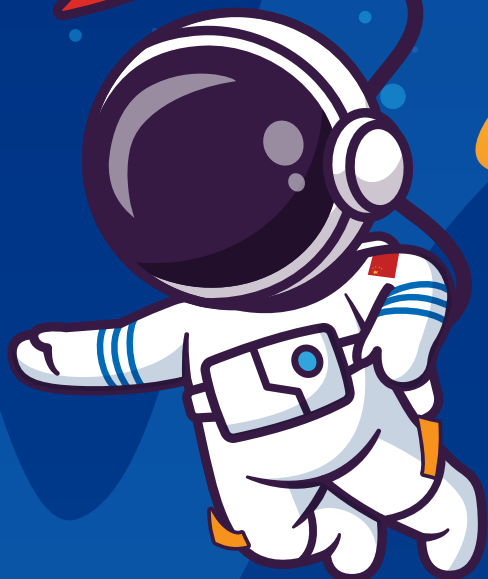




思考乐教育
SCHOLAR
EDUCATION



INTERIM REPORT 2026



思考樂教育集團
SCHOLAR EDUCATION GROUP

Stock Code: 1769

(Incorporated in the Cayman Islands with limited liability)

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CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr. Chen Qiyuan (*Chairman*)
Mr. Qi Mingzhi (*Chief Executive Officer*)
Ms. Li Ailing
Ms. Leng Xinlan

Independent Non-executive Directors

Mr. Yang Xuezhi
Ms. Yim Ka Man
Prof. Zhang Wenjun

Audit Committee

Ms. Yim Ka Man (*Committee Chairman*)
Mr. Yang Xuezhi
Prof. Zhang Wenjun

Remuneration Committee

Ms. Yim Ka Man (*Committee Chairman*)
Mr. Chen Qiyuan
Mr. Yang Xuezhi

Nomination Committee

Mr. Yang Xuezhi (*Committee Chairman*)
Mr. Chen Qiyuan
Ms. Yim Ka Man

Strategic Development Committee

Mr. Chen Qiyuan (*Committee Chairman*)
Mr. Qi Mingzhi
Mr. Yang Xuezhi

Authorised Representatives

Mr. Qi Mingzhi
Mr. So Wai Hang

Company Secretary

Mr. So Wai Hang

Legal Advisers

As to Hong Kong law:

White & Case
16/F, York House, The Landmark
15 Queen's Road Central, Central
Hong Kong

As to Cayman Islands law:

Conyers Dill & Pearman
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Auditor

Rongcheng (Hong Kong) CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
4301-07, Cosco Tower
183 Queen's Road Central
Hong Kong

Registered Office

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

Headquarters and Principal Place of Business in the PRC

43/F, Shenrun Building
No. 1001 Shennan East Road
Luohu District
Shenzhen, PRC

Principal Place of Business in Hong Kong

Unit 04, 22/F, Austin Plaza
No. 83 Austin Road
Kowloon
Hong Kong

Principal 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

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Principal Banks

China Merchants Bank Co., Ltd.
Industrial Bank Co., Ltd.
Agricultural Bank of China Limited

Company's Website

<http://www.skledu.com>

Stock Code

1769

Date of Listing

21 June 2019

CORPORATE PROFILE

Scholar Education Group is a leading private education service provider in South China.

Our educational philosophy is to “focus on academic excellence to enable our students to achieve their aspirations” (博學精教 · 成就學生). We are committed to providing high-quality tutoring education to students through a student-oriented teaching approach. All of our classes are delivered in small class settings, typically consisting of no more than 20 students per class.

Our programme is comprised of liberal education courses in respect of art, sports, painting, performance art, calligraphy, scientific literacy, Le Xue and Guo Xue (樂學國學), logic training and Miaowei international literacy (妙維國際素養) with a view to fulfilling various needs of students and encouraging students to develop their hobbies and talents, and by providing them with quality services, children can achieve a balanced development in the five aspects of “ethics, intellect, physique, aesthetics and hard-work” and enjoy a healthy and all-rounded development.

In addition, the Group provides after-school care services, by which students can receive its quality after-school care services from professional teachers in a safe and comfortable environment. With its talented teachers as companions in their daily lives, the Group’s students can grow sturdily and will be motivated to build positive thinking and attitude as well as to cultivate their capability in lifelong learning.

We have also explored and launched initiatives such as our educational tour business and international courses. The Group believes these business initiatives will broaden the revenue base of the Group and contribute to its long-term development.

In the future, we will strive to promote the diversified development of all aspects of the Group, make full use of technological development of artificial intelligence, continuously improve service quality and operational efficiency, and live up to the recognition of students, parents, and people from all walks of life.

FINANCIAL HIGHLIGHTS

	Unaudited For the six months ended 30 June			Percentage change
	2026 RMB'000	2025 RMB'000	Change RMB'000	
Revenue	424,104	439,393	(15,289)	(3.5)%
Gross profit	107,006	150,558	(43,552)	(28.9)%
Profit for the period attributable to owners of the Company	12,757	62,933	(50,176)	(79.7)%
<i>Non-IFRS measure:</i>				
Adjusted profit for the period attributable to owners of the Company (Note 1)	26,031	81,312	(55,281)	(68.0)%

Earnings per Share

	RMB cents	RMB cents	RMB cents	
Basic	1.93	11.42	(9.49)	(83.1)%
Diluted	1.93	11.18	(9.25)	(82.7)%
<i>Non-IFRS measure:</i>				
Adjusted earnings per Share (Note 2)				
Basic	3.94	14.75	(10.81)	(73.3)%
Diluted	3.93	14.45	(10.52)	(72.8)%

Note 1: The Company defined its adjusted profit attributable to owners as its profit for the period attributable to owners after adjusting for those items which were not indicative of the Company's operating performances, mainly including the share-based compensation expenses of approximately RMB13.3 million (six months ended 30 June 2025: RMB18.4 million) for the six months ended 30 June 2026.

Note 2: The Company defines the adjusted earnings per share as earnings per share calculated by using adjusted profit for the period attributable to owners of the Company.

CHAIRMAN STATEMENT

To: Shareholders

On behalf of the Board, I am pleased to present this interim report of the Group for the six months ended 30 June 2026.

Business overview

The Group recorded an operating profit of RMB20.6 million for the six months ended 30 June 2026. During the six months ended 30 June 2026, the Group's revenue decreased to RMB424.1 million from RMB439.4 million, and its tutoring hours decreased to 4,796,186 hours from 4,944,498 hours, as compared to the same period last year. The Group provides high quality educational services to students. Our programmes have placed more emphasis on training children's ability to take initiatives and enhancing their deep thinking skills to achieve their overall development through the integration of learning and thinking.

The Group continues to make progress in its strategic development in Guangdong Province. The programmes in Guangzhou have gained a high level of recognition from parents and students, and have initially shown encouraging results. The enrollment at the new learning centers in Guangzhou is currently strong, and overall operations are exceeding expectations. Nevertheless, due to the longer-than-expected ramp-up period of certain literacy learning centres and the lead time needed for market penetration, the revenue generated from these learning centres, which are still at their early ramp-up periods, remained relatively limited, whereas the direct operating costs, including staff expenses and benefits, amortisation, depreciation, utilities and property management expenses, among others, continued to be relatively high in proportion to the revenue generated, thereby adversely impacting the Group's overall profitability. For the six months ended 30 June 2026, the Group recorded a net profit attributable to owners of RMB12.8 million, compared to a net profit attributable to owners of RMB62.9 million for the six months ended 30 June 2025.

The net profit attributable to owners of the Company for the six months ended 30 June 2026 has factored in share-based compensation expenses of approximately RMB13.3 million (last period: RMB18.4 million). Excluding the share-based compensation expenses, the Group recorded an adjusted net profit attributable to owners of the Company of RMB26.0 million for the six months ended 30 June 2026, a decrease of 68.0% as compared to the adjusted net profit attributable to owners of the Company of RMB81.3 million for last period.

Future prospects and development strategies

The Group has launched the educational tour business and international courses. The Group believes these business initiatives have broadened and will continue to broaden the revenue base of the Group and contribute to its long-term development.

In addition, the Group will further consolidate the development of "Le Xue" (樂學), one of the Group's brands, which comprises of liberal education in respect of art, sports, painting, performance art, calligraphy, scientific literacy, Guo Xue (國學), logic training and international literacy with a view to fulfilling various needs of students and encouraging students to develop their hobbies and talents. By providing them with quality services, children can achieve a balanced development in the five aspects of "ethics, intellect, physique, aesthetics and hard-work" and enjoy a healthy and all-rounded development.

Going forward, we will strive to promote the diversified development of the Group and utilise our brand influence and reputation, as well as the extensive management experience and industry knowledge of the management team, to actively explore new business opportunities in different fields, and to expand the revenue base and maximise returns for the shareholders of the Company. In addition, we will continue to employ stringent cost control measures to maintain a healthy cash flow of the Company. We will also develop technology and make appropriate use of the technological development of artificial intelligence to continuously enhance the quality of our services and operational efficiency to support the long-term development of the Group.

Acknowledgement

Finally, on behalf of the Board, I would like to express my sincere gratitude to the students and parents, and also to our management and all staff for their loyalty and dedication. I would also like to express my cordial thanks to all Shareholders, local governments and business partners for their support of, and trust in, the Board and the management of the Group. We will endeavour to further develop our business to deliver greater returns to Shareholders.

Chen Qiyuan

Chairman

Hong Kong, 24 August 2026

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

1. Revenue

	Unaudited		Percentage change
	Six months ended 30 June 2026 RMB'000	Six months ended 30 June 2025 RMB'000	
Non-academic literary programme and others	367,774	387,660	(5.1)%
Tutoring programme	56,330	51,733	8.9%
Total	424,104	439,393	(3.5)%

The following table sets forth the student enrolments and tutoring hours delivered by type of education services for the periods indicated based on the Group's internal records:

	Six months ended 30 June 2026		Six months ended 30 June 2025		Percentage change	
	Student enrolments	Tutoring hours	Student enrolments	Tutoring hours	Student enrolments	Tutoring hours
Non-academic literary programme	168,858	4,180,600	177,826	4,380,343	(5.0)%	(4.6)%
Tutoring programme	25,033	615,586	22,962	564,155	9.0%	9.1%
Total	193,891	4,796,186	200,788	4,944,498	(3.4)%	(3.0)%

The Group's revenue decreased by 3.5% from RMB439.4 million for the six months ended 30 June 2025 to RMB424.1 million for the six months ended 30 June 2026. This decrease was primarily due to decreases in the total student enrolments and tutoring hours for the six months ended 30 June 2026.

2. Cost of sales

The cost of sales of the Group increased by 9.8% from RMB288.8 million for the six months ended 30 June 2025 to RMB317.1 million for the six months ended 30 June 2026. This increase was primarily due to an increase in teacher compensation and amortisation of right-of-use assets, primarily contributed by the increase of the total number of the Group's learning centres as a result of the expansion of the Group's learning centre network.

3. Gross profit and gross profit margin

During the ramp-up period following the opening of each new learning center, it generated relatively limited revenue while the related costs, such as rental expenses and salaries and benefits, increased significantly due to the increased number of learning centers. As a result, the gross profit of the Group decreased by 28.9% from RMB150.6 million for the six months ended 30 June 2025 to RMB107.0 million for the six months ended 30 June 2026. The gross profit margin of the Group decreased from 34.3% for the six months ended 30 June 2025 to 25.2% for the six months ended 30 June 2026.

4. Selling expenses

The selling expenses of the Group increased by 16.0% from RMB6.5 million for the six months ended 30 June 2025 to RMB7.6 million for the six months ended 30 June 2026. These expenses were primarily attributable to student activities.

5. Administrative expenses

The administrative expenses of the Group increased by 31.2% from RMB64.4 million for the six months ended 30 June 2025 to RMB84.5 million for the six months ended 30 June 2026. This increase was mainly due to the increase in administrative personnel expenses in line with the expansion of the Group's learning centre network.

6. Research and development expenses

The research and development expenses of the Group increased by 16.5% from RMB10.5 million for the six months ended 30 June 2025 to RMB12.2 million for the six months ended 30 June 2026. These expenses were primarily attributable to research and development personnel expenses for the development of teaching materials and learning products and market research for a range of literacy subjects and levels.

7. Other income

The other income of the Group increased by 14.8% from RMB5.6 million for the six months ended 30 June 2025 to RMB6.4 million for the six months ended 30 June 2026. This increase was primarily due to increase in government grants of RMB1.6 million. The increase was partially offset by decrease in rental income from operating leases of RMB0.4 million and decrease in finance income of RMB0.4 million.

8. Other gains — net

The other net gains of the Group increased by 322.3% from RMB2.7 million for the six months ended 30 June 2025 to RMB11.5 million for the six months ended 30 June 2026. The increase was primarily attributable to increase in fair value gains on financial assets at fair value through profit or loss of RMB13.9 million and increase in compensation income of RMB0.9 million. The increase was partially offset by increase in net foreign exchange losses of RMB5.8 million.

9. Finance costs

The finance costs of the Group increased by 36.9% from RMB4.3 million for the six months ended 30 June 2025 to RMB5.8 million for the six months ended 30 June 2026, primarily due to the increase in interest expenses on lease liabilities of RMB1.2 million.

10. Profit before income tax

As a result of the foregoing, the profit before income tax of the Group decreased by 79.5% from RMB72.2 million for the six months ended 30 June 2025 to RMB14.8 million for the six months ended 30 June 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

11. Income tax expense

The income tax expense of the Group decreased by 77.2% from RMB9.3 million for the six months ended 30 June 2025 to RMB2.1 million for the six months ended 30 June 2026. The decrease was primarily due to the decrease in assessable profit.

12. Profit for the period attributable to owners of the Company

As a result of the foregoing, the profit for the period attributable to owners of the Company decreased by 79.7% from RMB62.9 million for the six months ended 30 June 2025 to RMB12.8 million for the six months ended 30 June 2026.

Non-IFRS Measures

Adjusted profit for the period attributable to owners

To supplement the Group's consolidated financial statements that are presented in accordance with IFRS, the Company also uses adjusted net profit attributable to owners of the Company and adjusted earnings per share as additional financial measures. The Company presents these financial measures because they are used by the Company's management to evaluate the Group's financial performance by eliminating the impact of items that the management does not consider to be indicative of the Group's underlying performance. The management of the Company also believes that such non-IFRS measures provide Shareholders and investors of the Company with additional information in understanding and evaluating the Group's consolidated results of operations in the same manner as the management of the Company does and in comparing financial results across accounting periods and to those of the Company's peer companies. The use of such non-IFRS measures has limitations as an analytical tool, and Shareholders and investors of the Company should not consider them in isolation from, or as substitute for the analysis of, the Company's results of operations or financial condition as reported under IFRS.

The following table reconciles the Group's adjusted profit for the periods attributable to owners presented to the most directly comparable financial measure calculated and presented in accordance with IFRS:

	Unaudited For the six months ended 30 June		Percentage Change
	2026	2025	
	RMB'000	RMB'000	
Profit for the period attributable to owners of the Company	12,757	62,933	(79.7)%
Add:			
Share-based compensation expenses (Note 1)	13,274	18,379	(27.8)%
Adjusted profit for the period attributable to owners of the Company	26,031	81,312	(68.0)%

Note:

- (1) Share-based compensation expenses: These expenses were incurred in connection with the share options and share awards granted to the employees of the Group, which are recognised over the share options' and share awards' respective vesting period starting from the grant date to the vesting date. These expenses are non-cash and are not directly relevant to the Group's operating performance.

MANAGEMENT DISCUSSION AND ANALYSIS

Adjusted earnings per Share

The following table reconciles the Group's adjusted earnings per Share presented to the most directly comparable financial measure calculated and presented in accordance with IFRS:

(a) Adjusted basic earnings per share

	Unaudited For the six months ended 30 June	
	2026	2025
Adjusted earnings attributable to owners of the Company (in RMB thousands)	26,031	81,312
Weighted average number of ordinary shares in issue (thousand shares) (i)	660,936	551,171
Adjusted basic earnings per share (expressed in RMB cents per share)	3.94	14.75

(i) Adjusted basic earnings per share is calculated by dividing the adjusted profit for the period attributable to the owners of the Company by the weighted average number of ordinary shares in issue for the six months ended 30 June 2026 and 2025.

(b) Adjusted diluted earnings per share

Adjusted diluted earnings per share adjusts the figures used in the determination of adjusted basic earnings per share to take into account:

- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

	For the six months ended 30 June	
	2026	2025
Adjusted diluted earnings per share (expressed in RMB cents per share)	3.93	14.45

MANAGEMENT DISCUSSION AND ANALYSIS

Weighted average number of shares used as the denominator:

	For the six months ended 30 June	
	2026	2025
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	660,936,000	551,171,000
Adjustments for calculation of diluted earnings per share:		
Share options	720,000	11,581,000
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating adjusted diluted earnings per share	661,656,000	562,752,000

Liquidity, financial resources and capital structure

The total equity of the Group as at 30 June 2026 was RMB790.5 million (31 December 2025: RMB803.4 million). The Group generally finances its operation with internally generated cash flows. As at 30 June 2026, the Group's cash and cash equivalents decreased by 27.2% from RMB472.7 million as at 31 December 2025 to RMB344.1 million. The decrease in cash and cash equivalents for the six months ended 30 June 2026 was primarily attributable to the increase in financial assets at fair value through profit or loss. As at 30 June 2026, the current assets of the Group amounted to RMB633.3 million (31 December 2025: RMB711.6 million), including RMB209.4 million (31 December 2025: RMB178.7 million) in financial assets at fair value through profit or loss and other financial assets at amortised cost, and RMB344.8 million (31 December 2025: RMB474.9 million) in bank balances and restricted cash, and other current assets of RMB79.1 million (31 December 2025: RMB58.1 million). The current liabilities of the Group amounted to RMB554.6 million (31 December 2025: RMB601.7 million), of which RMB241.3 million (31 December 2025: RMB286.0 million) are contract liabilities, RMB110.5 million (31 December 2025: RMB94.9 million) are lease liabilities, RMB68.0 million (31 December 2025: RMB70.0 million) are bank borrowings and RMB134.8 million (31 December 2025: RMB150.8 million) are other current liabilities. As at 30 June 2026, the Group had RMB68.0 million (31 December 2025: RMB70.0 million) of bank borrowings, all of which were variable rate borrowings, denominated in RMB and wholly repayable within one year. The gearing ratio of the Group as at 30 June 2026 was 8.6% (31 December 2025: 8.7%), based on the bank borrowings divided by the equity attributable to the shareholders. As at 30 June 2026, the Group had net current assets of RMB78.7 million (31 December 2025: RMB109.9 million).

Treasury management policy

The treasury management policy of the Group is to utilise surplus cash reserves to invest in low-risk wealth management products to generate income without interfering with the Group's business operations or capital expenditures. With the aim of controlling risks to the Group, the Group generally invests in low and medium risk and short-term (generally with maturity periods not more than one year) wealth management products, including but not limited to: (i) low-risk, principal-protected unit trusts, structured deposits and other financial instruments issued by trust companies and commercial banks based in the PRC and the United States of America; (ii) money market instruments such as certified deposits and currency funds; (iii) debt instruments such as sovereign debt, central bank-issued debts and various debt funds; and (iv) listed and unlisted securities. The chairman of the Board is mandated by the Board to make investment decisions within the pre-determined limit. Subject to the approval of the chairman of the Board, who approves all investment contracts, the treasury department of the Group is responsible for the overall execution of the Group's investment decisions. The treasury department is also responsible for tracking the underlying investments of the wealth management products held by the Group and analysing the performance of the investments of the Group. If the treasury department identifies any risk associated with the wealth management products, the Group will take immediate action to manage its risk exposure. The investments of the Group are monitored from time to time, and professional agencies will be appointed to perform review and audit of such investments if deemed necessary. The treasury department also reviews the Group's cash position, operating cash requirements and potential investment opportunities on a monthly basis, and is also responsible for preparing monthly investment plans and cash budgets. The monthly investment plans and cash budgets are approved by the vice president of treasury department of the Group, the chairman of the Board, and, if necessary, the Board, taking into account whether the proposed investment plans would have any negative impact on the Group's cash position and operating cash requirements. The personnel of the treasury department of the Group are required to strictly follow the approved monthly investment plans to execute the Group's treasury management policy.

Foreign exchange exposure

The majority of the Group's revenue and expenditures are denominated in RMB. Most of the cash and bank deposits of the Group as at 30 June 2026 were denominated in RMB, HK\$ and US\$. The Group currently does not have any foreign currency hedging policies. The management will continue to monitor the Group's foreign exchange risk exposure and consider adopting prudent measures as appropriate.

Material acquisitions and disposals and significant investment

Save as disclosed in this interim report, there was no significant investment held, material acquisition and disposal of subsidiaries, associates and joint ventures by the Company for the six months ended 30 June 2026. The Group will endeavour to keep abreast of the changing market conditions and proactively identify investment opportunities with a view to broadening its revenue base and enhancing its future financial performance and profitability. The Directors are confident in the future growth of the Company. None of the investments held by the Group were direct equity investments in any investee company nor individually exceeded 5% of the total assets of the Group as at 30 June 2026.

Save as disclosed in this interim report, the Group did not have any plans for significant investments as at 30 June 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

Dividends

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: nil).

Contingent liabilities

As at 30 June 2026, the Group did not have material contingent liabilities, guarantees or litigations or claims of material importance, pending or threatened against any member of the Group (31 December 2025: nil).

Pledge of assets

The Group did not have any material pledge of assets as at 30 June 2026 and 31 December 2025.

Employees and remuneration policies

The Group adheres to a strong belief that one of the most valuable assets of a corporation is its employees. The Group values its human resources and recognises the importance of attracting and retaining qualified staff for its continuing success.

The Group employed a total work force of 3,295 employees as at 30 June 2026 (31 December 2025: 2,946 employees). The Group's remuneration policies are in line with the prevailing market practices and are determined on the basis of performance and experience of the individual concerned. The Group has been constantly reviewing staff remuneration package to ensure it is competitive in the market.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Unaudited	
		Six months ended 30 June	
		2026	2025
	Notes	RMB'000	RMB'000
Revenue	6	424,104	439,393
Cost of sales	9	(317,098)	(288,835)
Gross profit		107,006	150,558
Selling expenses	9	(7,551)	(6,512)
Administrative expenses	9	(84,525)	(64,420)
Research and development expenses	9	(12,212)	(10,484)
Other income	7	6,381	5,559
Other gains — net	8	11,542	2,733
Operating profit		20,641	77,434
Finance costs	10	(5,825)	(4,255)
Share of net loss of investments accounted for using equity method		(13)	(1,019)
Profit before income tax		14,803	72,160
Income tax expense	11	(2,133)	(9,337)
Profit for the period		12,670	62,823
Profit and total comprehensive income attributable to:			
— Owners of the Company		12,757	62,933
— Non-controlling interests		(87)	(110)
		12,670	62,823
Earnings per share (expressed in RMB cents per share)			
— Basic	12	1.93	11.42
— Diluted	12	1.93	11.18

The accompanying notes on pages 21 to 47 form an integral part of the interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

		Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
	Notes		
Assets			
Non-current assets			
Property, plant and equipment	13	149,349	143,591
Right-of-use assets	14	431,305	441,400
Investment properties	15	98,883	98,883
Intangible assets	16	10,425	10,444
Deferred tax assets		39,168	46,431
Prepayments and other receivables	17	28,323	27,683
Investments in associates	18	115,932	116,205
Financial assets at fair value through profit or loss	19	53,416	53,416
Total non-current assets		926,801	938,053
Current assets			
Prepayments and other receivables	17	79,152	58,050
Other financial assets at amortised cost		10,011	91,520
Financial assets at fair value through profit or loss	19	199,346	87,153
Restricted cash	20	702	2,109
Cash and cash equivalents	20	344,099	472,746
Total current assets		633,310	711,578
Total assets		1,560,111	1,649,631
Equity			
Share capital	21	4,614	4,614
Share premium	25	318,318	318,318
Shares held for employee share scheme	22	(42,888)	(3,340)
Repurchased shares	23	(1,865)	—
Other reserves	25	93,638	77,778
Retained earnings		419,263	406,506
Capital and reserves attributable to owners of the Company		791,080	803,876
Non-controlling interests		(585)	(498)
Total equity		790,495	803,378

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

		Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
	Notes		
Liabilities			
Non-current liabilities			
Lease liabilities	14	205,191	224,317
Deferred tax liabilities		9,810	20,227
Total non-current liabilities		215,001	244,544
Current liabilities			
Contract liabilities	27	241,306	285,987
Trade and other payables	28	109,777	125,216
Current income tax liabilities		24,983	25,618
Borrowings	29	68,000	70,000
Lease liabilities	14	110,549	94,888
Total current liabilities		554,615	601,709
Total liabilities		769,616	846,253
Total equity and liabilities		1,560,111	1,649,631

The accompanying notes on pages 21 to 47 form an integral part of the interim condensed consolidated financial information.

The interim condensed consolidated financial information on pages 15 to 47 was approved by the Board of Directors on 24 August 2026 and were signed on its behalf.

Chen Qiyuan
Director

Qi Mingzhi
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Unaudited									
Attributable to owners of Company									
	Notes	Share capital	Share premium	Share held for share Scheme	Repurchased shares	Other reserves	Retained earnings	Non-controlling interests	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2026		4,614	318,318	(3,340)	—	77,778	406,506	803,876	(498) 803,378
Profit for the period		—	—	—	—	—	12,757	12,757	(87) 12,670
Total comprehensive income for the period		—	—	—	—	—	12,757	12,757	(87) 12,670
Transactions with owners in their capacity as owners:									
Acquisition of shares for employee share scheme	22	—	—	(39,548)	—	—	—	(39,548)	— (39,548)
Buy-back of share	23	—	—	—	(1,865)	—	—	(1,865)	— (1,865)
Share based payments	24	—	—	—	—	15,860	—	15,860	— 15,860
Balance at 30 June 2026		4,614	318,318	(42,888)	(1,865)	93,638	419,263	791,080	(585) 790,495

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Unaudited							Non-controlling interests	
		Attributable to owners of Company								
		Share held					Total			
		Share capital	Share premium	for share Scheme	Repurchased shares	Other reserves		Retained earnings		
Notes	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	Total equity	
Balance at 1 January 2025		3,840	107,941	(28,308)	(2,366)	69,779	484,224	635,110	(267)	634,843
Profit for the period		—	—	—	—	—	62,933	62,933	(110)	62,823
Total comprehensive income for the period		—	—	—	—	—	62,933	62,933	(110)	62,823
Transactions with owners in their capacity as owners:										
Acquisition of shares for employee share scheme		—	—	(2,630)	—	—	—	(2,630)	—	(2,630)
Share based payments	24	—	—	—	—	22,158	—	22,158	—	22,158
Balance at 30 June 2025		3,840	107,941	(30,938)	(2,366)	91,937	547,157	717,571	(377)	717,194

The accompanying notes on pages 21 to 47 form an integral part of the interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Unaudited Six months ended 30 June	
		2026 RMB'000	2025 RMB'000
Cash flows from operating activities			
Cash generated from operations		12,315	49,518
Interest received		3,673	2,787
Income taxes paid		(5,922)	(18,748)
Net cash generated from operating activities		10,066	33,557
Cash flows from investing activities			
Payments for property, plant and equipment, land use rights and intangible assets		(24,716)	(60,900)
Payments for purchase of other financial assets at amortised cost		(10,000)	(2,086)
Proceeds from disposal of other financial assets at amortised cost		91,520	—
Payments for purchase of financial assets at fair value through profit or loss	19	(655,386)	(19,600)
Proceeds from disposal of financial assets at fair value through profit or loss	19	560,262	6,752
Payments for investments in associates	18	(450)	—
Acquisition of a subsidiary	30	(969)	—
Net cash used in investing activities		(39,739)	(75,834)
Cash flows from financing activities			
Proceeds from borrowings		—	2,000
Repayment of borrowings		(2,000)	(30,000)
Interest paid on borrowings		(772)	(429)
Acquisition of shares for employee share scheme		(39,548)	(2,630)
Buy-back of shares	23	(1,865)	—
Principal elements of lease payments	14	(47,927)	(47,383)
Net cash used in financing activities		(92,112)	(78,442)
Net decrease in cash and cash equivalents		(121,785)	(120,719)
Cash and cash equivalents at the beginning of the period		472,746	390,677
Effects of exchange rate changes on cash and cash equivalents		(6,862)	(20)
Cash and cash equivalents at end of the period		344,099	269,938

The accompanying notes on pages 21 to 47 form an integral part of the interim condensed consolidated financial information.

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. General information

Scholar Education Group (the “Company”) was incorporated on 7 February 2018 in the Cayman Islands as an exempted company with limited liability under the laws of the Cayman Islands. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the provision of private education services in the People’s Republic of China (the “PRC” or “China”).

Mr. Chen Qiyuan is the ultimate controlling shareholder of the Company.

The Company’s ordinary shares have been listed on The Stock Exchange of Hong Kong Limited since 21 June 2019 (the “Listing”).

This interim condensed consolidated financial information is presented in Renminbi (RMB) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

This interim condensed consolidated financial information was approved for issue by the board of directors of the Company on 24 August 2026 and has not been audited.

2. Basis of preparation

This interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”).

This interim condensed consolidated financial information does not include all the notes of the type normally included in an annual financial report. Accordingly, this interim condensed consolidated financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2025 (“2025 Financial Statements”) which have been prepared in accordance with IFRS Accounting Standards (“IFRSs”).

The Group will continue to implement measures before the Structured Contracts are unwound, with an aim to further enhance its control over the PRC Operating Entities. The Company is not aware of any non-performance of the Structured Contracts or non-compliance with such aforementioned measures as at the date of this Report. As advised by the Group’s PRC legal counsel, the structured contracts are legally enforceable and the Group did not violate existing PRC laws and regulations for the six months ended 30 June 2026 and up to the date of this report. The Directors will continue to closely monitor the development of laws and regulations and will make further appropriate adjustment of its business model whenever needed to ensure compliance with the new relevant policies. Based on cashflow projections for a period of not less than 12 months after 30 June 2026, the Directors are in the opinion that the Group’s available source of funds is sufficient to fulfil its financial obligations as and when they fall due in the coming twelve months from 30 June 2026. The Group therefore continues to adopt the going concern basis in preparing its interim condensed consolidated financial information.

NOTES TO THE INTERIM FINANCIAL INFORMATION

3. Accounting policies

The accounting policies applied are consistent with those of the 2025 Financial Statements, as described in those annual consolidated financial statements, except for the adoption of new and amended standards as set out below.

(a) New and amended standards adopted by the Group

The Group has adopted new and amended standards and interpretation as described below.

		Effective for annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7	Amendments to the classification and measurement of financial instruments	1 January 2026
Amendments to IFRS 9 and IFRS 7	Contracts referencing nature-dependent electricity	1 January 2026
Annual Improvement	Annual Improvements to IFRS Accounting Standards — Volume 11	1 January 2026

The adoption of new and amended standards and interpretation did not have material impact on the interim financial information.

(b) New standards, amendments to standards and interpretations not yet adopted

		Effective for annual periods beginning on or after
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 20	Regulatory Assets and Regulatory Liabilities	1 January 2029
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint venture	To be determined

Certain new accounting standards and interpretations have been published that are not mandatory for the six months ended 30 June 2026 and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

4. Estimates

The preparation of interim condensed consolidated financial information in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this interim condensed consolidated financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2025 Financial Statements.

5. Financial risk management

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise such unpredictability.

This interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the 2025 Financial Statements.

There have been no material changes in the risk management function or in any risk management policies since 31 December 2025.

5.2 Liquidity risk

The Group manages the liquidity risk through holding of sufficient cash and bank balances. The Group further mitigates the liquidity risk by maintaining cash reserve and utilising bank financing. The Directors consider that the Group is not exposed to significant liquidity risk.

NOTES TO THE INTERIM FINANCIAL INFORMATION

5. Financial risk management (Continued)

5.2 Liquidity risk (Continued)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting year to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows (including interest payment computed using contractual rates or, if floating, based on current rates at each reporting year).

	Within 1 year RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As at 30 June 2026					
Trade payables	5,502	—	—	—	5,502
Other payables	19,228	—	—	—	19,228
Borrowings	69,700	—	—	—	69,700
Lease liabilities	75,296	67,505	188,257	45,155	376,213
	169,726	67,505	188,257	45,155	470,643
	Within 1 year RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As at 31 December 2025					
Trade payables	3,813	—	—	—	3,813
Other payables	20,844	—	—	—	20,844
Borrowings	71,073	—	—	—	71,073
Lease liabilities	103,740	94,173	149,399	16,654	363,966
	199,470	94,173	149,399	16,654	459,696

NOTES TO THE INTERIM FINANCIAL INFORMATION

5. Financial risk management (Continued)

5.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

See Note 19 for disclosure of the financial assets at fair value through profit or loss.

Financial instruments at fair value as at 30 June 2026 were as follows:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Asset				
Wealth management products	—	10,283	189,063	199,346
Unlisted equity investments in Mainland China	—	—	53,416	53,416
	—	10,283	242,479	252,762

Financial instruments at fair value as at 31 December 2025 were as follows:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Asset				
Wealth management products	—	24,507	62,646	87,153
Unlisted equity investments in Mainland China	—	—	53,416	53,416
	—	24,507	116,062	140,569

NOTES TO THE INTERIM FINANCIAL INFORMATION

5. Financial risk management (Continued)

5.3 Fair value estimation (Continued)

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments; and
- Other techniques, such as discounted cash flow analysis, are used to determine the fair value for the remaining financial instruments; and
- A combination of observable and unobservable inputs, including discount rate for lack of marketability, market multiples, etc.

There were no changes in valuation techniques during the period.

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the six months ended 30 June 2026.

The Group manages the valuation of level 3 instruments for financial reporting purposes. The Group manages the valuation exercise of the investments on a case by case basis. At least once every year, the Group would use valuation techniques to determine the fair value of the Group's level 3 instruments. External valuation experts will be involved when necessary.

The valuation of the level 3 instruments mainly included financial assets at FVPL. As these instruments are not traded in an active market, their fair values are estimated by using various applicable valuation techniques, including discounting the cash flows approach with reference to the quoted price by the financial institution and market approach etc.

As at 30 June 2026, there were certain investment properties measured at fair value, see Note 15 for disclosure related to investment properties.

NOTES TO THE INTERIM FINANCIAL INFORMATION

6. Revenue and segment information

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Private education services and others	424,104	439,393

Operating segments are defined as components of an enterprise engaging in business activities for which separate financial information is available that is regularly evaluated by the Group's chief operating decision makers ("CODM") in deciding how to allocate resources and assess performance. The Group's CODM has been identified as the Board of Directors, who reviews consolidated results when making decisions about allocating resources and assessing performance of the Group.

The Group's principal market is in Guangdong Province of the PRC, most of the Group's revenue and operating profit are derived within Guangdong Province, and most of the Group's operations and non-current assets are located in Guangdong Province. Accordingly, no geographical segment information is presented.

As a result of evaluation by CODM, the CODM considers that the Group is operated and managed as a single operating segment of private education services for the six months ended 30 June 2026.

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Recognised over time		
— Private education services and others	424,104	439,393

The Group has a large number of customers, and no single customer accounts for more than 10% of the Group's total revenue during the period (for the six months ended 30 June 2025: nil).

NOTES TO THE INTERIM FINANCIAL INFORMATION

7. Other income

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Sub-lease — net (a)	50	78
Rental income from operating leases	1,183	1,543
Finance income	1,809	2,186
Government grants	3,339	1,752
	6,381	5,559

- (a) The Group sub-leases a portion of its teaching centres to third parties, and pricing of sub-lease income was determined with reference to the actual rental expense with terms agreed by both parties.

8. Other gains — net

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Fair value gains on financial assets at fair value through profit or loss	17,069	3,161
Lease modification	360	858
Net losses on disposal of property, plant and equipment	(1,036)	(933)
Deposits losses	(655)	(832)
Compensation income/(charges)	896	(3)
Net foreign exchange losses	(5,812)	(20)
Others	720	502
	11,542	2,733

NOTES TO THE INTERIM FINANCIAL INFORMATION

9. Expenses by nature

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Employee benefit expenses	307,070	273,288
Depreciation and amortisation (Note 13, Note 14, Note 16)	66,780	56,639
Property management expense	8,582	8,064
Teaching materials	10,116	5,672
Advertising and exhibition expense	5,383	4,719
Maintenance cost	3,881	3,069
Professional service fees	4,262	2,414
Office expenses	2,895	3,003
Utilities	3,019	2,485
Other taxes	1,796	1,808
Auditor's remuneration	25	400
Allowance for impairment	—	35
Others	7,577	8,655
	421,386	370,251

10. Finance costs

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Interest expense on borrowings	772	400
Interest expense on leasing liabilities (Note 14(b))	5,053	3,855
	5,825	4,255

NOTES TO THE INTERIM FINANCIAL INFORMATION

11. Income tax expense

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Current tax		
— Current tax on profit for the period	5,286	16,390
Deferred income tax		
— Decrease in deferred income tax	(3,153)	(7,053)
Income tax expense	2,133	9,337

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profit of the consolidated entities were as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Profit before income tax:	14,803	72,160
Tax calculated at tax rates applicable to profit in the respective companies	2,219	10,360
Tax effects of:		
— Preferential tax policies (c)	52	(72)
— Expenses not deductible for tax purposes	147	170
— Research and development super deduction (d)	(1,837)	(1,416)
— Unrecognised tax losses	1,733	468
— Previously unrecognised tax losses now recouped to reduce current tax expense	(181)	(173)
	2,133	9,337

(a) Cayman Islands corporate income tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

(b) Hong Kong profits tax

No provision for Hong Kong profits tax was made as the Group did not have any assessable income subject to Hong Kong profits tax during the six months ended 30 June 2026.

NOTES TO THE INTERIM FINANCIAL INFORMATION

11. Income tax expense (Continued)

(c) **PRC Enterprise Income Tax ("EIT")**

The income tax provision of the Group in respect of its operations in the PRC was calculated at the tax rate of 25% on the assessable profits for the reporting period, based on the existing legislation, interpretations and practices in respect thereof.

FengYe (Shenzhen) Science and Technology Co., Ltd. (楓燁(深圳)科技有限公司) ("Shenzhen Fengye") has obtained its qualification as a "High and New Technology Enterprise" ("HNTE") in November 2023 and it is subject to a reduced preferential EIT rate of 15% for 3-year period from 2023 to 2025 according to the relevant PRC laws and regulations applicable to the HNTE. The effective corporate tax rate increases to 25% beginning from 1 January 2026 when the three-year preferential tax exemption expired.

Shenzhen Scholar Culture and Education Technology and Development Co., Ltd. (深圳市思考樂文化教育科技發展有限公司) ("Shenzhen Scholar") has obtained its qualification as a HNTE in January 2025 and it is subject to a reduced preferential EIT rate of 15% for 3-year period from 2024 to 2026 according to the relevant PRC laws and regulations applicable to the HNTE. The effective corporate tax rate increases to 25% beginning from 1 January 2027 when the three-year preferential tax exemption expired.

(d) **Research and development super deduction**

According to relevant laws and regulations promulgated by the State Administration of Tax of the PRC effective from 1 October 2022 onwards, enterprises engaging in research and development activities are entitled to claim 200% of their qualified research and development expenses so incurred as tax deductible expenses when determining their assessable profits for the year ("Super Deduction"). The Group has made its best estimate for the Super Deduction to be claimed in ascertaining the assessable profits for the six months ended 30 June 2026.

(e) **Withholding income tax**

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to a 10% withholding income tax. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5%. Youshine International Co., Ltd. (煜耀國際有限公司) incorporated in Hong Kong and has successfully obtained Hong Kong Tax Resident Identity certificates, thus the applicable withholding tax rate was 5% since 2023.

As at 30 June 2026, the Group has recognised certain deferred tax liabilities in relation to withholding taxes for earnings of Mainland China subsidiaries to be remitted in the foreseeable future based on management's estimation on the Group's overseas funding requirements. No deferred withholding tax was provided for the unremitted earnings of approximately RMB180,754,000 (31 December 2025: RMB162,986,000) as these earnings are expected to be retained by such PRC subsidiaries for reinvestment purposes and would not be remitted to their overseas holding companies in the foreseeable future based on management's estimation on the Group's overseas funding requirements.

12. Earnings per share

(a) **Basic earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2026 and 2025.

	Six months ended 30 June	
	2026	2025
Earnings attributable to owners of the Company (in RMB thousands)	12,757	62,933
Weighted average number of ordinary shares in issue (thousand shares)	660,936	551,171
Basic earnings per share (expressed in RMB cents per share)	1.93	11.42

NOTES TO THE INTERIM FINANCIAL INFORMATION

12. Earnings per share (Continued)

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

	Six months ended 30 June	
	2026	2025
Diluted earnings per share (expressed in RMB cents per share)	1.93	11.18

Weighted average number of shares used as the denominator

	Six months ended 30 June	
	2026	2025
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	660,936,000	551,171,000
Adjustments for calculation of diluted earnings per share:		
Share options	720,000	11,581,000
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	661,656,000	562,752,000

NOTES TO THE INTERIM FINANCIAL INFORMATION

13. Property, plant and equipment

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
At the beginning of the period	143,591	110,746
Additions	23,590	23,581
Transfer to right-of-use assets	—	(12,546)
Disposals	(1,036)	(933)
Depreciation charge	(16,796)	(14,856)
At the end of the period	149,349	105,992

14. Right-of-use assets and Leases

(a) Amounts recognised in the interim condensed consolidated balance sheet

	As at	As at
	30 June	31 December
	2026	2025
	RMB'000	RMB'000
Right-of-use assets*		
Land use rights	128,643	132,423
Properties	302,662	308,977
	431,305	441,400
Lease liabilities		
Current	110,549	94,888
Non-current	205,191	224,317
	315,740	319,205

* Additions to the right-of-use assets during the six months ended 30 June 2026 was RMB51,454,000 (for the year ended 31 December 2025: RMB103,002,000).

NOTES TO THE INTERIM FINANCIAL INFORMATION

14. Right-of-use assets and Leases (Continued)

(b) Amounts recognised in the interim condensed consolidated statement of comprehensive income

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Depreciation charge of right-of-use assets		
— Properties	46,030	39,996
— Land use rights	3,780	1,614
	49,810	41,610
Finance costs on leases	5,053	3,855

(c) Amounts recognised in the interim condensed consolidated statement of cash flows

For the six months ended 30 June 2026, the cash outflows from financing activities for leases were RMB47,927,000 (for the six months ended 30 June 2025: RMB47,383,000) and cash outflows from operating activities for short-term lease was RMB273,000 (for the six months ended 30 June 2025: RMB419,000).

15. Investment properties

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
At fair value		
At the beginning and end of the period	98,883	100,885

NOTES TO THE INTERIM FINANCIAL INFORMATION

15. Investment properties (Continued)

(a) Amounts recognised in the interim condensed consolidated statements of comprehensive income

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Rental income from operating leases	1,183	1,543

The fair value was determined based on comparison approach with reference to the recent market transaction price. The Group's investment properties, which comprised office buildings in Mainland China, were valued at fair value and measured by using significant unobservable inputs (Level 3).

(b) Leasing arrangements

The investment properties are leased to tenants under operating leases with rentals payable monthly. Where considered necessary to reduce credit risk, the Group required the tenants to provide deposits for the term of lease contracts.

16. Intangible assets

	Goodwill RMB'000	Computer software RMB'000	Total RMB'000
Six months ended 30 June 2025			
Opening net book amount	9,032	1,760	10,792
Amortisation charge and impairment	—	(174)	(174)
Closing net book amount	9,032	1,586	10,618
Six months ended 30 June 2026			
Opening net book amount	9,032	1,412	10,444
Acquisition of subsidiary (Note 30)	155	—	155
Amortisation charge and impairment	—	(174)	(174)
Closing net book amount	9,187	1,238	10,425

NOTES TO THE INTERIM FINANCIAL INFORMATION

17. Prepayments and other receivables

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Included in non-current assets		
Lease deposits	20,705	19,465
Prepayments for fund management fees	1,443	391
Prepayments for leasehold improvements	1,672	546
Loans to employees (b)	4,618	5,570
Interest receivable	—	1,886
	28,438	27,858
Allowance for impairment (d)	(115)	(175)
	28,323	27,683
Included in current assets		
Amounts due from employees — exercise of option	39,535	39,535
Lease deposits	3,398	3,040
Prepayments (a)	10,281	7,838
Loans to employees (b)	4,971	2,852
Cash advances to employees (c)	6,056	587
Lease receivables	1,695	1,695
Other receivables	13,216	7,579
	79,152	63,126
Allowance for impairment (d)	—	(5,076)
	79,152	58,050

As at 30 June 2026 and 31 December 2025, there were no significant balances that are past due.

- (a) Prepayments mainly represent prepayment for teaching materials purchase, property management expenses and operating expenses.
- (b) Loans to employees mainly represent loans to certain employees for personal house purchase. The loans were unsecured and interest free.
- (c) Cash advances to employees mainly represent cash advances to certain employees for ordinary course of business.
- (d) The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all other receivables. No loss allowance for other receivables during the period was recognised (for the six months ended 30 June 2025: RMB35,000).

NOTES TO THE INTERIM FINANCIAL INFORMATION

18. Investments in associates

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
At the beginning of the period	116,205	4,404
Share of losses	(13)	(1,019)
Addition	450	—
Acquisition of a subsidiary (Note 30)	(710)	—
At the end of the period	115,932	3,385

Nature of the principal investment in an associate as at 30 June 2026:

Name	Place of incorporation and kind of legal entity	Interest held at 30 June 2026	Principal activity
Shenzhen Youkaile Robot Co., Ltd.	China, limited liability company	30%	Education services

19. Financial assets at fair value through profit or loss

Financial assets mandatorily measured at FVPL include the following:

	As at 30 June 2026	As at 31 December 2025
	RMB'000	RMB'000
Non-current assets		
Unlisted equity investments in Mainland China (b)	53,416	53,416
Current assets		
Wealth management products	199,346	87,153
	252,762	140,569

NOTES TO THE INTERIM FINANCIAL INFORMATION

19. Financial assets at fair value through profit or loss (Continued)

Movements of the financial assets at fair value through profit or loss are set out below:

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
At beginning of the period	140,569	155,687
Additions	655,386	19,600
Fair value gains	17,069	3,161
Disposals	(560,262)	(6,752)
At the end of the period	252,762	171,696

- (a) For the fair value estimation, please refer to Note 5.3 for details.
- (b) As at 30 June 2026, the Group holds certain investment funds with fair value of RMB53,416,000 (as at 31 December 2025: RMB53,416,000) which are managed by the general partner while the Group participated in the funds as a limited partner. Management considered that the Group has neither significant influence nor joint control over the fund and therefore it is classified as financial assets at FVPL.

20. Bank balance and cash

(a) Cash and cash equivalents

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Cash and bank deposits	344,801	474,855
Less: restricted cash (b)	(702)	(2,109)
	344,099	472,746

NOTES TO THE INTERIM FINANCIAL INFORMATION

20. Bank balance and cash (Continued)

(a) Cash and cash equivalents (Continued)

The carrying amounts of the Group's cash and bank deposits are denominated in the following currencies:

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
RMB	265,151	266,814
US dollar	74,249	140,579
Hong Kong dollar	4,699	65,353
	344,099	472,746

(b) Restricted cash

As at 30 June 2026, restricted deposits held at banks of RMB702,000 (as at 31 December 2025: RMB2,109,000).

21. Share capital

	Authorised			Issued		
	Number of ordinary shares	Nominal value		Number of ordinary shares	Nominal value	
		USD	RMB		USD	RMB
As at 1 January 2025 and 30 June 2025	1,000,000,000	1,000,000	6,860,633	564,869,050	564,869	3,840,311
As at 1 January 2026 and 30 June 2026	1,000,000,000	1,000,000	6,860,633	673,781,050	673,781	4,613,616

NOTES TO THE INTERIM FINANCIAL INFORMATION

22. Shares held for employee share scheme

	As at 30 June 2026 Shares	As at 31 December 2025 Shares	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Shares held for employee share scheme	33,706,000	1,500,000	42,888	3,340

Movements of the shares held for employee share scheme are set out below:

Details	Number of shares	RMB'000
Opening balance as at 1 January 2026	1,500,000	3,340
Acquisition of shares by the trustee	32,206,000	39,548
Balance as at 30 June 2026	33,706,000	42,888

The Group through its trustee, Kastle Limited, acquired a total of 32,206,000 of the Company's shares for the six months ended 30 June 2026 (for the six months ended 30 June 2025: 700,000). The total consideration paid to acquisition of these shares was HK\$45,986,000 (equivalent to RMB39,548,000), which has been presented as a deduction from equity attributable to owners of the Company. These shares are held by the trustee for the purpose of granting share award under the Company's employee share award scheme.

23. Repurchased shares

	As at 30 June 2026 Shares	As at 31 December 2025 Shares	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Repurchased shares	1,000,000	—	1,865	—

NOTES TO THE INTERIM FINANCIAL INFORMATION

24. Share based payments

(a) Share Option Scheme

On 3 June 2019, the Company approved and adopted the Share Option Scheme which was subsequently terminated on 27 February 2024 upon the adoption of the Share Scheme. The Share Option Scheme is designed to provide long-term incentives for staff to deliver long-term shareholder returns. Share based compensation expenses are recognised over the options' respective vesting period starting from the grant date.

Movements of the share options are set out below:

	Six months ended 30 June 2026		Six months ended 30 June 2025	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
As at 1 January	HK\$1.62	18,615,950	HK\$1.62	18,615,950
Exercised during the period	—	—	—	—
Forfeited during the period	—	—	—	—
As at 30 June	HK\$1.62	18,615,950	HK\$1.62	18,615,950
Vested and exercisable at 30 June	HK\$1.62	18,615,950	HK\$1.62	9,169,050

No options were expired during the period.

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

Grant date	Expiry period	Exercise price	Share options 30 June 2026
6 February 2023	Options that have vested may be exercised at any time for a period of two years from the vesting date. All outstanding or unexercised Options shall lapse after 15 April 2028.	HK\$1.62	18,615,950

NOTES TO THE INTERIM FINANCIAL INFORMATION

24. Share based payments (Continued)

(b) Share Scheme

On 27 February 2024, the Company adopted the Share Scheme. The Share Scheme is designed to provide long-term incentives for staff to deliver long-term shareholder returns. Share based compensation expenses are recognised over the options' respective vesting period starting from the grant date.

Movements of the share options are set out below:

	Six months ended 30 June 2026		Six months ended 30 June 2025	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
As at 1 January	HK\$2.92	30,563,500	HK\$4.82	33,324,000
Granted during the period	HK\$1.63	33,640,000	—	—
Exercised during the period	—	—	—	—
Forfeited during the period	—	—	—	—
As at 30 June	HK\$2.19	64,203,500	HK\$4.82	33,324,000
Vested and exercisable at 30 June	HK\$3.25	19,449,500	HK\$4.48	8,335,000

No options were expired during the period.

NOTES TO THE INTERIM FINANCIAL INFORMATION

24. Share based payments (Continued)

(b) Share Scheme (Continued)

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

Grant date	Expiry period	Exercise price	Share options 30 June 2026
28 February 2024	Options that have vested may be exercised on 15 April 2025. All outstanding or unexercised Options shall lapse after 15 April 2027.	HK\$4.48	8,335,500
11 September 2025	Options that have vested may be exercised in three tranches: (i) 50% on 15 January 2026; (ii) 25% on 15 January 2027; (iii) the remaining 25% on 15 January 2028. All outstanding or unexercised Options shall lapse after 15 January 2030.	HK\$2.33	22,228,000
1 April 2026	Options that have vested may be exercised in three tranches: (i) 33% on 3 April 2027; (ii) 33% on 3 April 2028; (iii) the remaining 34% on 3 April 2029. All outstanding or unexercised Options shall lapse after 3 April 2031.	HK\$1.63	33,640,000

NOTES TO THE INTERIM FINANCIAL INFORMATION

24. Share based payments (Continued)

(b) Share Scheme (Continued)

Based on the fair value of the underlying ordinary share, the directors have used Trinomial tree method to determine the fair value of the share option as at the grant date. Key assumptions are set as below:

For share options granted on 1 April 2026:

	Tranche 1	Tranche 2	Tranche 3
Risk-free interest rate	2.22%	2.23%	2.33%
Volatility	59.33%	64.30%	67.18%
Dividend yield	4.62%	4.62%	4.62%

The fair value of the share option as at the grant date was as follow:

For share options granted on 1 April 2026:

	Tranche 1	Tranche 2	Tranche 3
No. of share options	11,101,200	11,101,200	11,437,600
Fair value as at the grant date	HK\$0.5263	HK\$0.6268	HK\$0.6933

(c) Share award scheme

The Company has adopted a share award scheme (the "Share Award Scheme") as of 28 December 2020. The vesting period of the awarded shares is determined by the Board.

For the six months ended 30 June 2026, the total expenses recognised in the consolidated statement of comprehensive income for share options was approximately RMB15,860,000 (for the six months ended 30 June 2025: RMB22,158,000) and were included in employee benefit expenses.

NOTES TO THE INTERIM FINANCIAL INFORMATION

25. Share premium and other reserves

	Other reserves					Total RMB'000
	Share premium RMB'000	Merger reserve RMB'000	Capital reserves RMB'000	Share based	Revaluation surplus RMB'000	
				compensation reserves RMB'000		
Balance at 1 January 2025	107,941	(46,347)	76,709	39,039	378	69,779
Share based payments	—	—	—	22,158	—	22,158
Balance at 30 June 2025	107,941	(46,347)	76,709	61,197	378	91,937
Balance at 1 January 2026	318,318	(46,347)	76,709	47,038	378	77,778
Share based payments	—	—	—	15,860	—	15,860
Balance at 30 June 2026	318,318	(46,347)	76,709	62,898	378	93,638

26. Dividends

The board did not recommend the payment of any interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: nil).

27. Contract liabilities

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Deferred revenue — education services	241,306	285,987

Contract liability represents the advance considerations received from the students for contracts for education services, which revenue will be recognised when the performance obligation was satisfied through services rendered.

NOTES TO THE INTERIM FINANCIAL INFORMATION

28. Trade and other payables

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Current		
Trade payables (a)	5,502	3,813
Employee benefits payables	75,044	90,566
Other taxes payables	10,003	9,993
Interest payables	29	29
Other payables	19,199	20,815
	109,777	125,216

- (a) Trade payables are primarily related to the purchase of books and other teaching materials for education. The credit terms of trade payables granted to the Group are usually 3 months.

The aging analysis of trade payables based on the invoice date was as follows:

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
3 months or less	1,719	697
3 to 6 months	2,639	2,780
6 months to 1 year	1,144	336
	5,502	3,813

29. Borrowings

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Current		
— Secured		
Bank borrowings	50,000	50,000
— Unsecured		
Bank borrowings	18,000	20,000
	68,000	70,000

For the six months ended 30 June 2026 and 2025, bank borrowings bear effective interest rate of 2.2% and 2.8% respectively. All the bank borrowings of the Group are denominated in RMB.

NOTES TO THE INTERIM FINANCIAL INFORMATION

29. Borrowings (Continued)

The scheduled repayment dates of the Group's bank borrowings, as set out in loan arrangements are as follows:

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Within 1 year	68,000	70,000

As at 30 June 2026, bank borrowings of RMB50,000,000 were secured by the patents of the Group (31 December 2025: RMB50,000,000).

30. Acquisition of a subsidiary

On 9 February 2026, the Group further acquired 60% equity interest in Shenzhen Scholar Cultural and Sports Communication Co., Ltd. (formally known as Shenzhen Scholar Culture and Tourism Service Co., Ltd.) ("Shenzhen Scholar Cultural and Sports") from the existing shareholders of Shenzhen Scholar Cultural and Sports at a total consideration of RMB1,200,000. Following the completion of the transaction, the Group's ownership interest in Shenzhen Scholar Cultural and Sports increased from 40% to 100%. As the Group obtained control over Shenzhen Scholar Cultural and Sports, Shenzhen Scholar Cultural and Sports became a directly wholly owned subsidiary, having previously been accounted for as investment in an associate.

The fair value of the identifiable assets and liabilities of Shenzhen Scholar Cultural and Sports at the date of acquisition is as follows:

Net assets acquired:	Notes	RMB'000
Prepayment and other receivables		1,874
Cash and cash equivalents		231
Receipts in advance		(350)
Total identifiable net assets at fair value		1,755
Total consideration		1,200
Add: Investment in an associate	18	710
Less: Fair value of new assets acquired		(1,755)
Goodwill arising from acquisition	16	155
Net cash outflow arising on acquisition:		
Cash consideration paid		(1,200)
Cash and cash equivalents acquired		231
		(969)

CORPORATE GOVERNANCE AND OTHER INFORMATION

Corporate governance and other information

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders and to enhance corporate value and accountability.

1. Compliance with the CG Code on corporate governance practices

For the six months ended 30 June 2026, the Company has complied with all applicable code provisions set out in the CG Code and Corporate Governance Report contained in Appendix C1 to the Listing Rules.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices.

2. Compliance with the 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 its own securities dealing code to regulate all dealings by Directors and relevant employees of securities in the Company and other matters covered by the Model Code.

Specific enquiry has been made of all the Directors and the relevant employees and they have confirmed that they had complied with the Model Code for the six months ended 30 June 2026.

3. Audit committee

The Company has established an audit committee with written terms of reference in accordance with the Listing Rules and the CG Code. The primary duties of the audit committee are to review and supervise the financial reporting, risk management and internal controls system of the Group, review the fairness of the connected transactions of the Company and to advise the Board. The audit committee comprises three independent non-executive Directors, namely, Ms. Yim Ka Man, Mr. Yang Xuezhi and Prof. Zhang Wenjun. Ms. Yim Ka Man is the chairman of the audit committee.

The audit committee has reviewed the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2026. The audit committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with the senior management members of the Group.

4. Purchase, sale or redemption of the Company's listed securities

For the six months ended 30 June 2026, the trustee of the Group's Share Award Scheme bought a total of 32,206,000 Shares of the Company from the market at a total consideration of HK\$45,986,000 (equivalent to RMB39,548,000) which are currently held for the purpose of satisfying share awards that may be granted under the Share Award Scheme.

As at 30 June 2026, a total of 1,000,000 Shares repurchased by the Company have yet to be cancelled. The Directors considered that such repurchases would enhance the earnings per share and increase the net asset value per share attributable to the Shareholders.

Save as disclosed above, neither the Company nor any of its subsidiaries or consolidated affiliated entities purchased, sold or redeemed any listed securities of the Company for the six months ended 30 June 2026.

CORPORATE GOVERNANCE AND OTHER INFORMATION

5. Directors' and chief executive interests and short positions in shares, underlying shares and debentures

As at 30 June 2026, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(a) Long positions in the Company

Name	Capacity/Nature of interest	Number of Shares	Approximate percentage of shareholding in the Company
Mr. Chen Qiyuan ⁽¹⁾	Interest in a controlled corporation	219,658,000	32.60%
Mr. Qi Mingzhi	Beneficial owner	12,818,000	1.90%

Note:

- (1) Mr. Chen Qiyuan is the sole shareholder of Yu Xi International, and he is therefore deemed to be interested in the Shares held by Sky Noon, through Yu Xi International.

(b) Long positions in Shenzhen Scholar Culture and Education Technology and Development Co., Ltd.* (深圳市思考樂文化教育科技發展有限公司)

Name	Capacity/Nature of interest	Amount of registered share capital (RMB)	Approximate percentage of shareholding
Mr. Chen Qiyuan	Beneficial owner	7,800,000	39%

- * The English names of companies established in the PRC are translation of their Chinese names at the best effort of the directors of the Company as they do not have official English names.

Save as disclosed above, as at 30 June 2026, none of the Directors or the chief executives of the Company had or was deemed to have any interest or short position in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

CORPORATE GOVERNANCE AND OTHER INFORMATION

6. Substantial shareholders' interests and short positions in shares and underlying shares

As at 30 June 2026, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name	Capacity/Nature of interest	Number of Shares	Approximate percentage of shareholding in the Company
Sky Noon ⁽¹⁾	Beneficial owner	219,658,000	32.60%
Yu Xi International ⁽¹⁾	Interest in a controlled corporation	219,658,000	32.60%
FIL Limited	Interest in a controlled corporation	46,897,000	6.96%
Pandanus Associates Inc.	Interest in a controlled corporation	46,897,000	6.96%
Pandanus Partners L.P.	Interest in a controlled corporation	46,897,000	6.96%
Kastle Limited ⁽²⁾	Trustee	33,706,000	5.00%
Smart Scholar Limited ⁽²⁾	Nominee for another person (other than a bare trustee)	33,706,000	5.00%

Notes:

(1) Sky Noon is owned as to 100 voting shares by Yu Xi International and 100 non-voting shares by Xuan Yuang Jiu Zhou Holdings Ltd. Yu Xi International is wholly-owned by Mr. Chen Qiyuan, an executive Director and a controlling shareholder of the Company. Yu Xi International is deemed to be interested in all the Shares in which Sky Noon is interested by virtue of the SFO.

(2) 33,706,000 Shares are held on trust by Smart Scholar Limited, with Kastle Limited as the trustee, to administer the share award scheme adopted by the Board on 28 December 2020.

Save as disclosed above, as at 30 June 2026, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

7. Share Option Scheme

The Share Option Scheme was approved and adopted by the Shareholders on 3 June 2019 and became effective upon listing of the Shares on the Main Board of the Stock Exchange on 21 June 2019.

Subject to the terms of the Share Option Scheme, the Board shall be entitled at any time within 10 years from the adoption date of the Share Option Scheme to offer the grant of an option to any eligible person as the Board may in its absolute discretion opt to subscribe at the subscription price for such number of Shares as the Board may (subject to the terms of the Share Option Scheme) determine (provided the same shall be a board lot for dealing in the Shares on the Stock Exchange or an integral multiple thereof).

The purpose of the Share Option Scheme is to provide selected participants, including employees, directors, suppliers, customers, consultants, business or joint venture partners, franchisees, contractors, agents, representatives and service providers of the members of the Group, an opportunity to have a personal stake in the Company and motivate them to optimise 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 selected participants.

The Share Option Scheme will provide the Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to selected participants.

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme must not in aggregate exceed 55,570,000 Shares, representing 10% of the Shares in issue as at the date of listing of the Shares on the Stock Exchange. As at 1 January 2024 and 27 February 2024 (the date on which the Share Option Scheme was terminated), there was no option available for grant under the foregoing scheme limit. The total number of Shares issued and to be issued upon exercise of the options granted (including both exercised and outstanding options) to a participant in any 12-month period must not exceed 1% of the Shares in issue as at such date unless approved by the Shareholders in a general meeting.

An offer of the grant of an option shall remain open for acceptance by a participant for a period of 28 days from the offer date provided that no such grant of an option may be accepted after the expiration of the effective period of the Share Option Scheme. An amount of HK\$1.00 is payable upon acceptance of the grant of an option.

The exercise price of the options granted under the Share Option Scheme shall be such price as determined by the Board and notified to the participant and which shall not be less than the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant of the option; (ii) the average of the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of grant of the option; and (iii) the nominal value of the Shares.

The Share Option Scheme commenced on 21 June 2019, being the date on which the Shares were listed on the Main Board of the Stock Exchange. Immediately upon the adoption of the Share Scheme on 27 February 2024, the Share Option Scheme was terminated and the Company will not grant any further options under the Share Option Scheme thereafter, provided that any granted and unexercised options made under the Share Option Scheme immediately before its termination shall continue to be valid and exercisable in accordance with the terms of the grant and the rules of the Share Option Scheme.

CORPORATE GOVERNANCE AND OTHER INFORMATION

There was no grant of share options pursuant to the Share Option Scheme during the six months ended 30 June 2026. Details of the movement in options to subscribe for Shares pursuant to the Share Option Scheme during the six months ended 30 June 2026 are set out below:

Name/class of grantees	Date granted	Exercise price per Share	Number of share options					Outstanding as at 30 June 2026
			Outstanding as at 1 January 2026	Granted during the period	Vested during the period	Exercised during the period	Lapsed/ cancelled during the period	
Employees of the Group	6 February 2023	HK\$1.62	18,615,950 (Note 1)	—	9,169,050 (Note 2)	—	—	18,615,950
Total			18,615,950 (Note 1)	—	9,169,050 (Note 2)	—	—	18,615,950

Notes:

- On 6 February 2023, the Company granted share options (the "Options") to the grantees under the Share Option Scheme, which will entitle them to subscribe for an aggregate of 27,785,000 new Shares. The exercise price per Share of such Share Option is HK\$1.62 and the closing price of the Shares on the trading date immediately prior to the grant was HK\$1.50. Subject to the achievement of certain performance targets, the Options will vest in three tranches: (i) 33% to be vested within fifteen (15) days after the date of publication of the annual results announcement of the Company for the year ending 31 December 2023 on the website of the Stock Exchange, provided that the vesting period shall be no less than 12 months as set out in Rule 17.03F of the Listing Rules; (ii) 33% to be vested within fifteen (15) days after the date of publication of the annual results announcement of the Company for the year ending 31 December 2024 on the website of the Stock Exchange; and (iii) the remaining 34% to be vested within fifteen (15) days after the date of publication of the annual results announcement of the Company for the year ending 31 December 2025 on the website of the Stock Exchange. Options that have vested may be exercised at any time for a period of two years from the vesting date. All outstanding or unexercised Options shall lapse after 15 April 2028.
- 9,169,050 Options granted under the Share Option Scheme have been vested in April 2026 and 18,615,950 Options were not exercised as at 30 June 2026.

8. Share Scheme

The Share Scheme was adopted on 27 February 2024. Details of the options to subscribe for Shares pursuant to the Share Scheme are set out below:

Name/class of grantees	Date granted	Exercise price per Share	Number of options					Outstanding as at 30 June 2026
			Outstanding as at 1 January 2026	Granted during the period	Vested during the period	Exercised during the period	Lapsed/ cancelled during the period	
Employees of the Group	28 February 2024	HK\$4.48	8,335,500 (Note 1)	—	—	—	—	8,335,500
	11 September 2025	HK\$2.33	22,228,000 (Note 2)	—	11,114,000	—	—	22,228,000
	1 April 2026	HK\$1.63	—	33,640,000 (Note 3)	—	—	—	33,640,000
Total			30,563,500	33,640,000	11,114,000	—	—	64,203,500

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

- (1) As at 30 June 2026, 8,335,500 Share Options were vested and exercisable. All outstanding or unexercised Share Options shall lapse after 15 April 2027.
- (2) Subject to the achievement of certain performance targets such as the financial results and operation performance of the Group and the contribution and work performance of the grantees, the Share Options will vest in three tranches: (i) 50% to be vested on 15 January 2026; (ii) 25% to be vested on 15 January 2027; and (iii) the remaining 25% to be vested on 15 January 2028. Share Options that have vested may be exercised at any time for a period of two years from the vesting date and all outstanding or unexercised Options shall lapse after 15 January 2030. As at 30 June 2026, 11,114,000 Share Options were vested and exercisable by 15 January 2028.
- (3) On 1 April 2026, the Company granted the Share Options to the grantees under the Share Scheme, which will entitle them to subscribe for an aggregate of 33,640,000 new Shares. The exercise price per Share of such Share Options is HK\$1.63 and the closing price of the Shares on the date immediately prior to the grant was HK\$1.61. Subject to the achievement of certain performance targets such as the financial results and operation performance of the Group and the contribution and work performance of the grantees, the Share Options will vest in three tranches: (i) 33% to be vested on 3 April 2027; (ii) 33% to be vested on 3 April 2028; and (iii) the remaining 34% to be vested on 3 April 2029. Share Options that have vested may be exercised at any time for a period of two years from the vesting date and all outstanding or unexercised Options shall lapse after 3 April 2031. As at 30 June 2026, none of such Share Options were vested and exercisable.

The value of the Share Options granted on 1 April 2026 is HK\$0.53 to HK\$0.69 per option, based on the binomial valuation model. The significant inputs into the model were share price of HK\$1.63 as at the grant date, exercise price shown above, standard deviation of expected share price returns of 59.33% to 67.18%, expected life of options of two years, expected dividend payout rate of 25% and annual risk-free interest rate of 2.22% to 2.33%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices of comparable companies. The trinomial model is developed to estimate the fair value of European share options. The fair values calculated are inherently subjective and uncertain due to the assumptions made and the limitations of the model used. The value of an option varies with different variables of certain subjective assumptions. Any change in variables so adopted may materially affect the estimation of the fair value of an option.

The maximum amount of Shares which may be issued in respect of options granted under the Share Scheme is 64,203,500 Shares, representing approximately 9.53% of the issued Shares as at the date of this report.

On 13 March 2026, the Company convened an extraordinary general meeting and obtained the Independent Shareholders' approval on the refreshment of the Scheme Mandate Limit so as to allow the Company to grant new Awards under the 2024 Share Scheme in aggregate up to 10% of the issued share capital of the Company (excluding treasury Shares) as at the date of passing such ordinary resolution(s).

As at 30 June 2026, the total number of Shares available for future grant under the Scheme Mandate Limit of Share Scheme were 33,638,105 Shares, and grant to service providers is subject to the service provider sublimit of 6,727,810 Shares.

The number of Shares that may be issued in respect of options granted under the Share Option Scheme and the Share Scheme during the six months ended 30 June 2026 divided by the weighted average number of Shares in issue for the period is 0.12.

CORPORATE GOVERNANCE AND OTHER INFORMATION

9. Share Award Scheme

The Share Award Scheme was approved and adopted by the Board on 28 December 2020. For further details, please refer to the announcement of the Company dated 28 December 2020. The awarded Shares under the Share Award Scheme are not funded by new Shares.

Share Purchase pursuant to the Share Award Scheme

On 28 December 2020, the Board also resolved to provide from time to time but in any event a total sum of not exceeding HK\$100 million for the Trustee to purchase existing Shares on the market at the prevailing market price (the “Share Purchase”) at appropriate time and hold such Shares for future award of Shares under the Share Award Scheme.

The Trustee purchased Shares on the market and 49,484,000 Shares were held by the Trustee as at the date of this interim report. No Share Awards were granted or vested under the Share Award Scheme during the six months ended 30 June 2026.

The Company will continue to closely monitor market conditions and its trading share price and instruct the Trustee to undertake share repurchase for the purpose of the Share Award Scheme as and when appropriate. The Board will constantly review and determine at its absolute discretion such number of awarded Shares to be awarded to the Selected Participants under the Share Award Scheme with such vesting conditions as the Board may deem appropriate.

10. Structured Contracts

Background of the Structured Contracts

The following summarises generally the status of the structured contracts (the “Structured Contracts”) adopted by the Group given the PRC legal restriction imposed on the shareholding structure over the business the Group is engaging. For further details of the Structured Contracts, please refer to “Structured Contracts” in the Prospectus. Capitalised terms used in this paragraph follow the meaning of those defined in the Prospectus, unless otherwise stated.

The Group currently conducts its K-12 after-school tutoring business through its consolidated affiliated entities (the “PRC Operating Entities”) in the PRC. Based on the interviews of the Group with competent authorities in Guangdong, the Group cannot convert any of the PRC Operating Entities into Sino-foreign joint venture entities as a matter of practice or due to the lack of implementation rules. As such, the Company adopted the Structured Contracts to control and enjoy the economic benefits generated by the PRC Operating Entities. The Group does not hold any equity interest in the PRC Operating Entities. The Structured Contracts, through which the Group obtains control over and derives the economic benefits from the PRC Operating Entities, have been narrowly tailored to achieve the business purpose of the Group and minimise the potential conflict with relevant PRC laws and regulations. The Group had entered into the Structured Contracts for the existing PRC Operating Entities and expects to enter into structured contracts for entities to be newly established or invested in, the terms and conditions of which shall be the same as the existing Structured Contracts in all material aspects.

Unwinding of the Structured Contracts

Shenzhen Fengye has undertaken that, if the PRC regulatory environment changes and all of the Qualification Requirement, the Foreign Ownership Restriction and the Foreign Control Restriction are removed (and assuming there is no other change in the relevant PRC laws and regulations), it will exercise the Equity Call Option in full to hold all of the interest in the PRC Operating Entities and unwind the Structured Contracts accordingly. For further details, please refer to “Structured Contracts — Termination of the Structured Contracts” in the Prospectus.

As at the date of this interim report, there has not been any unwinding of any Structured Contracts, nor has there been any failure to unwind any Structured Contracts when the restrictions that led to the adoption of the Structured Contracts are removed.

Plan to comply with the Qualification Requirement

According to the consultation with the Relevant Education Authorities (as defined in the Prospectus), they will not accept an application to convert the PRC Operating Entities or the entities to be newly established or invested by the Group into Sino-foreign joint venture entities at this stage and in the foreseeable future. Although it is not possible for the Relevant Education Authorities to accept the Group's application to convert any of the PRC Operating Entities into Sino-foreign joint venture entities due to a lack of implementation measures or guidance at the current stage, the Group has taken specific steps with a view to demonstrating compliance with the Qualification Requirement. The Group is in the process of preparing the launch of a tutorial centre in Hong Kong and is identifying and recruiting suitable teachers and other relevant staff. The Company is of the view that the foregoing steps are meaningful endeavours that are reasonable and appropriate to comply with the Qualification Requirement.

Foreign Investment Law

On 15 March 2019, the Foreign Investment Law was formally passed by the 13th National People's Congress and will take effect on 1 January 2020. The Foreign Investment Law will replace the Law on Sino-Foreign Equity Joint Ventures, the Law on Sino-Foreign Contractual Joint Ventures and the Law on Foreign-Capital Enterprises to become the legal foundation for foreign investment in the PRC.

The Foreign Investment Law does not explicitly stipulate the contractual arrangements as a form of foreign investment. Since contractual arrangements are not specified as foreign investment under the Foreign Investment Law, and if the future laws, administrative regulations and provisions of the State Council do not incorporate contractual arrangements as a form of foreign investment, then the Foreign Investment Law would not apply to, or have any impact on, the Structured Contracts, and it would not substantially change the identification of foreign investors in the context of foreign investment and the principle of recognition and treatment of contractual arrangements compared with the current PRC laws and regulations, therefore the Structured Contracts as a whole and each of the agreements comprising the Structured Contracts will not be affected and will continue to be legal, valid and binding on the parties.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notwithstanding the above, the Foreign Investment Law stipulates that foreign investment includes “foreign investors invest in China through any other methods under laws, administrative regulations or provisions prescribed by the State Council”. Therefore, there are possibilities that future laws, administrative regulations or provisions prescribed by the State Council may regard contractual arrangements as a form of foreign investment, and then whether the Structured Contracts will be recognised as foreign investment, whether the Structured Contracts will be deemed to be in violation of the foreign investment access requirements and, as at the date of this interim report, how the Structured Contracts will be handled are uncertain. Therefore, there is no guarantee that the Structured Contracts and the business of the PRC Operating Entities will not be materially and adversely affected in the future. The Group will disclose changes to or updates of the Foreign Investment Law that will materially and adversely affect the Group as and when they occur.

Overall performance and compliance with the Structured Contracts

The Group has adopted certain measures to ensure the effective operation of the Group with the implementation of the Structured Contracts and compliance with the Structured Contracts as detailed in the Prospectus. The Group has implemented measures before the Structured Contracts are unwound, with an aim to further enhancing its control over the PRC Operating Entities. Each of the Directors has confirmed that he/she, and his/her associates, do not have any interest in any business or interests that competes or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group. The Company is not aware of any non-performance of the Structured Contracts or non-compliance with such aforementioned measures as at the date of this interim report. As advised by the Group’s PRC legal counsel, the Structured Contracts were legally enforceable and did not violate existing PRC laws and regulations for the six months ended 30 June 2026 and up to the date of this interim report.

By Order of the Board
Scholar Education Group

Chen Qiyuan

Chairman of the Board and Executive Director

Qi Mingzhi

Executive Director and Chief Executive Officer

Hong Kong, 24 August 2026

DEFINITIONS

“Board”	the board of Directors
“CG Code”	Corporate Governance Code contained in Appendix C1 to the Listing Rules
“Company”	Scholar Education Group (思考樂教育集團), an exempted company incorporated in the Cayman Islands with limited liability on 7 February 2018
“Director(s)”	the director(s) of the Company
“Group”	the Company with its subsidiaries and consolidated affiliated entities
“IFRS”	International Financial Reporting Standards
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers
“PRC” or “China”	the People’s Republic of China excluding for the purpose of this interim report, the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“Prospectus”	the prospectus of the Company dated 12 June 2019 in connection with the global offering of the Shares
“Scheme” or “Share Award Scheme”	the share award scheme of the Company constituted by the Scheme Rules
“Scheme Rules”	the rules relating to the Scheme, as approved and adopted by the Board on 28 December 2020 in its present form or as amended from time to time
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of US\$0.001 each in the share capital of the Company
“Share Option Scheme”	the post-IPO share option scheme approved and adopted by the Company on 3 June 2019, which was subsequently terminated on 27 February 2024 upon the adoption of the Share Scheme
“Share Scheme”	the share scheme adopted by the Company on 27 February 2024
“Sky Noon”	Sky Noon International Company Limited (天晟國際有限公司), a company incorporated in the British Virgin Islands on 29 December 2017
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Trustee”	Kastle Limited, and any additional or replacement trustees, being the trustee or trustees for the time being declared in the Trust Deed
“Trust Deed”	a trust deed dated 28 December 2020 and entered into between the Company as settlor and the Trustee as trustee (as restated, supplemented and amended from time to time)
“Yu Xi International”	Yu Xi International Company Limited (語汐國際有限公司), a company incorporated in the British Virgin Islands on 29 April 2019