consolidated financial statements are presented in Renminbi (“**RMB**”), which is the functional currency of the Company and its subsidiaries.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

Other than additional accounting policies resulting from application of amendments to HKFRS Accounting Standards and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2024.

3. PRINCIPAL ACCOUNTING POLICIES

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to a HKFRS Accounting Standard in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

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

Revenue represents service income from tuition fees and service fees less sales related tax, and is recognised over time.

The Group's operating segments are based on information prepared and reported to the chief operating decision makers ("CODM") and the board of directors of the Company, for the purposes of resource allocation and performance assessment.

The Group's reportable and operating segments for financial reporting purposes are as follows:

- (a) Culinary Arts (New East Culinary Education and Cuisine Academy): providing comprehensive culinary training programs to students who pursue a career in becoming professional chefs and also providing customised catering experience services to customers who are interested in cooking or who plan to establish their own businesses in the catering industry;
- (b) Western Cuisine and Pastry (Omick Education of Western Cuisine and Pastry): offering a variety of courses, including baking, desserts, western cuisines, bartending and barista training;
- (c) Information Technology and Internet Technology (Xinhua Internet Technology Education and Wisezone Data Technology Education): providing a wide range of information technology-related training to students and also providing short-term information technology and internet technology programs to junior college and university students who have possessed the basic knowledge and seek to further develop relevant practical skills;
- (d) Auto Services (Wontone Automotive Education): providing hands-on auto repair skill training as well as practical knowledge of automobile commerce;
- (e) Fashion and Beauty (On-mind Education): mainly focusing on cultivating high skills fashion and beauty professionals; and
- (f) Other miscellaneous businesses.

Segment results represent the profits earned by each segment and excluding certain other income and expenses, other gains and losses, corporate administrative expenses and income tax expense. No analysis of the Group's assets and liabilities is regularly provided to the management of the Group for review. Inter-segment sales are charged at cost plus approach.

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

The following is an analysis of the Group's revenue for the six months ended 30 June 2025 and 2024:

Six months ended 30 June 2025 (unaudited)

	Culinary Arts <i>RMB'000</i>	Western Cuisine and Pastry <i>RMB'000</i>	Information Technology and Internet Technology <i>RMB'000</i>	Auto Services <i>RMB'000</i>	Fashion and Beauty <i>RMB'000</i>	Other Miscellaneous Businesses <i>RMB'000</i>	Elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue								
External sales	1,024,404	182,064	366,789	492,415	76,996	43,585	–	2,186,253
Inter-segment sales	<u>2,092</u>	<u>–</u>	<u>46</u>	<u>197</u>	<u>–</u>	<u>85,784</u>	<u>(88,119)</u>	<u>–</u>
Segment revenue	<u><u>1,026,496</u></u>	<u><u>182,064</u></u>	<u><u>366,835</u></u>	<u><u>492,612</u></u>	<u><u>76,996</u></u>	<u><u>129,369</u></u>	<u><u>(88,119)</u></u>	<u><u>2,186,253</u></u>
Results								
Segment results	<u>319,139</u>	<u>25,461</u>	<u>83,962</u>	<u>106,582</u>	<u>11,473</u>	<u>(12,920)</u>	<u>–</u>	<u>533,697</u>
Unallocated								
Other income and expenses								27,305
Other gains and losses								19,174
Corporate administrative expenses								<u>(44,846)</u>
Profit before taxation								535,330
Income tax expense								<u>(132,381)</u>
Profit for the period								<u><u>402,949</u></u>

4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Six months ended 30 June 2024 (unaudited)

	Culinary Arts RMB'000	Western Cuisine and Pastry RMB'000	Information Technology and Internet Technology RMB'000	Auto Services RMB'000	Fashion and Beauty RMB'000	Other Miscellaneous Businesses RMB'000	Elimination RMB'000	Total RMB'000
Revenue								
External sales	919,295	159,280	378,229	449,163	40,481	36,876	–	1,983,324
Inter-segment sales	4,018	–	–	–	–	61,512	(65,530)	–
Segment revenue	<u>923,313</u>	<u>159,280</u>	<u>378,229</u>	<u>449,163</u>	<u>40,481</u>	<u>98,388</u>	<u>(65,530)</u>	<u>1,983,324</u>
Results								
Segment results	<u>208,545</u>	<u>(446)</u>	<u>69,415</u>	<u>75,231</u>	<u>(3,218)</u>	<u>(19,019)</u>	<u>–</u>	<u>330,508</u>
Unallocated								
Other income and expenses								45,741
Other gains and losses								17,765
Corporate administrative expenses								<u>(47,944)</u>
Profit before taxation								346,070
Income tax expense								<u>(74,557)</u>
Profit for the period								<u>271,513</u>

Geographical information

The Group primarily operates in the PRC. Substantially all of the non-current assets of the Group are located in the PRC.

Information about major customers

No single customer contributed over 10% of total revenue of the Group during the six months ended 30 June 2025 and 2024.

5. OTHER INCOME AND EXPENSES

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Asset-related government grants	2,297	1,704
Unconditional government grants	19,289	10,056
Interest income from		
– time deposits and bank balances	25,600	43,937
– entrusted loan to related parties	1,926	1,157
Others	740	647
	<u>49,852</u>	<u>57,501</u>

6. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Net gains from changes in fair value of other financial assets measured at FVTPL	20,145	20,148
Gains (losses) on disposals of property and equipment	380	(8,125)
Gains from termination of lease agreements	1,427	6,708
Net foreign exchange (losses) gains	(3,739)	5,741
	<u>18,213</u>	<u>24,472</u>

7. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Interest expenses on lease liabilities	54,755	61,578

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	RMB'000 (unaudited)	RMB'000 (unaudited)
PRC Enterprise Income Tax		
– current tax	119,813	77,732
– Under (over) provision in prior years	13,829	(1,529)
Deferred tax	(1,261)	(1,646)
	132,381	74,557

9. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2025	2024
	RMB'000 (unaudited)	RMB'000 (unaudited)
Profit for the period has been arrived at after charging:		
Directors' remuneration	1,737	1,889
Other staff costs		
– salaries and other allowances	620,516	628,889
– retirement benefit scheme contributions	78,712	77,335
– equity-settled share-based payments expenses	9,203	12,449
Total staff costs	710,168	720,562
Depreciation of property and equipment	158,532	157,218
Depreciation of right-of-use assets	132,356	145,717
Total depreciation	290,888	302,935
Less: capitalised in construction in progress	(532)	(2,753)
	290,356	300,182

During the six months ended 30 June 2025, the Group recognised total expenses of approximately RMB9,278,000 (six months ended 30 June 2024: approximately RMB12,550,000) in relation to share options granted by the Company.

10. DIVIDENDS

On 27 May 2025, a final dividend of HK\$0.22 (approximately equivalent to RMB0.21) per share in respect of the year ended 31 December 2024 were declared to the owners of the Company. The aggregate amount of the final dividend declared and paid in the interim period amounted to approximately HK\$483,886,000 (approximately equivalent to RMB443,322,000).

On 7 June 2024, a final dividend of HK\$0.2 (approximately equivalent to RMB0.18) per share in respect of the year ended 31 December 2023 were declared to the owners of the Company. The aggregate amount of the final dividend declared and paid in the six months ended 30 June 2024 amounted to approximately HK\$435,770,000 (approximately equivalent to RMB396,080,000).

Subsequent to the end of the current interim period, the Directors have determined that no dividend will be declared in respect of the interim period for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

11. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Earnings:		
Earnings for the purposes of calculating basic and diluted earnings per share (profit for the period attributable to owners of the Company)	402,949	271,513
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	2,189,584,921	2,178,851,302
Effect of dilutive potential ordinary shares: – share options	36,825,233	2,690,955
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	2,226,410,154	2,181,542,257

12. TRADE AND OTHER RECEIVABLES

	As at 30 June 2025 <i>RMB'000</i> (unaudited)	As at 31 December 2024 <i>RMB'000</i> (audited)
Trade receivables		
– from government (<i>note i</i>)	14,942	19,328
– from others (<i>note ii</i>)	61,107	43,995
	<u>76,049</u>	<u>63,323</u>
Other receivables		
Prepayments for consumables	35,863	24,579
Prepayments for rental	20,338	8,753
Prepayments for services	49,604	32,147
Prepayments for advertisement	90,000	46,308
Value added tax recoverable	84,110	73,719
Advance to staff	18,993	5,038
Interest receivables from time deposits and bank balances	9,090	25,173
Deposits for development (<i>note iii</i>)	14,280	14,280
Refundable deposit	6,770	6,770
Other receivables	45,038	47,486
	<u>374,086</u>	<u>284,253</u>
	<u><u>450,135</u></u>	<u><u>347,576</u></u>

Notes:

- i. The amounts represent receivables from the PRC local governments, who purchased vocational education services for students.
- ii. The amounts mainly represent receivables from customers, who purchased ancillary services other than vocational education services.
- iii. The amounts represent the deposits paid to the local government authority for the development of Chengdu Xinhua Future Vocational Skills Training School Co., Ltd. (成都新華未來職業技能培訓學校有限公司). The deposits will be repaid based on the progress of the project development.

12. TRADE AND OTHER RECEIVABLES (CONTINUED)

The following is an aged analysis of trade receivables net of allowance for credit losses presented based on the invoice dates:

	As at 30 June 2025 <i>RMB'000</i> (unaudited)	As at 31 December 2024 <i>RMB'000</i> (audited)
Within 3 months	14,956	28,723
Over 3 months but within 12 months	30,100	14,582
Over 1 year	30,993	20,018
	<u>76,049</u>	<u>63,323</u>

In order to minimise credit risk on trade receivables and other receivables, the management of the Group makes individual assessment based on the historical default experience and considers various external sources of actual and forecast economic information, as appropriate.

The expected loss rates are estimated based on historical observed default rates over the expected life of the receivables and are adjusted for forward-looking information that is available without undue cost or effort.

In the opinion of the management of the Group, all of the trade receivable balances at the end of each reporting period which have been past due over 90 days are not considered as in default as these are contributed by counterparties with good reputation and credit record. The management of the Group considered that the impairment loss was insignificant as there has not been a significant change in credit quality and amounts are considered recoverable and no impairment loss on expected credit losses is recognised during the current interim period.

13. OTHER FINANCIAL ASSETS

	As at 30 June 2025 <i>RMB'000</i> (unaudited)	As at 31 December 2024 <i>RMB'000</i> (audited)
Other financial assets at FVTPL		
– unquoted fund investments	400,090	388,007
– structured deposits (<i>note i</i>)	857,793	111,762
	<u>1,257,883</u>	<u>499,769</u>
Other financial assets measured at amortised cost		
– entrusted loan to a related party (<i>note ii</i>)	50,000	50,000
	<u>50,000</u>	<u>50,000</u>

Notes:

- i. The structured deposits are short-term investments issued by banks and financial institutions with no pre-determined or guaranteed return and are not principal protected. These financial assets are with expected rates of return (not guaranteed), depending on the market price of underlying financial instruments, including listed shares, bonds, debentures and other financial assets.
- ii. The amount as at 30 June 2025 represented an entrusted loan amounted to RMB50,000,000 provided to Anhui Xinhua Holdings Group Investment Co., Ltd. (安徽新華控股集團投資有限公司) (“**Xinhua Holdings Group**”), a company controlled by Mr. Xiao Guoqing, at a fixed interest rate of 7% per annum and with maturity on 31 December 2025.

14. TRADE AND OTHER PAYABLES

	As at 30 June 2025 <i>RMB'000</i> (unaudited)	As at 31 December 2024 <i>RMB'000</i> (audited)
Trade payables	117,570	117,724
Payables for property and equipment	215,980	246,149
Value added tax and other taxes payable	15,867	6,708
Payroll payables	140,755	196,650
Discretionary subsidies received on behalf of students	37,975	22,891
Miscellaneous deposits received from students – within 12 months	65,364	62,716
Other payables	74,632	53,956
	668,143	706,794

The credit period of trade creditors is normally 90 days. The following is an aged analysis of trade payables presented based on the invoice dates:

	As at 30 June 2025 <i>RMB'000</i> (unaudited)	As at 31 December 2024 <i>RMB'000</i> (audited)
Within 90 days	117,570	117,724

15. SHARE CAPITAL

		Number of shares	Share Capital HK\$	Shown in the condensed consolidated financial statements RMB'000
<i>Ordinary shares of HK\$0.0001 each</i>				
Authorised:				
As at 1 January 2024 (audited),				
30 June 2024 (unaudited),				
1 January 2025 (audited) and				
30 June 2025 (unaudited)	<i>i</i>	<u>3,800,000,000</u>	<u>380,000</u>	
Issued:				
As at 1 January 2024 (audited) and				
30 June 2024 (unaudited)		<u>2,178,851,302</u>	<u>217,885</u>	<u>192</u>
As at 1 January 2025 (audited)		2,178,989,802	217,899	192
Issue of new shares upon the exercise of share options	<i>ii</i>	<u>23,010,355</u>	<u>2,301</u>	<u>2</u>
As at 30 June 2025 (unaudited)		<u>2,202,000,157</u>	<u>220,200</u>	<u>194</u>

Notes:

- i. The Company was incorporated in the Cayman Islands on 4 October 2018 with an authorised share capital of HK\$380,000 divided into 3,800,000,000 shares with a par value of HK\$0.0001 each.
- ii. During the six months ended 30 June 2025, 23,010,355 share options were exercised at subscription prices of HK\$2.25 (approximately equivalent to RMB2.08) per share, resulting in the issue of 23,010,355 ordinary shares of par value of HK\$0.0001 each in the Company. These shares rank pari passu with other shares in issue in all respect.

16. CAPITAL COMMITMENTS

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of acquisition of property and equipment and leasehold lands	<u>210,563</u>	<u>152,099</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

We have a leading position in vocational training education segment in China. Moreover, we also have a leading position in China in providing vocational training education in three segments, namely, culinary arts, information technology and internet technology, as well as auto services. Headquartered in Hefei, Anhui province, we have established a nationwide school network consisting of 234 schools and centers in operation as of 30 June 2025, spanning almost all of the provinces in mainland China and Hong Kong. We operate our business and establish our schools and centers under seven school brands, namely, New East Culinary Education, Cuisine Academy, Omick Education of Western Cuisine and Pastry, Xinhua Internet Technology Education, Wisezone Data Technology Education, Wontone Automotive Education and On-mind Fashion and Beauty Education.

We focus on providing vocational training education in China in culinary arts, western cuisine and pastry, information technology and internet technology, auto services as well as fashion and beauty. These industry sectors are areas in China where there is significant unmet demand for vocational training education to bridge the supply and demand gap between employers and students. Our primary goal is to provide students with solid knowledge and practical skills in their chosen profession that are tailored to the needs of employers with a view to increasing graduates' employability and their average compensation levels.

OUR BUSINESS SEGMENTS

For the six months ended 30 June 2025, we operated 234 vocational education institution under the following segments and bands:

Segments and Brands	No. of schools/ centers	Description
CULINARY ARTS		
New East Culinary Education (“ New East ”)	75	New East Culinary Education has been providing comprehensive culinary training programs to students who pursue a career in becoming professional chefs. We teach our students the cooking traditions and practices of diversified Chinese cuisines, including the well-known and widely recognized eight regional cuisines in China, supported by an integration of classic Chinese and Western culinary skills. Each of our schools under New East Culinary Education offers various culinary training programs with different program lengths to meet students’ differentiated learning focuses and demands.
Cuisine Academy	17	Cuisine Academy has been providing customised catering experience services to customers who are interested in cooking or who plan to establish their own businesses in the catering industry. Cuisine Academy primarily providing customers with customised catering experience programs.
WESTERN CUISINE AND PASTRY		
Omick Education of Western Cuisine and Pastry (“ Omick ”)	35	Omick Education of Western Cuisine and Pastry offers high-quality western style catering education, which is committed to providing specialized culinary training to students with a focus on western pastry and western food. We offer a variety of courses, including baking, desserts, western cuisines, bartending, and barista training.

Segments and Brands	No. of schools/ centers	Description
INFORMATION TECHNOLOGY AND INTERNET TECHNOLOGY		
Xinhua Internet Technology Education (“ Xinhua Internet ”)	38	Xinhua Internet Technology Education provides information technology and internet technology-related training programs. We provide a wide range of information technology and internet technology-related training to students with different course lengths.
Wisezone Data Technology Education (“ Wisezone ”)	18	Wisezone Data Technology Education primarily provides short-term programs to junior college and university students who have possessed the basic knowledge and seek to further develop relevant practical skills. By cooperating with a number of technology enterprises and higher education institutions, we train professional data technology engineers.
AUTO SERVICES		
Wontone Automotive Education (“ Wontone ”)	43	Wontone Automotive Education focuses on providing hands-on auto repair skill training as well as practical training of other auto services, such as automobile commerce.
FASHION AND BEAUTY		
On-mind Fashion and Beauty Education (“ On-mind ”)	8	On-mind Fashion and Beauty Education focuses on cultivating high skills fashion and beauty professionals.

SUMMARY OF OUR OPERATING DATA

The following table sets forth the number of new students enrollments/new customers registered under each segment/brand for the six months ended 30 June 2025 and 2024:

Segments and Brands	New Students Enrollment ⁽¹⁾ / New Customers Registered ⁽²⁾	Six months ended 30 June		Change Increase/ (Decrease)
		2025	2024	
CULINARY ARTS				
New East and Cuisine Academy	Long-term	15,336	13,031	17.7%
	– One to less than two years	3,215	2,110	52.4%
	– Two to less than three years	2,999	2,786	7.6%
	– Three years	9,122	8,135	12.1%
	Short-term	21,153	21,651	(2.3%)
CULINARY ARTS	Subtotal	36,489	34,682	5.2%
WESTERN CUISINE AND PASTRY				
Omick	Long-term			
	– One to less than two years	1,133	576	96.7%
	Short-term	6,467	6,973	(7.3%)
WESTERN CUISINE AND PASTRY	Subtotal	7,600	7,549	0.7%
INFORMATION TECHNOLOGY AND INTERNET TECHNOLOGY				
Xinhua Internet and Wisezone	Long-term	10,021	8,931	12.2%
	– One to less than two years	2,359	1,236	90.9%
	– Two to less than three years	1,331	1,057	25.9%
	– Three years	6,331	6,638	(4.6%)
	Short-term	4,017	4,261	(5.7%)
INFORMATION TECHNOLOGY AND INTERNET TECHNOLOGY	Subtotal	14,038	13,192	6.4%

Segments and Brands	New Students Enrollment ⁽¹⁾ / New Customers Registered ⁽²⁾	Six months ended 30 June		Change Increase/ (Decrease)
		2025	2024	
AUTO SERVICES				
Wontone	Long-term	9,998	8,442	18.4%
	– One to less than two years	2,197	1,212	81.3%
	– Two to less than three years	556	510	9.0%
	– Three years	7,245	6,720	7.8%
	Short-term	11,546	11,274	2.4%
AUTO SERVICES	Subtotal	21,544	19,716	9.3%
FASHION AND BEAUTY				
On-mind	Long-term	2,591	1,571	64.9%
	– One to less than two years	1,800	639	181.7%
	– Two to less than three years	75	19	294.7%
	– Three years	716	913	(21.6%)
	Short-term	1,259	1,299	(3.1%)
FASHION AND BEAUTY	Subtotal	3,850	2,870	34.1%
THE GROUP	Long-term	39,079	32,551	20.1%
	– One to less than two years	10,704	5,773	85.4%
	– Two to less than three years	4,961	4,372	13.5%
	– Three years	23,414	22,406	4.5%
	Short-term	44,442	45,458	(2.2%)
THE GROUP	TOTAL	83,521	78,009	7.1%

Notes:

- (1) New students enrollment represents the total number of students newly enrolled at our operating schools in a certain period. We use new students enrollment to reflect our ability of student recruitment and the popularity of our programs.
- (2) We commenced operations of Cuisine Academy in 2017. Number of new customers registered represents the total number of new customers attending our customised catering experience programs of Cuisine Academy in a certain period.

The following table sets forth the average number of students enrolled and customers registered under each segment/brand for the six months ended 30 June 2025 and 2024:

Segments and Brands	Average Number of Students Enrolled ⁽¹⁾ /Customers Registered ⁽²⁾	Six months ended 30 June		Change Increase/ (Decrease)
		2025	2024	
CULINARY ARTS				
New East and Cuisine Academy	Long-term	53,727	49,430	8.7%
	– One to less than two years	6,010	2,562	134.6%
	– Two to less than three years	10,283	12,280	(16.3%)
	– Three years	37,434	34,588	8.2%
	Short-term	8,005	7,583	5.6%
CULINARY ARTS	Subtotal	61,732	57,013	8.3%
WESTERN CUISINE AND PASTRY				
Omick	Long-term			
	– One to less than two years	1,763	1,414	24.7%
	Short-term	3,735	3,224	15.8%
WESTERN CUISINE AND PASTRY	Subtotal	5,498	4,638	18.5%
INFORMATION TECHNOLOGY AND INTERNET TECHNOLOGY				
Xinhua Internet and Wisezone	Long-term	35,227	37,451	(5.9%)
	– One to less than two years	3,181	1,935	64.4%
	– Two to less than three years	3,657	3,288	11.2%
	– Three years	28,389	32,228	(11.9%)
	Short-term	1,688	2,139	(21.1%)
INFORMATION TECHNOLOGY AND INTERNET TECHNOLOGY	Subtotal	36,915	39,590	(6.8%)

Segments and Brands	Average Number of Students Enrolled ⁽¹⁾ /Customers Registered ⁽²⁾	Six months ended 30 June		Change Increase/ (Decrease)
		2025	2024	
AUTO SERVICES				
Wontone	Long-term	38,309	37,006	3.5%
	– One to less than two years	4,065	2,760	47.3%
	– Two to less than three years	2,528	2,419	4.5%
	– Three years	31,716	31,827	(0.3%)
	Short-term	4,358	3,137	38.9%
AUTO SERVICES	Subtotal	42,667	40,143	6.3%
FASHION AND BEAUTY				
On-mind	Long-term	5,089	2,574	97.7%
	– One to less than two years	2,623	847	209.7%
	– Two to less than three years	118	52	126.9%
	– Three years	2,348	1,675	40.2%
	Short-term	916	835	9.7%
FASHION AND BEAUTY	Subtotal	6,005	3,409	76.2%
THE GROUP				
	Long-term	134,115	127,875	4.9%
	– One to less than two years	17,642	9,518	85.4%
	– Two to less than three years	16,586	18,039	(8.1%)
	– Three years	99,887	100,318	(0.4%)
	Short-term	18,702	16,918	10.5%
THE GROUP	Total	152,817	144,793	5.5%

Notes:

- (1) As our schools provide various vocational training education programs during a period and the course length and the program commencement date varies for our different long-term and short-term programs, we believe that the average number of students enrolled is a measure that is comparable to that of our competitors and therefore can fairly present our ranking and market position in the industry. Our average number of students enrolled for a period is only an approximation of the average number of students enrolled during a certain period, representing the sum of the number of students enrolled at our operating schools at the end of each month divided by the number of months during such period, without taking into account any transfer or withdrawal.
- (2) Our average number of customers registered for a period represents the sum of the number of customers registered at Cuisine Academy at the end of each month divided by the number of months during such period, without taking into account any withdrawal. The courses for one month or shorter are regarded as one-month programs for the purpose of calculation.

Tuition/Service Fees

The following table sets forth ranges of our tuition fee and service fee rate under each segment/brand for the six months ended 30 June 2025 and 2024:

Segments and Brands	Program ⁽¹⁾	Tuition/Service fee	
		Six months ended 30 June	
		2025	2024
<i>(RMB/per year for long-term programs, RMB/per program for short-term programs)</i>			
CULINARY ARTS			
New East and Cuisine Academy ⁽³⁾	Long-term	15,000-180,000	10,800-180,000
	Short-term ⁽²⁾	800-88,000	500-68,000
WESTERN CUISINE AND PASTRY			
Omick	Long-term	46,000-72,000	46,000-72,000
	Short-term ⁽²⁾	8,000-39,000	800-39,000
INFORMATION TECHNOLOGY AND INTERNET TECHNOLOGY			
Xinhua Internet and Wisezone	Long-term	10,800-48,100	12,600-53,800
	Short-term ⁽²⁾	1,800-62,100	999-29,800
AUTO SERVICES			
Wontone	Long-term	10,800-68,800	10,800-68,800
	Short-term ⁽²⁾	800-37,400	800-37,400
FASHION AND BEAUTY			
On-mind	Long-term	13,900-47,800	13,900-52,800
	Short-term ⁽²⁾	3,600-20,800	5,800-25,800

Notes:

- (1) We charge tuition fee to students enrolled at our schools. Tuition fee of our long-term programs is typically charged based on the yearly tuition standards of different programs that students enrolled in such period.
- (2) Tuition fee of our short-term programs is typically charged by each program that students enrolled in.
- (3) We typically charge customers service fees by each program that customers registered in Cuisine Academy.

Recommended Employment and Entrepreneurship Rate

We are committed to assisting our students in developing their careers. Our average recommended employment and entrepreneurship rate of our long-term program graduates from Omick and Xinhua Internet reached over 90%, while New East, Wontone and On-mind reached over 95% for the six months ended 30 June 2025. The following table sets forth the recommended employment and entrepreneurship rate of our long-term program graduates by brands for the six months ended 30 June 2025:

Brands⁽¹⁾	Recommended employment rate⁽²⁾
New East	95.7%
Omick	94.0%
Xinhua Internet	93.5%
Wontone	96.5%
On-mind	96.0%

Notes:

- (1) As the schools of other brands had not provided long-term programs of one year or more during the six months ended 30 June 2025, the recommended employment and entrepreneurship rate of these brands were not included. We also provide graduate placement service and entrepreneurial service to students of our short-term programs. However, students enrolled in our short-term programs generally have different study goals and expectations, such as to enhance a specific skill or to study for interests, as compared to students of our long-term programs who are generally more focused on seeking long-term employment or to setting up their own businesses.
- (2) We provide graduate placement service and entrepreneurial service to all students of our long-term programs. The recommended employment and entrepreneurship rate represents the total number of students of long-term programs who are hired through our graduate placement service program or who set up their own businesses through our entrepreneurial service in a certain period, excluding students who are employed through other channels divided by the total number of graduates of long-term programs during such period.

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2025, there was an increase in the number of new students enrollments and new customers registration of approximately 7.1% as compared with that for the six months ended 30 June 2024. Moreover, the Group has changed its strategy in new students enrollment by optimising its course structure and attracting more high-value new students enrollment during the period. As a result, the Group recorded an increase in revenue from approximately RMB1,983 million for the six months ended 30 June 2024, to approximately RMB2,186 million for the six months ended 30 June 2025, representing an increase of approximately 10.2%.

The following table sets forth a breakdown of our revenue and annualised average tuition/service fee per student/customer by segments/brands for the periods indicated:

	Six months ended 30 June				Change	
	2025		2024			
	Revenue	Annualised Average Tuition/ Service Fee per Student/ Customer ⁽¹⁾	Revenue	Annualised Average Tuition/ Service Fee per Student/ Customer ⁽¹⁾	Revenue Increase/ (Decrease)	Annualised Average Tuition/ Service Fee per Student/ Customer
	RMB'000	RMB'000	RMB'000	RMB'000		
CULINARY ARTS						
– New East and Cuisine Academy ⁽²⁾	1,024,404	33.2	919,295	32.2	11.4%	2.9%
WESTERN CUISINE AND PASTRY						
– Omick	182,064	66.2	159,280	68.7	14.3%	(3.6%)
INFORMATION TECHNOLOGY AND INTERNET TECHNOLOGY						
– Xinhua Internet and Wisezone	366,789	19.9	378,229	19.1	(3.0%)	4.0%
AUTO SERVICES						
– Wontone	492,415	23.1	449,163	22.4	9.6%	3.1%
FASHION AND BEAUTY						
– On-mind	76,996	25.6	40,481	23.7	90.2%	8.0%
OTHER MISCELLANEOUS BUSINESSES⁽³⁾	43,585	N/A	36,876	N/A	18.2%	N/A
Total⁽⁴⁾	2,186,253	28.0	1,983,324	26.9	10.2%	4.3%

Notes:

- (1) For illustration purposes only, the annualised average tuition/service fee per student/customer for the six months ended 30 June 2025 and 2024 is calculated on an annualised basis as revenue generated from tuition or service fees for the period divided by the average number of students enrolled and customers registered in the corresponding periods.
- (2) During the six months ended 30 June 2025 and 2024, revenue generated from Cuisine Academy mainly represents service fees we collected from customers who attended our customised catering experience programs.
- (3) Other miscellaneous businesses primarily include the internet technology solution and staff outsourcing services provided to independent third parties.
- (4) The total revenue and percentages do not include inter-segment sales which are eliminated upon consolidation.

Cost of Revenue

Our cost of revenue consists of teaching staff salaries and benefits, teaching related consumables and other costs, leasing expenses and depreciation of right-of-use assets, campus maintenance and depreciation, utilities and office expenses. The cost of revenue increased from approximately RMB932 million for the six months ended 30 June 2024 to approximately RMB933 million for the six months ended 30 June 2025, representing an increase of approximately 0.1%.

The following table sets forth a breakdown of our cost of revenue for the periods indicated:

	Six months ended 30 June			
	2025		2024	
	Cost	% of	Cost	% of
	<i>RMB'000</i>	Total	<i>RMB'000</i>	Total
Teaching staff salaries and benefits	383,650	41.1%	377,920	40.5%
Teaching related consumables and other costs	173,157	18.6%	168,780	18.1%
Leasing expenses and depreciation of right-of-use assets	135,641	14.5%	144,142	15.5%
Campus maintenance and depreciation	162,956	17.5%	163,730	17.6%
Utilities	42,656	4.6%	45,703	4.9%
Office expenses	34,821	3.7%	31,925	3.4%
Total	932,881	100%	932,200	100%

Gross Profit and Gross Profit Margin

The Group's gross profit was approximately RMB1,253 million for the six months ended 30 June 2025 as compared to approximately RMB1,051 million for the corresponding period of 2024. The gross profit margin was 57.3% for the six months ended 30 June 2025 as compared to 53.0% for the corresponding period of 2024. The increase in gross profit margin was mainly because there was an increase in the revenue while the cost of revenue remained stable due to the enhanced cost control during the six months ended 30 June 2025.

The following table sets forth a breakdown of our gross profit/(loss) and gross profit/(loss) margin by major segments/brands for the periods indicated:

	Six months ended 30 June			
	2025		2024	
	Gross profit/ (loss) RMB'000	Gross profit/ (loss) margin ⁽¹⁾ percentage	Gross profit/ (loss) RMB'000	Gross profit/ (loss) margin ⁽¹⁾ percentage
CULINARY ARTS				
– New East and Cuisine Academy	619,347	60.5%	508,154	55.3%
WESTERN CUISINE AND PASTRY				
– Omick	109,880	60.4%	85,699	53.8%
INFORMATION TECHNOLOGY AND INTERNET TECHNOLOGY				
– Xinhua Internet and Wisezone	211,111	57.6%	204,757	54.1%
AUTO SERVICES				
– Wontone	269,486	54.7%	243,109	54.1%
FASHION AND BEAUTY				
– On-mind	47,282	61.4%	21,280	52.6%
OTHER MISCELLANEOUS BUSINESSES⁽²⁾	<u>(3,734)</u>	<u>(8.6%)</u>	<u>(11,875)</u>	<u>(32.2%)</u>
Total	<u><u>1,253,372</u></u>	<u><u>57.3%</u></u>	<u><u>1,051,124</u></u>	<u><u>53.0%</u></u>

Notes:

- (1) The establishment of new schools and centers under a segment/brand has a negative impact on our gross profit margin for the relevant segment/brand. During the initial ramp-up period after a new school or center commences operations, we incur substantial fixed costs for teaching staff salaries and benefits, leasing expenses, and other fixed costs while initial revenue from the new schools and centers are limited due to the relatively small number of student enrollment or customer registration in the ramp-up period of the schools and centers.
- (2) Other miscellaneous businesses primarily include the internet technology solution and staff outsourcing services provided to independent third parties.

Other Income and Expenses

For the six months ended 30 June 2025, other income and expenses amounted to approximately RMB50 million (six months ended 30 June 2024: RMB58 million) which primarily included government grants, interest income from time deposits and bank balances and entrusted loan to a related party. The decrease in other income and expenses was mainly due to the decrease in interest income from time deposits and bank balances during the period.

Other Gains and Losses

The other gains and losses were recorded as net gains of approximately RMB18 million for the six months ended 30 June 2025 (six months ended 30 June 2024: RMB24 million) which was mainly attributable to gains from changes in fair value of other financial assets at FVTPL of approximately RMB20 million for the six months ended 30 June 2025 (six months ended 30 June 2024: approximately RMB20 million) and net foreign exchange losses of approximately RMB4 million principally caused by the depreciation of Hong Kong dollars and United States dollars possessed by the Group against Renminbi during the six months ended 30 June 2025 (six months ended 30 June 2024: net foreign exchange gains of approximately RMB6 million).

Selling Expenses

The Group's selling expenses increased from approximately RMB464 million for the six months ended 30 June 2024 to approximately RMB491 million for the six months ended 30 June 2025. The increase in selling expenses was mainly due to higher advertising costs incurred by the Group to attract more students during the six months ended 30 June 2025.

Administrative Expenses

The Group's administrative expenses decreased from approximately RMB256 million for the six months ended 30 June 2024 to approximately RMB236 million for the six months ended 30 June 2025 and it represented about 10.8% of the revenue for the six months ended 30 June 2025 as compared to 12.9% of the revenue for the six months ended 30 June 2024. The decrease in administrative expenses was mainly due to the Group's efficient operations management and cost control during the six months ended 30 June 2025.

Finance Costs

The finance costs of approximately RMB55 million for the six months ended 30 June 2025 represented the interest expenses on lease liabilities recognised following the adoption of HKFRS 16 – Leases (six months ended 30 June 2024: RMB62 million).

Adjusted Net Profit and Adjusted EBITDA

To supplement this announcement which is presented in accordance with HKFRS Accounting Standards, we also presented the following unaudited non-HKFRS adjusted net profit and adjusted EBITDA as additional financial measures which we believe that it can also provide useful information to help investors and others understand and evaluate the Company's financial performance:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Net profit	402,949	271,513
Adjustments for: Non-cash share-based payments	9,278	12,550
Net foreign exchange losses (gains)	3,739	(5,741)
Adjusted net profit⁽¹⁾	415,966	278,322
Adjustments for: Depreciation	290,356	300,182
Finance costs	54,755	61,578
Income tax expenses	132,381	74,557
Adjusted EBITDA⁽²⁾	893,458	714,639

Notes:

- (1) Adjusted net profit was derived from the net profit for the period excluding the effect of (i) non-cash share-based payment expenses; and (ii) the net foreign exchange losses (gains) (as presented in the table above), which our management does not consider to be indicative of our operating performance.
- (2) Adjusted EBITDA was derived from the adjusted net profit for the period excluding finance costs, income tax expenses and depreciation expenses.
- (3) Non-HKFRS financial measure does not have a standardised meaning prescribed by HKFRS Accounting Standards and therefore may not be comparable to similar measures presented by other companies.

Property and Equipment

Property and equipment as at 30 June 2025 increased by 3.4% to approximately RMB3,422 million from approximately RMB3,309 million as at 31 December 2024. Increase in property and equipment was mainly due to the inclusion of the property and equipment of the vocational education industrial parks (“**Vocational Education Industrial Parks**”) located at Henan and Jiangsu and newly established schools during the period.

Right-of-use Assets

Right-of-use assets as at 30 June 2025 increased by 3.1% to approximately RMB2,216 million from approximately RMB2,149 million as at 31 December 2024. Increase in right-of-use assets was mainly because the Group entered into several new lease agreements for the use of leased properties for relocation of certain schools and setting up of new schools during the period.

Goodwill

In January 2025, the Group acquired Shanxi Metallurgical Technician College (山西冶金技師學院) and other related companies (collectively referred to as the “**Target Group**”), for an aggregate cash consideration of RMB10,000,000 (the “**Acquisition**”).

Other than the cash consideration paid, the Group also provided RMB15,350,000 to support the daily operation of the Target Group prior to the completion of the Acquisition.

The Directors engaged an independent valuer to assist in performing the valuation of the identified assets and liabilities of the Target Group at the completion date of the Acquisition. Based on which, the Group performed a purchase price allocation for the Acquisition, which resulted in recognition of goodwill amounted to approximately RMB661,000.

After the Acquisition, together with Anhui Wontone Technician College as stated in the announcement of the Company dated 21 October 2024 and Guizhou New East Culinary Advanced Technical School which was upgraded to Guizhou New East Culinary Technician College in July 2025, the Group currently possesses three technician colleges and the synergies expected to be brought by the Target Group and the commercial rationale for the Acquisition include the followings:

- (1) **Strategic Expansion:** The Acquisition provides the Group with a valuable opportunity to expand its presence in high quality development and strengthen its market position in the vocational education sector.
- (2) **Diversification of Programs:** By acquiring the Target Group, the Group can diversify its educational offerings into other key vocational areas, including engineering, culture and art, and finance, thereby broadening its appeal to students and employers.
- (3) **Leverage of Established Brand:** With a history spanning over six decades, the Target Group has built a strong reputation and brand in Shanxi. The Acquisition allows the Group to leverage this established goodwill and further enhance its credibility in the vocational education industry.
- (4) **Long-term Growth in Vocational Training:** The vocational education sector in China is projected to grow due to increasing demand for skilled labor. The Acquisition positions the Group to capitalize on this trend and benefit from long-term growth in the industry.

Capital Structure, Liquidity, Financial Resources and Gearing Ratio

As at 30 June 2025, the Company's issued share capital was approximately RMB194,000 divided into 2,202,000,157 shares of HK\$0.0001 each, and the total equity of the Group was approximately RMB5,766 million (31 December 2024: RMB5,749 million).

As at 30 June 2025, the current ratio of the Group, representing current assets divided by current liabilities, was 1.5 times (31 December 2024: 1.5 times) while the gearing ratio of the Group, representing total liabilities divided by total assets, was 41.3% (31 December 2024: 39.4%).

As at 30 June 2025, the total of time deposits and cash and cash equivalents of the Group amounted to approximately RMB2,311 million (31 December 2024: RMB3,004 million), representing 23.5% (31 December 2024: 31.7%) of the total assets of the Group of approximately RMB9,821 million (31 December 2024: RMB9,484 million).

For the six months ended 30 June 2025, our capital expenditures were approximately RMB386 million (six months ended 30 June 2024: RMB471 million) and were primarily related to acquisition of property and equipment and right-of-use assets for upgrading the existing school premises and construction of new campuses and the Vocational Education Industrial Parks.

It is believed that the Group has sufficient capital to meet its commitment and working capital requirements for future operations and for general business expansion and development.

Other Financial Assets

As at 30 June 2025, the Group held other financial assets of approximately RMB1,308 million, particulars of which are set out below:

Name of other financial assets measured at FVTPL	Fair value as at 30 June 2025 RMB'000	Realised gains for the six months ended 30 June 2025 RMB'000	Unrealised gains for the six months ended 30 June 2025 RMB'000	% of total assets of the Group as at 30 June 2025
Unquoted Fund Investments				
E Fund Management (HK) Co., Ltd.				
E Fund (HK) Select Asia High Yield Bond Fund	179,708	–	6,519	1.8%
China International Capital Corporation Hong Kong Asset Management Limited				
CICC Multi-strategy Fixed Income Fund	220,382	–	5,564	2.2%
	<u>400,090</u>	<u>–</u>	<u>12,083</u>	<u>4.0%</u>
Structured Deposits				
China Construction Bank				
Daily Profit Cash Management No. 2	50,198	–	198	0.5%
China Reform Securities				
Fengli Xin'an No. 010	50,656	–	656	0.5%
China CITIC Bank				
Tongyuexiang No. 99 Collective Assets Management Plan	50,480	–	480	0.5%
Win-Win Smart Trust RMB-Linked Structured Deposits A06828	40,022	–	22	0.4%
Xin Hui AnYing Xiang Fixed Income Stable Yield Six-Month Closed-End Fund No. 166Z	50,395	–	395	0.5%
Guoyuan Securities				
Yuanfeng Pure Bond No. 95	50,366	–	366	0.5%
Haitong Securities Company Limited				
Wealth Craftsmanship 1000 Series 189th FOF Single Asset Management Plan	61,137	–	1,137	0.6%
Hangzhou Bank				
Happy 99 New Wallet Financial Management	3,304	–	4	0.1%
Tianlibao Structured Deposits	400,673	–	673	4.1%
Huaxia Bank				
RMB Institution Deposits 2510322	30,161	–	161	0.3%
Industrial and Commercial Bank of China Limited				
ICBC Wealth Management Daily Xin Core Preferred Interbank Certificate of Deposits and Fixed Income Deposits Open Legal Person Wealth Management Product	50,244	–	244	0.5%
Minsheng Bank				
Minsheng Wealth Management Wealth Bamboo Pure Bond 91-Day Holding Period No. 1 Institutional Fund Wealth Management Product	20,157	–	157	0.2%
	<u>857,793</u>	<u>–</u>	<u>4,493</u>	<u>8.7%</u>
Other financial assets measured at amortised cost				
Entrusted loan to a related party				
– Xinhua Holdings Group	50,000	–	–	0.5%

Investment Strategy and Future Prospects

The Group's investments in other financial assets have been conducted on the premise that such investments would not affect our business operation or capital expenditures so as to generate a relatively higher return from such investments than fixed-term bank deposits.

The Group has implemented a set of internal control and risk management measures to manage our risks related to investments in other financial assets.

Regarding the investments in financial assets measured at FVTPL and structured deposits, the measures include, among other things, the followings:

- we analyze such financial assets regularly and keep track of their performance and redemption status;
- such financial assets should be issued by a reputable bank or financial institution; and
- the investment portfolio of such financial assets should generally bear relatively low-risk.

Regarding the entrusted loans to related parties under the investments in financial assets measured at amortised cost, the measures include, among other things, the followings:

- the borrowing company is required to enter into entrusted loan agreement(s) with reputable PRC bank(s) and the entrusted PRC bank(s) will assess the financial position of the borrowing company(s) regularly to ensure the repayment ability;
- to secure the loan(s), each of the controlling shareholders of the borrowing company shall enter into a personal guarantee. Each of the controlling shareholders of the borrowing company irrevocably and unconditionally, among others, guarantees to the Group the punctual performance by his respective borrowing company for borrowing the loan(s) and undertakes that whenever the respective borrowing company does not pay any amount of the loan when due, he shall immediately on demand pay that amount as if he were the principal of the loan(s). In addition, each of the controlling shareholders of the borrowing company made a guarantee that the Company has the right to postpone the payment of the Company's dividends to each of the controlling shareholders of the borrowing company to the amount of the loans and interests owed by the respective borrowing company until the loans and interests are fully paid;
- upon the Group's request at any time, the borrowing company shall provide forthwith to the Group any documents and information relating to the business operations and financial position of the borrowing company, including but not limited to financial reports and financial statements in order for the Group to assess the borrowing company's repayment capacity and credit risks;
- if the borrowing company or its controlling shareholder has any potential risks of financial instability, it shall inform the Group or the entrusted PRC bank(s) immediately; and
- the Directors will review the business operations and financial position of the PRC borrowing company(s) at least every six months. If the borrowing company or its controlling shareholder has shown any signs of financial instability, the Group or the entrusted PRC bank(s) can demand the borrowing company or its controlling shareholder to repay prior to the repayment date all or part of outstanding principal and interest accrued by giving not less than 10 business days prior written notice to such borrowing company.

In view of the above, we believe that our internal policies regarding investments in other financial assets and the related risk management mechanism are adequate. It is expected that the Group would continue to improve our capital usage efficiency by investing in such low-risk or principal-protected other financial assets using our temporarily idle funds.

Significant Investments, Acquisitions and Disposals

Save as disclosed above, there were no significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures by the Group during the six months ended 30 June 2025.

Foreign Exchange Risk Management

The majority of the Group's revenue and expenditures are denominated in Renminbi, the functional currency of the Company, except that certain expenditures are denominated in Hong Kong dollars. The Group also has certain time deposits, bank balances and other payables denominated in Hong Kong dollars and United States dollars, which would expose the Group to foreign exchange risk. The Group did not use any financial instruments for hedging purposes during the six months ended 30 June 2025. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when the need arises.

Charges on the Group's Assets

As at 30 June 2025 and 31 December 2024, the Group pledged its rental deposits to secure outstanding unpaid contractual lease payments.

Contingent Liabilities

As at 30 June 2025 and 31 December 2024, the Group did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of the Group.

Subsequent Events

The Group had no significant event subsequent to the reporting period and up to the date of this announcement.

OUTLOOK

Our mission is to provide the best vocational training education in China. We intend to continue to expand our business, school and center network and enhance our market position. To achieve these goals, we plan to pursue the following business strategies:

Establishment of Vocational Education Industrial Parks

With the increasing proportion of our students who studied in three-year long-term courses in the past few years, our strategies are to acquire land and construction facilities to establish Vocational Education Industrial Parks in cities located at our major students recruitment provinces. The Vocational Education Industrial Parks are expected to be equipped with advanced teaching and practical training facilities for all of our seven school/center brands, namely, New East, Cuisine Academy, Omick, Xinhua Internet, Wisezone, Wontone as well as On-mind which help to consolidate the Group's market leadership and brand position. Currently, the first phase of Vocational Education Industrial Parks located at Sichuan, Shandong, Guizhou and Henan had been put into operations consecutively. On the other hand, the first phase projects of Vocational Education Industrial Parks at Jiangsu and Jiangxi are being planned and promoted. Upon the completion of all these Vocational Education Industrial Parks, it is expected that the Vocational Education Industrial Parks of the Group should be sufficient to meet the demands from students coming from different provinces. Moreover, the Vocational Education Industrial Parks will also house our research and development centers, human resources and marketing centers and serve as the continuing education and training centers for our teaching staff, in each case in their respective designated regions. In addition, the Vocational Education Industrial Parks can avoid the increasing pressure in the rental expenses of our school premises and also can improve the environment of our school premises so as to increase the stabilities of our long-term course students. Therefore, the Group believes that the Vocational Education Industrial Parks will be a key driver in increasing student demand for the Group's education services and cost synergies can be achieved in future.

Expansion of School Network

Our extensive school network covers most of the provincial capital cities in China. We intend to further expand our school network to cover all of the provincial capital cities in China. We plan to establish our presence in cities which we believe have great potential with significant unmet demand for skilled workers in culinary arts, western cuisine and pastry, information technology and internet technology, auto services as well as fashion and beauty.

Expansion and Diversification of Course Structures

In the five industry sectors we currently operate in, namely, culinary arts, western cuisine and pastry, information technology and internet technology, auto services as well as fashion and beauty, we plan to continue to expand and diversify our course offerings in response to industry trends and market demand. We are also conducting research on potential new industry sectors that we may establish new schools in, with reference to the developments in market demand and anticipated future trends. We will continue to explore other markets for vocational training education in the service industry and new economy, such as artificial intelligence and healthcare. Based on our research, we expect market demand for talent in certain industry sectors to grow in the foreseeable future, we will establish corresponding programs to capture opportunities presented by the market developments.

Upgrade of Education Level

In July 2025, Guiyang New East Culinary Advanced Technical School, which is wholly owned by the Group, was officially upgraded by the Guizhou Provincial People's Government to Guizhou New East Culinary Technician College. Together with Anhui Wontone Technician College as set out in the Company's announcement dated 21 October 2024, and the acquisition of Shanxi Metallurgical Technician College (山西冶金技師學院) which was established in 1956 and is among the first technician colleges approved in Shanxi, the Group currently possesses three technician colleges. This upgrade further enhanced the Group's brand influence in the field of vocational education by fully demonstrating the Group's education quality, faculty strength and management level which have reached a new height, which helps to attract more students to vocational education and injects new vitality into the Group's future high-quality development and cultivates high-skilled talents to reach a new level. It not only reflects the strength of the Group in running schools and that the teaching level have been fully recognized by the government, but also is a strong proof of the Group's determination to expand and strengthen the Vocational Education Industrial Parks, marking a solid step towards building a "vertical integration" vocational education system in response to the call of the national policy. In the future, the Group will continuously upgrade the level of education and enrich the product sequence, and further strengthen its market position in the field of vocational education by establishing more technician colleges. In addition, the vocational education sector in China is projected to grow due to increasing demand for skilled labor. The Group will capitalize on this trend and benefit from long-term growth in the vocational education industry. With the opening of the "Preparatory Technician" long-cycle cultivation program and strengthen the development of skilled talent teams, the Group will receive more substantial support from the local government in terms of investments in school running, scale of cultivation, construction of teaching staff, internship and practical training conditions, etc. As a result, the competitiveness of our graduating students will be steadily increased and the level of our school running will be further enhanced. Finally, the Group will continue to deepen the integration of industry and education, closely aligning with national industrial development needs, and dynamically optimizing the alignment between professional programs and industrial structure. By concentrating superior resources, the Group will focus on cultivating highly skilled talent urgently needed by strategic emerging industries such as new energy vehicles and intelligent manufacturing. Additionally, we will engage in deep cooperation with leading industry players to jointly build faculty teams and curriculum systems, ensuring that cutting-edge corporate technologies and advanced tools are promptly integrated into teaching practices. This will provide students with high-quality internship and training platforms, thereby effectively enhancing the practical outcomes of industry-education integration.

Actively Applying as the Third-Party Rating Organisation for the Recognition of Vocational Skills

In 2020, the Group became one of the first batch of third-party rating organisations for the recognition of vocational skills in China, whereby the Group is allowed to perform the recognition of certain vocational skills for the public. Vocational skill recognition represents the recognition of the skill level of labors by the rating organisation filed by the Ministry of Human Resources and Social Security of the People's Republic of China (the “**Ministry of Human Resources and Social Security**”), which is a way for rating of the skills of talents implemented together with the occupational qualification rating. The third-party organisations for the recognition of vocational skills in China are the unit organisations recognised by the Ministry of Human Resources and Social Security, which are unit organisations with leading positions in the industry with credibility. After procedures such as self-reporting, selection by experts, credit checks, assessment by the local human resources and social security departments at the place where the Group was registered and seeking of views from the society, the Group became one of the first batch of third-party rating organisations for the recognition of vocational skills in China, whereby it is allowed to perform the recognition of certain vocational skills. This means that the Group is allowed to perform vocational skill recognition for the public in accordance with the standards and regulatory requirements, and issue certificates recognised by the state, which will significantly raise the Group's reputation and enhance its brand influence, and further strengthen the Group's leading position in the vocational skill training business in China. By providing corresponding examinations and training for the public targeting vocational skill certificates, the Group can enrich its curriculum in the culinary segment to attract customers who want to obtain such certificates and increase the potential customers of the Group's overall culinary segment. By issuing vocational skill certificates, the Group can further integrate employment resources to provide better job opportunities to the students. The Group will have a comprehensive understanding of the state's policy and industry standards, which will facilitate our vocational skill education in accordance with the state's policy and standards, and effectively enhance our education quality to provide high quality vocational education services.

We believe that with our over 30 years experience in vocational training industry, we are well-positioned to tailor our service offerings to capture growth opportunities in industrial upgrades and to react promptly to the changes in the market. Also, our highly scalable business model and centralized and standardized management approach will accelerate the process to establish new programs and ensure the quality of the future program offerings. It is believed that the Group will further strengthen its market leadership and reputation by having the above strategies.

EMPLOYEES AND REMUNERATION POLICIES

Employees

As at 30 June 2025, we had a total of 10,365 employees. The following table sets forth the numbers of our employees, categorized by function, as at 30 June 2025:

Function	Number of Full-Time Employees	% of Total
Executive Directors and core management	303	2.9%
Full-time teachers and instructors	5,312	51.3%
Student accommodation staff	36	0.4%
Logistic personnel	325	3.1%
Administrative staff	1,693	16.3%
Accounting and finance staff	314	3.0%
Others	2,382	23.0%
Total <i>(Note)</i>	10,365	100%

Note: Among 10,365 employees, we had 14 employees in Hong Kong and 10,351 employees in mainland China.

Remuneration Policies

The remuneration packages of the employees of the Group are determined with reference to individual qualification, experience, performance, contribution to the Group and prevailing market rate.

We remunerate our employees with basic salaries as well as performance-based bonuses. We determine employee compensation based on each employee's performance and qualifications. We plan to hire additional teachers, instructors and other employees as we expand. Our employee recruiting channels include word-of-mouth referrals, on-campus recruiting and online recruiting.

Our full-time employees in China participate in a variety of social security plans that are administered by the PRC local governments, including but not limited to, pension benefits, medical care, unemployment insurance, maternity insurance, work injury insurance and housing provident funds. Chinese labor regulations require that our PRC subsidiaries make contributions to the government for these benefits based on a fixed percentage of the employees' average salaries of last year.

Our full-time employees in Hong Kong participate in a Mandatory Provident Fund Scheme (the "MPF Scheme") which the assets of the MPF Scheme are held separately from those of the Group in funds under the control of independent trustees. Under the MPF Scheme, contributions are made based on a percentage of the participating employees' relevant income from the Group and the only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the MPF Scheme.

DIVIDEND

At the Board meeting held on 27 August 2025, the Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

At the Board meeting held on 27 March 2025, the Board proposed the payment of a final dividend of HK\$0.22 (approximately RMB0.21) per ordinary share in respect of the year ended 31 December 2024. The aforesaid final dividend was approved by the shareholders of the Company (the “**Shareholder(s)**”) at the annual general meeting held on Tuesday, 27 May 2025 and paid on Thursday, 26 June 2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares, if any) during the six months ended 30 June 2025. As at 30 June 2025, the Company did not hold any treasury shares.

CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles of the code provisions set out in the the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the “**CG Code**”). During the six months ended 30 June 2025, the Company has complied with all the code provisions set out in the CG Code.

The Board believes that good corporate governance is essential to the development of the Group and to safeguard the interests of the Shareholders, potential investors and business partners and is consistent with the Board’s pursuit of value creation for the Shareholders. The Company is committed to enhancing its corporate governance practices appropriate to the conduct and the development of the Group and will review such practices from time to time to ensure that the Company complies with statutory and professional standards and aligns with the latest development.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the Group’s code of conduct to regulate the securities transactions of the Directors and the relevant employees. Having made specific enquiries, all Directors confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2025.

AUDIT COMMITTEE AND REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The audit committee of the Company (the “**Audit Committee**”) consists of three independent non-executive Directors, namely Mr. HUNG Ka Hai, Clement, Dr. ZHU Guobin and Dr. ZANG Yunzhi. The main duties of the Audit Committee are to assist the Board in providing an independent review of the completeness, accuracy and fairness of the unaudited condensed consolidated financial statements for the six months ended 30 June 2025 of the Group, as well as the efficiency and effectiveness of the Group’s operations and internal controls. The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2025, including the accounting principles and practices adopted by the Group. The Audit Committee is in the opinion that the unaudited condensed consolidated financial statements have been prepared in accordance with the applicable accounting standards, the Listing Rules and the statutory requirements and that adequate disclosures have been made in the interim results announcement.

Deloitte Touche Tohmatsu, the Company’s auditor, had carried out review of the unaudited interim results of the Group for the six months ended 30 June 2025 in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chinaeastedu.com). The interim report of the Company for the six months ended 30 June 2025 will be published on the aforesaid websites in due course, and will be despatched to the Shareholders who have already provided instructions indicating their preference to receive hard copies in due course.

By order of the Board
China East Education Holdings Limited
WU Wei
Chairman

Hong Kong, 27 August 2025

As at the date of this announcement, the Board comprises Mr. WU Wei and Mr. XIAO Guoqing as executive Directors; Mr. WU Junbao and Mr. LU Zhen as non-executive Directors; and Mr. HUNG Ka Hai, Clement, Dr. ZHU Guobin and Dr. ZANG Yunzhi as independent non-executive Directors.