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

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

Stock Code 股份代號：1775

## 年報 ANNUAL REPORT 2026

BEACON 遵理






































育才，歷久新

# EDUCATION, EVER NEW


伍經衡博士英文學
EXHIBIT
遵理 HKDSE
走進立法會·認識香港·思考未來
International Education
Cambridge International School
Welcome
遵理旺角分校
擴張誌慶
GROUP BEACON
遵理
Beacon College (遵理學校)
Beacon (Evening) College (遵理夜校)
Opening Ceremony & Annual Awards Presentation Ceremony 2026-2027

# 精英匯港，聚英才

# TALENT IN HK, BEXCELLENT


































# 轉盈，啟新

# TURNAROUND, TRANSFORM



# CHAIRMAN'S STATEMENT



In 2026, the HKSAR Government announced The First Five-Year Plan for Development, setting out the broad direction for developing the Northern Metropolis and building Hong Kong into an international education hub. It also stated in mid-2026 that primary and secondary schools under Direct Subsidy Scheme and private schools would be encouraged to recruit students from Southeast Asian countries. With all these policies demonstrating the Government's unprecedentedly proactive and supportive stance towards the education sector, the Group is well positioned to benefit from these policy initiatives at this early stage, and has achieved remarkable growth in both revenue and profit during the year.

Building on this momentum, we continued to optimize our operations in Chinese Mainland. The Group stepped up its efforts to consolidate its leading position in Hong Kong by taking a proactive and ambitious approach across its businesses, including formal day school curriculum, tutorial services, high-end further education consultancy services, on-site school services and teacher training, with a view to further expanding its market share.

While international education in Chinese Mainland is undergoing consolidation, HKDSE becomes a significant bridge connecting the international talent training system and a core assessment tool for Hong Kong to build an international education hub. With the 2025 Policy Address clearly proposing to accelerate the development of Hong Kong as an international education hub, and Dr. Choi Yuk Lin, JP, the Secretary for Education Bureau, has publicly expressed her openness to an "international version" of the HKDSE in January 2026, we view it as an unprecedented development opportunity for the HKDSE curriculum. Meanwhile, the new rule implemented by the Education Bureau requires non-permanent Hong Kong resident students to live in Hong Kong for at least two years before being eligible for admission to universities as 'local students'. This rule would further strengthen the distinctive positioning of the Group as a private secondary day school rooted in Hong Kong for 37 years. Beacon will leverage its extensive experience in school management and flexibility on curriculum to actively meet the diverse educational needs of newly arrived students and provide them with more practical and coherent quality educational services.

As the chairman of the Group, I firmly believe HKDSE can boost the inflow of young talents to Hong Kong and, in line with the HKSAR Government's policy of building brand for studying in Hong Kong, facilitate more high-quality families to be gathered in Hong Kong. The trend of both international and mainland students studying abroad has been extended to high school level, and it is worth to learn from the development of high schools and its relevant industrial chain in the UK, America and Canada in the past few decades. The Group's long-term strategy would be further promotion of HKDSE curriculum to countries of the Belt and Road Initiative. In addition to HKDSE-related courses and services, the Group also provides courses and services relating to the GCE series, IB and other international assessment systems to align with the diversified development of population and education policies.

In the new era where technology integrates with education, we actively invest in research and development as well as application of artificial intelligence (AI). Mr. Ng King Hang, the co-founder of Beacon, completed his doctoral research in Faculty of Education in the University of Hong Kong, and received the Award for the Best Doctor of Education Thesis from the University of Hong Kong. In August of this year, he joined the Board, indicating the Group's prioritization of AI development. The AI tool under the research of the English teaching team led by Mr. Ng will be launched shortly which will create a personalized learning path for students.

Our teaching team in Hong Kong has achieved steady enrollment in the new academic year, and its reputation continues to grow, attracting more educational talents to join, demonstrating the Group's commitment to the essence of education. Our teaching team is united and confident in expanding into the Greater Bay Area and national markets. Hong Kong's tutorial education market is shifting from admiring "star" tutors to the essence of education. Beacon's brand value is rooted in the students' development and prioritized teacher-student interaction in the past 37 years. We will continue to ensure that students have the right to selection by continuously expanding diversified courses and teaching team so that every student can achieve their best results according to their abilities, which in turn will enable the Group to attain a healthier long-term development in the education industry.

The student population we serve becomes increasingly diversified with significant differences in their education needs. In the face of Hong Kong local students who are accustomed to large classes and treated tutorial education as supplement to day school education, we are committed to provide common and affordable services; regarding the challenges faced by the newly-arrived students in adapting to the local curriculum, we offer a series of courses taught in Putonghua for those students' smooth transition; as for students in Chinese Mainland, since they are relatively unfamiliar with the HKDSE system and most of them come from middle-class or higher families, we provide more personalized high-end services. In response to such various demands, we provide diversified learning methods, covering from one-on-one sessions to small groups, by means of face-to-face teaching, live broadcast and video broadcast, and teaching courses in English, Cantonese and Putonghua, to ensure every student can find their most suitable learning methods.

We have actively introduced several quality collaboration partners and investors who share similar educational philosophy with us. As of the date of this Annual Report, we have commenced the operation of the HKDSE full-time programme, the partner school cooperation scheme or curriculum centers in Shenzhen, Dongguan, Hangzhou, Shanghai, Beijing and Guangzhou respectively, among which we have established an in-depth cooperative relationship with the Affiliated School of JNU for Hong Kong and Macao Students (Dongguan), and partnership school scheme with Guangzhou Zhongshan Whampoa School for Hong Kong and Macao Students, where we jointly promote the integration of education in Hong Kong and Macau with Chinese Mainland. Meanwhile, we have further expanded our team in Shenzhen to deepen high-end services such as education consultancy, further education and career planning.

With the rapid integration of the Guangdong-Hong Kong-Macao Greater Bay Area, HKDSE, as an internationalized education curriculum, has attracted more and more attention. There are currently over 200,000 mainland students with Hong Kong citizenship, and there are 10 million-plus students who may shift to take international examinations and courses after the Academic Test for the Junior High School Students every year. All of these have opened up an extensive market opportunity for us. We are committed to become the most valuable educational information platform by providing correct, timely and detailed information about further education to families in Chinese Mainland and Hong Kong via multiple channels. Beacon, currently serving as a Hong Kong brand, has also developed a good reputation in Chinese Mainland.

The Group not only guides our students on the path to success but also helps our teaching staff and partners to grow with us so that they can unleash their potential in our Group while nurturing the students. Beacon is building a bigger stage for Hong Kong educators as their career should not be limited to the local market. The development of an education enterprise is never a smooth journey, but because of this, we have learnt to cope with changes in society and its policies. We will insist on making our own way step by step and guiding teenagers to explore broader paths.

Thank you for all of your continuous encouragement and support along the way. Education never fades. I hope BExcellent will leave its mark on more and more people at different stages of their lives.

Never forget why you started, and your goal will ultimately be achieved.

BExcellent, be excellent. We are always there for you.

**Leung Ho Ki, June**

Hong Kong
29 October 2026

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# CORPORATE INFORMATION

## EXECUTIVE DIRECTORS

Ms. Leung Ho Ki, June *(Chairman of the Board and Chief Executive Officer, the appointment as Chief Executive Officer being effective from 1 April 2026)*
Mr. Tam Wai Lung
Mr. Chan Tsz Ying, Wister
Mr. Li Man Wai
Mr. Ng King Hang *(Appointed with effect from 1 August 2026)*

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Kwan Chi Hong
Mr. Li Kai Sing
Mr. Tai Kwok Leung Alexander

## COMPANY SECRETARY

Mr. Choi Shing Wai, *FCPA*

## AUDIT COMMITTEE

Mr. Li Kai Sing *(Chairman)*
Mr. Kwan Chi Hong
Mr. Tai Kwok Leung Alexander

## REMUNERATION COMMITTEE

Mr. Kwan Chi Hong *(Chairman)*
Mr. Li Kai Sing
Mr. Tam Wai Lung
Mr. Li Man Wai
Mr. Tai Kwok Leung Alexander

## NOMINATION COMMITTEE

Ms. Leung Ho Ki, June *(Chairman)*
Mr. Kwan Chi Hong
Mr. Li Kai Sing
Mr. Tam Wai Lung
Mr. Tai Kwok Leung Alexander

## AUTHORISED REPRESENTATIVES

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

## INDEPENDENT AUDITOR

SHINEWING (HK) CPA Limited
*Certified Public Accountants*
17/F, Chubb Tower Windsor House
311 Gloucester Road Causeway Bay Hong Kong

## LEGAL ADVISERS

Adrian Lau Lawyers

## PRINCIPAL BANKER

Standard Chartered Bank (Hong Kong) Limited

## REGISTERED OFFICE

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P.O. Box 2681
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Cayman Islands

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

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## CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

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

## HONG KONG SHARE REGISTRAR

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

## COMPANY'S WEBSITE

www.bexcellentgroup.com

## STOCK CODE

1775

## BUSINESS REVIEW

### Introduction

Our Group is a preeminent brand and a household name in the education industry of Hong Kong, with a distinguished legacy of 37 years since our establishment in 1989. This rich history and wide range of educational services and products we offered have enabled us to nurture countless students, building a comprehensive educational ecosystem that serves learners from the age of two through adulthood. We principally engage in the operation of private secondary day schools, the provision of private supplementary secondary school education services and school services in Hong Kong and Chinese Mainland. We also offer ancillary education services and products targeted at pre-school, kindergarten, primary and secondary school students and individuals pursuing further education, other interest learning or personal development. Demonstrating strategic foresight, we began our expansion in Chinese Mainland several years ago and now possess established experience in providing curricula and maintaining operations in both Hong Kong and Chinese Mainland.

Our commitment to strategic diversification and operational excellence yielded strong financial results for the year ended 31 July 2026. In particular, we made (i) a significant expansion of our professional teaching and administrative team to enhance educational quality and operational capacity; (ii) investment in research and development ("R&D") for proprietary curriculum and bespoke learning materials of international curricula and assessments to ensure academic excellence and a competitive edge; and (iii) considerable effort in targeted marketing to strengthen our brand and deepen market penetration in Chinese Mainland. For the year ended 31 July 2026, all lines of our key services and products recorded growth, the Group recorded a significant revenue growth of HK$84.9 million or 43.9% to HK$278.0 million (2025: HK$193.2 million). This performance was notably driven by the outstanding growth in our school services segment as well as our other ancillary education services and products. The private supplementary secondary school education services remain our largest revenue generation service category. Though its portion to the Group's revenue reduced from 52.1% for the year ended 31 July 2025 to 42.1% for the year ended 31 July 2026, its revenue increased by HK$16.3 million or 16.2% from HK$100.6 million for the year ended 31 July 2025, to HK$116.9 million for the year ended 31 July 2026. Our extensive teaching centre network also supports the growth, our Group has a network of 11 teaching centres and 80 classrooms across Hong Kong as at 31 July 2026, capable of accommodating 2,198 students at any time in compliance with EDB's guidelines.

### Revenue

We offer a range of education programmes and services in Hong Kong and Chinese Mainland under the following four categories:

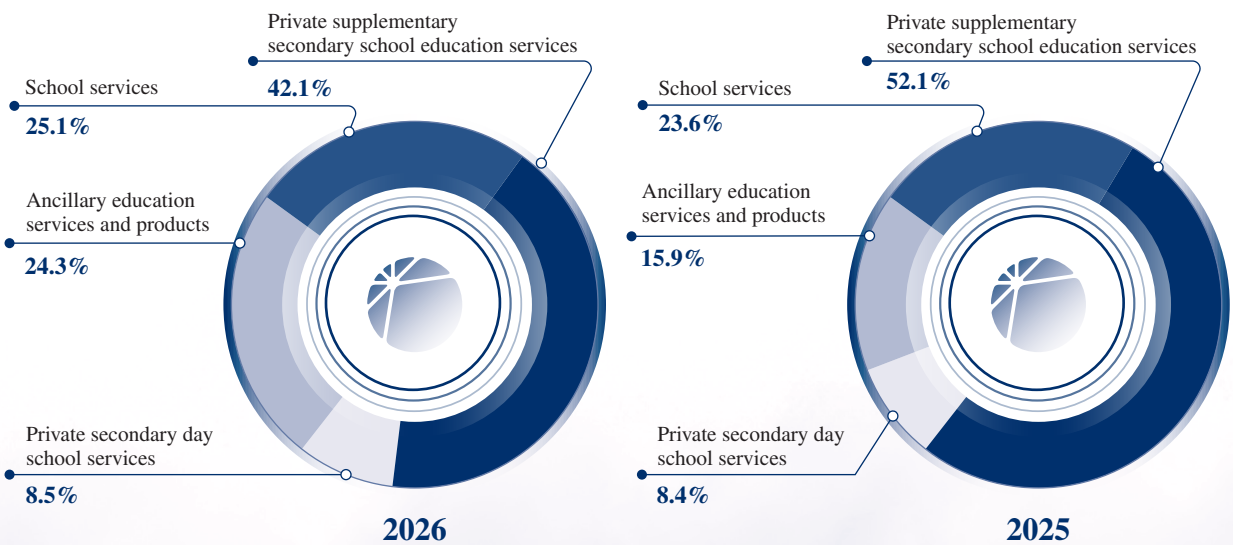
i) private supplementary secondary school education services;

ii) private secondary day school services;

iii) school services; and

iv) ancillary education services and products.

The below charts summarize our Group's revenue proportion for each category of services we provided during the years ended 31 July 2026 and 2025:



Set out below is a summary of our revenue for each category of services which we provided for each of the years ended 31 July 2026 and 2025:

| | For the year ended 31 July | |
|---|---|---|
| | 2026 | 2025 |
| | HK$'000 | HK$'000 |
| Private supplementary secondary school education services | 116,922 | 100,643 |
| Private secondary day school services | 23,675 | 16,261 |
| School services | 70,004 | 45,563 |
| Ancillary education services and products | 67,421 | 30,702 |
| | 278,022 | 193,169 |

*i) Private supplementary secondary school education services*

Our Group provides private supplementary secondary school education services for students from Secondary 1 to Secondary 6 mainly under our "Beacon College" (遵理學校) brand. For the year ended 31 July 2026, this segment generated revenue of HK$116.9 million, representing a robust year-on-year increase of HK$16.3 million or 16.2%. This growth was driven by the successful strategic diversification of our curriculum offerings. In addition to the local HKDSE programs, we expanded our service offerings to international curricula, including A-Level and the International Baccalaureate (IB) programs, attracting a broader student base.

Notably, revenue from our core HKDSE programs grew despite the average overall classroom capacity of two financial years remained almost the same. This was due to a combination of factors including network optimization, proper marketing strategy as well as streamlined operations. Moreover, we successfully capitalized on the growing demand for premium and personalized services. This demand drove over millions in revenue growth through increased enrollment in our small-group and one-on-one tutorials, underscoring the strength of our brand and our ability to meet diverse learning needs.

*ii) Private secondary day school services*

We operated two private secondary day schools located respectively in Yuen Long and Mong Kok under our "Beacon Day School" (遵理日校) brand. Due to the increase in the number of student enrollments and increase in school fees in our private secondary day school during the year ended 31 July 2026, the revenue increased by HK$7.4 million or 45.6% when compared with that in the previous financial year.

*iii) School services*

Our Group aimed to diversify our education business in recent years, we offer various school services such as education services to schools and institutions in Hong Kong and Chinese Mainland under our "Diverse Learning Club" (多元學習坊), "1% Group Education" (壹伙教育) and "Hong Kong Beacon International Education" (香港遵理國際教育) brands respectively.

The table below shows the revenue components of the school services for each of the years ended 31 July 2026 and 2025 respectively:

| | For the year ended 31 July | |
|---|---|---|
| | 2026 | 2025 |
| | HK$'000 | HK$'000 |
| Hong Kong | 16,582 | 19,301 |
| Chinese Mainland | 53,422 | 26,262 |
| | 70,004 | 45,563 |

In line with the government policies advocating the integration among cities in the Greater Bay Area, there has been an increasing demand for HKDSE-related education services in Chinese Mainland. We currently serve over 10 schools and education institutions in Chinese Mainland. During the year ended 31 July 2026, we extended our consultancy services and support to schools and education institutions in Guangzhou and Beijing in addition to Shenzhen, Dongguan, Hangzhou cities. On the other hand, our Group offered various academic and activity-based programs to 200 schools in Hong Kong, such revenue dropped by HK$2.7 million or 14.1% during the year ended 31 July 2026 due to the streamlining of business scale for purpose of higher margin. Nevertheless, our total revenue derived from school services still increased significantly by HK$24.4 million or 53.6% from HK$45.6 million for the year ended 31 July 2025 to HK$70.0 million for the year ended 31 July 2026.

*iv) Ancillary education services and products*

Our Group provides a diverse portfolio of ancillary education services and products through multiple specialized brands. These offerings are categorized as:

(i) **Consultancy services:** Offered services under brands such as Beacon Education Technology (遵理教育科技), Beacon Education Consultancy (遵理教育諮詢), Beacon Childhood Education (遵理兒童教育), 1% Group Education (壹伙教育), Advance Bestway (遵理進途), and Ascent Prep. Services include school selection and application, assessment and test preparation, course selection, interview training, and career planning etc;

(ii) **Beacon BExcellent:** Offered primarily IELTS courses under the "Beacon BExcellent" brand;

(iii) **Mock examination and assessment services:** Standardized practice tests to help students prepare for formal qualifications; and

(iv) **Other education services:** A range of programs including the BTEC Level 3 Certificate in Enterprise and Entrepreneurship, the BTEC Level 5 Higher National Diploma in Business (RQF) under the "Beacon CAPE" (遵理持續教育) brand, VIP self-study services, online course scheduling and management, as well as online retail and education businesses under "Beacon Living" (遵理生活) etc.

The table below shows the revenue components of the ancillary education services and products for each of the years ended 31 July 2026 and 2025:

| | For the year ended 31 July | |
|---|---|---|
| | 2026 | 2025 |
| | HK$'000 | HK$'000 |
| Consultancy services | 49,828 | 15,207 |
| Mock examination and assessment services | 4,905 | 3,837 |
| Beacon BExcellent | 3,273 | 4,402 |
| Other education services | 9,415 | 7,256 |
| | 67,421 | 30,702 |

Consultancy services

The revenue increased significantly by HK$34.6 million, or 227.7%, from HK$15.2 million to HK$49.8 million. This surge is largely attributable to the opportunities arising from the Greater Bay Area (GBA) integration policy which has led more families to recognise the value of the HKDSE and its related education programmes, hoping to leverage the qualification to broaden their children's educational pathways. This has created substantial demand for education planning and consultancy services related to the curriculum, including academic advisory services such as school selection, professional application support, and interview training.

Mock examination and assessment services

The revenue of mock examination and assessment services increased by HK$1.1 million or 27.8% from HK$3.8 million for the year ended 31 July 2025 to HK$4.9 million for the year ended 31 July 2026. The growth was driven by higher student enrolments, supported by the increase in both frequency of assessment sessions and the number of locations at which they were held during the year in both Hong Kong and Chinese Mainland.

Beacon BExcellent

The revenue decreased by HK$1.1 million, or 25.6%, from HK$4.4 million to HK$3.3 million. The decline was primarily driven by the reduced demand for IELTS courses registered under the Continuing Education Fund (CEF) during the year.

Other education services

It includes the revenue generated from post-HKDSE courses like BTEC Level 3 Certificate in Enterprise and Entrepreneurship and the BTEC Level 5 Higher National Diploma in Business (RQF), VIP self-study services, online course scheduling and management, as well as online retail and education businesses. The revenue increased by HK$2.2 million, or 29.8%, from HK$7.3 million to HK$9.4 million. The growth was mainly driven by the provision of exam tour services in Hong Kong.

## OUTLOOK AND FUTURE DEVELOPMENTS

Our Group is well positioned to build on this year's strong performance. In 2026, the HKSAR Government's First Five-Year Plan for Development set out the direction for the Northern Metropolis and building Hong Kong into an international education hub. These policies demonstrate an unprecedentedly proactive stance towards education. Having anticipated these directions through our expanded Yuen Long and Mong Kok campuses and early Chinese Mainland investment, our Group is well placed to benefit at this early stage. Looking forward, we will focus on four pillars, (i) dual-track private supplementary secondary school education services; (ii) expanded day school services and potential development in international curricula such as GCE, A-Level and IB; (iii) deeper Chinese Mainland B2B partnerships; and (iv) AI-driven technology for enhancing teaching and learning. These priorities position us to capture opportunities and deliver sustainable value.

Our core private supplementary secondary school education business delivered strong growth during the year, with revenue rising on the back of both traditional HKDSE tutorial services and international curriculum offerings. This growth reflects our focused efforts to strengthen our teaching team, expand our course offerings, and enhance our campus network to meet evolving student needs. We observed a clear structural shift in demand: while traditional large-class tutorials remain the affordable backbone serving local students accustomed to supplementary education, there has been a notable increase in demand for personalized learning. Our high-end small-group and one-on-one classes recorded sustained growth and contributed meaningfully to revenue. This dual-track model—affordable large classes alongside premium individualized instruction—allows us to serve the full spectrum of student needs, from local families seeking accessible support to newly arrived families seeking tailored pathways. We will continue expanding our diversified course offerings and teaching team so that every student can achieve their best results according to their abilities.

Our private secondary day school services also recorded steady growth, driven by increased enrollment from new immigrant families seeking immediate access to Hong Kong's education system. The refined "local student" eligibility criteria, requiring non-permanent residents to reside in Hong Kong for specified periods for subsidized university places under the HKDSE 2027 cohort, reinforce the strategic value of our day school positioning and sustain demand. Our upgraded campuses, equipped with STEAM and AI teaching technology, currently offer HKDSE pathways, and we plan to broaden our international curriculum offerings, including GCE, A-Level and IB, to prepare students for admission to top-tier universities worldwide. The Northern Metropolis development amplifies our Yuen Long campus expansion. The upcoming launch of our proprietary AI-driven learning tools, developed under the research of our English teaching team led by Mr. Ng King Hang, who joined the Board in August 2026, will create personalized learning paths and further enhance service quality.

In Chinese Mainland, we continued to support various schools through the HKDSE full-time programme, the BEAlliance partner school cooperation scheme and curriculum centers in Shenzhen, Dongguan, Hangzhou, Shanghai, Beijing and Guangzhou, with in-depth cooperation with the Affiliated School of JNU for Hong Kong and Macao Students (Dongguan) and Guangzhou Zhongshan Whampoa School for Hong Kong and Macao Students. These developments demonstrate the successful scaling of our operations and the effective monetization of our enhanced teaching resources and programme offerings, and provide a solid foundation for future growth. Our "Shining Star" teacher training programme cultivates local and mainland HKDSE teaching talent to support systematic expansion beyond the Greater Bay Area.

While optimistic about long-term opportunities, we acknowledge the challenges of operating in a competitive sector where market conditions and student needs continue to evolve rapidly. Our measured approach—supported by a diversified portfolio spanning day school curriculum, tutorial services, high-end consultancy services, school services and teacher training—and our 37-year brand heritage position our Group to deliver sustainable growth and generate better returns for all stakeholders, including shareholders, students, parents, teachers and partners.

## FINANCIAL REVIEW

### Revenue

For the components of our revenue, please refer to the section headed "Business Review" above. The Group's total revenue increased by HK$84.9 million, or 43.9%, from HK$193.2 million for the year ended 31 July 2025 to HK$278.0 million for the year ended 31 July 2026. This was due to the positive revenue growth from all key lines of services and products including the provision of private supplementary secondary school education services, operation of day school education services, provision of school services as well as the ancillary education services and products.

Revenue from the provision of private supplementary secondary school education services increased by HK$16.3 million or 16.2% from HK$100.6 million for the year ended 31 July 2025 to HK$116.9 million for the year ended 31 July 2026. Such an increase was mainly brought by the growth in course enrollment related to both traditional HKDSE and international curriculum. The new small-group and individual premium tutorial classes also contributed to the growth.

Revenue from private secondary day school services increased by HK$7.4 million or 45.6% from HK$16.3 million for the year ended 31 July 2025 to HK$23.7 million for the year ended 31 July 2026. The increase was attributable to the increase in school fee as well as the student enrollment number.

Revenue from school services increased by HK$24.4 million or 53.6% from HK$45.6 million for the year ended 31 July 2025 to HK$70.0 million for the year ended 31 July 2026. The demand for services from schools in both Hong Kong and Chinese Mainland remained strong and our Group expanded our services to more cities in Chinese Mainland during the year ended 31 July 2026.

Revenue from the provision of ancillary education services and products increased by HK$36.7 million, or 119.6%, from HK$30.7 million for the year ended 31 July 2025 to HK$67.4 million for the year ended 31 July 2026. This growth was primarily attributable to a significant increase of HK$37.8 million, or 143.9%, in revenue from consultancy services, mock examination and assessment services and other education services, which was partially offset by a decline of HK$1.1 million, or 25.6%, in revenue derived from Beacon BExcellent.

### Other income

Other income primarily consists of advertising income, IT service income, rental income from an investment property, interest income from bank deposits and government subsidies. Other income decreased by HK$0.8 million or 6.4%, from HK$12.2 million for the year ended 31 July 2025 to HK$11.4 million for the year ended 31 July 2026. The decrease was mainly attributed to the decrease in advertising income by HK$1.1 million.

### Major costs component

The summary below shows the major costs components of our Group among which 58.1% (2025: 56.7%) is related to labour costs (comprising of staff costs and tutor service fees), followed by printing and other operating expenses, short-term lease and low-value lease payments, depreciation of right-of-use ("ROU") assets, and advertising and promotion expenses:

| | For the year ended 31 July | | | |
|---|---|---|---|---|
| | 2026 HK$'000 | % of revenue | 2025 HK$'000 | % of revenue |
| Staff costs | 117,340 | 42.2 | 85,702 | 44.4 |
| Tutor service fees | 39,268 | 14.1 | 39,431 | 20.4 |
| Depreciation of ROU assets | 21,639 | 7.8 | 15,663 | 8.1 |
| Short-term lease and low-value lease payments | 7,013 | 2.5 | 10,191 | 5.3 |
| Advertising and promotion expenses | 6,207 | 2.2 | 8,275 | 4.3 |
| Printing and other operating expenses | 78,277 | 28.2 | 61,625 | 31.9 |

### Staff costs

As at 31 July 2026, the Group had 308 full-time employees and maintained an accumulated pool of 72 part-time employees for seasonal and cyclical business needs. Staff costs mainly consist of (i) salaries, allowances and bonus and (ii) pension costs incurred for our employees. The staff costs increased by HK$31.6 million or 36.9% from HK$85.7 million for the year ended 31 July 2025 to HK$117.3 million for the year ended 31 July 2026. Such an increase was mainly attributable to the increase in both professional teaching and administrative staff to enhance educational quality and operational capacity in both Hong Kong and Chinese Mainland. Such professional teaching teams are also responsible for R&D for proprietary curriculum and bespoke learning materials of international curricula and assessments to ensure academic excellence and a competitive edge.

### Tutor service fees

Tutor service fees include remuneration under service agreements and share-based payments. Typically, we offer a revenue sharing scheme to our tutors engaging in traditional private supplementary secondary school education services and thus the tutor service fees are in general positively correlated to our Group's revenue. In contrast, an hourly rate or fixed monthly salary is normally adopted for tutors engaged in other lines of teaching services.

The overall tutor service fees slightly decreased by HK$0.2 million or 0.4%, from HK$39.4 million for the year ended 31 July 2025 to HK$39.3 million for the year ended 31 July 2026. The slight decrease was primarily attributable to cost savings arising from tightened workforce cost control in the delivery of school services in Hong Kong, which more than offset the increase in tutor service fees associated with the organic growth of traditional HKDSE tutorial services.

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

Depreciation of ROU assets and short-term lease and low-value lease payments are part of the largest components of the Group's operating costs, accounting for 7.8% and 2.5% respectively (2025: 8.1% and 5.3%) of the Group's total revenue. These expenses increased by HK$2.8 million or 10.8%, it was mainly attributable to the inclusion of newly rented office premises and teachers training centre in Chinese Mainland as well as the expanded campus spaces in Mong Kok and Yuen Long offset by the savings arising from the centre network optimization in Tseung Kwan O. With the optimistic growth potential in day school services, the Group is in progress of expanding the scale of campuses for our day school services in Mong Kok and Yuen Long.

### Advertising and promotion expenses

Advertising and promotion expenses mainly consisted of advertising fees in online channels and social media platforms such as Google, Instagram and Facebook, offline channels such as billboard, transportation, foamboard and banners, as well as expenses in relation to branding, courses promotion, marketing and public relations. It was the Group strategy to capture the market opportunities in Chinese Mainland swiftly in early stage of entering such market, nevertheless, the Group put extra effort in shifting the costs on marketing and advertising to labour costs for enhancing our Group's academic excellence and competitive edge. The overall advertising and promotion expenses decreased sharply by HK$2.1 million or 25.0% from HK$8.3 million for the year ended 31 July 2025 to HK$6.2 million for the year ended 31 July 2026.

### Printing and other operating expenses

Printing and other operating expenses primarily consist of printing expenses, building management fees, service fees to non-teaching freelancers, education tour expenses, legal and professional fees, utilities and other administrative expenses. These expenses increased by HK$16.7 million or 27.0% from HK$61.6 million for the year ended 31 July 2025 to HK$78.3 million for the year ended 31 July 2026. The increase was mainly attributable to the rise in service fees paid to various service providers supporting business growth in education tour business as well as in private supplementary school education services for the international curriculum. Moreover, printing expenses, building management fee, scholarships, office supplies, travel, repairs and maintenance, and certain administrative expenses increased in general to cater the operation growth in both Hong Kong and Chinese Mainland.

### Income tax credit (expense)

The income tax credit for the year ended 31 July 2026 was HK$2.0 million (2025: tax expense HK$0.2 million).

### Profit (loss) for the year

The Group recorded a profit of HK$20.4 million for the year ended 31 July 2026 (2025: loss of HK$24.5 million). The profit was mainly due to the strong operational traction and revenue growth now being realized from the foundational investment made in the market of Chinese Mainland in recent years.

## Liquidity, financial resources and capital structure

As at 31 July 2026, the Group's net current liability value was HK$27.0 million, which mainly consisted of accounts receivables, deposits, prepayments and other receivables, financial assets at fair value through profit or loss and cash and cash equivalents less other payables, contract liabilities, current income tax payable, borrowings and lease liabilities. The Group's current assets increased from HK$131.3 million as at 31 July 2025 to HK$136.4 million as at 31 July 2026. Such an increase in current assets was primarily due to the increase in accounts receivables from HK$4.9 million as at 31 July 2025 to HK$9.5 million as at 31 July 2026. As at 31 July 2026, the current ratio of the Group (expressed as current assets divided by current liabilities) was 0.84, compared with 0.83 as at 31 July 2025. Details of financial instruments forming part of the capital structure of the Company are set out in note 31 to the consolidated financial statements on pages 115 to 119.

## Treasury Policy

The Group has adopted a prudent treasury management policy to (i) ensure that the Group's funds are properly and efficiently collected and deployed such that there is no material shortfall in cash which may interrupt the Group's daily business operations; and (ii) maintain adequate liquidity to cover the Group's operation cash flows, and administrative expenses. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

## Foreign Exchange Risk

Cash and bank deposits of the Group are mainly in Hong Kong dollars. Most of the business transactions of the Group are denominated in Hong Kong dollars ("HK$") and Renminbi ("RMB"). For the years ended 31 July 2026 and 2025, the Group did not engage in currency hedging nor did it adopt any formal hedging activities as the Group considered its foreign currency exposure is insignificant. However, the Board will continue to closely monitor the Group's foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

## Charges on the Group's Assets

The Group has an investment property with carrying value of HK$10.4 million (2025: HK$10.7 million) pledged to secure borrowings and general banking facilities granted to the Group. There was no charge on the Group's other assets.

## Gearing ratio

As at 31 July 2026, the Group's gearing ratio (calculated based on bank borrowings amounting to HK$77.9 million and lease liabilities amounting to HK$45.2 million divided by equity attributable to the owners of the Company as at the year-end date amounting to HK$57.6 million) was 213.8% (31 July 2025: 325.1%).

## Contingent liabilities

The Group did not have any material contingent liabilities as at 31 July 2026 (2025: nil).

## Dividends

The Board has recommended the payment of a final dividend of 1.69 HK cents per share for the year ended 31 July 2026 (2025: nil) out of the share premium account, subject to the approval of the Shareholders at the forthcoming AGM.

## Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

There was no material acquisition or disposal of subsidiaries, associates or joint ventures during the year ended 31 July 2026.

## Future Plans for Material Investments or Capital Assets

As at 31 July 2026, the Group did not have any definite future plan for material investments or capital assets in the coming year.

# DIRECTORS AND SENIOR MANAGEMENT

## EXECUTIVE DIRECTORS

**Ms. LEUNG Ho Ki, June (梁賀琪)**, aged 61, is a co-founder of our Group, the Chairman and Chief Executive Officer of our Company. She was appointed as a Director on 15 April 2015 and designated as an executive Director on 21 June 2018; and she was appointed as the Chief Executive Officer of our Company on 1 April 2026. Ms. June Leung is a director of Beacon Enterprise Limited which, as at the date of this Annual Report, is a controlling shareholder (as defined under the Listing Rules) of the Company and whose interest is further disclosed in the Directors' Report in this Annual Report. Ms. June Leung is also a director of 4 subsidiaries of our Group. During her 37 years with our Group, she has been responsible for the overall management of our private supplementary education services as well as strategic planning and development of our Group. Ms. June Leung performs a leadership role in monitoring and evaluating our business, strategic planning and major decision making for our Group. In particular, she has developed our Group's overall business model and product portfolio as well as formulated our advertising and marketing strategy. Prior to assuming her role as Chairman, Ms. June Leung held the position of a teacher and a manager of our Group. Ms. June Leung graduated from The University of Hong Kong with a degree in Bachelor of Arts (Honours) in December 1989 and obtained a Doctorate of Business Administration from the European University in May 2011 through distance learning. She was registered as a teacher under the Education Ordinance section 45(1) in February 1999. Ms. June Leung is the spouse of Mr. Tam Wai Lung, executive Director, sister-in-law of Mr. Ng King Hang, executive Director, and aunt of Mr. Li Man Wai, executive Director.

Ms. June Leung is a member of the Thirteenth Guizhou Provincial Committee of The Chinese People's Political Consultative Conference of Chinese Mainland; she also serves as a member of the District Fight Crime Committee (Kwun Tong District) and National Security Education District Tutor in Hong Kong. Ms. June Leung is currently the chairperson of the board of Plan International Hong Kong, which strives for a just world that advances children's rights and equality for girls. Ms. June Leung founded the Uplift Educational Charity Foundation and serves as its chairperson, with the goals of promoting and popularizing equal education and encouraging young people to overcome adversity and change their destinies through knowledge. She currently serves as a honorary board member of the Affiliated School of JNU for Hong Kong and Macao Students (Dongguan). In 2019, Ms. June Leung was awarded the Junzi Entrepreneur Award presented by The Hang Seng University of Hong Kong for her devotion in sustainable entrepreneurship. Ms. June Leung also served as the chairlady of the Greater Bay Area Outstanding Women Entrepreneur Association, embodying the entrepreneurial leadership.

**Mr. TAM Wai Lung (談惠龍)**, aged 61, was appointed as a Director on 15 April 2015 and designated as an executive Director on 21 June 2018. Mr. Tam is a director of Beacon Enterprise Limited which, as at the date of this Annual Report, is a controlling shareholder (as defined under the Listing Rules) of the Company and whose interest is further disclosed in the Directors' Report in this Annual Report. Mr. Tam served as the Chief Executive Officer of our Company upon listing to 31 March 2026, and is also a director of 14 subsidiaries of our Group. Throughout the past 26 years, Mr. Tam has focused on private supplementary tutorial services, executive management and the strategic development of our Group. During his 28 years of service in our Group, he has been responsible for the overall operations, finances and administration of our education services, as well as strategic planning and development. Mr. Tam is the spouse of Ms. Leung Ho Ki, June, Chairman and Chief Executive Officer of our Company and executive Director, brother-in-law of Mr. Ng King Hang, executive Director, and uncle of Mr. Li Man Wai, executive Director.

**Mr. CHAN Tsz Ying, Wister (陳子瑛),** aged 65, is the head principal of day school for our Group and was appointed as a Director on 9 September 2015 and designated as an executive Director on 21 June 2018. Mr. Chan is also a director of 3 subsidiaries of our Group. Mr. Chan has been a teacher for over 30 years and is focused primarily on secondary day school education services. During his 36 years with our Group, he has been responsible for the establishment and management of our private secondary day school operations. Prior to his role as head principal of our private secondary day school, Mr. Chan held the position of a teacher at Wellwisher Foundation Primary School from 1986 to 1987 and at A.D. & F.D. of Pok Oi Hospital Mrs. Cheng Yam On Primary School from 1987 to 1990. Mr. Chan was awarded a Teachers Certificate from the Northcote College of Education (now known as The Education University of Hong Kong) in July 1986 and graduated from University of Wolverhampton, the United Kingdom with a Bachelor of Education in June 1997. Mr. Chan was registered as a teacher under the Education Ordinance section 45(1) in November 1986.

**Mr. LI Man Wai (李文偉)**, aged 54, is our Deputy Chief Executive Officer of our Company and was appointed as a Director on 9 September 2015 and designated as an executive Director on 21 June 2018. Mr. Li is also a director of 29 subsidiaries of our Group. He has, since the establishment of our Group, acquired experience in the education business, focusing on operation, administration and marketing of tutorial services and secondary school education services. Mr. Li joined our Group in 1989 and was appointed as Deputy Chief Executive Officer of our Group in 2000. During his 37 years with our Group, he has been responsible for the marketing of our Group's education services, as well as tutorial and course management and leasing arrangements. Mr. Li is a nephew of Mr. Tam Wai Lung, executive Director, and Ms. Leung Ho Ki, June, Chairman and Chief Executive Officer of our Company and executive Director.

**Mr. NG King Hang (伍經衡)**, aged 62, was appointed as an executive Director with effect from 1 August 2026. Mr. Ng is a co-founder of the Group and has been serving as the Chief Academic Director of the Group since its establishment. He graduated from The Chinese University of Hong Kong with a Bachelor of Business Administration degree in 1989, and subsequently obtained a Master of Applied Linguistics degree in 2013 and a Doctor of Education degree in 2025, both from The University of Hong Kong. He was registered as a teacher under the Education Ordinance section 45(1) in February 1999.

Mr. Ng commenced his career in education in 1989 as a graduate master teaching English Language at TWGHs Lo Kon Ting Memorial College, and co-founded Beacon College in the same year. He has since served as a teacher in Beacon College, teaching English Language from Form 3 to Form 7 in both day-school and tutorial sessions, and currently tutors IELTS preparation courses for senior secondary and university students as well as adult learners under the Group's "Beacon BExcellent" brand. In his capacity as Chief Academic Director, Mr. Ng is responsible for setting the Group's academic principles and quality benchmarks, leading the research and development of new learning methods and courses with integrated advanced technologies, and coordinating curriculum design and teaching methodologies across the Group's business segments. He also served as a Guest Lecturer at The University of Hong Kong in the first quarter of 2026. Mr. Ng is the spouse of Ms. Leung Ho Yan, Irene, who is the sister of Ms. Leung Ho Ki, June, the Chairman and Chief Executive Officer of the Company; he is therefore the brother-in-law of Ms. Leung Ho Ki, June and Mr. Tam Wai Lung, an executive Director.

Mr. Ng has obtained legal advice on 27 July 2026 from a firm of solicitors qualified to advise on Hong Kong law as regards the requirements under the Listing Rules that are applicable to him as a director of the Company and the possible consequences of making a false declaration or giving false information to the Stock Exchange, prior to his appointment as an executive director of the Company. Mr. Ng confirmed to the Company that he has received the abovementioned legal advice and understood his obligations as a director of the Issuer pursuant to Rule 3.09D of the Listing Rules on 1 August 2026 immediately prior to his appointment.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. KWAN Chi Hong (關志康)**, aged 54, was appointed as an independent non-executive Director on 17 November 2017, having served the Company for more than 8 years. Mr. Kwan has over 20 years of managerial and senior management experience in the commercial and public sector. Mr. Kwan is currently the chairman of Zebra Wellness Group Limited. He served as an executive director of Bamboos Health Care Holdings Limited (stock code: 2293) since the group's establishment from 2009 to 2019. During his managerial stint in the public sector, from February 1995 to December 2007, he worked as an executive officer in various government departments including Registration and Electoral Office, Urban Services Department, Home Affairs Department, Hong Kong Police Force and Chief Secretary for Administration's Office Government Secretariat. Mr. Kwan was a part-time teacher of certain bachelor/diploma courses in Chinese Medicine conducted by HKU School of Professional and Continuing Education from 2013 to 2016. Mr. Kwan was awarded the Young Entrepreneur of the Year 2012 from the Hong Kong Business Awards hosted by DHL Express and South China Morning Post and the EY Entrepreneur of the Year 2013 China – Emerging Entrepreneur hosted by EY.

Mr. Kwan obtained a bachelor's degree in Economics and a master's degree in Economics from The University of Hong Kong in January 1995 and December 2005 respectively. Mr. Kwan has completed a programme in Executive MBA and obtained a master's degree in Business Administration from The Chinese University of Hong Kong in December 2007. Mr. Kwan is currently an independent non-executive director of Stream Ideas Group Limited (stock code: 8401) whose shares are listed on the GEM of the Stock Exchange. Mr. Kwan was an independent non-executive director of China Brilliant Global Limited (stock code: 8026) from February 2018 to November 2021, and Janco Holdings Limited (stock code: 8035) from May 2021 to October 2022, whose shares are listed on the GEM of the Stock Exchange.

**Mr. LI Kai Sing (李啟承)**, aged 64, was appointed as an independent non-executive Director on 21 June 2018, having served the Company for 8 years. Mr. Li is currently an executive director of Focus Films Limited since September 2003. He possesses extensive experience in accounting, film and entertainment business. His career commenced at the accounting firm Coopers & Lybrand (now PricewaterhouseCoopers) from July 1985 to January 1989 and subsequently held several senior accounting and financial management positions in private companies. His recent key appointments include the Chief Financial Officer of Team Work Corporation Limited from August 2000 to September 2003, a vice president, finance of Leading Spirit (Holdings) Company Limited (now known as Leading Spirit High-Tech (Holdings) Company Limited) from July 1992 to December 1993, and the financial controller of China Star Entertainment Limited (stock code: 0326) from June 1999 to July 2000 and an executive director of Interform Ceramics Technologies Limited (previously known as Alibaba Pictures Group Limited, now known as Damai Entertainment Holdings Limited) (stock code: 1060) from October 1995 to March 1999, the shares of which are listed on the Stock Exchange.

Mr. Li was also an independent non-executive director of Brightstar Technology Group Co., Ltd (formerly known as In Technical Productions Holdings Limited) (stock code:8446) from May 2017 to May 2022, its shares are listed on the GEM of the Stock Exchange.

Mr. Li has been a member of the Hong Kong Institute of Certified Public Accountants since 1988, an associate of the Chartered Association of Certified Accountants in 1988 and a member of the Institute of Financial Planners of Hong Kong since 2004. Mr. Li graduated from The Chinese University of Hong Kong in 1985 with a bachelor degree of social science and from The Hong Kong University of Science and Technology with an executive master degree of business administration in 2007.

**Mr. Tai Kwok Leung Alexander (戴國良)**, aged 68, was appointed as an independent non-executive Director on 1 July 2024, having served the Company for 2 years. Mr. Tai graduated from Victoria University of Wellington in New Zealand with a degree in Bachelor of Commerce and Administration in 1982. He then became an associate member of the Hong Kong Institute of Certified Public Accountants and CPA Australia. Mr. Tai has extensive accountancy, corporate finance and investment experience in Hong Kong and overseas. Mr. Tai is licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities.

Mr. Tai is currently an independent non-executive director of G&M Holdings Limited (Stock Code: 6038) and China Star Entertainment Limited (Stock Code: 0326) which are listed on the Main Board of the Stock Exchange, and is also an executive director of Finet Group Limited (Stock Code: 8317) listed on GEM of the Stock Exchange.

He was also an independent non-executive director of Shengjing Bank Co., Ltd. (Stock Code: 2066) from 7 August 2018 to 14 October 2024, Jiayuan International Group Limited, the Shares of which were previously listed on the Stock Exchange from 12 February 2016 to 30 June 2022. Mr. Tai was also an independent non-executive director of AAG Energy Holdings Limited from October 2018 to 11 August 2023. Mr. Tai was also a director of VMS Securities Limited till his retirement from office on 29 December 2023, and was a managing director and the head of Corporate Finance Department of Investec Capital Asia Limited till July 2017.

## SENIOR MANAGEMENT

**Mr. CHOI Shing Wai (蔡誠偉)**, *FCPA*, aged 44, is the Deputy Chief Executive Officer, the Chief Financial Officer and company secretary of our Group. Mr. Choi joined our Company in December 2014, having served the Group for 12 years, and is primarily responsible for the overall operations, financial management of our Group as well as strategic planning, overseeing accounting, company secretarial and internal control matters of our Group. Mr. Choi has over 20 years of experience in professional accounting and auditing practice. Prior to joining our Group, Mr. Choi worked as an auditor in the assurance division of Grant Thornton, a certified public accountants firm, from September 2004 to November 2006. Mr. Choi then worked as a senior associate and was promoted to manager of the assurance division of PricewaterhouseCoopers in October 2009. Mr. Choi was then transferred to the Capital Market Accounting Advisory Service Group of PricewaterhouseCoopers in December 2011 and was later promoted to senior manager in October 2012 and up to his joining our Group in December 2014.

Mr. Choi obtained a degree of Bachelor of Business Administration (Honours) in Accountancy, Management Information Systems from City University of Hong Kong in November 2004. Mr. Choi has become an associate member and a fellow of the Hong Kong Institute of Certified Public Accountants since April 2008 and March 2019 respectively.

Mr. Choi currently serves as the Chief Executive Officer of Uplift Educational Charity Foundation, a honorary board member of the Affiliated School of JNU for Hong Kong Macao Students (Dongguan) and the vice president of The Hong Kong Academy of School Managers. He also served as the Executive Committee Member of Leadership Institute on Narcotics, founded by Narcotics Bureau of the Hong Kong Police Force in 2024.

**Mr. TAM Lin Bong (譚練邦)**, aged 48, is the Chief Operating Officer of our Group and is responsible for human resources management, recruitment and employment policies, internal control matters and external liaison of our Group. Mr. Tam joined our Group as a teaching assistant in September 2002, having served the Group for 24 years since then, and became the human resources manager of Beacon College in April 2012. Mr. Tam was appointed as the Deputy Chief Executive Officer of our Group in June 2013 and the Chief Operating Officer in August 2018. Prior to joining our Group, Mr. Tam worked as a teaching assistant in Kwun Tong Government Secondary School (觀塘官立中學) from February 2002 to July 2002.

Mr. Tam obtained a degree of Bachelor of Business Administration (Honours) from Hong Kong Baptist University in December 2001 and graduated with a Master of Business Administration degree with distinction from University of Iowa, the United States in August 2015. Mr. Tam also obtained a diploma in teaching English as a second language from the School of Continuing Studies of The Chinese University of Hong Kong in January 2005. Mr. Tam was awarded the Certificate in Employment Ordinance by the Hong Kong Management Association in April 2013. Mr. Tam has also completed several training workshops organised by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications in 2014.

Mr. Tam currently serves as the Vice President in Kowloon East Association.

**Mr. NG Wai Lun (吳偉倫)**, aged 38, is the Deputy Chief Operating Officer of our Group and is responsible for course management, overseeing marketing and design plans and public relations of our Group. Mr. Ng joined our Group in June 2010 as the administration assistant of Beacon College, having served the Group for 16 years since then. Mr. Ng was appointed as the Deputy Chief Executive Officer of our Group in July 2013. Mr. Ng obtained a degree of Bachelor of Social Science from The Chinese University of Hong Kong in December 2010.

## COMPANY SECRETARY

**Mr. Choi Shing Wai (蔡誠偉)**, *FCPA*, was appointed as our company secretary with effect from 9 September 2015. Further information on Mr. Choi is set forth in the section headed "Senior Management" above.

# DIRECTORS' REPORT

The Board is pleased to present their report and the audited consolidated financial statements of the Group for the year ended 31 July 2026.

## INCORPORATION AND LISTING

The Company was incorporated in the Cayman Islands on 15 April 2015 as an exempted company with limited liability. The Shares were listed on the Main Board of the Stock Exchange on the Listing Date.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is a leading provider of private supplementary secondary school education services in Hong Kong and principally engages in the operation of private secondary day schools, the provision of private supplementary secondary school education services, school services, and offer ancillary education services and products targeted at pre-school, kindergarten, primary and secondary school students and individual pursuing further education offer interest learning and/or personal development. The Company and a majority of its subsidiaries operate principally in Hong Kong. A list of the Company's principal subsidiaries, together with their places of incorporation and principal activities, is set out in note 19 to the consolidated financial statements on pages 106 to 107.

## BUSINESS REVIEW

A fair review of the business of the Group during the year ended 31 July 2026, including discussion and analysis of the Group's financial performance and future business developments, as required by Schedule 5 to the Companies Ordinance, is set out in the section headed "Chairman's Statement" on pages 1 to 2 and "Management Discussion and Analysis" on pages 5 to 11. A discussion on the Group's environmental policies (including climate-related policies) and performance and an account of the Group's key relationships with its employees, customers, suppliers and others are set out in the 'Environmental, Social and Governance Report' on pages 47 to 65 of this Annual Report. Discussion of the particulars of important events affecting the Company that have occurred after the year ended 31 July 2026 up to the date of this Annual Report (if any) is set out on page 34 of this Annual Report. These discussions form part of this Annual Report.

### Principal Risks and Uncertainties

The principal risks and uncertainties related to the business of the Group are as below:

- Our business is subject to the regulation of the Education Ordinance and its subsidiary legislations, in particular, valid relevant registrations or exemptions are substantial to our business operation. In the event of failure in obtaining or maintaining such registrations or exemptions or other non-compliances with the aforesaid legislations, our operation may be suspended and our business, operating and financial results may be materially and adversely affected.
- Our Group's business is dependent on the market recognition of our brand and reputation; any negative publicity to our teaching team could cause damage to our brand and reputation and would materially and adversely affect our business.
- Our Group has substantial reliance on our Top Five Tutors, in particular, a significant proportion of our revenue, profitability and business is generated from courses and products provided by our Top Five Tutors during the year ended 31 July 2026. Our operations and profits may be materially and adversely affected if we cannot retain or maintain a good relationship with our tutors or our tutors fail to deliver high-quality teaching. Moreover, if our Group is not able to enforce the restrictive covenants of the employment contracts or services agreements against our tutors to prevent them from immediately and directly competing with our Group within and/or after the restrained period, our business, operating and financial results may be materially and adversely affected.
- Protection of intellectual property rests a prioritized responsibility of the Group's teaching team and the business. Any infringement claims against our Group could expose us to litigation risk or could adversely affect our reputation.

The above is not an exhaustive list. Investors are advised to make their own judgment or consult their own investment advisors before making any investment in the Shares.

## SEGMENTAL INFORMATION

An analysis of the Group's performance for the year ended 31 July 2026 by business activities is set out in note 5 to the consolidated financial statements on pages 93 and 94.

## RESULTS

The Group's results for the year ended 31 July 2026 and the state of affairs of the Group as at that date are set out in the consolidated financial statements on pages 70 to 124.

## DIVIDENDS

Having carefully considered the factors listed in the Company's dividend policy, which include (without limitation) the Group's overall results of operation, financial position, cash flows and future prospects, the Board recommended a final dividend of 1.69 HK cents per Share (2025: nil), totaling HK$9,008,000 for the year ended 31 July 2026 (2025: nil). No interim or special dividend was declared by the Board for the year ended 31 July 2026 (2025: nil). Please refer to the section headed "Dividend Policy" in the Corporate Governance Report for details.

The final dividends recommended are intended to be paid out of the share premium account pursuant to the memorandum and Articles of Association of the Company and the Companies Act of the Cayman Islands, and are subject to the approval of the Shareholders at the forthcoming AGM, on the basis that the Company is able, immediately following the payment, to pay its debts as they fall due in the ordinary course of business.

As of the date of this Annual Report, the Board is not aware of any Shareholders who have waived or agreed to waive any dividends.

## CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the forthcoming AGM to be held on Friday, 18 December 2026 (or at any adjournment of it), the register of members of the Company will be closed from Tuesday, 15 December 2026 to Friday, 18 December 2026, both days inclusive, during which no transfer of Shares will be effected. In order to be eligible to attend and vote at the forthcoming AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday,14 December 2026. The record date for determining the entitlement of the Shareholders to attend and vote at the AGM will be Friday, 18 December 2026.

In order to be qualified for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 23 December 2026.

The record date for determining the entitlement to the proposed final dividend will be Wednesday, 23 December 2026. Subject to the approval by the Shareholders at the forthcoming AGM, the proposed final dividend is expected to be payable on or around Thursday, 31 December 2026 to the Shareholders whose names appear on the register of members of the Company on Wednesday, 23 December 2026 at the close of business.

## SUMMARY OF FINANCIAL INFORMATION

A summary of the Group's results, assets and liabilities for the last five financial years, and the published audited financial statements, is set out on pages 125 to 126 of this Annual Report. This summary does not form part of the audited financial statements.

## PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group are set out in note 15 to the consolidated financial statements.

## SIGNIFICANT INVESTMENTS HELD

The Group held investment property and financial assets at fair value through profit or loss during the year ended 31 July 2026. Details of investment property and financial assets at fair value through profit or loss of the Group as at 31 July 2026 are set out in note 17 and note 22 to the consolidated financial statements. The Group expects the Investment Property will continue to be used as a pledge to the secured bank loans as set out in note 29 to the consolidated financial statements.

As at 31 July 2026, the Group had no individual significant investment with a value of 5% or more of the Group's total assets.

## BANK BORROWINGS

As at 31 July 2026, the Group had HK$77.9 million bank borrowings (as at 31 July 2025: HK$78.8 million). Details of bank borrowings of the Group as at 31 July 2026 are set out in note 29 to the consolidated financial statements.

## SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 32 to the consolidated financial statements on page 120 of this Annual Report.

## RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Company and of the Group during the year ended 31 July 2026 are set out in notes 38 and 33 to the consolidated financial statements on pages 123 to 124 and page 120 respectively and in the consolidated statement of changes in equity on page 73. As at 31 July 2026, the Company had no reserve available for distribution to shareholders (2025: nil). Under the Companies Act of the Cayman Islands and Article 134 of the Articles of Association, the share premium account may, with the sanction of an ordinary resolution of the Shareholders, be applied in paying dividends or distributions to Shareholders, provided that immediately following the date on which the dividend or distribution is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities (including treasury shares) of the Company during the year ended 31 July 2026 and up to the date of this Annual Report. The Company also did not and does not hold any treasury share during the year ended 31 July 2026 and up to the date of this Annual Report.

## MAJOR CUSTOMERS AND SUPPLIERS

Our customers primarily consist of students and individuals enrolling in our courses. Given the nature of our business, we had no customer who contributed, or any five customers who collectively contributed, to 30% or more of our total revenue during the year ended 31 July 2026.

During the year ended 31 July 2026, the aggregate remuneration payable to our Top Five Tutors accounted for 9.3% of our total staff costs and service fees; and the aggregate remuneration payable to our Top One Tutor accounted for 3.0% of our total staff costs and service fees. None of our Directors, their respective close associates, or any of the existing Shareholders (which to the knowledge of our Directors owns more than 5% of the issued share capital of the Company) had any interest in any of our Top Five Tutors (including without limitation the Top One Tutor) during the year ended 31 July 2026 and up to the date of this Annual Report.

## DIRECTORS

The Directors of the Company during the year ended 31 July 2026 and as at the date of this Annual Report were as follows:

### Executive Directors

Ms. Leung Ho Ki, June *(Chairman and Chief Executive Officer, the appointment as Chief Executive Officer being effective from 1 April 2026)*
Mr. Tam Wai Lung
Mr. Chan Tsz Ying, Wister
Mr. Li Man Wai
Mr. Ng King Hang *(Appointed with effect from 1 August 2026)*

### Independent Non-executive Directors

Mr. Kwan Chi Hong
Mr. Li Kai Sing
Mr. Tai Kwok Leung, Alexander

Biographical details of the Directors and senior management as at the date of this Annual Report are set out in the section "Directors and Senior Management" on pages 12 to 15 of this Annual Report.

Pursuant to Article 84 of the Articles of Association, Mr. Tam Wai Lung, Mr. Li Man Wai and Mr. Tai Kwok Leung, Alexander shall retire by rotation; and pursuant to Article 83(3) of the Articles of Association, Mr. Ng King Hang shall retire at the forthcoming AGM and, being eligible, would offer themselves for re-election at the forthcoming AGM and notwithstanding the aforesaid, may continue to act as executive Director and independent non-executive Directors throughout the forthcoming AGM.

## DIRECTORS' SERVICE CONTRACTS AND LETTER OF APPOINTMENT

Each of the executive Directors has entered into a service contract with the Company with effect for a term commencing from the date of his/her appointment/redesignation as an executive Director for an initial term of three years commencing from the Listing Date (except for Mr. Ng King Hang, which is 1 August 2026) which shall continue thereafter unless and until terminated in accordance with the terms and conditions of the service contract, including without limitation by either party giving to the other party not less than three months' prior notice in writing.

Each of the independent non-executive Directors has/had entered into an appointment letter with the Company for a period of three years commencing from 13 July 2024, except for Mr. Tai Kwok Leung Alexander, which is 1 July 2024, which may be terminated earlier in accordance with the terms and conditions of the appointment letter, including without limitation by either party serving on the other party a prior written notice of not less than three months.

Set out below are the dates of first appointment, lengths of tenure as at 31 July 2026 (where applicable), and current terms of appointment of the Directors as at the date of this Annual Report:

| Director | Position | Date of First Appointment | Length of Tenure (as at 31 July 2026) | Current Term of Appointment |
|---|---|---|---|---|
| Ms. Leung Ho Ki, June | Executive Director (Chairman and Chief Executive Officer) | 15 April 2015 | 11 years | Initial term of 3 years from 13 July 2018 (the Listing Date) and continuing thereafter until terminated in accordance with the service contract |
| Mr. Tam Wai Lung | Executive Director | 15 April 2015 | 11 years | Initial term of 3 years from 13 July 2018 (the Listing Date) and continuing thereafter until terminated in accordance with the service contract |
| Mr. Chan Tsz Ying, Wister | Executive Director | 9 September 2015 | 10 years | Initial term of 3 years from 13 July 2018 (the Listing Date) and continuing thereafter until terminated in accordance with the service contract |
| Mr. Li Man Wai | Executive Director | 9 September 2015 | 10 years | Initial term of 3 years from 13 July 2018 (the Listing Date) and continuing thereafter until terminated in accordance with the service contract |
| Mr. Ng King Hang | Executive Director | 1 August 2026 | – (Appointed post-year end) | 3 years from 1 August 2026 and continuing thereafter until terminated in accordance with the service contract |
| Mr. Kwan Chi Hong | Independent non-executive Director | 17 November 2017 | 8 years | 3 years from 13 July 2024 |
| Mr. Li Kai Sing | Independent non-executive Director | 21 June 2018 | 8 years | 3 years from 13 July 2024 |
| Mr. Tai Kwok Leung Alexander | Independent non-executive Director | 1 July 2024 | 2 years | 3 years from 1 July 2024 |

Save as aforesaid, no Director proposed for re-election at the forthcoming AGM has a service contract with the Company or any of its subsidiaries which is not determinable by the Company or its subsidiaries within one year without payment of compensation, other than normal statutory compensation.

## CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in the information of the Directors since the date of the interim report of the Company for the six months ended 31 January 2026 and up to the date of this Annual Report are set out below:

(i) Mr. Tam Wai Lung resigned as the Chief Executive Officer with effect from 1 April 2026, and remains an executive Director and a member of each of the Remuneration Committee and the Nomination Committee; and

(ii) Ms. Leung Ho Ki, June was appointed as the Chief Executive Officer with effect from 1 April 2026, and is entitled to a monthly salary of HK$140,000 and a housing allowance of up to HK$158,000 per month, together with a discretionary bonus.

Save as disclosed above, there is no other change in the Directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## CONNECTED AND RELATED PARTY TRANSACTIONS

Save for the Financial Assistance provided by the Group to the Vendors pursuant to the Settlement Agreement dated 28 October 2025 (particulars of which are set out in the section headed "Connected Transaction in relation to Financial Assistance" in this Directors' Report and note 22(a) and note 25(i) to the consolidated financial statements) which constitutes a connected transaction subject to the reporting and announcement requirements (but exempt from the circular, independent financial advice and independent Shareholders' approval requirements) under Chapter 14A of the Listing Rules, certain transactions disclosed in note 37 to the consolidated financial statements (namely, the transactions with Dragon Field and Uplift Educational) fall under the definition of "connected transactions" or "continuing connected transaction" (as the case may be) and are exempted from annual reporting requirement in Chapter 14A of the Listing Rules. The remaining transactions disclosed in note 37 to the consolidated financial statements do not constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

## CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 37 to the consolidated financial statements and in the section "Connected and Related Party Transactions" above, no contract of significance between the Company or any of its subsidiaries and a controlling shareholder of the Company or any of its subsidiaries subsisted during the year ended 31 July 2026 or at the end of the year, and no contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder of the Company or any of its subsidiaries subsisted during the year ended 31 July 2026 or at the end of the year.

## DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 37 to the consolidated financial statement and in the section "Connected and Related Party Transactions" above, there was no transaction, arrangement or contract of significance to which the Company or any of its subsidiaries was a party and in which any of the Directors or an entity connected with a Director had, whether directly or indirectly, a material interest, subsisted at the end of the year ended 31 July 2026 or at any time during the financial year.

## DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors or the controlling shareholders of the Company had any interest in a business that competes or is likely to compete, either directly or indirectly, with the business of the Group, subsisting during or at the end of the year ended 31 July 2026.

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

As at 31 July 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 associated corporations (within the meaning of Part XV of the SFO) of the Company, as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

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

| Name of company | Name of Director | Nature of interest | Number of shares held | Interest in underlying shares | Total interest in shares and underlying shares | Approximate percentage of shareholding |
|---|---|---|---|---|---|---|
| The Company | Ms. Leung Ho Ki, June *Note 1* | Deemed interests held jointly with another person; interest in a controlled corporation | 375,000,000 | – | 375,000,000 | 70.4% |
| | | Beneficial owner | – | 1,000,000 *Note 2* | 1,000,000 | 0.2% |
| | | Interest of spouse | – | 3,500,000 *Note 3* | 3,500,000 | 0.7% |
| | Mr. Tam Wai Lung *Note 1* | Deemed interests held jointly with another person; interest in a controlled corporation | 375,000,000 | – | 375,000,000 | 70.4% |
| | | Beneficial owner | – | 3,500,000 *Note 2* | 3,500,000 | 0.7% |
| | | Interest of spouse | – | 1,000,000 *Note 3* | 1,000,000 | 0.2% |
| | Mr. Chan Tsz Ying, Wister | Beneficial owner | – | 2,000,000 *Note 4* | 2,000,000 | 0.4% |
| | Mr. Li Man Wai | Beneficial owner | – | 1,000,000 *Note 2* | 1,000,000 | 0.2% |
| Beacon Enterprise Limited *Note 5* | Ms. Leung Ho Ki, June | Beneficial owner | 5,160 | – | 5,160 | 86% |
| | Mr. Tam Wai Lung | Interest of spouse | 5,160 | – | 5,160 | 86% |
| | Mr. Chan Tsz Ying, Wister | Beneficial owner | 180 | – | 180 | 3% |
| | Mr. Li Man Wai | Beneficial owner | 180 | – | 180 | 3% |

*Notes:*

1. The Company was held as to 70.4% by Beacon Enterprise Limited as at 31 July 2026 and the date of this Annual Report, Beacon Enterprise Limited was beneficially owned as to 86%, 4%, 4%, 3% and 3%, respectively, by Ms. Leung Ho Ki, June, Ms. Leung Ho Yan, Irene, Mr. Ng King Hang, Mr. Chan Tsz Ying, Wister and Mr. Li Man Wai. Pursuant to the Deed of Acting in Concert, each of Ms. Leung Ho Ki, June, Ms. Leung Ho Yan, Irene, Mr. Ng King Hang and Mr. Tam Wai Lung (the "Core Shareholders") has agreed to jointly control their respective interests in the Company and decisions as to the business and operations of the Group shall be in accordance with the unanimous consent of all Core Shareholders. Each of the Core Shareholders shall exercise their respective voting rights in the Company in the same way. Hence, each of the Core Shareholders is deemed to be interested in all the Shares held by the Core Shareholders in aggregate by virtue of the SFO.

2. These interests in underlying Shares represent the interests in outstanding options granted by the Company on 23 January 2019 pursuant to the Post-IPO Share Option Scheme approved and adopted by the Company on 21 June 2018 and effective from 13 July 2018 to subscribe for the relevant number of Shares.

3. Ms. Leung Ho Ki, June and Mr. Tam Wai Lung are spouses of each other, they are deemed to be interested in all the Shares and underlying Shares in which one another is interested by virtue of the SFO.

4. These interests in underlying shares represent the interests in outstanding options granted by the Company on 23 January 2019 and 1 April 2019 pursuant to the Post-IPO Share Option Scheme approved and adopted by the Company on 21 June 2018 and effective from 13 July 2018 to subscribe for the relevant number of shares.

5. The Company was held as to 70.4% by Beacon Enterprise Limited as at 31 July 2026. Beacon Enterprise Limited is beneficially owned as to 86%, 4%, 4%, 3% and 3%, respectively, by Ms. Leung Ho Ki, June, Ms. Leung Ho Yan, Irene, Mr. Ng King Hang, Mr. Chan Tsz Ying, Wister and Mr. Li Man Wai.

6. Save as otherwise specified, the shares and underlying shares mentioned above refer to ordinary class of shares and underlying shares.

Save as disclosed above, as at 31 July 2026, neither the chief executives nor any of the Directors of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 31 July 2026, so far as is known to any Directors or chief executives of the Company, the following persons (other than a Director or chief executive of the Company) or corporations who had interest or short positions in the Shares and underlying Shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

| Name of Shareholder | Nature of interest | Number of Shares held | Interest in underlying Shares | Position | Total interest in Shares and underlying Shares | Approximate percentage of shareholding |
|---|---|---|---|---|---|---|
| Beacon Enterprise Limited | Beneficial owner | 375,000,000 | — | Long | 375,000,000 | 70.4% |
| Ms. Leung Ho Yan, Irene *Note 1* | Interests held jointly with another person; interest in controlled corporation | 375,000,000 | — | Long | 375,000,000 | 70.4% |
| Mr. Ng King Hang *Note 2* | Interests held jointly with another person; interest in controlled corporation | 375,000,000 | — | Long | 375,000,000 | 70.4% |

*Note:*

1. The Company was held as to 70.4% by Beacon Enterprise Limited as at 31 July 2026 and as at the date of this Annual Report, Beacon Enterprise Limited was beneficially owned as to 86%, 4%, 4%, 3% and 3%, respectively, by Ms. Leung Ho Ki, June, Ms. Leung Ho Yan, Irene, Mr. Ng King Hang, Mr. Chan Tsz Ying, Wister and Mr. Li Man Wai. Pursuant to the Deed of Acting in Concert, each of such Core Shareholders has agreed to jointly control their respective interests in the Company and decisions as to the business and operations of the Group shall be in accordance with the unanimous consent of all the Core Shareholders. Each of the Core Shareholders shall exercise their respective voting rights in the Company in the same way. Hence, each of the Core Shareholders is deemed to be interested in all the Shares held by the Core Shareholders in aggregate by virtue of the SFO.

2. Mr. Ng King Hang was appointed as an executive Director with effect from 1 August 2026, after the end of the year ended 31 July 2026. Accordingly, his interests as at 31 July 2026 are disclosed in this section rather than in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above. As at the date of this Annual Report, there has been no change in Mr. Ng's interests in the Shares.

Save as disclosed above, as at 31 July 2026, the Directors and the chief executives of the Company are not aware of any other person or corporation having an interest or short position in the Shares and underlying Shares of the Company which would require to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed in the section headed "Share Schemes" below, at no time during the year ended 31 July 2026 were rights to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate granted to any of the Directors or chief executives of the Company or their respective associates (as defined in the Listing Rules), or were any such rights exercised by any of them; or was the Company or any of its subsidiaries a party to any arrangement enabling the Directors or chief executives of the Company or their respective associates to acquire such rights.

## MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company (not being a contract of service with any Director or any person engaged in the full-time employment of the Company) were entered into or existed for the year ended 31 July 2026 and up to the date of this Annual Report.

## SHARE SCHEMES

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

For details of the terms of the Pre-IPO Share Option Scheme, please refer to the section headed "Share Option Schemes" in the Directors' Report included in our 2022 Annual Report.

After the lapse of all the options granted under the Pre-IPO Share Option Scheme during the year ended 31 July 2022, no share schemes other than the Post-IPO Share Option Scheme were in effect during the year ended 31 July 2026.

## POST-IPO SHARE OPTION SCHEME

### 1. Summary of the terms of the Post-IPO Share Option Scheme

The following is a summary of the principle terms of the Post-IPO Share Option Scheme adopted by a written resolution passed by our Shareholders on 21 June 2018 which became unconditional and effective on 13 July 2018.

#### *(a) Purpose*

The purpose of the Post-IPO Share Option Scheme is to provide incentives to the Participants (as defined in paragraph (c) below) to contribute to our Group and to enable our Group to recruit and retain high-calibre employees and attract and retain human resources that are valuable to our Group.

#### *(b) Period of the Post-IPO Share Option Scheme*

The Post-IPO Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date on which the Post-IPO Share Option Scheme becomes unconditional (i.e., until 12 July 2028) after which period no further options will be granted and accepted; and thereafter for so long as there are any outstanding unexercised options and in order to give effect to the exercise of any such options or otherwise as may be required in accordance with the provisions of the Post-IPO Share Option Scheme.

#### *(c) Who may join*

The Board may grant (subject to acceptance in accordance with the terms of the Post-IPO Share Option Scheme) an option to subscribe for such number of Shares as it may determine at a price determined in accordance with paragraph (d) below to any individual being an employee, officer, tutor, agent, consultant or representative of any member of our Group (including any executive or non-executive director of any member of our Group) who, as the Board may determine in its absolute discretion, has made valuable contribution to the business of our Group based on his/her performance and/or years of service, or is regarded to be a valuable human resource of our Group based on his/her working experience, knowledge in the industry and other relevant factors (the "Participant"), subject to such conditions as the Board may think fit, provided that no grants shall be made except to such number of Participants and in such circumstances that our Company will not be required under applicable securities laws and regulations to issue a prospectus or other offer document in respect thereof; and will not result in the breach by our Company or its Directors of any applicable securities laws and regulations or in any filing or other requirements arising.

*(d) Subscription price for the Shares under the Post-IPO Share Option Scheme*

The subscription price for the Shares on the exercise of options under the Post-IPO Share Option Scheme shall be a price determined by the Board and notified to the relevant Participant at the time the grant of the options (subject to any adjustments made pursuant to paragraph (q) below) is made to (subject to acceptance by) the Participant and shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date on which the option is granted, which date must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date on which the option is granted; and (iii) the nominal value of the Share.

*(e) Maximum number of the Shares available for subscription*

The limit on the total number of the Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Post-IPO Share Option Scheme and any other share option scheme(s) of our Company must not exceed 30% of the total number of the Shares in issue from time to time. Options lapsed or cancelled in accordance with the terms of the Post-IPO Share Option Scheme or any other share option scheme(s) of our Company shall not be counted for the purpose of calculating the said 30% limit. In addition, subject to below as provided in this paragraph, the total number of the Shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Scheme, together with all options to be granted under any other share option scheme(s) of our Company, must not in aggregate exceed 50,000,000 Shares, being 10% of the total number of the Shares in issue as at the Listing Date (the "Scheme Mandate Limit"). Options lapsed in accordance with the terms of the Post-IPO Share Option Scheme or any other share option scheme(s) of our Company shall not be counted for the purpose of calculating the Scheme Mandate Limit. Our Company may seek separate approval from our Shareholders in general meeting to renew the Scheme Mandate Limit but in any event the total number of the Shares in respect of which options may be granted by the Board under the Post-IPO Share Option Scheme and any other share option scheme(s) of our Company shall not exceed 10% of the total number of the Shares in issue as at the date of approval of the renewed Scheme Mandate Limit. Options previously granted under the Post-IPO Share Option Scheme and any other share option scheme(s) of our Company (including those outstanding, cancelled, lapsed in accordance with the Post-IPO Share Option Scheme or exercised options) will not be counted for the purpose of calculating such renewed Scheme Mandate Limit. On 28 September 2020, the Shareholders approved the refreshment of the Scheme Mandate Limit. Accordingly, the Scheme Mandate Limit has been refreshed to be 50,000,000 Shares, being 10% and 9.38% of the total number of Shares in issue as at the date of such Shareholders' approval and as at the date of this Annual Report respectively. Taking into account the 17,160,000 outstanding options granted and the refreshed Scheme Mandate Limit of 50,000,000 Shares, the total number of Shares available for issue under the Post-IPO Share Option Scheme is 67,160,000 Shares, representing approximately 12.60% of the total number of Shares in issue (excluding treasury shares, if any) as at the date of this Annual Report. Our Company may also seek separate approval from our Shareholders in general meeting in accordance with the relevant provisions of the Listing Rules for granting options to specified Participants beyond the Scheme Mandate Limit (or the renewed Scheme Mandate Limit) in respect of such number of the Shares and on such terms as may be specified in such approval.

*(f) Maximum number of options to each Participant*

The total number of the Shares issued and to be issued upon exercise of the options granted to each Participant, together with all options granted and to be granted to him/her under any other share option scheme(s) of our Company, within the 12-month period immediately preceding the proposed date of grant (including exercised, cancelled and outstanding options) shall not exceed 1% of the total number of the Shares in issue as at the proposed date of grant. Any further grant of options to a Participant in excess of the 1% limit shall be subject to the Shareholders' approval of our Company with such Participant and his/her close associates (or his/her associates if such Participant is a connected person) abstaining from voting. The number and terms of the options to be granted to such Participant shall be fixed before the Shareholders' approval of the grant of such options.

*(g) Grant of options to connected persons*

Where any grant of options is proposed to be made to a Participant who is a Director, chief executive or substantial shareholder (each has the meaning as ascribed under the Listing Rules) of our Company or any of their respective associates, such grant must first be approved by the independent non-executive Directors of our Company (excluding independent non-executive Director who is the Participant). Where the Board proposes to grant any option to a Participant who is a substantial shareholder or an independent non-executive Director of our Company or any of their respective associates and such option would result in the Shares issued and which may fall to be issued upon the exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person under the Post-IPO Share Option Scheme and any other share option scheme(s) of our Company in the 12-month period up to and including the proposed date of grant for such options: (i) representing in aggregate more than 0.1% of the number of the Shares then in issue; and (ii) having an aggregate value, based on the closing price of the Shares as stated in the Stock Exchange daily quotations sheet on each relevant date of the grant (subject to acceptance) of the options, in excess of HK$5,000,000, then such grant of options must first be approved by our Shareholders in general meeting at which such person, his/her associates and all core connected persons of our Company shall abstain from voting on the relevant resolution. Any vote taken at the meeting to approve the proposed grant of such options must be taken on a poll.

*(h) Restrictions on the time of grant of options*

No option shall be granted after an inside information event in relation to the securities of our Company has occurred or an inside information matter in relation to the securities of our Company has been the subject of a decision, until an announcement of such inside information has been published in accordance with the Listing Rules. Further, no option shall be granted within the period commencing one month immediately preceding the earlier of: (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of our Company's quarter, interim or annual results for any financial period; and (b) the deadline for our Company to publish its quarter, interim or annual results announcement for any financial period under the Listing Rules, and ending on the date of such results announcement. No option may be granted during any period of delay in publishing a result announcement.

No option shall be granted to a Participant who is a Director during the periods or times in which our Directors are prohibited from dealing in Shares pursuant to the Model Code or any corresponding code or securities dealing restrictions adopted by our Company.

*(i) Offers and acceptance*

A grant of an option shall be made to a Participant by letter in such form as the Board may from time to time determine requiring the Participant to undertake to hold the option on the terms on which it is to be granted including but not limited to the minimum period for which an option must be held before it can be exercised (if any) and to be bound by the provisions of the Post-IPO Share Option Scheme and shall remain open for acceptance by the Participant for a period of 28 days from the date of grant provided that no such grant shall be open for acceptance after the expiry of the ten-year period during which the Post-IPO Share Option Scheme is valid and effective or after the Post-IPO Share Option Scheme has been terminated.

An option shall be regarded to have been accepted when the duplicate letter, comprising acceptance of the option duly signed by the Participant who accepts the grant of any option to subscribe for Shares in accordance with the terms of the Post-IPO Share Option Scheme or (where the context so permits) a person entitled under the Post-IPO Share Option Scheme to exercise any option in consequence of the death of the original grantee (the "Grantee"), together with a remittance in favour of our Company of HK$1.00 by way of consideration for the grant thereof, is received by our Company.

*(j) Transferability of options*

An option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, assign, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any option or purport to do any of the foregoing. Any breach of the foregoing shall entitle our Company to cancel the relevant Grantee's outstanding options in whole or in part.

*(k) Performance target*

No performance target needs to be achieved by the Grantee before the options can be exercised, unless otherwise stated in the grant letter referred to in the paragraph (i) above.

*(l) Time of exercise of options*

An option may be vested and exercised in accordance with the terms of the Post-IPO Share Option Scheme and such other terms and conditions upon which an option was granted, at any time during the option period after the option has been granted by the Board but in any event, not longer than 10 years from the date of grant. An option shall lapse automatically and not be exercisable (to the extent not already exercised) on the expiry of the option period.

*(m) Rights on ceasing employment*

If the Grantee ceases to be an employee (including any executive director), officer (including any non-executive director), agent, consultant or representative of the relevant member of our Group for any reason other than on death, ill health, disability or insanity or the termination of employment, office, agency, consultancy or representation on certain grounds specified in the Post-IPO Share Option Scheme, then, if the option period has not at the date of cessation commenced, the option shall lapse; and if the option period has commenced, the Grantee may exercise the option up to his/her entitlement at the date of cessation (to the extent not already exercised) until whichever is the earlier of the date of expiry of the option period or the date falling 1 month from the date of such cessation, and such cessation date shall be the last actual day of employment, office, agency, consultancy or representation with the relevant member of our Group whether payment in lieu of notice is made or not (if applicable). For the purposes of this paragraph (m), a Grantee shall not be regarded as ceasing to be an employee (including any executive director), officer (including any non-executive director), agent, consultant or representative of the relevant member of our Group if he/she ceases to hold a position of employment, office, agency, consultancy or representation with a particular member of our Group but at the same time takes up a different position of employment, office, agency, consultancy or representation with another member of our Group.

*(n) Rights on death, ill health, disability or insanity*

If the Grantee ceases to be an employee (including any executive director), officer (including any non-executive director), agent, consultant or representative of the relevant member of our Group by reason of death, ill health, disability or insanity before exercising the option in full and none of certain events which would be a ground for termination of his/her employment, office, agency, consultancy or representation specified in the Post-IPO Share Option Scheme arises, the Grantee or his/her legal personal representative(s) shall be entitled after commencement of the option period until whichever is the earlier of the date of expiry of the option period or the date falling 12 months from the date of cessation (or such longer period as the Board may determine) to exercise the option (to the extent not already exercised) up to his/her entitlement.

*(o) Rights on takeover*

If a general offer to acquire the Shares (whether by takeover offer, merger, privatisation proposal by scheme of arrangement between our Company and our Shareholders or otherwise in like manner) is made to all our Shareholders (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer, having been approved (if required) in accordance with applicable laws and regulatory requirements, becomes or is declared unconditional, the Grantee (or his/her legal personal representative(s)) shall, even though the option period has not yet commenced, be entitled to exercise the option (to the extent not already exercised) at any time until whichever is the earlier of the date of expiry of the option period or the date falling 14 days from the date on which the offer becomes or is declared unconditional, after which the option shall lapse.

*(p) Rights on winding-up*

If a notice is given by our Company to our Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind up our Company, our Company shall on the same date as or soon after it despatches such notice to each Shareholder give notice thereof to all Grantees and thereupon, each Grantee (or his/her legal personal representative(s)) shall be entitled to exercise all or any of his/her options at any time not later than 5 business days prior to the proposed general meeting of our Company by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon our Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.

*(q) Effect on reorganisation of capital structure*

In the event of any capitalisation issue, rights issue, open offer, consolidation, sub-division or reduction of the share capital of our Company (other than an issue of the Shares as consideration in respect of a transaction), corresponding adjustments (if any) shall be made in:

(i) the number or nominal amount of the Shares subject to options so far as unexercised;

(ii) the subscription price in relation to each outstanding option; and/or

(iii) the method of exercise of the options,

provided that any such adjustments shall be made such that the proportion of the issued share capital of our Company to which an option entitles the Grantee to subscribe after such adjustment must be the same as that to which the option entitled the Grantee to subscribe immediately before such adjustment, but so that no such adjustment shall be made to the extent that the effect of such adjustment would be to enable any Share to be issued at less than its nominal value. In respect of any adjustment required by the foregoing provisions, other than any adjustment made on a capitalisation issue, an independent financial adviser or the auditor for the time being of our Company must also confirm to the Board in writing that the adjustments satisfy the foregoing provisions and fairly and reasonably satisfy the requirement that any such adjustment shall be made in compliance with the provisions stipulated under the Listing Rules or such other guidelines and supplementary guidance on the interpretation of the Listing Rules issued or as may be issued by the Stock Exchange from time to time.

*(r) Ranking of Shares*

The Shares to be allotted and issued upon the exercise of an option will be subject to all the provisions of the Articles of Association for the time being in force and will rank pari passu with the fully paid Shares in issue on the date of allotment or, if that date falls on a day when the register of members of our Company is closed, the first day of the reopening of the register of members and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date thereof is before the date of allotment. A Share issued upon the exercise of an option shall not carry any voting rights until the registration of the Grantee (or any other person) as the holder thereof.

*(s) Cancellation of options*

The Board may effect the cancellation of any options granted but not exercised on such terms as may be agreed with the relevant Grantee, as the Board may in its absolute discretion see fit and in a manner that complies with all applicable legal requirements for such cancellation. Where our Company cancels any options granted but not exercised and grants new option to the same Grantee, the grant of such new options may only be made under the Post-IPO Share Option Scheme if there is available unissued options (excluding the cancelled options) within each of the 10% limits as referred to in paragraph (e) above and there is available options (excluding the cancelled options) under the 1% limit for each Participant as referred to in paragraph (f) above.

*(t) Lapse of options*

An option shall lapse automatically (to the extent not already exercised) on the earliest of:

(i) the expiry of the option period;

(ii) the expiry of any of the other periods referred to in paragraphs (l), (m) or (n);

(iii) subject to paragraph (p) above, the earliest of the close of business on the 5th business day prior to the general meeting referred to in paragraph (p) above or the date of commencement of the winding-up of our Company;

(iv) save as otherwise provided in paragraph (o) above or by the Court in relation to the Post-IPO Share Option Scheme in question, upon the sanctioning pursuant to the Companies Law by the Grand Court of the Cayman Islands of a compromise or arrangement between our Company and our Shareholders or creditors for the purposes of or in connection with a scheme for the reconstruction of our Company or its amalgamation with any other company or companies;

(v) the date on which the Grantee ceases to be an employee (including any executive director), officer (including any non-executive director), agent, consultant or representative of any relevant member of our Group by reason of the termination of his/her employment, office, agency, consultancy or representation on certain grounds specified in the Post-IPO Share Option Scheme including but not limited to, guilty of misconduct, bankruptcy or insolvency, having made any arrangement or composition with his creditors generally, or conviction of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer or principal would be entitled to terminate his/her employment, office, agency, consultancy or representation at common law or pursuant to any applicable laws or under the Grantee's service contract, terms of office, or agency, consultancy, or representation agreement or arrangement with the relevant member of our Group; or

(vi) the date on which the Board exercises our Company's right to cancel the option because of a breach by the Grantee of the rules summarised in paragraph (j).

*(u) Alteration of the Post-IPO Share Option Scheme*

The terms of the Post-IPO Share Option Scheme may be altered in any respect by resolution of the Board except that the provisions of the Post-IPO Share Option Scheme relating to matters contained in Chapter 17 of the Listing Rules shall not be altered to the advantage of Participants or the prospective Participants without the prior approval of our Shareholders in general meeting with the Grantees, the Participants and their associates abstaining from voting. No such alteration shall operate to affect adversely the terms of issue of any option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the Shareholders under the Articles of Association (as amended from time to time) for a variation of the rights attached to the Shares.

Any alterations to the terms and conditions of the Post-IPO Share Option Scheme which are of a material nature or any change to the terms of options granted must first be approved by our Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Post-IPO Share Option Scheme. The amended terms of the Post-IPO Share Option Scheme or the options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

*(v) Termination of the Post-IPO Share Option Scheme*

Our Company may by ordinary resolution in general meeting terminate or the Board may at any time terminate the operation of the Post-IPO Share Option Scheme and in such event no further options will be granted but in all other respects the provisions of the Post-IPO Share Option Scheme in relation to any outstanding options shall remain in full force and effect. All options granted and accepted prior to such termination and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Post-IPO Share Option Scheme.

## OPTIONS GRANTED UNDER THE POST-IPO SHARE OPTION SCHEME

The validity period of the following options granted shall be 10 years from the grant date and the options shall lapse at the expiry of the validity period or earlier if the service or employment relationship between the Company and the respective grantee of the options has terminated prior to the expiry of the validity period, subject to the terms and conditions of the Post-IPO Share Option Scheme.

The following table discloses movements in the outstanding options granted to all grantees under the Post-IPO Share Option Scheme during the year ended 31 July 2026.

| Grantee | Grant date | Exercisable period *Note 1* | Exercise price per share option | Number of options held at 1 August 2025 | Options granted during the period (number of underlying Shares) | Options exercised or cancelled during the period | Options lapsed during the period | Number of options held as at 31 July 2026 (number of underlying Shares) |
|---|---|---|---|---|---|---|---|---|
| Directors | | | | | | | | |
| Ms. Leung Ho Ki, June | 23.1.2019 | 23.1.2020 - 22.1.2029 | HK$0.493 | 1,000,000 | – | – | – | 1,000,000 |
| Mr. Tam Wai Lung | 23.1.2019 | 23.1.2020 - 22.1.2029 | HK$0.493 | 3,500,000 | – | – | – | 3,500,000 |
| Mr. Li Man Wai | 23.1.2019 | 23.1.2020 - 22.1.2029 | HK$0.493 | 1,000,000 | – | – | – | 1,000,000 |
| Mr. Chan Tsz Ying, Wister | 23.1.2019 | 23.1.2020 - 22.1.2029 | HK$0.493 | 1,000,000 | – | – | – | 1,000,000 |
| | 1.4.2019 | 1.4.2020 - 31.3.2029 | HK$0.730 | 1,000,000 | – | – | – | 1,000,000 |
| Employees of the Group | 23.1.2019 | 23.1.2020 - 22.1.2029 | HK$0.493 | 8,020,000 | – | – | (180,000) | 7,840,000 |
| *(Note 2)* | 1.4.2019 | 1.4.2020 - 31.3.2029 | HK$0.730 | 1,820,000 | – | – | – | 1,820,000 |

*Notes*

1: The options granted to Directors and employees of the Group on 23 January 2019 and 1 April 2019 are exercisable in the following manner:

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

2: The employees of the Group fall within the meaning of "employee participants" under Chapter 17 of Listing Rules and includes employees working under employment contracts that are regarded as "continuous contracts" for the purposes of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong). None of the options granted to any such employee participants would result in the shares issued and to be issued in respect of all options granted to such person (excluding any options lapsed in accordance with the terms of the scheme) in the 12-month period up to and including the date of such grant to represent in aggregate over 1% of the Shares in issue.

The options granted under the Post-IPO Share Option Scheme would not have a dilutive effect on the earnings per Share for the year ended 31 July 2026. For the options granted to the Directors and employees of the Group on 23 January 2019 and 1 April 2019, the exercise price per option represents the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five consecutive business days immediately preceding the relevant grant date. For the options granted with exercise price per option of HK$0.493 and HK$0.730 as detailed above, the closing price of the Shares on the relevant grant date was HK$0.490 and HK$0.700 respectively.

The number of options available for grant under the Scheme Mandate Limit (i.e. the total number of Shares which may be issued in respect of all options to be granted under the Post-IPO Share Option Scheme) refreshed on 28 September 2020 as of 1 August 2025 and 31 July 2026 are 50,000,000. There is no sublimit on the total number of Shares that may be issued in respect of options to be granted to service providers under the existing Post-IPO Share Option Scheme.

Save and except as disclosed in the above table, no other options were granted, exercised, cancelled or lapsed at any time during the year ended 31 July 2026; and no other options have been granted or agreed to be granted respectively by the Company as at the date of this Annual Report under the Post-IPO Share Option Scheme.

For the fair value of the share options granted by the Company and the relevant accounting policy adopted, please refer to note 9 to the section headed "Notes to The Consolidated Financial Statements" in this Annual Report.

As no options were granted during the year ended 31 July 2026, the number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the year divided by the weighted average number of Shares in issue for the year is not applicable.

## ISSUE OF NEW SHARES UNDER GENERAL MANDATE AND USE OF PROCEEDS

Reference is made to the announcements of the Company dated 18 August 2025 and 5 September 2025 ("**Announcements**"). Unless otherwise defined, capitalized terms used in this section shall bear the same meanings as those defined in the said announcements.

On 18 August 2025 (after trading hours), the Company entered into the Subscription Agreement with Mr. TUNG, Po-yu (董柏佑) (being the sole allottee) and completion of the Subscription took place on 5 September 2025. Pursuant to paragraph 11 of Appendix D2 to the Listing Rules, details of the Subscription are set out below:

### (i) Reasons for the Issue of the Subscription Shares

The Directors were of the view that the Subscription reflected the positive outlook and confidence of investors with international perspective towards the long-term prospects of the education industry in Hong Kong, and represented an opportunity to raise capital for the Group to accelerate growth initiatives in its education business, enhance its operational capabilities, strengthen its general working capital base, and broaden the shareholder base of the Company.

### (ii) Class of Securities, Number Issued and Aggregate Nominal Value

A total of 25,380,000 new ordinary shares of par value HK$0.01 each were allotted and issued. The aggregate nominal value of the Subscription Shares is HK$253,800.00.

### (iii) Issue Price

The Subscription Price was HK$0.50 per Subscription Share, making up to HK$12,690,000.00 for all the Subscription Shares in total.

### (iv) Net Price per Share

The net price per Subscription Share was approximately HK$0.495.

### (v) Market Price of the Shares on the Agreement Date

The closing price of the Shares as quoted on the Stock Exchange on 18 August 2025 (being the date on which the terms of the Subscription were fixed) was HK$0.415 per Share. The Subscription Price of HK$0.50 represents a premium of approximately 20.48% to the said closing price.

### (vi) Use of Proceeds

The net proceeds ("**Net Proceeds**") (after deducting relevant costs and expenses) received by the Company from the Subscriber were approximately HK$12,570,000.00.

During the Reporting Period, the Net Proceeds were utilized in accordance with the intended purposes and there has been no material change or delay in the use of the Net Proceeds as previously disclosed in the Announcements. Please refer to the Announcements for details.

As of 31 July 2026, the Group has utilized all the Net Proceeds as set out in the table below:

| Intended use of the Net Proceeds | | Approximate percentage to the Net Proceeds | Allocation of the Net Proceeds HK$'000 | Utilized amount as of 31 July 2026 HK$'000 |
|---|---|---|---|---|
| (1) | Enhancing the infrastructure and technology of teaching centers, and upgrading the learning platforms, assessment tools and administrative systems by implementing advanced solutions such as AI-driven tools and systems | 30% | 3,771 | 3,771 |
| (2) | Strengthening and expanding the teaching team through the recruitment of high-caliber teaching professionals and specialists, and training and development programs focused on innovative teaching methodologies | 30% | 3,771 | 3,771 |
| (3) | Promoting brand development and awareness by advertisement and promotional campaigns | 10% | 1,257 | 1,257 |
| (4) | Working capital to support day-to-day operations | 30% | 3,771 | 3,771 |
| Total | | 100% | 12,570 | 12,570 |

Save as disclosed above, during the year ended 31 July 2026, there were no proceeds brought forward from the equity issuances or sales of treasury shares that need to be disclosed pursuant to paragraph 11 of Appendix D2 to the Listing Rules.

## EMPLOYEE AND REMUNERATION POLICIES

As at 31 July 2026, the Group has 308 full-time employees (2025: 255) and maintained an accumulated pool of 72 (2025: 65 active) part-time employees for seasonal and cyclical business needs. The Group remunerates its employees based on their performance, working experience and the prevailing market price. Other employee benefits include mandatory provident fund, insurance and medical coverage and training.

The emoluments of the Directors of the Company are recommended by the remuneration committee and determined by the Board of the Company, by reference to the prevailing market conditions, the performance and operating results of the Group as well as the Director's individual expertise.

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the laws of the Cayman Islands or under the Articles of Association of the Company that require the Company to offer new Shares on a pro-rata basis to its existing Shareholders.

## SUFFICIENCY OF PUBLIC FLOAT

As at 31 July 2026, the minimum public float percentage threshold applicable to the Company is 25% of the Company's total number of issued shares (excluding treasury shares), and based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that the Company has complied with the public float requirement pursuant to Rule 13.32B of the Listing Rules throughout the year ended 31 July 2026 and up to the date of this Annual Report.

As at 31 July 2026, the public float of the Company was approximately **29.6%**. The composition of ownership of the issued ordinary shares in the Company listed on the Stock Exchange, and the Company's share capital structure, as at 31 July 2026 are set out below:

| Group of Shareholders | | Number of Issued Ordinary Shares held | Approximate % of Shareholding |
|---|---|---|---|
| (a) | Non-public shareholders | | |
| *(i)* | *Substantial shareholders and their close associates* | | |
| | Beacon Enterprise Limited *(Notes 1 & 2)* | 375,000,000 | 70.4% |
| *(ii)* | *Directors and their close associates (other than above) (Note 2)* | – | –% |
| Sub-total | | 375,000,000 | 70.4% |
| (b) | Public shareholders | 158,012,000 | 29.6% |
| Total number of issued ordinary shares *(Note 3)* | | 533,012,000 | 100.0% |

*Notes:*

1. Please refer to the section headed "Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares" in this report for details of the interests held by the substantial shareholder(s) and their close associates as disclosed under Part XV of the SFO.
2. Please refer to the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" in this report for details of the interests held by the Directors and their close associates as disclosed under Part XV of the SFO.
3. As at 31 July 2026, the Company had only one class of shares in issue, namely ordinary shares, all of which rank pari passu in all respects with each other, and the Company did not hold any treasury shares.

## CHARITABLE DONATIONS

Charitable donations made by the Group during the year ended 31 July 2026 amounted to HK$57,000 (2025: HK$133,000).

## PERMITTED INDEMNITY PROVISION

Under the Articles of Association and subject to the provisions of the Companies Ordinance, the Directors, company secretary, the officers of the Company or every auditor acting in relation to any of the affairs of the Company shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their respective offices.

## COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

The Group was not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the business and operations of the Group during the year ended 31 July 2026.

## SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR ENDED 31 JULY 2026

There is no significant event affecting the Group occurred after 31 July 2026 and up to the date of this Annual Report.

## AUDITOR

PricewaterhouseCoopers resigned as auditor of the Company and SHINEWING (HK) CPA Limited ("SHINEWING") was appointed as auditor of the Company to fill the casual vacancy, both with effect from 17 June 2024. The consolidated financial statements for the year ended 31 July 2026 were audited by SHINEWING, who will retire at the forthcoming AGM and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of SHINEWING as auditor of the Company is to be proposed at the forthcoming AGM. Save as disclosed above, there has been no other change in the auditor of the Company in any of the preceding three years.

## CONNECTED TRANSACTION IN RELATION TO FINANCIAL ASSISTANCE

Reference is made to the announcements of the Company dated 25 October 2022, 28 March 2024 and 28 October 2025 (the "**Announcements**"). Unless otherwise defined, capitalised terms used in this section shall bear the same meanings as those defined in the Announcements. On 28 October 2025 (after trading hours), Beacon Holdings Limited, an indirect wholly-owned subsidiary of the Company (as the "**Purchaser**"), entered into a settlement agreement (the "**Settlement Agreement**") with Mr. Cheng Hong Fu and Ms. Ng Mei Yee (collectively, the "**Vendors**") in respect of the settlement of the Compensation Sum of HK$6,374,700 (the "**Debt**") payable by the Vendors on a joint and several basis to the Purchaser due to the non-fulfillment of the Profit Guarantee.

Pursuant to the Settlement Agreement:

(i) an initial repayment of HK$1,000,000 (the "**Initial Repayment**") out of the Debt was paid by the Vendors to the Purchaser on or before the date of the Settlement Agreement;

(ii) the remaining balance of the Debt, being HK$5,374,700 (the "**Principal Balance**"), was granted as an unsecured credit by the Purchaser to the Vendors and shall be repaid in 24 equal consecutive monthly instalments of HK$223,946 each (after rounding off) (each an "**Instalment Principal**");

(iii) the Vendors shall pay to the Purchaser a simple interest on the outstanding Principal Balance, calculated at a rate equivalent to the Hong Kong Prime Lending Rate (as quoted from time to time by The Hongkong and Shanghai Banking Corporation Limited), which shall accrue on a daily basis on the basis of a 365-day year until the Principal Balance is fully repaid, and shall be payable monthly in arrears; and

(iv) each Instalment Principal, together with interest accrued on the outstanding Principal Balance immediately prior to such payment, shall be payable by the Vendors to the Purchaser on or before the 15th day of each calendar month, commencing on or before 15 December 2025.

The granting of the Principal Balance of HK$5,374,700 as credit (upon and subject to the terms and conditions of the Settlement Agreement) constituted a variation of the Original Payment Arrangement and the provision of financial assistance by the Purchaser to the Vendors (the "**Financial Assistance**"). The purpose of entering into the Settlement Agreement and providing the Financial Assistance was to establish a structured, cost-effective and enforceable mechanism for the timely recovery of the Compensation Sum through monthly instalments supported by interest accrued on the outstanding Principal Balance.

The Target Company (namely, Ottorino Consultants (International) Limited) is an indirect non-wholly-owned subsidiary of the Company held as to 51% by the Purchaser and 24.5% by each of the Vendors respectively. As each of the Vendors is a director and a substantial shareholder of the Target Company, each of the Vendors is a connected person of the Company at the subsidiary level under the Listing Rules. Each of the Vendors had a direct material interest in the Settlement Agreement and the Financial Assistance as the debtors/borrowers of the Principal Balance. Accordingly, the Financial Assistance constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. Since the Financial Assistance was on normal commercial terms and all applicable percentage ratios were less than 5%, the Financial Assistance was subject to the reporting and announcement requirements, but exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements under Rule 14A.76(2)(a) of the Listing Rules.

Please also refer to the Announcements for further details of the Profit Guarantee and the Financial Assistance.

On behalf of the Board

Leung Ho Ki, June
*Chairman*

Hong Kong, 29 October 2026

# CORPORATE GOVERNANCE REPORT

The Board is pleased to present this Corporate Governance Report in the Company's Annual Report for the year ended 31 July 2026.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board has committed to maintaining high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of the Shareholders and to enhance corporate value and accountability.

During the year ended 31 July 2026 and up to the date of this Annual Report, the Company has applied the principles and complied with all applicable code provisions set out in the Corporate Governance Code in Appendix C1 to the Listing Rules, which will be further illustrated in this Corporate Governance Report for Shareholders' evaluation, save and except for the deviation from code provision C.2.1 of the Corporate Governance Code as explained in the section headed "Chairman and Chief Executive Officer" below.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own securities dealing code to regulate all dealings by Directors and relevant employees of securities in the Company and other matters covered by the Model Code.

Specific enquiries have been made of all the Directors and the relevant employees and they have confirmed that they have complied with the Model Code during the year ended 31 July 2026 and up to the date of this Annual Report.

## BOARD OF DIRECTORS

The Board currently comprises five executive Directors and three independent non-executive Directors.

The composition of the Board during the year ended 31 July 2026 and as at the date of this Annual Report is as follows:

### Executive Directors

Ms. Leung Ho Ki, June *(Chairman of the Board and Chief Executive Officer, the appointment as Chief Executive Officer being effective from 1 April 2026)*
Mr. Tam Wai Lung
Mr. Chan Tsz Ying, Wister
Mr. Li Man Wai
Mr. Ng King Hang *(Appointed with effect from 1 August 2026)*

### Independent Non-executive Directors

Mr. Kwan Chi Hong
Mr. Li Kai Sing
Mr. Tai Kwok Leung Alexander

Details of the date of first appointment, length of tenure and current term of appointment of each Director are set out in the Directors' Report on page 20 of this Annual Report.

The Board consists of a diverse mix of Board members in terms of age, gender and tenure of office. Besides, the Board members come from different backgrounds and have a diverse range of business, academic and professional experiences. Current female Director accounts for about 12.5% of the Board (one female out of 8 Directors). The board considers that gender diversity is currently achieved in the Board and is committed to maintaining gender diversity in the Board.

## BOARD SKILLS MATRIX

The Board maintains a board skills matrix to ensure that the Directors collectively possess the appropriate mix of skills, experience and diversity to support the Group's purpose, values, long-term strategy and desired corporate culture. Set out below is the board skills matrix of the current Directors as at the date of this Annual Report:

| Skills and Experience | Ms. Leung Ho Ki, June | Mr. Tam Wai Lung | Mr. Chan Tsz Ying, Wister | Mr. Li Man Wai | Mr. Ng King Hang | Mr. Kwan Chi Hong | Mr. Li Kai Sing | Mr. Tai Kwok Leung Alexander |
|---|---|---|---|---|---|---|---|---|
| Executive Leadership & Strategic Planning | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Education Industry & School Operations | ✓ | ✓ | ✓ | ✓ | ✓ | | | |
| Curriculum R&D & Academic Quality | ✓ | | ✓ | | ✓ | | | |
| Marketing, Branding & PR | ✓ | | | ✓ | ✓ | ✓ | | |
| Accounting, Finance & Capital Market | | ✓ | | | | | ✓ | ✓ |
| Corporate Governance, Risk Management & Compliance | ✓ | ✓ | | | | ✓ | ✓ | ✓ |
| Chinese Mainland/Greater Bay Area Business Experience | ✓ | ✓ | | ✓ | | ✓ | ✓ | ✓ |

The Board considers that the current combination of skills, experience and diversity of the Directors, in particular, the deep industry expertise in Hong Kong and Chinese Mainland education, curriculum R&D, marketing, and school management of the executive Directors, complemented by the strong accounting, corporate finance, public administration and risk management expertise of the independent non-executive Directors, effectively serves the Group's purpose, values and strategic expansion in Hong Kong and the Chinese Mainland, while fostering a culture of academic excellence and sound corporate governance. Taking into account the recent appointment of Mr. Ng King Hang who brings extensive academic research and AI-integrated curriculum development capabilities, the Board considers its current skills mix to be comprehensive and will continue to review the board skills matrix at least annually to identify any further skills required to support the Group's evolving business strategies.

The biographical information of the current Directors are set out in the section headed "Directors and Senior Management" in this Annual Report.

Ms. Leung Ho Ki, June is the spouse of Mr. Tam Wai Lung, sister-in-law of Mr. Ng King Hang and aunt of Mr. Li Man Wai. Ms. Leung Ho Ki, June is an executive Director, the Chairman of the Board, the Chief Executive Officer of the Company and the chairman of the Nomination Committee. Mr. Tam Wai Lung is an executive Director and a member of the Nomination Committee and the Remuneration Committee respectively. Mr. Li Man Wai is an executive Director and a member of the Remuneration Committee. Mr. Ng King Hang is an executive Director.

Save as disclosed in this Annual Report, there is no financial, business, family or other material/relevant relationship among members of the Board to the best knowledge of the Company.

The composition of the Board is reviewed from time to time to ensure that the Board has a balance of skills and experiences suitable for the businesses of the Group and there is a strong independent element on the Board to safeguard the interests of the Shareholders.

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Ms. Leung Ho Ki, June ("**Ms. Leung**") is the chairman of the Board and was appointed as the chief executive officer of the Company with effect from 1 April 2026 following the cessation of Mr. Tam Wai Lung as the chief executive officer of the Company after 31 March 2026. Although this deviates from the practice under code provision C.2.1 of the Corporate Governance Code, where it provides that the two positions should be held by two different individuals, as Ms. Leung is a co-founder of the Group and has considerable experience in the enterprise operation and management of the Company, the Board believes that it is in the best interests of the Company and its shareholders as a whole to have Ms. Leung as the chief executive officer of the Company so that it can benefit from her experience and capability in leading the Group in the long-term development of the Company. From a corporate governance point of view, the decisions of the Board are made collectively by way of voting and therefore the chairman should not be able to monopolise the decision-making of the Board. The Board considers that the balance of power between the Board and management can still be maintained under the current structure. The Board shall review the structure from time to time to ensure appropriate action be taken should the need arise. Save as disclosed above, during the year ended 31 July 2026, the Company has complied with the Corporate Governance Code.

## COMPANY SECRETARY

Mr. Choi Shing Wai, *FCPA*, the company secretary, is responsible for advising the Board on corporate governance matters and ensuring that Board policy and procedures, and applicable laws, rules and regulations are followed.

The company secretary undertook no less than 15 hours of relevant professional training during the year ended 31 July 2026.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing over one-third of the Board with one of whom possessing appropriate professional qualifications or accounting qualifications or related financial management expertise.

The Company has received from each independent non-executive Director a written confirmation in respect of his independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. As at the date of this Annual Report, the Board still considers that all independent non-executive Directors are independent. The independence of the independent non-executive Directors will be assessed by the Nomination Committee from time to time.

The Company has established mechanisms to ensure that independent views and input are available to the Board, including without limitation to reviewing whether the independent non-executive Directors have appropriate qualifications and expertise from time to time with sufficient time commitment to the Group, that the number of independent non-executive Directors comply with the requirements of the Listing Rules, and that channels are established (including without limitation by questionnaires or by enquiry at Board meetings) to assess and evaluate the independent non-executive Directors' contribution and views. The implementation and effectiveness of such mechanisms has been reviewed by the Board on an annual basis.

## APPOINTMENT AND RE-ELECTION OF DIRECTORS

Code provision B.2.2 states that all Directors appointed to fill a casual vacancy shall be subject to election by the Shareholders at the first general meeting after appointment and that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

All Directors during the year 31 July 2026 and as at the date of this Annual Report including the independent non-executive Directors had/have been appointed for a fixed term of three years. The Articles of Association requires that at every AGM one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

## RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board is responsible for the leadership and control of the Company and oversees the Group's businesses, strategic decisions and performances and is also collectively responsible for promoting the success of the Company by directing and supervising its affairs. The Board also makes decisions on matters, such as, approving the annual results and interim results of the Group, notifiable and connected transactions of the Company, appointment and re-appointment of Directors, dividend and adopting accounting policies, etc. Details of the experiences and qualifications of Directors are set out in the section headed "Directors and Senior Management" in this Annual Report. The Board takes decisions objectively in the interests of the Company.

All Directors, including the independent non-executive Directors, have brought a wide spectrum of valuable business experiences, knowledge and professionalism to the Board for its efficient and effective functioning.

The Group's senior management is responsible for the day-to-day management of the Group's businesses and overseeing the general operation, business development, finance, marketing, and operations as delegated by the Board. When the Board delegates different aspects of its management and administrative functions to the senior management, it has given clear directions in relation to the scope of powers of the senior management, in particular, with respect to the circumstances, the senior management maintains regular communications and reports their progress to the Board.

During the year ended 31 July 2026, the Company did not conduct a formal evaluation of the Board's performance, and plans to conduct the next formal evaluation of the Board's performance within the financial year ending 31 July 2027 in accordance with code provision B.1.4 of the CG Code.

## CORPORATE GOVERNANCE FUNCTIONS

The Board is also responsible for performing the corporate governance duties set out in code provision A.2.1 of the Corporate Governance Code, which include (i) developing and reviewing policies and practices of the Company on corporate governance and making recommendation to the board; (ii) reviewing and monitoring the training and continuous professional development of Directors and senior management; (iii) reviewing and monitoring policies and practices of the Company on compliance with legal and regulatory requirements; (iv) developing, reviewing and monitoring the code of conduct and compliance manual, if any, applicable to employees and Directors; and (v) reviewing the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report. Up to the date of this Annual Report, the Board has determined and reviewed (i) the Company's corporate governance functions including without limitation, those areas disclosed in this Corporate Governance Report; (ii) the Company's director nomination policy, board diversity policy, workforce diversity policy, shareholders' communication policy, anti-corruption policy and whistleblowing policy pursuant to the Corporate Governance Code; and (iii) the Company's environmental, social and governance policy to be disclosed in this Annual Report.

## CONTROLLING SHAREHOLDERS' COMPLIANCE WITH DEED OF NON-COMPETITION

Our Directors believe that there are adequate corporate governance measures in place to manage the conflict of interests arising from any competing business and to safeguard the interests of our Shareholders.

The Company has received an annual written confirmation on the compliance with, and enforcement of, the terms of the Deed of Non-competition from each of the controlling shareholders of the Company. Based on such confirmation, the independent non-executive Directors consider that the controlling shareholders have complied with all the undertakings under the Deed of Non-competition during the year ended 31 July 2026.

## BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. Each of these committees is established with defined written terms of reference approved by the Board. The terms of reference of the Board committees are available on the websites of the Company and the Stock Exchange respectively.

The majority of the members of each Board committee are independent non-executive Directors and the list of the chairman and members of each Board committee is set out in the section headed "Corporate Information" in this Annual Report.

### Audit Committee

The Audit Committee was established in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The primary duties of the Audit Committee are inter alia, to (i) review and supervise the financial reporting, financial controls, risk management and internal control systems of the Group, (ii) review connected transactions and exercise its approval or veto rights in accordance with its terms of reference and the applicable Listing Rules; and (iii) advise the Board in relation to the foregoing, in accordance with the model set out in the code provision D.3.3 of the Corporate Governance Code.

The Audit Committee consists of three members: Mr. Li Kai Sing, Mr. Kwan Chi Hong and Mr. Tai Kwok Leung Alexander, all of whom are independent non-executive Directors. Mr. Li Kai Sing is the chairman of the Audit Committee.

In the meetings of the Audit Committee during the year ended 31 July 2026, the Audit Committee reviewed among other matters, (i) the auditor's report for the audit of final results of the Group for the year ended 31 July 2025; (ii) the audited consolidated financial statements of the Group for the year ended 31 July 2025 with a recommendation to the Board for approval; (iii) the preliminary announcement and annual report of the Group for the year ended 31 July 2025 with a recommendation to the Board for publication and approval; (iv) significant issues on the financial reporting and compliance procedures, internal control and risk management systems of the Group; (v) any new continuing connected transaction of the Company for the year ended 31 July 2026 with a recommendation to the Board for approval; (vi) the independence, objectivity and effectiveness, scope of work and re-appointment of the external auditor with a recommendation to the Board for the re-appointment of the external auditor at the forthcoming annual general meeting of the Company and the Board endorsed the Audit Committee's recommendation; (vii) the interim report and the interim results announcement for the six months ended 31 January 2026; and (viii) the anti-corruption policy and whistleblowing policy, with a recommendation to the Board for approval.

Subsequent to the year ended 31 July 2026, the Audit Committee reviewed the draft annual report and the draft annual results announcement, the report on the effectiveness of the Group's risk management and internal control systems and the effectiveness of the internal audit function, the continuing connected transactions of the Company (if any) and the appointment, independence, objectivity and effectiveness and scope of work of the existing auditor for the year ended 31 July 2026, with recommendations to the Board for approval.

### Remuneration Committee

The Company established the Remuneration Committee in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code. The primary duties of the Remuneration Committee are, inter alia, to review and make recommendations to the Board regarding the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management in accordance with the model set out in the code provision E.1.2(c)(ii) of the Corporate Governance Code, and the establishment of a formal and transparent procedure for developing remuneration policy. The Remuneration Committee is also responsible for reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

The Remuneration Committee comprises two executive Directors, namely Mr. Tam Wai Lung and Mr. Li Man Wai, and three independent non-executive Directors, namely Mr. Kwan Chi Hong, Mr. Tai Kwok Leung Alexander and Mr. Li Kai Sing. Mr. Kwan Chi Hong is the chairman of the Remuneration Committee.

During the meeting of the Remuneration Committee held in the year ended 31 July 2026, the Remuneration Committee reviewed, inter alia, (i) the remuneration policy and the current remuneration practice of the Group; (ii) the terms of Directors' service contracts; and (iii) the remuneration packages of and overall benefits payable to the Directors and senior management of the Group, and assessed the performance of executive Directors, and made relevant recommendations to the Board.

Details of the remuneration paid/payable to each Director for the year ended 31 July 2026 are set out in note 8(a) to the consolidated financial statements.

The remuneration of the members of senior management (including all executive Directors) by band for the year ended 31 July 2026 is set out below:

| Remuneration Bands | Number of individuals |
|---|---|
| HK$500,001 – HK$1,000,000 | 1 |
| HK$1,000,001 – HK$1,500,000 | 3 |
| HK$1,500,001 – HK$2,000,000 | 1 |
| HK$2,500,001 – HK$3,000,000 | 1 |
| HK$3,000,001 – HK$3,500,000 | 1 |
| Total | 7 |

### Nomination Committee

The Nomination Committee was established in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code. The primary duties of the Nomination Committee are, inter alia, (i) to review the structure, size, composition (including the skills, knowledge and experience of the Board) and diversity of the Board and the workforce at least annually; assist the Board in maintaining a board skills matrix; and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; (ii) to make recommendations to the Board on the selection of individuals nominated to be Directors; (iii) to assess the independence of independent non-executive Directors; (iv) to determine the Company's policy for nomination of Directors; (v) to make recommendations to the Board on the appointment or re-appointment of Directors and the management of Board succession, in accordance with the model set out in the code provision B.3.1 of the Corporate Governance Code; and (vi) to assess each of the Director's time commitment and contribution to the Board and the Director's ability to discharge his or her responsibilities effectively; and (vii) to support the Company's regular evaluation of the Board's performance.

The Nomination Committee comprises two executive Directors, namely Ms. Leung Ho Ki, June and Mr. Tam Wai Lung; and three independent non-executive Directors, namely Mr. Tai Kwok Leung Alexander, Mr. Kwan Chi Hong and Mr. Li Kai Sing. Ms. Leung Ho Ki, June is the chairman of the Nomination Committee.

During the year ended 31 July 2026, the Nomination Committee in its meeting (i) reviewed the structure, size and composition and diversity of the Board; (ii) assessed the independence of the independent non-executive Directors; (iii) reviewed the board diversity policy and the director nomination policy of the Company; and (iv) considered the proposed re-election of the Directors retiring at the previous Annual General Meeting, with recommendations to the Board for approval. Having reviewed each Director's attendance records, professional qualifications and work experience, other listed directorships and significant external time commitments, other factors or circumstances relevant to the Director's character, integrity, independence and experience, and annual confirmations from the Directors, the Nomination Committee was satisfied that all Directors have devoted sufficient time and attention to the Company's affairs and are able to discharge their responsibilities effectively during the year ended 31 July 2026.

## BOARD MEETINGS AND COMMITTEE MEETINGS

Regular Board meetings were held for the purposes of, among others, considering and approving the results of the Group. Notice of the Board meeting, agenda and Board papers were sent to the Directors in a timely manner before the meeting. Save as disclosed below, all members of the Board were present in every Board meeting. The Company has convened, and expects to convene at least four regular meetings in each financial year at approximately quarterly intervals in accordance with code provision C.5.1 of the Corporate Governance Code. The company secretary will ensure that the procedures of the Board meetings are observed and provide to the Board opinions on matters in relation to compliance with the procedures of the Board meetings. Minutes of the Board meetings (as well as those of Board committees meetings) are kept by the company secretary. Set out below are the attendance records of Directors in general meetings and meetings of the Board, the Audit Committee, the Remuneration Committee and the Nomination Committee respectively:

| | Number of meetings attended for year ended 31 July 2026 | | | | |
|---|---|---|---|---|---|
| Name of Directors | General Meeting | Board Meeting | Audit Committee Meeting | Remuneration Committee Meeting | Nomination Committee Meeting |
| Ms. Leung Ho Ki, June | 1/1 | 5/5 | — | — | 3/3 |
| Mr. Tam Wai Lung | 1/1 | 5/5 | — | 3/3 | 3/3 |
| Mr. Chan Tsz Ying, Wister | 1/1 | 5/5 | — | — | — |
| Mr. Li Man Wai | 1/1 | 5/5 | — | 3/3 | — |
| Mr. Ng King Hang | — | — | — | — | — |
| Mr. Kwan Chi Hong | 1/1 | 5/5 | 2/2 | 3/3 | 3/3 |
| Mr. Li Kai Sing | 0/1 | 5/5 | 2/2 | 3/3 | 3/3 |
| Mr. Tai Kwok Leung Alexander | 1/1 | 5/5 | 2/2 | 3/3 | — |

No Director has attended any of the above meetings by his or her alternate.

In accordance with code provision C.2.7 of the Corporate Governance Code, the Chairman of the Board held a meeting with all the independent non-executive Directors without the presence of other Directors during the year ended 31 July 2026.

## DIRECTOR NOMINATION POLICY

The Company adopted a director nomination policy (the "Nomination Policy") that sets out the considerations and procedures for selecting and nominating directors of the Board, and for succession planning of our Company's directors. In assessing a candidate's suitability and the potential contribution to the Board, the Nomination Committee would consider a number of aspects, including the candidate's personal and professional ethics and integrity, achievement and competence, and skills that are complementary to those of the existing Board. The Nomination Committee will identify, consider and recommend suitable individuals to act as directors in the Board, and make recommendations to the Board on the appointment or re-appointment of directors and their succession planning. Notwithstanding the foregoing, the ultimate responsibility for selecting and appointing directors rests with the entire Board.

## DIVERSITY

### Board Diversity

The Company adopted a board diversity policy (the "Diversity Policy"), that sets out the Company's approach to achieve diversity of the Board. The Company embraces the benefits of having a diverse Board to enhance the quality of its performance.

Pursuant to the Diversity Policy, the Company continues to achieve Board diversity through the consideration of a number of aspects, including, but not limited to, gender, age, culture and educational background, professional qualifications, skills, knowledge and industry and regional experiences.

In identifying and selecting suitable candidates to serve as a director of the Company, the Nomination Committee would consider the above criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendations to the Board. The Nomination Committee reviews the Diversity Policy annually, to ensure its effectiveness and discusses annually any measurable objective for implementing the diversity of the Board and recommend them to the Board for adoption.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at Board level are appropriately structured so that a diverse range of candidates are considered. To achieve and maintain gender diversity, the Board has set a measurable objective of maintaining at least one female Director on an ongoing basis, and continues to identify and develop a pipeline of potential successors through internal promotion and external recruitment referrals.

During the year ended 31 July 2026, the Nomination Committee and the Board reviewed the implementation and effectiveness of the Diversity Policy. Taking into account the current Board composition (which includes one female Director, or 12.5% female representation) and the Group's business needs, the Board is satisfied that the measurable objective has been achieved and the Diversity Policy has been effectively implemented.

### Workforce Diversity

The Board has adopted a workforce diversity policy to promote diversity and inclusion. The Company provides equal employment opportunities and seeks to recruit, develop and retain employees with diverse skills, experience, backgrounds, races and genders, ensuring fair, non-discriminatory recruitment, training, promotion and compensation. The Nomination Committee and senior management annually review measurable objectives and recommend them to the Board. The policy is reviewed annually and our Group will continue to enhance diversity in different levels of workforce.

The gender ratios in the workforce by categories of employees are set out in the section headed "Employment and Labour Practices" in the Environment, Social and Governance (ESG) Report in this Annual Report. As at 31 July 2026, the gender ratio of the Group's senior management (comprising three male members as set out in the section headed "Directors and Senior Management" in this Annual Report) was 100% male and 0% female; the gender ratio of the Group's workforce (excluding senior management) was 42% male and 58% female.

The Board considers that gender diversity is currently achieved and is committed to maintain gender diversity in respect of the workforce level by setting a measurable objective of maintaining at least 30% representation for each gender on an ongoing basis, which has been achieved as at 31 July 2026. At the senior management level, due to the small team size (comprising only three members) and low staff turnover which make setting a rigid numerical target and timeline less practicable, the Group will continue to take gender diversity into account in future senior management appointments.

## DIVIDEND POLICY

The Company adopted a dividend policy (the "Dividend Policy") which is the policy of the Board, in considering the payment of dividends, to strike a balance between maintaining sufficient capital to grow the Group's business and rewarding the Shareholders. The Company does not have any pre-determined dividend distribution ratio and the Board has the discretion to declare and distribute dividends to the Shareholders, subject to the compliance with applicable laws and regulations including the laws of the Cayman Islands and the Articles of Association and the following factors: (i) the Group's overall results of operation, financial position, capital requirement, cash flows and future prospects; (ii) the amount of distributable reserves of the Company; and (iii) other factors that the Board deems relevant. The Board will continue to review the Dividend Policy from time to time.

### Dividends for the Year

During the year ended 31 July 2026, the Board did not declare any interim dividend and recommended the payment of a final dividend of 1.69 HK cents per Share for the year ended 31 July 2026 (2025: nil), to be paid out of the share premium account and subject to the approval of the Shareholders at the forthcoming AGM. The material variation in the dividend rate compared to that for the previous financial year was primarily attributable to the significant improvement in the Group's financial performance, recording a turnaround from a net loss of approximately HK$24.5 million for the year ended 31 July 2025 to a net profit of approximately HK$20.4 million for the year ended 31 July 2026, driven by strong revenue growth across all core business segments and operational traction in the Chinese Mainland market. In accordance with the Dividend Policy, the Board recommended the final dividend to reward the Shareholders for their continuous support while maintaining sufficient financial resources to support the Group's future business expansion and working capital requirements.

The Board confirms that all dividend decisions made by the Board during the Year were made in accordance with the Company's dividend policy.

## CONTINUOUS TRAINING AND PROFESSIONAL DEVELOPMENT

Directors keep abreast of the responsibilities as a director of the Company and of the conduct, business activities and development of the Company.

The Company periodically provides training to the Directors, senior management and staff to develop and refresh their knowledge in areas which are relevant to the performance of their daily duties and the growth of the businesses of the Group under the changing economic environment.

During the year ended 31 July 2026, continuous trainings were delivered to all Directors on various topics, including but not limited to the Company's business update, corporate governance, notifiable transactions, and key changes to the Corporate Governance Code effective from 1 July 2025.

The Directors are committed to complying with the code provision C.1 of the Corporate Governance Code on directors' training. All directors have provided to the Company a record of the training they received during the year ended 31 July 2026, and confirmed that they have participated in continuous professional development as required by Listing Rules 3.09F, 3.09G and 3.09H (where applicable) during the financial year ended 31 July 2026, with details as follows:

| Name of Directors | Total number of training hours completed during FY2026 | Reading journals, publications and/or other materials (Note 1) | Attending online meeting(s), seminars, webinars and/or briefings (Note 2) | All Topics covered (Notes 1 & 2) | Training provider(s) |
|---|---|---|---|---|---|
| **Executive Directors** | | | | | |
| Ms. Leung Ho Ki, June | 8 hours | 6 hours | 2 hours | ✓ | The Group |
| Mr. Tam Wai Lung | 8 hours | 6 hours | 2 hours | ✓ | The Group |
| Mr. Chan Tsz Ying, Wister | 8 hours | 6 hours | 2 hours | ✓ | The Group |
| Mr. Li Man Wai | 8 hours | 6 hours | 2 hours | ✓ | The Group |
| Mr. Ng King Hang (Appointed with effect from 1 August 2026) | N/A | – | – | – | N/A |
| **Independent Non-executive Directors** | | | | | |
| Mr. Kwan Chi Hong | 8 hours | 6 hours | 2 hours | ✓ | The Group and external professional organisations |
| Mr. Li Kai Sing | 10 hours | 6 hours | 4 hours | ✓ | The Group and external professional organisations |
| Mr. Tai Kwok Leung Alexander | 16 hours | 6 hours | 10 hours | ✓ | The Group and external professional organisations |

1. Topics included, without limitation: (i) the roles, functions and responsibilities of the board, its committees and directors, and board effectiveness; (ii) companies' obligations and directors' duties under Hong Kong law and the Listing Rules, together with relevant legal and regulatory developments (including Listing Rule updates); (iii) corporate governance and environmental, social and governance matters, including sustainability and climate-related risks and opportunities; and (iv) risk management and internal controls.

2. Training topics included industry-specific developments, business trends and strategies relevant to the education sector and the Group.

## DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group for the year ended 31 July 2026.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 66 to 69 in this Annual Report.

## AUDITORS' REMUNERATION

During the year ended 31 July 2026, the total fees payable, excluding disbursements, in respect of audit and non-audit services provided by SHINEWING are set out below:

| Services rendered for the Group | Fees payable HK$'000 |
|---|---|
| **Audit services:** | |
| Annual audit and audit-related services | 630 |
| **Non-audit services:** | |
| Tax advisory services | 14 |
| Total | 644 |

During the year ended 31 July 2026, the fees paid or payable in respect of audit and non-audit services provided to the Group by other external auditors amounted to HK$259,000 and HK$70,000, respectively.

## RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it is responsible for establishing and maintaining the Group's risk management and internal control systems and reviewing their effectiveness at least annually. The risk management and internal control measures are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board is primarily in charge of managing the overall risks of our Group. Significant business decisions that involve material risk exposures are subject to assessment, consideration and approval of the ways to resolve the said risk exposures by the Board.

The Audit Committee is delegated with the responsibility to review the financial controls, risk management and internal control systems of the Group at least annually, to consider (i) the changes (if any), since the last year (after review), in the nature and extent of significant risks (including ESG risks), and the Company's ability to respond to changes in its business and the external environment; (ii) the scope and quality of the Board's ongoing monitoring of risks (including ESG risks) and of the internal control systems, and where applicable, the work of the Company's internal audit function and other assurance providers; (iii) the extent and frequency of communication of monitoring results to the Board (or the Audit Committee) for the purposes of assessing the adequacy and the effectiveness of the Company's risk management and internal control system; (iv) significant control failings or weaknesses identified (if any) during the review of risk management and internal control systems and the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Company's financial performance or condition, and any remedial measures taken to address such control failings or weaknesses; (v) the effectiveness of the Company's procedures for financial reporting and compliance of the Listing Rules requirements; and (vi) the adequacy of resources (internal and external) for designing, implementing and monitoring the risk management and internal control systems, including staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit, and financial reporting functions, as well as those relating to the Company's ESG performance and reporting. The Audit Committee also reviews the external independent auditor's management letter, if any, and any material queries raised by the auditor about accounting records, financial accounts or systems of control and management's response. The Audit Committee reports to the Board on the matters considered by the Audit Committee and its recommendations to the Board.

The Group appointed an external consultant to perform internal audit function to review the effectiveness of the Group's risk management and internal control systems for the year ended 31 July 2026. As part of the risk management system of the Group, the Group conducts annual enterprise risk assessment to identify and evaluate the risk level and the significant risks of the Group's operations and business, including the strategic, operational, financial and compliance risks.

As part of the internal control system of the Group, internal audit was conducted at least annually with the objectives of, amongst others, assessing and identifying significant weaknesses in risk management and internal control systems of the Group. The internal audit for the year ended 31 July 2026 covered the review on (i) the risk management system, which included the policy and procedures, the risk assessment process, mitigation measures as well as monitoring and reporting; (ii) cost of services, expenditure and payments; (iii) human resources and payroll management; (iv) corporate governance practices according to the Corporate Governance Code and (v) the follow up on the findings identified in last year's report. Management has reported findings and areas for improvement to the Audit Committee and the Board. The Audit Committee and the Board are of the view that there are no material internal control defects noted. All recommendations suggested are properly followed up to ensure that they are implemented within a reasonable period of time.

The Board considered the enterprise risk assessment report and internal audit report (which identified no significant control failings or weaknesses) as well as the confirmations received from the management, the Audit Committee and the external consultant on the effectiveness of the systems, and confirmed and concluded (i) the risk management and internal control systems of the Group are appropriate and effective for the purposes set out in Principle D2 of the Corporate Governance Code; and (ii) the process compliance on Listing Rules and Securities and Futures Ordinance is effective and adequate. Upon the Board's annual review, the Board considered and ensured the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions, as well as those relating to the Group's ESG performance and reporting.

The Group has formulated internal control system manuals on corporate governance, operations, management, legal matters, finance and auditing setting out the internal approval and review procedures pursuant to which our employees are mandated to comply with.

The Group has also adopted an information disclosure policy which sets out comprehensive guidelines in respect of handling and dissemination of inside information of the Group and the procedures for the timely, accurate and complete disclosure of discloseable information. The Board is responsible for monitoring and implementing the procedural requirements under the information disclosure policy. Release of inside information shall be overseen by the Board. Unless authorised by the Board, the staff members of the Group shall not disseminate inside information relating to the Group to any external parties and shall not respond to media or market speculation which may materially affect the trading price or volume of the Shares on the market.

During the year ended 31 July 2026, the Board considered that no significant changes had been made in the Company's assessment of risks (including ESG risks) and the risk management and internal control systems.

## SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, sufficient notices of the general meetings are given to the shareholders and a separate resolution is proposed for each substantially separate issue at general meetings, including the election of individual Directors. All resolutions put forward at general meetings will be voted on by poll subject to the Listing Rules and the poll results will be posted on the websites of the Company and the Stock Exchange respectively after each general meeting.

## CONVENING AN EXTRAORDINARY GENERAL MEETING ("EGM") AND PUTTING FORWARD PROPOSALS AT EGM

Pursuant to Article 58 of the Articles of Association, the Board may, whenever it thinks fit, convene an EGM.

General meetings shall also be convened on the written requisition of any one or more members deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist(s), provided that such requisitionists held as at the date of deposit of the requisition (in aggregate) not less than one-tenth of the voting rights, on a one vote per share basis, in the share capital of the Company which carries the right of voting at general meetings of the Company. Such general meeting shall be held within two months after the deposit of such requisition.

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting, the requisitionist(s) himself (themselves) may convene the general meeting in the same manner, as nearly as possible, as that in which general meetings may be convened by the Board, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Board shall be reimbursed to them by the Company.

The requisition must state clearly the name of the requisitionist(s), his (their) shareholding in the Company, the reason(s) to convene an EGM, the agenda proposed to be included and the details of the business(es) proposed to be transacted in the EGM and be signed by the requisitionist(s).

There is no provision allowing Shareholders to put forward proposals at general meeting under the Articles of Association or the Companies Law of the Cayman Islands. If Shareholders wish to do so, they may request to convene an EGM as described above and specify the proposals in such written requisition.

## COMMUNICATION WITH SHAREHOLDERS AND INVESTORS RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Company adopted a shareholders' communication policy (the "Shareholders' Communication Policy"), which sets out the channels for shareholders to communicate their views on matters affecting the Company and for the Company to solicit and understand the views of Shareholders and other stakeholders. Information is communicated to Shareholders mainly through the Company's corporate communications (such as interim and annual reports, announcements and circulars) and annual general meetings as well as disclosures on the website of the Company. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through AGM and other general meetings. At the forthcoming AGM, Directors (or their delegates as appropriate) will be available to meet Shareholders and answer their enquiries.

The Board will review the Shareholders' Communication Policy at least annually to ensure its effectiveness. Having reviewed the different channels of communication with Shareholders and considered the AGM attendance and the shareholder enquiries received and responded to during the year, the Board is satisfied that the Shareholders' Communication Policy has been properly implemented during the year and is effective.

## SHAREHOLDER ENGAGEMENT

Pursuant to paragraph L(d) of Part 1 of the Corporate Governance Code and code provision F.1.1 of the Corporate Governance Code, during the year ended 31 July 2026, the Board has engaged in constructive engagement with Shareholders to understand their views on matters affecting the Company, including governance and performance against the Company's corporate strategy. The nature of Shareholder engagement comprised holding the annual general meeting and handling enquiries via email, covering the Company's institutional shareholders and retail shareholders. The Company conducted one major interaction by way of AGM with Shareholders during the year ended 31 July 2026. During the interaction, the representatives of the Company, including the Chairman of the Board, Chief Executive Officer, independent non-executive Directors and senior management of the Company, participated in the interaction. Leveraging a diversified investor communication mechanism, the Company follows up on Shareholder engagement outcomes by collecting and reviewing the feedback and enquiries received, and reporting the views of Shareholders and investors to the Board and senior management for consideration and appropriate follow-up actions.

In addition, the Company engaged with other stakeholders (comprising potential investors) by organising an investor relations event to explain the development of the Group and addressing their enquiries.

## PUTTING FORWARD ENQUIRIES TO THE BOARD

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Shareholders may send any comments or enquiries to the Board by email to ir@beacon.com.hk or in writing to the company secretary at the Company's principal office in Hong Kong.

## CHANGE IN CONSTITUTIONAL DOCUMENTS

There was no significant change made to the Company's constitutional documents during the year ended 31 July 2026.

## ABOUT THE REPORT

This Environmental, Social and Governance ("**ESG**") Report describes the ESG performance of the Group. This ESG Report comprehensively illustrates the ESG strategy and commitment of the Group to fulfilling corporate social responsibility and achieving sustainable development. For further details about the Group's corporate governance frameworks and practices, please refer to the corporate governance report which has been included in this Annual Report.

### Scope of the Report

This ESG Report covers the environmental and social performance of the Group's businesses, primarily on the Group's private supplementary secondary school education services in Hong Kong, for the period from 1 August 2025 to 31 July 2026 (the "**Year**"). The reporting boundary is determined with reference to the Group's operational control and the materiality of its environmental and social impacts. Social key performance indicators cover the Group's operations in Hong Kong and the Chinese Mainland, while environmental key performance indicators and climate-related disclosures primarily cover the Group's education services operations in Hong Kong. The Group's operations in the Chinese Mainland mainly involve the provision of school services at partner schools under an asset-light model.

During the Year, the Group offered a wide range of education programmes and services under the following four categories:

- Private supplementary secondary school education services

  The Group provides private supplementary secondary school education services for students from Secondary 1 to Secondary 6 under the 'Beacon College'(遵理學校) brand. The Group commenced the private supplementary secondary school education services in August 1989 in Yuen Long and our teaching centres are located on Hong Kong Island, Kowloon and the New Territories.

- Private secondary day school services

  The Group operates two private secondary day schools located in Yuen Long and Mong Kok respectively under the 'Beacon Day School'(遵理日校) brand. The Group commenced the operation of our first private secondary day school in Yuen Long in 1990 and another private secondary day school operated in Mong Kok since 1999.

- School services

  The Group offers various school services such as education services to schools and institutions in Hong Kong and Chinese Mainland under our 'Diverse Learning Club' (多元學習坊), 1% 'Group Education'(壹伙教育) and 'Hong Kong Beacon International Education'(香港遵理國際教育) brands respectively.

- Ancillary education services and products

  The Group offers various ancillary education services and products such as (i) consultancy services including school selection and application, assessment and test preparation, course selection, interview training, and career planning under brands Beacon Childhood Education (遵理兒童教育), Beacon Education Technology (遵理教育科技), Beacon Education Consultancy (遵理教育諮詢), 1% Group Education (壹伙教育), Advance Bestway (遵理進途), and Ascent Prep; (ii) IELTS courses under our "Beacon BExcellent" brand; (iii) mock examination and assessment services; (iv) other education services including VIP self-study services, the BTEC Level 3 Certificate in Enterprise and Entrepreneurship and the new BTEC Level 5 Higher National Diploma in Business (RQF) under "Beacon CAPE (遵理持續教育)" brand, products including but not limited to online course scheduling and management services, as well as online retail and education business under "Beacon Living" (遵理生活) and "CourseZ" brands respectively.

### Reporting Standard

This ESG Report is prepared in accordance with the Environmental, Social, and Governance Reporting Code (the "**ESG Reporting Code**") under Appendix C2 to the Listing Rules and has complied with the "comply or explain" provisions of the ESG Reporting Code. As for the information on corporate governance, please refer to the Corporate Governance Report in the Annual Report of the Year.

### Reporting Principles

The ESG Report adheres to the ESG Reporting Principles set out in the ESG Code, including materiality, quantitative, balance and consistency. Details are illustrated as follows:

#### *Materiality*

The content of the Report is determined through the stakeholder engagement and materiality assessment process, which includes identifying ESG-related issues, collecting and reviewing the management and stakeholders' opinions, assessing the relevance and materiality of the issues, and preparing and validating the information reported. The Report has covered the key issues of concern to stakeholders.

*Quantitative*

The disclosure of ESG key performance indicators ("KPIs") in the ESG report is supported by quantitative data and measurable standards. All applicable statistics, calculation tools, methodologies, reference materials and sources of conversion factor used are disclosed when presenting the emission data.

*Balance*

In order to maintain the balance of reporting content, fair disclosure of sustainability performance and challenges related to the Group and stakeholders is provided with impartial information to the public.

*Consistency*

In order to enhance and maintain meaningful comparability of ESG performance between years, the Group has strived and will continue to adopt consistent reporting and calculation methodologies as far as reasonably practicable. For any changes in methodologies or relevant KPIs used, the Group has presented and explained in detail in the corresponding sections.

### Information and Feedback

Your opinions on the Group's ESG Report and sustainability performance are highly valued. Should you have any queries, comments or suggestions, please contact us at ir@beacon.com.hk

## ABOUT THE GROUP

### Main Businesses

The Group is a leading provider of private supplementary secondary school education services in Hong Kong, principally engaged in the provision of the operation of private secondary day schools, the provision of private supplementary secondary school education services and school services in Hong Kong and Chinese Mainland. The Group also offers ancillary education services and products for preschool, kindergarten, primary and secondary school students, as well as individuals pursuing further education, interest-based learning and/or personal development.

The Group's teaching delivery is managed by a professional team comprising tutors, day school teachers, and full-time and part-time teaching assistants. As a leading provider in Hong Kong's private supplementary education sector, the Group recognises the significant impact its operations can have on students, employees and the community. The Group is committed to setting a positive example and promoting a culture of responsibility that supports environmental and social well-being through education and action. Its subsidiary, Beacon College, has been awarded the "15 Year Plus Caring Company Logo" by The Hong Kong Council of Social Service in recognition of its continued commitment to corporate social responsibility. For 18 consecutive years, from 2008 to 2026, the Group has demonstrated its commitment to caring for the community, its employees and the environment.

### Board Statement

The Group recognises that sound ESG governance principles, strategies and practices are essential to the long-term development of its business. The board of directors of the Group (the "Board") has overall responsibility for overseeing the Group's ESG matters and development, including ensuring that appropriate and effective ESG-related risk management measures and internal control systems are in place.

The Group has established an ESG Committee with Terms of Reference approved by the Board. The ESG Committee focuses on sustainability matters at Board level and comprises an executive Director and other members of management, including the Deputy Chief Executive Officer/Chief Finance Officer, a senior manager, a manager and an assistant manager. An approved board statement guides the Group's approach to improving ESG performance, including the processes for evaluating, prioritising and managing material ESG-related risks within its operations.

The Board will continue to monitor and review progress against the Group's ESG-related goals and business-related targets at regular Board meetings. The ESG Committee shall submit a follow-up action plan to the Board to address these goals and objectives and any identified deficiencies. Where necessary, an interim report on the implementation of the action plan will also be submitted to the Board. In addition, the Board monitors the Group's compliance with applicable ESG-related laws, regulations and regulatory requirements, including those of Hong Kong Exchanges and Clearing Limited ("**HKEX**").

## STAKEHOLDER ENGAGEMENT

The Group recognises that maintaining active and constructive engagement with stakeholders is essential to effective corporate governance. The Group is committed to providing full, timely and accurate public disclosure of information in accordance with the Listing Rules.

The Group has established a Shareholder Communication Policy to ensure that all investors have timely access to information about its business strategies and developments, share price and financial performance, corporate management and governance.

The Group maintains ongoing dialogue with its stakeholders. The following table summarises their key requirements and expectations, together with the Group's corresponding responses and communication channels.

| Stakeholders | Requirements and Expectations | Response and Communication Channels |
|---|---|---|
| Shareholders | • Returns<br>• Compliant operation<br>• Raise company value<br>• Transparency and effective communication | • Shareholder conferences<br>• Announcements and circulars<br>• Dedicated reports |
| Partners | • Operate with integrity<br>• Equal rivalry | • Business communications<br>• Review and appraisal meetings<br>• Engagement and cooperation |
| Customers | • Outstanding products and services<br>• Operate with integrity | • Customer service centre and hotlines<br>• Social Media Platforms |
| Employees | • Remuneration and benefits<br>• Career development | • Employee communication meetings<br>• Employee mailbox |
| Community and the public | • Improve community environment<br>• Participation in charity | • Company website<br>• Interview with media<br>• Social media platforms |

Feedback collected through various stakeholder engagement channels helps the Group understand stakeholders' concerns regarding ESG matters. The Group also uses questionnaires to obtain management's views on ESG-related issues. The information gathered is analysed alongside materiality maps provided by recognised external institutions and advice from independent professionals. This process enables the Group to identify and prioritise ESG issues that are of concern to stakeholders and closely relevant to its business.

The Group has identified 8 key ESG-related material issues which are ranked in order of materiality as follows:

| Material Issues | Corresponding Section |
|---|---|
| Environmental Compliance | Environmental protection |
| Employment Compliance | Employment and Labour Practices |
| Remuneration and Benefits | Employment and Labour Practices |
| Student Health and Safety | Employment and Labour Practices |
| Operational Compliance | Operating Practices |
| Quality Teaching | Operating Practices |
| Student Privacy Protection | Operating Practices |
| Anti-corruption | Operating Practices |

## ENVIRONMENTAL PROTECTION

The Group places great emphasis on environmental protection and strives to minimise negative environmental impacts during the daily operation. However, due to the Group's operational nature in providing private supplementary education services, we consider the risk of our business causing significant and undesirable impacts on the environment and natural sources to be relatively low. Therefore, the Air Pollution Control Ordinance (Cap. 311) and Water Pollution Control Ordinance (Cap. 358) as well as the associated regulations in Hong Kong are considered less relevant to our operation. The Group strictly abides by applicable environmental laws and regulations including motor vehicle emissions under the Road Traffic Ordinance (Cap. 374) and Waste Disposal Ordinance (Cap.354) in Hong Kong, and has established sets of comprehensive rules and regulations clearly defining the rights and obligations of the Group.

### Emission Control

*Air pollutant emissions*

As the Group is not engaged in manufacturing, no industrial air emissions were generated during the Year. The Group's air pollutant emissions primarily arise from fossil fuel combustion in vehicles, with a smaller proportion attributable to gas combustion. These pollutants include nitrogen oxides, sulphur oxides and particulate matter. The Group therefore focuses on reducing emissions from its vehicle fleet through regular maintenance to improve fuel efficiency and reduce pollutant emissions. The Group has also incorporated electric and hybrid vehicles into its fleet to reduce fossil fuel consumption.

Air pollutant emissions generated by the Group in the Year are as follows:

| Types[1] | For the Year ended 31 July 2026 | 2025 |
|---|---|---|
| Nitrogen oxides (g) | 8,330 | 8,083 |
| Sulphur oxides (g) | 230 | 226 |
| Suspended particulates (g) | 604 | 587 |

Note:

1. The calculation of air pollutants takes reference from the "Reporting Guidance on Environmental KPIs (Appendix II)" provided by HKEX.

### Waste Management

Waste generated by the Group is categorised as non-hazardous or hazardous. Non-hazardous waste mainly comprises general office waste, while hazardous waste includes printer toner cartridges and batteries.

The Group is committed to minimising waste generation and ensuring the proper collection, storage, transportation, treatment and disposal of waste. Waste is sorted into three categories: "Non-Recyclable", "Recyclable" and "Special Handling". Recyclable waste is further separated into paper, plastic and metal for recycling. Non-Recyclable waste is properly treated or disposed of to minimise environmental impact. Items requiring special handling, such as ink cartridges and ink, are returned to suppliers or manufacturers for specialised treatment.

The Group regularly maintains and repairs equipment and electronic devices to extend their service life and reduce replacement and disposal. Material usage is regularly reviewed to avoid overstocking and reduce non-hazardous waste generation. Employees are encouraged to reduce the use of disposable and non-recyclable products and reuse items such as envelopes, loose-leaf folders and file cards. The Group also encourages the use of replacement pen refills to avoid discarding entire pens. Refillable ink cartridges and rechargeable batteries are used to reduce hazardous waste generation.

Waste disposed by the Group during the Year is as follows:

| Types | For the Year ended 31 July 2026 | 2025 |
|---|---|---|
| Total non-hazardous waste generated (tonnes)[1] | 11 | 9.1 |
| Intensity of non-hazardous waste generated (tonnes/HKD million revenue) | 0.04 | 0.05 |
| Total hazardous waste generated (kg) | 27 | 32 |
| Intensity of hazardous waste generated (kg/HKD million revenue) | 0.10 | 0.17 |

Note:

1. Non-hazardous waste data is based on the daily estimated volume of general waste in offices and the volume-to-weight conversion factors provided by Appendix II HKEX.

## Energy Consumption

The Group recognises the potential environmental impacts associated with energy and fuel consumption and is committed to reducing energy consumption and emissions at its teaching centres and offices. The Group's energy consumption mainly comprises direct energy consumption from vehicle fossil fuel and gas consumption, and indirect energy consumption from purchased electricity. To reduce energy consumption in daily operations, the Group maintains air-conditioning systems, optimises temperature settings, and regularly monitors and reviews electricity consumption at each site. Given the Group's operating model, the costs associated with these energy-saving measures are expected to represent a small proportion of its overall operating costs and are not expected to have a material impact on its financial performance.

The energy consumption and intensity of the Group during the Year are as follows:

| Types (unit) | For the Year ended 31 July 2026 | 2025 |
|---|---|---|
| Total energy consumption (MWh) | 872 | 792 |
| Direct energy consumption (MWh)[1] | 160 | 156 |
| Indirect energy consumption (MWh)[2] | 712 | 636 |
| Intensity of energy consumption (MWh/HKD million revenue) | 3.14 | 4.10 |

Notes:

1. Calculation refers to the "Guidelines on Greenhouse Gas Emission Accounting and Reporting" provided by the NDRC.
2. Calculation refers to our electricity bills and the average price of electricity per kWh for the corresponding year.

## Water Management

The Group's water consumption mainly arises from its teaching centres and offices. The Group sources water in accordance with applicable environmental protection policies and regulations and has not encountered any issues in water procurement. Given the nature of its business, the Group considers the environmental impact of wastewater generated from its daily office operations to be generally insignificant.

The consumption of water resources by the Group in the Year is as follows:

| Types (unit) | For the Year ended 31 July 2026 | 2025 |
|---|---|---|
| Total water consumption ($m^3$) | 491 | 193 |
| Intensity of water consumption ($m^3$/HKD million revenue) | 1.77 | 1.00 |

## Packaging Materials

The Group provides education services and does not engage in the production or packaging of physical goods. Through the Group's efforts to control packaging material consumption and reduce unnecessary packaging of gift items, its consumption of packaging materials during the Year was insignificant.

The packaging materials used in the Group's operations during the Year are summarised below:

| Types (unit) | For the Year ended 31 July 2026 | 2025 |
|---|---|---|
| Weight (kg) | 0 | 95 |
| Intensity (kg/HKD million revenue) | 0 | 0.49 |

## Climate Change

Climate change has become a major challenge facing the global community. The Group attaches great importance to the various impacts of climate change and has fully integrated climate-related considerations into its strategic planning. During the Year, the Group continued and enhanced its climate-related disclosures under Part D of Appendix C2 to the Listing Rules. Organised around the four core pillars of "Governance", "Strategy", "Risk Management" and "Metrics and Targets", these disclosures set out the governance arrangements, management processes, response measures and progress towards targets adopted by the Group to identify, assess, monitor and respond to climate-related risks and opportunities.

### *i Governance*

The Group has incorporated climate-related risks and opportunities into its ESG governance framework, which comprises the Board, the ESG Committee and personnel from various departments. As the Group's highest governance body, the Board is responsible for overseeing the Group's sustainability policies and strategies, and for considering, deciding on and overseeing material ESG and climate-related matters.

At regular Board meetings, the Board reviews the overall progress of the Group's ESG and climate-related targets and monitors any material deviations and the corresponding corrective actions. The Board also monitors the Group's compliance with applicable ESG-related laws, regulations and regulatory requirements. The Group has not incorporated climate-related performance metrics into its remuneration policy.

The Board has delegated the coordination and oversight of climate-related matters to the ESG Committee. To ensure that climate-related matters are addressed systematically, the ESG Committee includes such matters in its regular meeting agenda. It meets at least annually and may convene at the request of any member. The ESG Committee is responsible for coordinating and assessing the Group's climate-related risks and opportunities, monitoring progress in implementing relevant targets and action plans, and evaluating the effectiveness of management's response measures. Where necessary, the ESG Committee makes recommendations on adjustments to the relevant targets, strategies and measures. In reviewing the Group's strategies, risk management processes and relevant policies, the ESG Committee considers climate-related risks and opportunities and their potential impacts on the Group's business development and operations, and reports material matters to the Board.

Personnel in each department are responsible for implementing climate-related actions and plans within their respective functions, tracking implementation progress and performance, collecting relevant data, and reporting to management and the ESG Committee. Each department is also responsible for identifying potential climate-related risks and opportunities arising from daily operations, thereby supporting the Group's risk assessments, decision-making and action plans. Relevant control measures and procedures have been incorporated into the policies and day-to-day management processes of the Group's operating departments to enhance the Group's resilience to climate change.

To ensure the Board has the expertise to fulfil its oversight role, the Group supports directors in enhancing their climate-related skills and competencies. Initiatives include providing access to specialised learning resources, organising targeted internal training sessions, and facilitating participation in climate-focused programmes and seminars delivered by external professional institutions. These efforts strengthen the Board's ability to navigate complex climate challenges and stay abreast of the latest developments in climate risks and opportunities.

### *ii Strategy*

The Group aims to enhance our business resilience to climate change and build an environmentally responsible enterprise. We have refined our risk assessment procedures to analyse the potential impacts on our businesses and value chain, thereby evaluating and formulating optimal mitigation measures.

To operationalise these goals and address the limitations of traditional risk assessment procedures in capturing long-term climate impacts, the Group conducted the first comprehensive climate scenario analysis during the Year. This analysis covered both physical risks and transition risks, as well as opportunities, with detailed screening and assessment performed for each risk and opportunity category.

- Physical risks: Risks related to physical impacts of climate change, which can be event-driven (acute risks) or caused by longer-term shifts in climate patterns (chronic risks).
- Transition risks: Risks related to the transition to a lower-carbon economy, which may entail policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change.
- Climate-related opportunities: Opportunities emerging from the low-carbon transition and climate adaptation process, covering areas such as green product development and operational energy efficiency improvements, which can bring positive benefits to the Group, including revenue growth, cost savings and enhanced brand value.

To conduct a comprehensive analysis of climate-related risks and opportunities that may arise throughout our business development, the Group needs to take into account factors such as global temperature rise pathways, changes in climate policies and time horizons of impact. Therefore, we selected scenario assumption models and relevant parameters from the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC) and the Phase 5 public release of the Network for Greening the Financial System (NGFS). The selected scenarios align with the nature of the Group's industry and strategic goals and are consistent with China's 'dual carbon' strategy and the Hong Kong government's target of "achieving carbon neutrality by 2050". Moreover, the Group expects the anticipated impact range of risks and opportunities to have a material impact over the short, medium and long term, covering up to 2030, up to 2040 and up to 2050. These time horizons are defined by taking into account the Group's operational budgeting cycle and strategic business planning cycle.

In the scenario analysis, we assume that there will be no changes to our mitigation policies and reporting scope within the anticipated impact range of risks. The following table presents the selected climate scenario models covering both low-emission and high-emission scenarios to better understand the impacts of climate change on the Group.

| | |
|---|---|
| Scope | Same as the reporting boundary, which covers all education services in Hong Kong. |
| Scenario Used | IPCC for physical risks analysis:<br>• **SSP 1-2.6:** Global warming reaches 2.0°C. Governments' social, economic and clean energy transitions align with historical trends. Stringent policies amplify transition risks for enterprises, while physical risks remain notable.<br>• **SSP 5-8.5:** Global warming exceeds 4°C. Delayed government climate action, stalled emission reduction/adaptation and insufficient policies drive extreme climate impacts, increasing enterprises' immediate and long-term physical risks.<br>NGFS for transition risks analysis:<br>• **Net Zero 2050:** Early adoption of stringent climate policies. By reducing energy demand and advancing low-carbon technologies, it aims to limit global warming to well below 1.5°C and achieve global net-zero carbon dioxide emissions around 2050.<br>• **Current Policies:** Only currently implemented climate policies remain in place, leading to continued growth in greenhouse gas ("GHG") emissions. Global warming is projected to exceed 3°C, resulting in severe physical risks. |

The tables below describe the potential financial effects of the identified climate-related risks and opportunities qualitatively. The Group has not quantified their current or anticipated financial effects, as these cannot be separately identified and are subject to high measurement uncertainty. The Group will continue to assess the feasibility of providing quantitative disclosures. The following four climate-related risks and opportunities, which are reasonably expected to affect the Group's cash flows, access to financing and cost of capital, have been identified from the assessment and analysis conducted under the selected high-carbon and low-carbon scenarios across short, medium and long-term time horizons from 2030 to 2050.

| Physical Risks | | | | |
|---|---|---|---|---|
| Risk Category | Affected Areas | Materiality Level[1] | Impact on Business | Impact on Financial Performance |
| Acute extreme weather events | Hong Kong teaching centres and day schools; teaching equipment and transport | Short term (2030)<br>Medium term (2040)<br>Long term (2050) | Business model:<br>Extreme weather may cause class suspensions, equipment damage and teaching disruptions.<br><br>Value Chain:<br>Transport, power or network disruptions may affect attendance and service arrangements with partner schools. | Higher repair and replacement costs; additional make-up lesson or refund expenses; potential revenue loss from cancelled courses. |

| Transition Risks | | | | |
|---|---|---|---|---|
| Risk Category | Affected Areas | Materiality Level | Impact on Business | Impact on Financial Performance |
| Market preferences shifting towards low-carbon education services | Teaching materials, school partnerships and brand image | Short term (2030)<br>Medium term (2040)<br>Long term (2050) | Business model:<br>If parents and partner schools place greater emphasis on environmental performance, delayed adaptation may weaken competitiveness.<br><br>Value Chain:<br>Expectations for electronic materials, reduced commuting and low-carbon services may increase. | Higher spending on digital platforms, material conversion and staff training; potential enrolment and partnership revenue loss if expectations are unmet. |
| Policy and Regulation Tightening | Group compliance; energy and emissions data management | Short term (2030)<br>Medium term (2040)<br>Long term (2050) | Business model:<br>Enhanced climate disclosure and energy-efficiency requirements may increase data collection and management burdens.<br><br>Value Chain:<br>Property owners and suppliers may pass on low-carbon transition costs through rental or service charges. | Higher compliance, data management and equipment improvement costs. |

| Opportunities | | | | |
|---|---|---|---|---|
| Opportunity Category | Affected Areas | Materiality Level | Impact on Business | Impact on Financial Performance |
| Low-carbon digital teaching and service expansion | Tutorial courses, school services, online platforms and teaching materials | Short term (2030)<br>Medium term (2040)<br>Long term (2050) | Business model:<br>Online and blended learning may reduce paper use and some commuting needs while supporting teaching continuity during adverse weather.<br><br>Value Chain:<br>Collaboration with digital platform partners and content suppliers may enable scalable low-carbon education services. | Lower printing and material distribution costs and potential revenue growth through scalable online learning services. |

[1]*Materiality Definitions –*
*: Handle through standard existing processes;*
*: Need to be monitored consistently;*
*: Require management strategy planning and implementation tracking.*

The Group has integrated the following adaptation, mitigation and opportunity response measures into its day-to-day operations and will refine them as climate risks and business needs evolve. Although the Group does not currently have a formal climate-related transition plan, it will continue to assess the feasibility of developing one. These measures are resourced through existing operational and capital budgeting processes; the amounts allocated to climate-related activities were not separately disclosed during the Year. During the Year, the Group did not deploy any capital expenditure, financing or investment towards climate-related risks and opportunities. It will continue to assess and, where applicable, disclose such deployment in the future.

| Types of Risks | Mitigation Measures |
|---|---|
| Acute extreme weather events | • Update emergency and teaching continuity plans; conduct regular drills.<br>• Strengthen flood and wind protection with property managers.<br>• Prepare online teaching, recorded make-up lessons and alternative classroom arrangements. |
| Market preferences shifting towards low-carbon education services | • Promote electronic notes and suitable blended-learning courses.<br>• Train teaching staff in digital course delivery. |
| Policy and Regulation Tightening | • Monitor applicable climate policies and disclosure requirements in Hong Kong.<br>• Strengthen energy and emissions data collection with landlords and suppliers. |

| Types of Opportunities | Response Measures |
|---|---|
| Low-carbon digital teaching and service expansion | • Expand digital teaching partnerships and electronic learning resources.<br>• Promote suitable online courses through existing brands and school partnerships. |

The Group will review the effectiveness of its climate-related measures and adjust its strategies and targets as necessary, taking account of operational performance and changes in climate-related risks and opportunities. Based on the climate-related scenario analysis described above, the Group assesses that during the Year its strategy and business model are reasonably resilient to climate-related changes, developments and uncertainties, taking into consideration its identified climate-related risks and opportunities. Significant areas of uncertainty considered in the assessment of the Group's climate resilience include the timing and severity of physical climate impacts, the pace and direction of developments in policy, technology and markets, and the limitations in quantifying the related financial effects. The Group has the capacity to adjust, or adapt, its strategy and business model to climate change over the short, medium or long term through its climate governance and risk management processes and operational efficiency measures.

### *iii Risk Management*

The Group has integrated the processes for identifying, assessing, prioritising, and managing climate-related risks and opportunities into the overall risk management framework and system to embed climate risk management into day-to-day operations. We also ensure that the Group effectively addresses the challenges posed by climate change. This integration aligns with our existing risk management structure and no significant changes were made to our risk management process during the Year.

Throughout the processes, the Group considers parameters such as asset location and type, historical exposure to extreme weather and energy consumption patterns. Climate data from the publicly available scenario sources, as well as internal data such as utility consumption records and operational incident logs are utilised. Below are the summary of the climate risk and opportunity management process of the Group:

| | | |
|---|---|---|
| 1. | Identification | The Group conducts research on climate change trends, domestic and international industry developments and technological changes, carries out peer benchmarking and collects stakeholders' opinions. It also performs climate-related scenario analysis, taking into account its operational conditions and business characteristics. The identification scope covers the Group's major operating locations, relevant asset types, business processes and value chain links, and encompasses physical risks, transition risks and climate-related opportunities that may affect the Group. Through these research, benchmarking and analysis efforts, the Group develops a list of climate-related risks and opportunities, ensuring that the identification work covers the key links of its major operational and management processes. |
| 2. | Evaluation | The Group conducts a comprehensive assessment, taking into account the nature, likelihood and magnitude of the potential impacts and opportunities. The assessment is performed qualitatively across dimensions such as operational continuity, asset resilience, cost changes, compliance requirements, market demand and reputational impact; where data is available, quantitative information such as energy consumption, greenhouse gas emissions, resource use and historical operational data is also referenced. |
| 3. | Prioritisation | Based on the assessment results of climate-related risks and opportunities, the Group prioritises the identified items based on the likelihood of occurrence and significance of impact. This prioritisation process aligns with our overall risk management framework and business objectives. |
| 4. | Monitoring | Personnel in each department regularly evaluate and monitor the identified climate-related risks and opportunities and continuously follow up on the implementation of climate-related action plans, including adaptation and mitigation measures, resource use, greenhouse gas emission performance and progress towards targets. The ESG Committee reviews the planning and execution of this work at its regular meetings, and material changes are reported to the Board as appropriate. |

### *iv Metrics and Targets*

The Group regards the advancement of climate resilience and sustainable operational practices as a core strategic priority. The Group consistently aligns its sustainability targets and associated initiatives with Chinese Mainland's national 'dual carbon' strategy and Hong Kong's regional carbon peaking and neutrality objectives. During the Year, reasonable and supportable information needed to quantify assets and business activities exposed to climate-related physical and transition risks or aligned with climate-related opportunities was not available without undue cost or effort. The Group will establish a work plan to assess, identify and quantify these exposures and opportunities for future disclosure. Given the nature of its business and the current availability of data and methodologies, the Group did not disclose specific industry-based metrics during the Year.

To align with these climate frameworks, the Group conducts ongoing assessments of its ESG KPIs and has developed targeted reduction and management goals that mirror the requirements of these national and regional climate and sustainability frameworks. No revisions were made to these targets during the Year. The targets have not been derived using a sectoral decarbonisation approach. The Group will continue to refine its target-setting and review processes and consider the feasibility of engaging a third party to verify its targets.

| Target Category | Target Scope | Quantitative Targets | Progress Review |
|---|---|---|---|
| GHG Emission | All operating sites of the Group | Reduce Scope 1 and Scope 2 GHG emissions intensity by 10% over the five-year period starting from 2024/25. | In progress |
| Waste | All operating sites of the Group | Reduce 10% on both the non-hazardous and hazardous wastes intensity over the five-year period from the year 2024/25. | In progress |
| Energy resources | All operating sites of the Group | Reduce energy consumption intensity by 10% over the five-year period from the year 2024/25. | In progress |
| Water | All operating sites of the Group | Reduce water consumption intensity by 10% over the five-year period from the year 2024/25. | In progress |

The Group has not incorporated internal carbon pricing into its decision-making and will consider the feasibility of doing so. It will also consider the feasibility of purchasing carbon credits to offset GHG emissions from its operations.

During the Year, the Group conducted GHG identification, assessment and inventory activities to effectively manage our GHG emissions. These activities covered the Group's operations in Hong Kong, with our Scope 1 and Scope 2 emissions accounting completed in accordance with the requirements of the 'Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)'. In addition, the Group completed a preliminary mapping of our Scope 3 emissions sources with reference to the 'Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)'.

After taking into account our core operations, the estimated scale of emissions, data availability and peer research, the following categories are included in our Scope 3 calculation. Other categories are considered to have limited relevance to the Group's current business operations, or their data foundation and quantifiability still require further development, and are therefore not included in the calculation scope for this reporting period. The Group will continue to review the relevance of each Scope 3 category to its business operations and the availability of data, and will expand its data collection and disclosure scope as appropriate, so as to improve the completeness and data quality of future Scope 3 disclosures.

Category 1: Purchased services
Category 5: Waste Generated in Operations

| Types | For the Year ended 31 July 2026 | 2025 |
|---|---|---|
| Total greenhouse gas emission (tonnes $CO_2e$)[1,2] | 357.4 | 322.7 |
| Scope 1 - direct emissions (tonnes $CO_2e$)[3] | 43.3 | 42.3 |
| Scope 2 – energy indirect emissions (tonnes $CO_2e$)[4] | 283.2 | 264.7 |
| Scope 3 – Indirect emissions (tonnes $CO_2e$)[5] | 30.8 | 15.8 |
| • Category 1: Purchased services | 9.5 | N/A |
| • Category 5: Waste Generated in Operations | 21.3 | 15.8 |
| Intensity of Scope 1&2 GHG emissions (tonnes $CO_2e$/HKD million revenue) | 1.17 | 1.59 |

Notes:

1. The Group uses an operational control approach for GHG emission accounting. This methodology defines the accounting scope based on the Group's authority to enforce operational policies across its business activities, which more accurately reflects its actual responsibilities in carbon emission management, helps strengthen GHG emission monitoring and governance, and ensures that accounting outcomes align with its sustainability goals.

2. The calculation methodology of GHG emissions is aligned with "Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)". Emission factors used for calculation are sourced from "Appendix 2: Reporting Guidance on Environmental KPIs" issued by HKEX, and the "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong" published by the Environmental Protection Department and the Electrical and Mechanical Services Department. The Group's GHG emissions include carbon dioxide, methane and nitrous oxide, and are presented in tonnes of carbon dioxide equivalent (tCO2e) for better readability.

3. Scope 1 covers emissions from stationary combustion sources and vehicles. The calculation uses emission factors for the relevant fuel types, including factors set out in "Appendix II: Reporting Guidance on Environmental KPIs" issued by HKEX. The global warming potentials used to express emissions in carbon dioxide equivalent are determined with reference to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change ("IPCC").

4. Scope 2 covers emissions from electricity purchased from power companies. The calculation is based on the emission factors published by CLP Power and HK Electric.

5. Scope 3 covers the methane gas generation at landfill due to paper waste and the electricity for water treatment and purchased services. The calculation method and the emission factor of methane gas generation at landfill due to disposal of paper waste are based on Appendix II provided by the Hong Kong Stock Exchange. The calculation of electricity for water treatment is based on emission factors provided by the research published by Tsinghua University in "China Urban Water Supply System Energy Consumption Study" and the statistical analysis and quantitative identification of the energy consumption law of urban sewage treatment plants in China published by Tsinghua University and the National Urban Water Supply and Drainage Engineering Technology Research Centre. The emission factors used for other Scope 3 Categories calculations are based on a comprehensive set of supply chain emission factors developed by the U.S. Environmental Protection Agency (EPA).

## EMPLOYMENT AND LABOUR PRACTICES

The Group recognises that employees are essential to its development and that a qualified teaching team is central to the quality of its education services. Our teachers represent the Group's professionalism through their daily interaction with students. The Group therefore strives to provide a fair and supportive working environment, with appropriate remuneration, development opportunities and health and safety measures.

### Employment Management and Equal Opportunities

The Group abides by applicable employment and labour laws and regulations in the regions where it operates, including the Employment Ordinance (Cap. 57), Sex Discrimination Ordinance (Cap. 480), Disability Discrimination Ordinance (Cap. 487), Family Status Discrimination Ordinance (Cap. 527) and Race Discrimination Ordinance (Cap. 602). Its employee handbook sets out human resources policies covering remuneration, holidays and other leave, termination of employment, recruitment and promotion, working hours and other employment matters.

The Group follows a rigorous recruitment process to recruit qualified teaching and non-teaching staff. Candidates are assessed on their qualifications, personal attributes, experience and skills. Before making an appointment, the Group conducts background checks and interviews, together with demonstration lessons for teaching staff, to assess their suitability for the role. All private supplementary secondary school education service instructors and day school teachers are qualified to teach under the Education Ordinance (Cap. 279) and/or the Education (Exemption) (Private Schools Offering Non-Formal Curriculum) Order (Cap. 279F).

Fairness, transparency and market competitiveness guide the Group's recruitment and promotion practices. The Group does not tolerate discrimination based on age, gender, physical or mental health status, marital status, family status, race, skin colour, nationality, religion, political affiliation, sexual orientation or other legally protected characteristics. It is committed to providing equal opportunities and a diverse and inclusive working environment. The Group also seeks to improve gender representation to support a broader range of perspectives in strategic and policy development.

When an employee resigns, the head of the Human Resources Department conducts an exit interview to understand the reasons for leaving. The department also monitors employee turnover rates to identify potential internal issues.

The detailed employment status of the Group is as follows:

| Total number of employees (Percentage of category) | As at 31 July 2026 | 2025 |
|---|---|---|
| **By gender** | | |
| Male | 166(44%) | 140(44%) |
| Female | 214(56%) | 180(56%) |
| **By age** | | |
| Below 30 | 146(38%) | 108(34%) |
| 30 – 50 | 182(48%) | 164(51%) |
| Above 50 | 52(14%) | 48(15%) |
| **By geographical location** | | |
| Hong Kong | 275(72%) | 225(70%) |
| Chinese Mainland | 105(28%) | 95(30%) |
| **By employment type** | | |
| Full-time | 308(81%) | 255(80%) |
| Part-time | 72(19%) | 65(20%) |

| Employee turnover rate (%)[1] | As at 31 July 2026 | 2025 |
|---|---|---|
| **By gender** | | |
| Male | 18% | 20% |
| Female | 26% | 40% |
| **By age** | | |
| Below 30 | 35% | 63% |
| 30 – 50 | 18% | 16% |
| Above 50 | 6% | 5% |
| **By geographical location** | | |
| Hong Kong | 19% | 24% |
| Chinese Mainland | 30% | 53% |

Notes:

1. Calculation of employee turnover rate refers to the formula as the percentage of the number of resigned employees divided by the average number of employees at the beginning and end of the year.

## Labour Standards

The Group prohibits child labour and forced labour and maintains a zero-tolerance policy towards these practices. During recruitment, the Human Resources Department examines supporting documents, including identity cards and academic qualifications, to verify applicants' ages and identities and check that the information provided is consistent with those documents.

The Group conducts inspections to check compliance with and implementation of this policy. If child labour or forced labour is identified, the Group will immediately stop the work of the employee concerned and initiate an investigation to prevent recurrence.

## Remuneration, Benefits and Employee Wellbeing

The Group provides a comprehensive and competitive remuneration and benefits package to attract, motivate and retain employees. All tutors are engaged under full-time or part-time employment contracts or service agreements and typically receive bonuses based on a revenue-sharing scheme to encourage the development and delivery of quality teaching services. Long-term service rewards recognise employees' dedication and contribution. The Group reviews and adjusts its salary structure annually to maintain competitiveness.

The Group provides retirement benefits under the Mandatory Provident Fund (MPF) scheme in accordance with the Mandatory Provident Fund Schemes Ordinance (Cap. 485). It also provides insurance coverage beyond statutory requirements, including medical and accident insurance. Eligible employees receive reimbursements and allowances, including transportation, housing and medical subsidies. Free drinks, snacks and fruit are available in offices and teaching centres, while gifts or cash gifts are provided during holidays.

The Group adopts a five-day working week to support work efficiency and work-life balance. Employees who work overtime receive compensatory leave or allowances. In addition to rest days, statutory holidays and paid annual leave, the Group provides 14 weeks of maternity leave and five days of paid paternity leave in accordance with Hong Kong legislation.

The Group recognises that accumulated work stress can affect employees' health, relationships and work performance. It encourages employees and teaching staff to maintain work-life balance and explores ways to help them manage work stress. Health seminars and lunch or dinner gatherings are organised from time to time as part of these efforts.

During the year ended 31 July 2026, the Group received the "Smiling Enterprise 5 years+" and "Smiling Employer 5 years+" awards from the Mystery Shopper Service Association. The Group strives to create a positive working environment to support employee performance and customer satisfaction.

## Training and Career Development

The Group supports employee training and professional development to strengthen employees' capabilities and support its business development.

New employees receive training to familiarise themselves with the working environment and operational processes. Teaching assistants with the necessary qualities and qualifications are regularly promoted to tutor positions. The Board believes that the Group's platform and infrastructure provide teaching assistants with opportunities to develop their teaching careers within the Group.

To maintain consistency in teaching methods, experienced teaching assistants are periodically paired with leading tutors and their teams to co-teach. Teaching materials and promotional resources are shared within the teams, allowing less experienced tutors to benefit from the resources and experience of leading tutors.

The Group supports the professional development of high-potential top tutors through personal brand development, collaborations with internationally renowned brands and professional training programmes. Employees are also encouraged to participate in seminars and sharing sessions to broaden their perspectives and professional knowledge.

Regular employee assessments recognise employees' contributions, work performance and technical abilities. The Group provides recognition and rewards to encourage enthusiasm and creativity, together with promotion opportunities for capable employees with outstanding performance. Professional development resources and clear career paths are provided to support employee morale and job satisfaction.

During the Year, the Group organised a variety of training sessions and seminars to enhance the professional capabilities of its teaching and non-teaching staff. These covered team building, updates on the Hong Kong Diploma of Secondary Education Examination ("HKDSE") curriculum and Hong Kong education, teaching skills, academic meetings across subjects, and customer service techniques. In particular, the Group organised a training session that included external participants, bringing together HKDSE teachers and school heads from across the Chinese Mainland to receive the latest updates on HKDSE-related matters. For the regular annual training for HKDSE teachers, the Group collaborated with The Hong Kong Polytechnic University and delivered the "Teaching Strategy for HKDSE Certification Course", which also included a visit to The Education University of Hong Kong ("EdUHK") to explore AI teaching practices. In addition, the Group organised "Shining Star" training programme, dedicated to recruiting and training teachers who are new to the HKDSE curriculum. These training programmes also facilitated the sharing of teaching expertise among teaching teams in Hong Kong and the Chinese Mainland.

The Group also encourages employees to proactively contribute to operational improvements and business development. During the Year, the Group launched the "2026 Hong Kong Region Tutorial Business Development Incentive Scheme," a multi-stage initiative that invites employees to form teams, develop practical proposals on themes such as operational efficiency, customer experience and teaching innovation, and submit implementation reports for evaluation. Outstanding teams are selected and rewarded for each stage, with results announced on a regular basis. The Scheme not only nurtures a culture of creativity and continuous improvement, but also provides employees with a platform to develop leadership and project management skills, further supporting their career growth within the Group.

During the Year, the total number of trained employees and average training hours of the Group are as follows:

| Indicators | For the Year ended 31 July 2026 | 2025 |
|---|---|---|
| **Total number of trained employees (Percentage of employees trained)** | | |
| **By employee category** | | |
| Senior employees | 3(21%) | 1(7%) |
| Intermediate employees | 18(47%) | 3(9%) |
| Junior employees | 75(23%) | 69(26%) |
| **By gender** | | |
| Male | 43(26%) | 30(21%) |
| Female | 53(25%) | 43(24%) |

| Indicators | For the Year ended 31 July 2026 | 2025 |
|---|---|---|
| **Average training hours completed** | | |
| **By employee category** | | |
| Senior employees | 2 | 1 |
| Intermediate employees | 4 | 2 |
| Junior employees | 3 | 7 |
| **By gender** | | |
| Male | 3 | 5 |
| Female | 3 | 7 |

### Health and Safety

The Group places great importance on the health and safety of employees and students. It abides by applicable laws and regulations, including the Employees' Compensation Ordinance (Cap. 282) and the Occupational Safety and Health Ordinance (Cap. 509). The Board is responsible for providing a safe working environment and the necessary information, guidance, training and supervision to protect employees and students from work-related injuries.

All teaching centres are registered or temporarily registered as schools under the Education Ordinance (Cap. 279), and their teaching facilities comply with the relevant fire safety requirements of the Fire Services Department. The Group conducts monthly inspections to ensure that fire exits at each teaching centre remain unobstructed.

Safety measures in working and teaching areas include a no-smoking policy, CCTV, authorised access systems, safety alarms and fire equipment.

The Group regularly reminds employees of occupational health risks associated with prolonged screen use, improper sitting posture, incorrect lifting techniques and poor indoor air circulation. It also subsidises first aid training courses to help employees develop emergency response skills and provide appropriate assistance to colleagues or students.

During the Year, the Group recorded no work-related injuries, and thus no lost workdays due to such injuries. Over the past three years, the Group has also had no work-related fatalities or major casualties in its offices or teaching centres.

## OPERATING PRACTICES

The Group recognises that its reputation, people-centred approach and teaching quality are important to its development in the private supplementary education industry. It is committed to providing quality education services and takes stakeholders' interests into account in managing its operations. Its operating practices cover teaching and student services, privacy and information security, intellectual property, procurement and business conduct.

### Teaching Quality and Student Services

#### *Teaching Quality Management*

The Group maintains quality assurance procedures to support teaching standards and the quality of its teaching team. These include:

- Retaining records of students' HKDSE results as performance indicators for tutors, including results at 5**/5*.
- Conducting satisfaction surveys through market consultants to provide external monitoring of tutors.

The Group continues to update computer infrastructure, teaching facilities and equipment at its teaching centres to support students' learning experiences. Its student platform and computer infrastructure have been upgraded to support live streaming, recording and broadcasting in response to demand for non-face-to-face teaching.

#### *Student Feedback and Complaint Handling*

The Group recognises that satisfaction with education services involves subjective assessments and that complaints may arise. It has established a complaint-handling process to review and address concerns.

Complaints are typically received by teaching centre staff, who review their nature and refer them to the relevant department heads. The Group maintains contact with the complainant to obtain further information and creates a complaint file. The responsible department head acknowledges the complaint and reviews its validity. Where the review identifies an error on the Group's part, remedial action is taken according to the nature of the complaint.

During the Year, the Group received no material customer complaints.

*Responsible Marketing and Service Information*

All publicly available service and marketing information is reviewed by senior management or the Board to check compliance with legal requirements and avoid exaggeration or misrepresentation. The Group monitors advertising and service descriptions to ensure that information is clear and accurate.

The Group has established requirements for advertising and service descriptions, together with standard procedures and precautions for the use of promotional data. These arrangements aim to provide consumers with accurate information and support transparency in the promotion of its services.

The Group adheres to applicable laws and regulations relating to its services, including the Supply of Services (Implied Terms) Ordinance (Cap. 457). As the Group primarily provides education services and does not sell physical products, there were no product recalls due to safety and health concerns during the Year.

## Student Privacy and Information Security

The Group recognises the importance of protecting students' personal information and adheres to applicable data protection laws and regulations, including the Personal Data (Privacy) Ordinance (Cap. 486) in Hong Kong.

Students' information is collected and used lawfully, with its use limited to the scope specified in the contract. Employees receive regular training on handling students' information and may access such information only when there is a valid reason.

The Group's IT subsidiary manages personal data and information to prevent unauthorised access and inadvertent disclosure. It regularly monitors and analyses network data as part of daily information security management. Virus scanning and internet protection software are installed on servers and employees' computers.

The Group also continuously monitors and tests privacy risks to identify and mitigate potential risks to students' information.

## Teaching Materials and Intellectual Property

The Group respects intellectual property rights and uses genuine software in accordance with the relevant licence agreements. Employees are required to apply to the Group before installing software to avoid infringement of others' intellectual property rights.

When developing teaching and learning materials, the Group obtains licences for the use of copyrighted materials from other institutions. Teaching staff receive regular training on copyright policies to communicate the ethical requirements of education practitioners and promote the Group's corporate culture.

The Group has established a Publication Censorship Committee to review and oversee educational materials and notes. Its review aims to ensure that materials provided to students are up to date, accurate, relevant and do not infringe intellectual property rights.

## Responsible Procurement and Supplier Management

The Group procures office supplies and equipment for its teaching centres and headquarters. It maintains a fair and transparent procurement process and considers environmental and social risks in managing its supply chain.

## Supplier Selection and Review

Suppliers are assessed against the Group's selection criteria, including their reputation and the quality of their products and services. The Group avoids procuring equipment from suppliers with questionable reputations or product quality. Office and teaching equipment is primarily purchased from well-known manufacturers, with consideration given to performance, reliability, durability and energy efficiency.

Only suppliers that meet the Group's criteria are included in its qualified suppliers list. The Group conducts comprehensive supplier assessments annually and removes suppliers that no longer meet its cooperation criteria. If a supplier's conduct is found to be inconsistent with the Group's policies, cooperation is immediately suspended until the issue is resolved.

## Environmentally Friendly Procurement

The Group prioritises sustainable products and services with green labels or certifications in its procurement processes. Environmental considerations are incorporated into the selection of office and teaching equipment and other purchases.

During the Year, the Group had 62 suppliers, comprising 58 in Hong Kong and four overseas. Supplier information for the years ended 31 July is set out below.

| Indicators | For the Year ended 31 July 2026 | 2025 |
|---|---|---|
| **Suppliers by countries/regions** | | |
| Hong Kong | 58 | 65 |
| Chinese Mainland | 0 | 1 |
| Overseas | 4 | 4 |
| **Suppliers with relevant supplier management** | | |
| Supplier selection | 62 | 70 |
| Identification and management of environmental risk in the supply chain | 62 | 70 |
| Identification and management of social risk in the supply chain | 62 | 70 |

## Business Ethics and Anti-corruption

### *Policies and Conduct Requirements*

The Group maintains a zero-tolerance approach to bribery, corruption, extortion, fraud and money laundering. It adheres to the Prevention of Bribery Ordinance (Cap. 201) in Hong Kong and the Corporate Governance Code issued by HKEX.

The employee handbook covers conflicts of interest, bribery and anti-corruption. Employees are required to act impartially and avoid conflicts of interest that may affect their professional judgement. The Group's anti-corruption policy is regularly reviewed by the Audit Committee and approved by the Board.

The Group has established reporting and approval requirements and internal procedures for employees and teaching staff concerning the giving and receiving of gifts, entertainment, travel and training. Employees must not offer, receive or demand improper benefits. Violations are subject to severe penalties.

As part of its anti-corruption training, the Group regularly communicates expectations and guidelines on professional and ethical conduct to the Board and employees.

### *Whistleblowing and Investigation*

The Group has established internal monitoring and auditing mechanisms and penalties for violations. Its Whistleblowing Policy is periodically reviewed by the Audit Committee and approved by the Board. The policy provides mechanisms for fair and independent investigation and appropriate follow-up action.

Employees and stakeholders are encouraged to report suspected corruption through the Group's reporting channels, including an anonymous reporting hotline and email. Reports are handled through these mechanisms, and whistleblowers' identities are kept strictly confidential to protect them from retaliation.

During the Year, the Group was not aware of any material non-compliance with laws and regulations relating to anti-corruption. There were also no concluded legal cases regarding corrupt practices brought against the Group or its employees during that year.

## CONTRIBUTION TO THE COMMUNITY

The Group supports youth development and community giving alongside its provision of quality private education services. It works with social welfare organisations and draws on its educational resources to support students and the wider community.

### Charitable Giving and Community Partnerships

The Group participates in and sponsors charitable activities, while employees have voluntarily formed community service teams. Ms. Leung Ho Ki, June, Chairman of the Group, also serves as Chairperson of the Board of Plan International Hong Kong.

During the Year, the Group donated HK$30,000 to 香港校董學會有限公司, which promotes quality education and provides training and exchange opportunities for school managers and educators. The Group also supported youth development through a donation of HK$25,000 to 黃大仙警區少年警訊名譽會長會, which supports Junior Police Call activities and the development of young people's leadership skills. The Group extended its community support through donations of HK$300 to The Community Chest of Hong Kong, which raises funds for social welfare services, and HK$2,000 to Special Olympics Hong Kong, which provides sports training and competition opportunities for people with intellectual disabilities. The Group contributed HK$57,300 across these four donations.

The Group has collaborated with Plan International Hong Kong to develop a Child Safeguarding Policy, aimed at creating a culture and environment that protect children in their interactions with the Group's staff. It has also supported the organisation's "Run for Girls" campaign to combat child marriage in Bangladesh and advocate for girls' rights.

### Access to Education and Learning Support

Through the "Beacon Uprising Fund (遵理義舉)", the Group funds tutorial courses for students from low-income families or those receiving Comprehensive Social Security Assistance. Thousands of students have benefited since the fund's inception.

### Student Development and Wellbeing

During the Year, the Group expanded both its Yuen Long and Mong Kok campuses to provide students with a more conducive learning environment. The enhanced facilities include self-study and rest areas, refreshment facilities, student rest areas, dedicated music rooms for piano and drum practice, and private consultation rooms for one-on-one discussions between students and teachers. These additions are designed to support students' academic development and overall wellbeing.

In addition, the Group joined partner organisations in launching the "安心在港" programme for young people and their families. Its service design covers study planning, further education support, and links to internships and career development.

### Awards and Recognition

The Group's previous recognitions include the "Hong Kong Top Service Brand", acknowledging Beacon's professional and attentive services and contributions to education and society. In 2026, Beacon College also received the "Happy Company 5 years+" recognition from the Promoting Happiness Index Foundation, reflecting its commitment to creating a caring and happy workplace for employees.

The Group has also announced its receipt of a gold award from the Hong Kong Quality Assurance Agency under its pilot scheme for sustainability-related financial disclosures. The recognition relates to its commitment to green operations and improved sustainability reporting.

# INDEPENDENT AUDITOR'S REPORT

SHINEWING (HK) CPA Limited
17/F, Chubb Tower, Windsor House,
311 Gloucester Road,
Causeway Bay, Hong Kong

信永中和(香港)會計師事務所有限公司
香港銅鑼灣告士打道311號
皇室大廈安達人壽大樓17樓

TO THE MEMBERS OF BEXCELLENT GROUP HOLDINGS LIMITED
*(incorporated in Cayman Islands with limited liability)*

## OPINION

We have audited the consolidated financial statements of BExcellent Group Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), set out on pages 70 to 124, which comprise the consolidated statement of financial position as at 31 July 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 July 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), as applicable to audits of consolidated financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment assessment on property, plant and equipment, right-of-use assets and intangible assets relating to its core business.

Refer to notes 15, 16 and 18 to the consolidated financial statements and the accounting policies on pages 82, 84 and 85.

## KEY AUDIT MATTERS (CONTINUED)

| The Key Audit Matter | How the matter was addressed in our audit |
|---|---|
| The core business of the Group includes provision of private supplementary secondary school education services, operation of private secondary day schools, provision of school services and ancillary education services and products in Hong Kong and the People's Republic of China.<br><br>As at 31 July 2026, the Group had property, plant and equipment, right-of-use assets and intangible assets (including goodwill) relating to its core business with carrying values of HK$7,461,000, HK$44,538,000 and HK$6,328,000 respectively (collectively the "Core Business Assets"). No impairment loss was recognised on the Core Business Assets for the year ended 31 July 2026.<br><br>Management considered that there were indicators of potential impairment and performs an impairment assessment due to uncertain economic environment and industry growth.<br><br>Judgements and estimates were involved in determining the recoverable amount of the cash-generating unit of core business ("CGU"), which was based on value-in-use calculation. The value-in-use calculation took into consideration the cash flow projection of the CGU based on financial budget approved by management and a number of estimates and assumptions made by management, including revenue growth rates and terminal growth rate used in the cash flow projection and the discount rate applied to bring the future cash flows back to their present values.<br><br>We focused on this area because of the financial significance of the balances, subjectivity of judgements and estimation uncertainty involved. | Our audit procedures in relation to management's impairment assessment of the CGU included:<br><br>• We understood and reviewed management's impairment assessment process, including the identification of indicators of impairment, determination of CGU and appropriateness of the value-in-use calculation models used and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and the subjectivity of judgment involved in determining assumptions to be applied.<br><br>• We tested the mathematical accuracy of the value-in-use calculation and agreed input data used by management to supporting evidence such as actual results and financial budget approved by management.<br><br>• We compared the current year actual results with the prior year's financial forecasts to assess the reasonableness of management financial budgets.<br><br>• We involved our internal valuation experts to assess the reasonableness of the discount rate by benchmarking to other comparable companies in the same industry.<br><br>• We assessed the reasonableness of key estimates and assumptions applied in the financial budget including revenue growth rates and terminal growth rate applied by management by comparing them with historic results and latest economic and industry forecasts.<br><br>• We performed sensitivity analysis by making adjustments to the key assumptions in management's impairment assessment and considering whether any reasonably possible adjustments, in isolation or as a combination, would result in material change in recoverable amounts. |

## OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.
- Conclude on the appropriateness of the Company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Lee Shun Ming.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Lee Shun Ming
Practising Certificate Number: P07068

Hong Kong
29 October 2026

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 July 2026

| | Notes | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|---|
| Revenue | 5 | 278,022 | 193,169 |
| Other income | 6 | 11,420 | 12,197 |
| Other gains (losses) – net | 6 | 6,451 | (5,260) |
| Staff costs | 7 | (117,340) | (85,702) |
| Tutor service fees | | (39,268) | (39,431) |
| Short-term lease and low-value lease payments | | (7,013) | (10,191) |
| Advertising and promotion expenses | | (6,207) | (8,275) |
| Printing and other operating expenses | | (78,277) | (61,625) |
| Depreciation and amortisation expenses | | (25,855) | (18,729) |
| Reversal of impairment loss on financial assets | | 424 | 1,146 |
| **Operating profit (loss)** | | 22,357 | (22,701) |
| Finance costs | 10 | (5,034) | (3,622) |
| Share of profits of associates | | 1,084 | 1,988 |
| **Profit (loss) before tax** | 11 | 18,407 | (24,335) |
| Income tax credit (expense) | 12 | 1,989 | (190) |
| **Profit (loss) for the year** | | 20,396 | (24,525) |
| Other comprehensive expense | | | |
| *Item that may be reclassified subsequently to profit or loss* | | | |
| • Exchange difference arising on translation of financial statements of foreign operations | | (778) | (265) |
| *Item that will not be reclassified subsequently to profit or loss:* | | | |
| • Change in the fair value of equity investment at fair value through other comprehensive income | 21 | – | (16) |
| Other comprehensive expense for the year | | (778) | (281) |
| Total comprehensive income (expense) for the year | | 19,618 | (24,806) |
| Profit (loss) attributable to | | | |
| • Owners of the Company | | 17,873 | (24,375) |
| • Non-controlling interests | | 2,523 | (150) |
| | | 20,396 | (24,525) |
| Total comprehensive income (expense) for the year attributable to | | | |
| • Owners of the Company | | 17,245 | (24,656) |
| • Non-controlling interests | | 2,373 | (150) |
| | | 19,618 | (24,806) |
| Earnings (loss) per share (expressed in HK cents per share): | | | |
| • Basic earnings (loss) per share | 13 | 3.37 | (4.80) |
| • Diluted earnings (loss) per share | 13 | 3.37 | (4.80) |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 July 2026

| | Notes | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | *15* | 10,779 | 7,760 |
| Right-of-use assets | *16* | 55,341 | 22,102 |
| Investment property | *17* | 10,400 | 10,700 |
| Intangible assets | *18* | 6,328 | 6,718 |
| Interests in associates | *20* | 8,331 | 7,943 |
| Financial assets at fair value through other comprehensive income | *21* | — | — |
| Deferred tax assets | *23* | 9,623 | 4,378 |
| Deposits and other receivables | *25* | 11,872 | 1,248 |
| | | 112,674 | 60,849 |
| **Current assets** | | | |
| Accounts receivables | *24* | 9,513 | 4,938 |
| Deposits, prepayments and other receivables | *25* | 27,896 | 24,294 |
| Financial assets at fair value through profit or loss | *22* | 13,022 | 15,346 |
| Cash and cash equivalents | *26* | 85,985 | 86,685 |
| | | 136,416 | 131,263 |
| **Current Liabilities** | | | |
| Other payables | *28* | 25,128 | 19,319 |
| Contract liabilities | *27* | 35,249 | 52,352 |
| Income tax payable | | 3,341 | 420 |
| Borrowings | *29* | 77,914 | 78,758 |
| Lease liabilities | *16* | 21,736 | 7,322 |
| | | 163,368 | 158,171 |
| **Net current liabilities** | | (26,952) | (26,908) |
| **Total assets less current liabilities** | | 85,722 | 33,941 |
| **Non-current liabilities** | | | |
| Other payables | *28* | 1,485 | 475 |
| Deferred tax liabilities | *23* | 57 | 12 |
| Lease liabilities | *16* | 23,489 | 4,204 |
| | | 25,031 | 4,691 |
| **Net assets** | | 60,691 | 29,250 |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 July 2026

| | Notes | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|---|
| **Equity** | | | |
| Share capital | *32* | 136,705 | 124,135 |
| Reserve | *33* | (79,122) | (96,367) |
| **Equity attributable to owners of the Company** | | *57,583* | *27,768* |
| Non-controlling interests | *34* | 3,108 | 1,482 |
| Total equity | | 60,691 | 29,250 |

The consolidated financial statement on pages 70 to 124 were approved and authorised for issue by the board of directors on 29 October 2026 and are signed on its behalf by.

Mr. Tam Wai Lung
*Director*

Ms. Leung Ho Ki, June
*Director*

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 July 2026

| | Attributable to owners of the Company | | | | | |
|---|---|---|---|---|---|---|
| | Share capital and share premium HK$'000 | Other reserves HK$'000 (Note 33) | Accumulated losses HK$'000 | Total HK$'000 | Non-controlling interests HK$'000 | Total equity HK$'000 |
| **Balance at 1 August 2025** | 124,135 | 5,602 | (101,969) | 27,768 | 1,482 | 29,250 |
| Profit for the year | — | — | 17,873 | 17,873 | 2,523 | 20,396 |
| **Other comprehensive expense for the year** | | | | | | |
| Exchange difference arising on translation of financial statements of foreign operations | — | (628) | — | (628) | (150) | (778) |
| **Total comprehensive income for the year** | — | (628) | 17,873 | 17,245 | 2,373 | 19,618 |
| **Transaction with owners in their capacity as owners** | | | | | | |
| • Issuance of shares | 12,570 | — | — | 12,570 | — | 12,570 |
| • Transfer of share-based compensation reserve upon lapse of share options | — | (12) | 12 | — | — | — |
| • Dividend paid to non-controlling interests | — | — | — | — | (441) | (441) |
| • Disposal of a subsidiary | — | — | — | — | (306) | (306) |
| Total transactions with owners in their capacity as owners | 12,570 | (12) | 12 | 12,570 | (747) | 11,823 |
| **Balance at 31 July 2026** | 136,705 | 4,962 | (84,084) | 57,583 | 3,108 | 60,691 |

| | Attributable to owners of the Company | | | | | |
|---|---|---|---|---|---|---|
| | Share capital and share premium HK$'000 | Other reserves HK$'000 (Note 33) | Accumulated losses HK$'000 | Total HK$'000 | Non-controlling interests HK$'000 | Total equity HK$'000 |
| **Balance at 1 August 2024** | 124,135 | 5,917 | (77,594) | 52,458 | 1,665 | 54,123 |
| Loss for the year | — | — | (24,375) | (24,375) | (150) | (24,525) |
| **Other comprehensive expense for the year** | | | | | | |
| Exchange difference arising on translation of financial statements of foreign operations | — | (265) | — | (265) | — | (265) |
| Change in the fair value of equity investment at fair value through other comprehensive income | — | (16) | — | (16) | — | (16) |
| **Total comprehensive expense for the year** | — | (281) | (24,375) | (24,656) | (150) | (24,806) |
| **Transaction with owners in their capacity as owners** | | | | | | |
| • Acquisition of interests in a subsidiary | — | (34) | — | (34) | (33) | (67) |
| **Balance at 31 July 2025** | 124,135 | 5,602 | (101,969) | 27,768 | 1,482 | 29,250 |

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 July 2026

| | 2026<br>HK$'000 | 2025<br>HK$'000 |
|---|---|---|
| OPERATING ACTIVITIES | | |
| Profit (loss) before tax | 18,407 | (24,335) |
| Adjustment for: | | |
| Fair value (gain) loss of financial assets at fair value through profit or loss | (4,051) | 1,567 |
| Amortisation of intangible assets | 602 | 564 |
| Depreciation of property, plant and equipment | 3,614 | 2,502 |
| Depreciation of right-of-use assets | 21,639 | 15,663 |
| Interest income | (234) | (435) |
| Exchange differences – net | (2,700) | (207) |
| Interest expenses on bank loans | 2,263 | 2,458 |
| Interest expenses on lease liabilities | 2,771 | 1,164 |
| Share of profits of associates | (1,084) | (1,988) |
| Impairment loss on property, plant and equipment | — | 143 |
| Impairment loss (reversal of impairment losses) on financial assets | (424) | (1,146) |
| Decrease in fair value of investment property | 300 | 3,900 |
| Dividend income from financial assets at fair value through profit or loss | (624) | (513) |
| Gain on disposal of a subsidiary | (306) | — |
| Operating cash inflows (outflows) before movements in working capital | 40,173 | (663) |
| (Increase) decrease in accounts receivables | (4,825) | 1,061 |
| Decrease (increase) in current deposits, prepayments and other receivables | 655 | (4,620) |
| (Decrease) increase in contract liabilities | (17,103) | 27,417 |
| Increase in other payables | 6,132 | 3,465 |
| (Increase) decrease in other non-current deposits | (10,624) | 1,683 |
| Cash generated from operations | 14,408 | 28,343 |
| Hong Kong Profits Tax paid | (290) | (3) |
| NET CASH FROM OPERATING ACTIVITIES | 14,118 | 28,340 |

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (6,585) | (2,201) |
| Payments for acquisition of a subsidiary | — | (286) |
| Payments for investment in associates | — | (874) |
| Repayment from an associate | — | 860 |
| Dividends received from an associate | 750 | 780 |
| Purchase of intangible assets | (212) | (365) |
| Interest received | 234 | 435 |
| Proceeds from disposal of financial assets at fair value through profit or loss | — | 3,028 |
| Compensation from acquisition of a subsidiary | 1,792 | — |
| Proceeds from disposal of property, plant and equipment | 28 | — |
| Dividend income from financial assets at fair value through profit or loss | 624 | 513 |
| NET CASH (USED IN) FROM INVESTING ACTIVITIES | (3,369) | 1,890 |
| FINANCING ACTIVITIES | | |
| Principal elements of lease payment | (19,243) | (14,980) |
| Interest elements of lease payment | (2,771) | (1,164) |
| Repayment of borrowings | (844) | (1,534) |
| Interest paid | (2,263) | (2,458) |
| Proceeds from issue of shares | 12,570 | — |
| Dividend paid to non-controlling interests | (441) | — |
| NET CASH USED IN FINANCING ACTIVITIES | (12,992) | (20,136) |
| NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | (2,243) | 10,094 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 86,685 | 76,560 |
| EFFECT OF FOREIGN EXCHANGE RATE CHANGES | 1,543 | 31 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by Bank balances and cash | 85,985 | 86,685 |

## 1. CORPORATE INFORMATION AND BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

### Corporate information

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

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

These consolidated financial statements are presented in thousands of Hong Kong dollar ("HK$'000"), unless otherwise stated.

### Basis of preparation

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). These consolidated financial statements also include applicable disclosure required by the Rules Governing the Listing of Securities on the Stock Exchange.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

As at 31 July 2026, the Group had total net current liabilities of approximately HK$26,952,000 (including bank loans of HK$73,751,000 that are not repayable within one year but contain a repayment on demand clause), while the Group had cash and cash equivalents of approximately HK$85,985,000 only.

In preparing the consolidated financial statements of the Group, the directors of the Company have reviewed the Group's cash flow projections covering a period of not less than twelve months from 31 July 2026 and have given careful consideration to the Group's future liquidity, performance and available resources, including but not limited to:

(i) out of the bank borrowings of HK$77,914,000, bank borrowings that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause and shown under current liabilities amounted to HK$73,751,000. The directors of the Company believe that it is not probable that the banks will exercise their discretionary right to demand immediate payment (note 29).

The secured bank loans of HK$4,991,000 which were secured by the investment property of the Group of HK$10,400,000 and corporate guarantee given by the Company. Its repayment is expected to be fully recovered through the realisation of these assets when the repayment on demand clause be exercised. The unsecured bank loans of HK$72,923,000 (note 29) were 100% guaranteed by the Hong Kong Government and by certain controlling shareholders of the Company; and

(ii) the Group is expected to generate adequate cash flow to maintain its operation.

The directors of the Company consider that the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the next twelve months from 31 July 2026. Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis.

## 2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

### Application of amendments to HKFRS Accounting Standards

In the current year, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the HKICPA which are effective for the Group's financial year beginning on 1 August 2025.

| | |
|---|---|
| Amendments to HKAS 21 | Lack of Exchangeability |

The application of the amendments to HKFRS Accounting Standards in the current year has had no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

### New and amendments to HKFRS Accounting Standards issued but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

| | |
|---|---|
| HKFRS 18 | Presentation and Disclosure in Financial Statements[2] |
| HKFRS 20 | Regulatory Assets and Regulatory Liabilities[4] |
| Amendments to HKFRS 9 and HKFRS 7 | Amendments to the Classification and Measurement of Financial Instruments[1] |
| Amendments to HKFRS 9 and HKFRS 7 | Contracts Referencing Nature-dependent Electricity[1] |
| Amendments to HKFRS Accounting Standards | Annual Improvements to HKFRS Accounting Standards – Volume 11[1] |
| Amendments to HKAS 28 | Fair Value Option for Investments in Associates and Joint Ventures[2] |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5] |
| Amendments to HKAS 21 | Translation to a Hyperinflationary Presentation Currency[2] |
| Amendments to AG5 | AG5 (Revised) Merger Accounting for Common Control Combinations[3] |

1 Effective for annual periods beginning on or after 1 January 2026.
2 Effective for annual periods beginning on or after 1 January 2027.
3 Effective for annual periods beginning on or after 1 January 2028.
4 Effective for annual periods beginning on or after 1 January 2029.
5 Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that, except as described below, the application of the above new and amendments to HKFRS Accounting Standards will have no material impact on the results and the financial position of the Group.

### HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 Presentation of Financial Statements. HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss, provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the HKFRS 18 is not expected to have material impact on the financial position and performance of the Group but is expected to affect the presentation of the statement of profit or loss and other comprehensive income and statement of cash flows and disclosures in the future financial statements.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for investment property and certain financial instruments that are measured at fair values, at the end of each reporting period.

Historical cost is generally based on fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The material accounting policies are set out below.

### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income of subsidiaries are attributed to the owners of the Company and to non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation.

### Business combinations or asset acquisitions

*Business combinations*

Businesses combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities arising from the assets acquired and liabilities assumed in the business combination are recognised and measured in accordance with HKAS 12 Income Taxes ("HKAS 12");
- assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangement of the acquiree or share-based payment arrangement of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 at the acquisition date;

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Business combinations or asset acquisitions (continued)

*Business combinations (continued)*

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations ("HKFRS 5") are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

### Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit (or groups of cash-generating units). Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

### Interests in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method. Under the equity method, interests in associates are initially recognised at cost and adjusted thereafter to recognise the Group's share of the profit or loss and changes in the other comprehensive income of the associates. If the Group's share of losses of an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An interest in an associate is accounted for using the equity method from the date on which the investee becomes an associate.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Interests in associates (continued)

The requirements of HKAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's interest in an associate. When necessary, the entire carrying amount of the investment is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the net investment subsequently increases.

Gains and losses resulting from transactions between the Group and its associate are recognised in consolidated financial statements only to the extent of unrelated investors' interests in the associate that are unrelated to the Group. The Group's share in the associate's gains or losses resulting from these transactions is eliminated.

### Revenue from contracts with customers

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group recognised revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to customers.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or service.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer, excludes amounts collected on behalf of third parties and discounts.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Contract liabilities

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer.

The Group recognised revenue from the following major sources:

(a) Private supplementary secondary school education services

The Group provides private supplementary secondary school education services for students from Secondary 1 to Secondary 6. Revenue is recognised over contract period in which the courses are rendered as the Group's performance provides all of the benefits received and consumed simultaneously by the customer. A contract liability is recognised for tuition fee received while tuition services are not yet provided at the end of the reporting period.

(b) Private secondary day school services

The Group operates private secondary day schools. Revenue is recognised over contract period in which the courses are rendered as the Group's performance provides all of the benefits received and consumed simultaneously by the customer. A contract liability is recognised for tuition fee received while tuition services are not yet provided at the end of the reporting period.

(c) Ancillary education services and products

The Group offers various ancillary education services and products. Revenue is recognised in which the related services and products are rendered or sold.

Interest income is recognised on a time proportion basis using effective interest method.

### Tutor service fees

Tutor service fees are calculated based on certain percentage of revenue from education services, net of certain variable expenses attributable to such tutor.

The tutor service fees are recognised as expense as incurred.

### Leasing

*Definition of a lease*

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less from the commencement date and do not contain a purchase option). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Leasing (continued)

*Definition of a lease (continued)*

*Lease liabilities*

At the commencement date, the Group measures lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments). The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

*Right-of-use assets*

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs, less lease incentives received. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under HKAS 37 "Provision, Contingent Liabilities and Contingent Assets". The costs are included in the related right-of-use asset.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. They are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group presents right-of-use assets as a separate line in the consolidated statement of financial position.

The Group applies HKAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to all of its investment properties. Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

### Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

### Employee benefits

*Short-term employee benefits*

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Employee benefits (continued)

*Retirement benefit costs*

Payments to defined contribution plans/state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme (the "MPF Scheme") are recognised as an expense when employees have rendered service entitling them to the contributions.

The employees of the Group's subsidiaries which operate in Chinese Mainland are required to participate in a state-managed retirement benefit scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of its payroll costs to the state-managed retirement benefit scheme. The contributions are recognised as expense in accordance with the rules of the central pension scheme.

### Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of other reserves.

### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Taxation (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on the tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle current tax liabilities and assets on a net basis.

Current and deferred tax are recognised in profit or loss.

### Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

#### *Ownership interests in leasehold land and buildings*

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment over their estimated useful lives, using the straight-line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### Investment properties

Investment properties are property held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Intangible assets (other than goodwill)

*Intangible assets acquired separately*

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

### Cash and cash equivalents

In the consolidated statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents, as defined above.

### Investment in a subsidiary

Investment in a subsidiary is stated in the statements of financial position of the Company at cost less any identified impairment loss.

### Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, FVTPL and fair value through other comprehensive income ("FVTOCI").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments (continued)

*Financial assets at amortised cost (debt instruments)*

The Group measures financial assets subsequently at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

*Amortised cost and effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses ("ECL"), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in "Other income" line item.

*Financial assets at FVTPL*

Financial assets that do not meet the criteria for being measured at amortised cost are measured at FVTPL. Specifically, investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "Other (losses)/gains - net" line item.

*Impairment of financial assets*

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group measures the loss allowance equal to 12-month ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments (continued)

Financial assets (continued)

*Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic; or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) the debt instrument has a low risk of default, (ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments (continued)

Financial assets (continued)

*Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

*Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

*Write-off policy*

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings or in the case of trade and lease receivables, when the amounts are over 12 months past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments (continued)

Financial assets (continued)

*Measurement and recognition of ECL*

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For lease receivables, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16 Leases.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

*Derecognition of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity instruments

*Classification as debt or equity*

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

*Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

*Financial liabilities*

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

*Financial liabilities subsequently measured at amortised cost*

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as FVTPL are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial instruments (continued)

Financial liabilities and equity instruments (continued)

*Derecognition of financial liabilities*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### Impairment on property, plant and equipment, intangible assets (other than impairment of goodwill set out in accounting policy of goodwill) and right-of-use assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, intangible assets and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating unit, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or the cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss immediately.

### Fair value measurement

When measuring fair value except for the Group's share-based payment transactions, leasing transactions, value in use of property, plant and equipment, intangible assets and right-of-use assets for the purpose of impairment assessment, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its high and best use.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Fair value measurement (continued)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, the Group categorised the fair value measurements into three levels, based on the characteristics of inputs, as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At the end of the reporting period, the Group determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported and disclosures made in the consolidated financial statements.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### Critical judgements in applying the accounting policies

The followings are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised and disclosures made in the consolidated financial statements.

#### *Going concern consideration*

The assessment of the going concern assumption involves making judgements by the directors of the Company, at a particular point of time, about the future outcome of events and conditions which are inherently uncertain. As detailed in note 1, the directors of the Company also believe that the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements for the next twelve months from 31 July 2026.

### Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

### Key sources of estimation uncertainty (continued)

(a) Impairment of other receivables

The impairment for other receivables is assessed based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the past repayment history and outstanding contract period of other receivables, the current market conditions, the valuation of the pledged collaterals, if any, as well as forward looking estimates at the end of each reporting period. Management reassesses other receivables regularly and provision could change significantly as a result of changes in the financial position and payment status of the counterparties and in response to the local economic conditions.

(b) Income taxes

As at 31 July 2026, a deferred tax asset of HK$8,065,000 (2025: HK$2,285,000) in relation to unused tax losses has been recognised in the Group's consolidated statement of financial position. No deferred tax asset has been recognised on the tax losses of HK$156,134,000 (2025: HK$183,065,000) due to the unpredictability of future profit streams for certain subsidiaries. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal takes place.

(c) Estimated useful lives of property, plant and equipment and intangible assets (other than goodwill)

Property, plant and equipment and certain intangible assets are depreciated on a straight-line basis over their estimated useful lives. The determination of the useful lives involves management's estimation. The Group assesses annually the useful lives of the property, plant and equipment and intangible assets and if the expectation differs from the original estimate, such a difference may impact the depreciation in the future period.

(d) Impairment of non-financial assets

The Group conducts impairment reviews of non-financial assets whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. In addition, the Group tests annually whether goodwill have suffered any impairment and when there is indication that they may be impaired, in accordance with the accounting policy stated in note 3. As at 31 July 2026, the recoverable amount of the Group is determined based on value-in-use calculations. These calculations use cash flow projections based on the financial budget approved by management covering a five-year period and future forecast respectively. Forecast profitability is based on past performance and expected future changes in costs and revenue.

In carrying out the impairment assessment, management considered its core business and information system business as two separate cash generating unit ("CGU"). The core business of the Group is the provision of private supplementary secondary school education services and the operation of private secondary day schools, provision of school services and offer ancillary education services in Hong Kong and Chinese Mainland ("Core Business CGU"). The information technology services business is the provision of information technology services in Hong Kong ("IT Business CGU").

As the current environment is uncertain, the estimated cash flows and discount rate are subject to higher degree of estimation uncertainty. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 July 2026, the carrying amount of goodwill is HK3,091,000 (31 July 2025: HK3,091,000), net of accumulated impairment loss of HK$1,189,000 (31 July 2025: HK$1,189,000). Details of the recoverable amount calculation are disclosed in note 18.

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

### Key sources of estimation uncertainty (continued)

(e) Estimation of fair value of investment property

The fair value of investment property as at 31 July 2026 is determined by an independent professionally qualified valuer based on a market value assessment. The best evidence of fair value is current prices in an active market for similar properties. In the absence of such information, the amount is determined within a range of reasonable fair value estimates. The valuer has applied the direct comparison method. The fair value derived from direct comparison approach considers the recent prices of similar properties with adjustments to reflect the difference in characteristics of the properties. The carrying amount of investment property at 31 July 2026 was HK$10,400,000 (2025: HK$10,700,000) (note 17).

## 5. REVENUE AND SEGMENT INFORMATION

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

The CODM consider the business by nature of business activities and assess the performance of private supplementary secondary school education services, private secondary day school services, school services and ancillary education services and products. Ancillary education services and products mainly represent (i) consultancy services including school selection and application, assessment and test preparation, course selection, interview training, and career planning under brands Beacon Childhood Education (遵理兒童教育), Beacon Education Technology (遵理教育科技), Beacon Education Consultancy (遵理教育諮詢), 1% Group Education (壹伙教育), Advance Bestway (遵理進途), and Ascent Prep; (ii) IELTS courses under our "Beacon BExcellent" brand; (iii) mock examination and assessment services; (iv) other education services including VIP self-study services, the BTEC Level 3 Certificate in Enterprise and Entrepreneurship and the new BTEC Level 5 Higher National Diploma in Business (RQF) under "Beacon CAPE (遵理持續教育)" brand, products including but not limited to online course scheduling and management services, as well as online retail and education business under "Beacon Living" (遵理生活) and "CourseZ" brands respectively. The CODM consider that the Group operates and is managed as a single operating segment.

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

| | 2026<br>HK$'000 | 2025<br>HK$'000 |
|---|---|---|
| Revenue from contracts with customers within the scope of HKFRS 15 | | |
| Disaggregates by major products or services lines | | |
| – Private supplementary secondary school education services | 116,922 | 100,643 |
| – Private secondary day school services | 23,675 | 16,261 |
| – School services | 70,004 | 45,563 |
| – Ancillary education services and products | 67,421 | 30,702 |
| | 278,022 | 193,169 |

| | 2026<br>HK$'000 | 2025<br>HK$'000 |
|---|---|---|
| Timing of revenue recognition: | | |
| – Over time | 270,137 | 185,920 |
| – At a point in time | 7,885 | 7,249 |
| Total revenue from contracts with customers | 278,022 | 193,169 |

## 5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

All unsatisfied contracts of the Group are related to education service contracts and those contracts are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

### Geographical information

The Group's operations are mainly located in Hong Kong and Chinese Mainland.

Information about the Group's revenue from external customers is presented based on the location of the customers. Information about the Group's non-current assets, excluding deposits and other receivables, financial assets at FVTPL, financial assets at FVTOCI and deferred tax asset, is presented based on the geographical location of the assets.

| | Revenue from external customers | | Non-current assets | |
|---|---|---|---|---|
| | 2026 HK$'000 | 2025 HK$'000 | 2026 HK$'000 | 2025 HK$'000 |
| Hong Kong | 170,376 | 150,235 | 86,389 | 48,912 |
| Chinese Mainland | 107,646 | 42,934 | 4,790 | 6,311 |
| | 278,022 | 193,169 | 91,179 | 55,223 |

### Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| Customer A *(note)* | 29,001 | 22,382 |

Note:

Revenue from this customer is related to school services.

## 6. OTHER INCOME AND OTHER GAINS (LOSSES) - NET

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| Other income | | |
| – Advertising income | 4,883 | 6,004 |
| – IT service income | 4,126 | 3,409 |
| – Interest income | 234 | 435 |
| – Rental income from investment property | 586 | 1,023 |
| – Dividend income from financial assets at fair value through profit or loss | 624 | 513 |
| – Government subsidies *(note)* | 41 | 429 |
| – Sundry income | 926 | 384 |
| | 11,420 | 12,197 |
| Other gains (losses) - net | | |
| – Fair value gain (loss) on financial assets at fair value through profit or loss - listed equity securities | 2,248 | (5,804) |
| – Fair value gain on financial assets at fair value through profit or loss - contingent consideration receivables | 1,803 | 4,237 |
| – Decrease in fair value of investment property *(note 17)* | (300) | (3,900) |
| – Exchange differences – net | 2,700 | 207 |
| | 6,451 | (5,260) |

Note:

During the year ended 31 July 2026, the Group recognised government grants of HK$41,000 in respect of Small and Medium-Sized Enterprises Export Marketing Fund provided by the Government of the Hong Kong Special Administrative Region for participating in virtual exhibitions (2025: HK$429,000 in respect of Green Lifestyle Local Tour Incentive Scheme). There are no unfulfilled conditions and other contingencies attached to the receipts of those subsidies.

## 7. STAFF COSTS (INCLUDING DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS)

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| Directors' and Chief Executive's emoluments *(note 8)* | | |
| – fees | – | – |
| – salaries, allowances and other benefits | 7,611 | 7,616 |
| – discretionary bonuses | 1,100 | – |
| – contributions to retirement benefits scheme | 72 | 72 |
| | 8,783 | 7,688 |
| Other staff costs | | |
| – salaries, allowances and other benefits | 103,251 | 74,439 |
| – contributions to retirement benefits scheme | 5,306 | 3,575 |
| | 108,557 | 78,014 |
| Total staff costs | 117,340 | 85,702 |

## 7. STAFF COSTS (INCLUDING DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS) (CONTINUED)

Note:

(a) Pension costs – defined contribution retirement plans

The Group participates in a Mandatory Provident Fund scheme (the "MPF Scheme") in accordance with the Mandatory Provident Fund Scheme Ordinance of Hong Kong. Under the rules of the MPF Scheme, the employer and its employees in Hong Kong are each required to contribute 5% of the employees' gross earnings with a ceiling of HK$1,500 per month to the MPF Scheme.

Contributions to the MPF Scheme are fully and immediately vested in the employees once the contributions are made by the Group. There are no contributions forfeited by the Group on behalf of its employees who leave the plan prior to vesting fully in such contribution. Hence, there are no forfeited contributions which may be used by the Group to reduce the existing level of contributions as described in paragraph 26(2) of Appendix D2 of the Listing Rules.

(b) Five highest paid individuals

The emoluments payable to the five highest paid individuals (including 2 directors (2025: 3 directors)) are as follows:

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| Basic salaries, housing allowances, other allowances and benefits in kind | 10,762 | 8,682 |
| Contributions to retirement benefits scheme | 90 | 89 |
| | 10,852 | 8,771 |

The five individuals whose emoluments were the highest in the Group included 2 directors (2025: 3 directors) for the year ended 31 July 2026, whose emoluments are reflected in the analysis presented in note 8(a). The emoluments of the remaining individuals fell within the following band:

| | 2026 Number of individuals | 2025 Number of individuals |
|---|---|---|
| HK$1,000,001 – HK$1,500,000 | – | 1 |
| HK$1,500,001 – HK$2,000,000 | 3 | 1 |

During the year ended 31 July 2026 and 2025, no bonus and no emolument were paid by the Group to any of the Directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

## 8. BENEFITS AND INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

### (a) Directors' and chief executive's emoluments

Mr. Tam Wai Lung was the chief executive officer of the Company up to 31 March 2026 and Ms. Leung Ho Ki, June was appointed as the chief executive officer of the Company with effect from 1 April 2026. Their emoluments disclosed below include those for services rendered by them as the chief executive during their respective tenures.

The remuneration of each director and the chief executive for the year ended 31 July 2026 is set out below:

| Name | Fees HK$'000 | Salary HK$'000 | Discretionary bonuses (Note (i)) HK$'000 | Other benefit (Note (ii)) HK$'000 | Employer's contribution to pension scheme HK$'000 | Total HK$'000 |
|---|---|---|---|---|---|---|
| **Executive directors** | | | | | | |
| Mr. Tam Wai Lung | – | 1,344 | 400 | 1,257 | 18 | 3,019 |
| Mr. Chan Tsz Ying, Wister | – | 1,200 | 200 | – | 18 | 1,418 |
| Ms. Leung Ho Ki, June | – | 1,680 | 400 | 630 | 18 | 2,728 |
| Mr. Li Man Wai | – | 960 | 100 | – | 18 | 1,078 |
| **Independent non-executive director** | | | | | | |
| Mr. Kwan Chi Hong | – | 180 | – | – | – | 180 |
| Mr. Li Kai Sing | – | 180 | – | – | – | 180 |
| Mr. Tai Kwok Leung, Alexander | – | 180 | – | – | – | 180 |
| | – | 5,724 | 1,100 | 1,887 | 72 | 8,783 |

## 8. BENEFITS AND INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE (CONTINUED)

### (a) Directors' and chief executive's emoluments (continued)

The remuneration of each director and the chief executive for the year ended 31 July 2025 is set out below:

| Name | Fees | Salary | Discretionary bonuses (Note (i)) | Other benefit (Note (ii)) | Employer's contribution to pension scheme | Total |
|---|---|---|---|---|---|---|
| | HK$'000 | HK$'000 | HK$'000 | HK$'000 | HK$'000 | HK$'000 |
| **Executive directors** | | | | | | |
| Mr. Tam Wai Lung | — | 1,344 | — | 1,892 | 18 | 3,254 |
| Mr. Chan Tsz Ying, Wister | — | 1,200 | — | — | 18 | 1,218 |
| Ms. Leung Ho Ki, June | — | 1,680 | — | — | 18 | 1,698 |
| Mr. Li Man Wai | — | 960 | — | — | 18 | 978 |
| **Independent non-executive director** | | | | | | |
| Mr. Kwan Chi Hong | — | 180 | — | — | — | 180 |
| Mr. Li Kai Sing | — | 180 | — | — | — | 180 |
| Mr. Tai Kwok Leung, Alexander | — | 180 | — | — | — | 180 |
| | — | 5,724 | — | 1,892 | 72 | 7,688 |

Notes:

(i) Discretionary bonuses are determined on individual performance and approved by the Board of Directors.

(ii) Other benefit represents lease payments to the landlord of the quarter and miscellaneous housing allowance.

(iii) No director waived or agreed to waive any emoluments during the years ended 31 July 2026 and 2025.

### (b) Directors' termination benefits

No directors' emoluments, retirements benefits, payments or benefits in respect of the termination of directors' services were paid to or receivable by the directors, whether in the capacity of directors or in other capacity while being directors, during the years ended 31 July 2026 and 2025.

### (c) Consideration provided to or receivable by third parties for making available directors' services

No consideration was provided to or receivable by third parties for making available directors' services or services of a person in any other capacity while being director during the years ended 31 July 2026 and 2025.

### (d) Information about loans, quasi-loans and other dealings entered into by the Company or subsidiaries undertaking of the Company, where applicable, in favour of directors

There were no loans, quasi-loans or other dealings in favour of directors, their controlled bodies corporate and connected entities during the years ended 31 July 2026 and 2025.

### (e) Directors' material interests in transactions, arrangements or contracts

Save as disclosed in note 37, there were no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the reporting period or at any time during the years ended 31 July 2026 and 2025.

## 9. SHARE-BASED COMPENSATION EXPENSES

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

On 21 June 2018, the shareholders of the Company approved the adoption of a share option scheme (the "2018 Share Option Scheme"). The 2018 Share Option Scheme is designed to provide long-term incentives for staff (including directors) to deliver long-term shareholder returns. Each grantee shall pay HK$1.00 upon their acceptance of share options. Under the 2018 Share Option Scheme, the options are exercisable once the options become vested and exercisable subject to service conditions and expiring after ten years from the date of grant. 30% of the share options shall vest on the first anniversary of the option legal grant date; another 30% of the share options shall vest and exercisable on the second anniversary of the option legal grant date; and the remaining 40% of the share options shall vest and exercisable on the third anniversary of the option legal grant date. Share-based compensation expenses are recognised over the options' respective vesting period starting from the contract signing date.

Movements of the share options are set out below:

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | Average exercise price per share option HK cent | Number of options | Average exercise price per share option HK cent | Number of options |
| At beginning of the year | 53.2 | 17,340,000 | 53.2 | 17,340,000 |
| Lapsed during the year | 49.3 | (180,000) | — | — |
| At end of the year | 53.2 | 17,160,000 | 53.2 | 17,340,000 |
| Vested and exercisable at end of the year | 53.2 | 17,160,000 | 53.2 | 17,340,000 |

Except as disclosed above, no options are granted, exercised, forfeited and expired during the years ended 31 July 2026 and 2025.

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

| Grant date | Expiry date | Exercise price | 2026 | 2025 |
|---|---|---|---|---|
| 23 January 2019 | 22 January 2029 | HK$0.493 | 14,340,000 | 14,520,000 |
| 1 April 2019 | 31 March 2029 | HK$0.73 | 2,820,000 | 2,820,000 |

The fair values of the share option as at the grant date were HK$0.0651 and HK$0.0859 respectively.

During the years ended 31 July 2026 and 2025, no expenses was recognised in the consolidated statement of profit or loss and other comprehensive income for share options.

## 10. FINANCE COSTS

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| Interest expenses on lease liabilities | 2,771 | 1,164 |
| Interest expenses on bank loans | 2,263 | 2,458 |
| | 5,034 | 3,622 |

## 11. PROFIT (LOSS) BEFORE TAX

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| **Profit (loss) before tax has been arrived at after charging:** | | |
| Remuneration to the Company's auditor | | |
| – audit and audit-related services | 630 | 630 |
| – non-audit services | 14 | 14 |
| Remuneration to other auditors | | |
| – audit and audit-related services | 259 | 244 |
| – non-audit services | 70 | 53 |
| Impairment loss on accounts receivables | 250 | 74 |
| Impairment loss on property, plant and equipment | — | 143 |
| Reversal of impairment loss on other receivables | (674) | (1,220) |
| Depreciation of property, plant and equipment | 3,614 | 2,502 |
| Amortisation of intangible assets | 602 | 564 |

## 12. INCOME TAX (CREDIT) EXPENSE

The amounts of income tax (credit) expense charged to the consolidated statement of profit or loss and other comprehensive income represent:

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| Current tax: | | |
| – provision for current year | 3,115 | 105 |
| – under (over) provision in prior years | 96 | (109) |
| | 3,211 | (4) |
| Deferred tax *(Note 23)* | (5,200) | 194 |
| | (1,989) | 190 |

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other Group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

Under the Law of the People's Republic of China ("the PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of certain Chinese Mainland subsidiaries is 25% for the year ended 31 July 2026 (2025: 25%).

Under relevant PRC EIT Law, for Chinese Mainland enterprises that qualified as small and low profit enterprise are entitled to a preferential income tax rate of 5% for annual taxable income not greater than RMB3,000,000. No PRC EIT has been provided as the Group had no assessable profits for the year ended 31 July 2025.

## 12. INCOME TAX (CREDIT) EXPENSE (CONTINUED)

The taxation on the Group's profit (loss) before tax differs from the theoretical amount that would arise using the Hong Kong profits tax rate as follows:

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| Profit (loss) before tax | 18,407 | (24,335) |
| Tax at the applicable tax rate | 3,037 | (4,015) |
| Effect of income not taxable for tax purpose | (1,950) | (1,028) |
| Effect of expenses not deductible for taxation purposes | 1,110 | 809 |
| Effect of tax losses not recognised | 3,412 | 4,795 |
| Recognition of tax losses previously not recognised | (8,065) | — |
| Under (over) provision in prior years | 96 | (109) |
| Income tax at concessionary rate | (165) | — |
| Utilisation of tax losses previously not recognised | (1,240) | (568) |
| Effect of different tax rates of subsidiaries operating in other jurisdictions | 1,775 | 495 |
| Others | 1 | (189) |
| Income tax (credit) expense | (1,989) | 190 |

## 13. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is calculated by dividing the profit (loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

| | 2026 | 2025 |
|---|---|---|
| Profit (loss) attributable to owners of the Company *(HK$'000)* | 17,873 | (24,375) |
| Weighted average number of shares in issue *(thousand shares)* | 530,578 | 507,632 |
| Basic earnings (loss) per share attributable to owners of the Company *(HK cents)* | 3.37 | (4.80) |

Basic and diluted earnings (loss) per share for the year ended 31 July 2026 and 2025 are the same since the potential shares from options are anti-dilutive. The computation of diluted earnings per share does not assume the exercise of the Company's shares from options because the exercise price of those options was higher than the average market price for shares for both years ended 31 July 2026 and 2025.

## 14. DIVIDENDS

No interim dividend was declared for the year ended 31 July 2026 (2025: nil). Subsequent to the end of the reporting period, the Board has recommended a final dividend of 1.69 HK cents per ordinary share, amounting to approximately HK$9,008,000 in aggregate, to be paid out of the share premium account, subject to the approval of the Shareholders at the forthcoming annual general meeting. The proposed final dividend has not been recognised as a liability as at 31 July 2026.

## 15. PROPERTY, PLANT AND EQUIPMENT

| | Building HK$'000 | Leasehold improvements HK$'000 | Furniture and fixtures HK$'000 | Office and laboratory equipment HK$'000 | Motor vehicles HK$'000 | Total HK$'000 |
|---|---|---|---|---|---|---|
| COST | | | | | | |
| As at 1 August 2024 | 4,256 | 23,359 | 5,575 | 26,919 | 3,709 | 63,818 |
| Additions | — | 1,413 | 615 | 173 | — | 2,201 |
| Acquired on acquisition of subsidiaries | — | 154 | 10 | 55 | — | 219 |
| Disposals/written-off | — | (3,423) | (117) | (919) | — | (4,459) |
| As at 31 July 2025 and 1 August 2025 | 4,256 | 21,503 | 6,083 | 26,228 | 3,709 | 61,779 |
| Additions | — | 3,381 | 675 | 934 | 1,595 | 6,585 |
| Disposals/written-off | — | — | (46) | — | — | (46) |
| Exchange realignment | — | 74 | 91 | 2 | 14 | 181 |
| As at 31 July 2026 | 4,256 | 24,958 | 6,803 | 27,164 | 5,318 | 68,499 |
| ACCUMULATED DEPRECIATION | | | | | | |
| As at 1 August 2024 | 621 | 21,037 | 5,050 | 26,148 | 2,977 | 55,833 |
| Provided for the year | 159 | 1,434 | 275 | 344 | 290 | 2,502 |
| Impairment loss recognised (Note i) | — | 102 | — | 41 | — | 143 |
| Eliminated on disposals/ written-off | — | (3,423) | (117) | (919) | — | (4,459) |
| As at 31 July 2025 and 1 August 2025 | 780 | 19,150 | 5,208 | 25,614 | 3,267 | 54,019 |
| Provided for the year | 159 | 2,305 | 423 | 305 | 422 | 3,614 |
| Eliminate on disposals/ written-off | — | — | (18) | — | — | (18) |
| Exchange realignment | — | 70 | 34 | 1 | — | 105 |
| As at 31 July 2026 | 939 | 21,525 | 5,647 | 25,920 | 3,689 | 57,720 |
| CARRYING AMOUNTS | | | | | | |
| As at 31 July 2026 | 3,317 | 3,433 | 1,156 | 1,244 | 1,629 | 10,779 |
| As at 31 July 2025 | 3,476 | 2,353 | 875 | 614 | 442 | 7,760 |

Notes:

(i) During the year ended 31 July 2025, as the result of the unexpected poor performance of IT Business, the Group recognised an impairment loss of HK$143,000 (2026: nil).

## 15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The above items of property, plant and equipment, are depreciated on a straight-line basis over the estimated useful lives of the assets as follows:

| | |
|---|---|
| Building | 28 years |
| Furniture and fixtures | 5 years |
| Office and laboratory equipment | 5 years |
| Leasehold improvements | Shorter of remaining period of the lease or useful life |
| Motor vehicles | 5 years |

## 16. LEASES

This note provides information for leases where the Group is a lessee.

### (a) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

*Right-of-use assets*

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| Properties leases | 44,538 | 10,782 |
| Leasehold land | 10,803 | 11,320 |
| | 55,341 | 22,102 |

*Lease liabilities*

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| Current liabilities | 21,736 | 7,322 |
| Non-current liabilities | 23,489 | 4,204 |
| | 45,225 | 11,526 |

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| Analysed into payable | | |
| Within one year | 21,736 | 7,322 |
| In the second year | 12,025 | 2,938 |
| In the third to fifth years, inclusive | 11,464 | 1,266 |
| | 45,225 | 11,526 |
| Less: current portion | (21,736) | (7,322) |
| Non-current portion | 23,489 | 4,204 |

During the year ended 31 July 2026, additions to the right-of-use assets were HK54,678,000 (2025: HK$7,894,000) relating to lease of properties and provision for reinstatement cost.

## 16. LEASES (CONTINUED)

### (b) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income

The consolidated statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| Depreciation of right-of-use assets | | |
| – Properties leases | 21,122 | 15,147 |
| – Leasehold land | 517 | 516 |
| Interest expense *(included in finance costs) (note 10)* | 2,771 | 1,164 |
| Expense relating to short-term leases | 7,013 | 10,191 |

The total cash outflow for leases for the year ended 31 July 2026 was HK$29,027,000 (2025: HK$26,335,000).

### (c) The Group's leasing activities and how these are accounted for

The Group obtains right of use of assets including teaching centres, offices and staff quarter for a period of time through lease arrangements. Lease arrangements are negotiated on an individual basis and contain a wide range of different terms and conditions including lease payments and lease term ranging from 1 to 6 years.

## 17. INVESTMENT PROPERTY

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| At 1 August | 10,700 | 14,600 |
| Change in fair value *(note 6)* | (300) | (3,900) |
| At 31 July | 10,400 | 10,700 |

Notes:

(i) The Group measures its investment property at fair value. The fair value of the Group's investment property as at 31 July 2026 was valued on 31 July 2026 by an independent professional qualified valuer, based on a market value assessment. The valuer applied direct comparison approach and cross-referenced to recent sales transactions where applicable.

The Group's investment property carried at fair value of HK$10,400,000 was valued by fair value measurements using significant unobservable inputs (Level 3). There were no transfers between Levels 1, 2 and 3 during the year.

The valuation method used by the Group to measure the fair value of the investment property is direct comparison method. It is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

(ii) As at 31 July 2026, the Group's investment property with carrying value of approximately HK$10,400,000 (2025: HK$10,700,000) was pledged to secure bank facilities of the Group (note 29).

## 17. INVESTMENT PROPERTY (CONTINUED)

The following table gives information about how the fair value of the investment properties as at 31 July 2026 and 2025 are determined (in particular, the valuation techniques and inputs used):

| Fair value hierarchy | Fair value as at 31 July 2026 | Valuation technique and key inputs | Significant unobservable inputs | Range | Relationship of key inputs and significant unobservable inputs to fair value |
|---|---|---|---|---|---|
| Level 3 | HK$10,400,000 (2025: HK$10,700,000) | Direct comparison method | Size adjustment factors | -0.6% to 0.3% (2025: -4.6% to -2.7%) | Large size will result in correspondingly lower market price per unit |
| | | | Floor adjustment factors | -2.8% to 0.3% (2025: -2.8% to -5.6%) | Higher floor will result in correspondingly higher market price per unit |

## 18. INTANGIBLE ASSETS

| | Goodwill HK$'000 | Licence HK$'000 *(note)* | Software HK$'000 | Total HK$'000 |
|---|---|---|---|---|
| COST | | | | |
| As at 1 August 2024 | 4,280 | 266 | 6,069 | 10,615 |
| Additions | — | — | 365 | 365 |
| As at 31 July 2025 and 1 August 2025 | 4,280 | 266 | 6,434 | 10,980 |
| Additions | — | — | 212 | 212 |
| As at 31 July 2026 | 4,280 | 266 | 6,646 | 11,192 |
| ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES | | | | |
| As at 1 August 2024 | 1,189 | — | 2,509 | 3,698 |
| Amortisation | — | — | 564 | 564 |
| As at 31 July 2025 and 1 August 2025 | 1,189 | — | 3,073 | 4,262 |
| Amortisation | — | — | 602 | 602 |
| As at 31 July 2026 | 1,189 | — | 3,675 | 4,864 |
| CARRYING AMOUNT | | | | |
| As at 31 July 2026 | 3,091 | 266 | 2,971 | 6,328 |
| As at 31 July 2025 | 3,091 | 266 | 3,361 | 6,718 |

## 18. INTANGIBLE ASSETS (CONTINUED)

The above intangible assets (other than goodwill and licence) have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

| | |
|---|---|
| Software | 10 years |

Note:

The licence has a legal life of 1 year but is renewable every years at minimal cost. The directors of the Company are of the opinion that the Group would renew the licence continuously and has the ability to do so. The licence is considered by the management of the Group as having an indefinite useful life because it is expected to contribute to net cash inflows indefinitely. The licence will not be amortised until its useful life is determined to be finite. Instead it will be tested for impairment annually and whenever there is an indication that it may be impaired.

### Impairment test for goodwill

Goodwill is allocated to the Group's CGUs that are expected to benefit from business combination which primarily arises from the acquisition of Vioo Company Limited ("Vioo"), Ottorino Consultants (International) Limited ("Ottorino") and Beducation Tour Limited (formerly known as Murah Travel Limited) ("Beducation"). Goodwill arising from acquisition of Vioo is allocated to IT Business CGU and goodwill arising from acquisition of Ottorino and Beducation are allocated to Core Business CGU. Impairment testing is performed annually on goodwill allocated to each CGU. Goodwill is allocated to the following Group's CGUs:

| | 2026<br>HK$'000 | 2025<br>HK$'000 |
|---|---|---|
| Core Business CGU | 3,091 | 3,091 |
| IT Business CGU | 1,189 | 1,189 |
| | 4,280 | 4,280 |
| Less: Impairment loss recognised | (1,189) | (1,189) |
| | 3,091 | 3,091 |

For the year ended 31 July 2026, the recoverable amount of the Group is determined based on value-in-use calculation. These calculation use cash flow projections based on the financial budget approved by management covering five-year period and future forecast respectively. Forecast profitability is based on past performance and expected future changes in costs and revenue.

For Core Business CGU, major cash flow projections are based on long-range financial forecasts using revenue growth rate of 15.94% in 2027, 7.54% in 2028, 1.28% in 2029, 1.15% in 2030 and 1.13% in 2031 (2025: 22.91% in 2026, 10.47% in 2027, 5.02% in 2028, 3.87% in 2029 and 0% in 2030), and terminal growth rate of 3.0% (2025: 2.9%). Future cash flows are discounted at a pre-tax rate of 16% (2025: 18%) (equivalent to a post-tax rate of 15% (2025: 16%)). There is no significant changes in the key assumptions. As at 31 July 2026, the Group had property, plant and equipment, right-of-use assets and intangible assets (including goodwill) relating to its core business with carrying values of HK$7,461,000 (2025: HK$4,284,000), HK$44,538,000 (2025: HK$10,782,000) and HK$6,328,000 (2025: HK$6,718,000) respectively (collectively the "Core Business Assets"). Based on the impairment assessment carried out by management, there is no provision for impairment of the Core Business Assets (2025: nil). Management believes that any reasonably possible changes in the assumptions used in the impairment reviews would not give rise to any impairment as at 31 July 2026.

For the goodwill under IT Business CGU, it had been fully impaired in prior years.

## 19. SUBSIDIARIES

Particulars of the principal subsidiaries at 31 July 2026 and 2025 are as follows:

| Name of company | Place and date of incorporation | Issued and paid-up capital | Principal activities and place of operation *(Note i)* | Effective interest held as at 31 July 2026 | 2025 |
|---|---|---|---|---|---|
| ***Directly owned*** | | | | | |
| Beacon Group Limited | BVI 6 March 2015 | US$1 | Investment holding company | 100% | 100% |
| ***Indirectly owned*** | | | | | |
| Ascent Prep International Education Limited | Hong Kong 7 February 2017 | HK$4,200,000 | Provision of ancillary education services | 100% | 100% |
| Beacon College Limited | Hong Kong 13 July 1993 | HK$30,000 | Provision of school business management services and operation of teaching centres | 100% | 100% |
| Beacon Holdings Limited | Hong Kong 11 May 2001 | HK$2 | Investment holdings company | 100% | 100% |
| Diverse Learning Club Limited | Hong Kong 23 July 2014 | HK$1,000 | Provision of school services | 51% | 51% |
| Easy Sky Limited | Hong Kong 9 March 2001 | HK$2 | Operation of a teaching centre in Kowloon Bay | 100% | 100% |
| ASJ Education Consultancy Limited (formerly known as Beacon Education Consultancy Limited) (note ii) | Hong Kong 28 February 2014 | HK$10,090 | Provision of education consultancy services | nil | 90% |
| Huge Profit Asia Pacific Limited | Hong Kong 2 March 2020 | HK$1 | Property holding | 100% | 100% |
| New Creation Advertising Agency Limited | Hong Kong 17 November 2005 | HK$10,000 | Advertising agency | 100% | 100% |
| JR (CB) Limited | Hong Kong 27 September 2002 | HK$10,000 | Operation of a teaching centre located in Causeway Bay | 100% | 100% |
| Beducation Tour Limited (formerly known as Murah Travel Limited) | Hong Kong 6 August 2019 | HK$500,000 | Provision of travel tour services | 51% | 51% |
| JR (MK) Limited | Hong Kong 31 July 2002 | HK$2 | Operation of day school and teaching centres located in Mongkok | 100% | 100% |
| JR (ST) Limited | Hong Kong 29 May 2002 | HK$2,000 | Operation of a teaching centre located in Shatin | 100% | 100% |

## 19. SUBSIDIARIES (CONTINUED)

Particulars of the principal subsidiaries at 31 July 2026 and 2025 are as follows: (Continued)

| Name of company | Place and date of incorporation | Issued and paid-up capital | Principal activities and place of operation *(Note i)* | Effective interest held as at 31 July 2026 | 2025 |
|---|---|---|---|---|---|
| ***Indirectly owned (Continued)*** | | | | | |
| JR (TM) Limited | Hong Kong 19 June 2002 | HK$2,000 | Operation of teaching centres located in Tuen Mun, Tsuen Wan and Tseung Kwan O | 100% | 100% |
| JR (YL) Limited | Hong Kong 19 June 2002 | HK$2,000 | Operation of a day school and teaching centre located in Yuen Long | 100% | 100% |
| Ottorino Consultants (International) Limited | Hong Kong 15 February 2022 | HK$3,188,574 | Provision of education services | 51% | 51% |
| Vioo Company Limited | Hong Kong 17 April 2008 | HK$10,000 | Provision of information technology services | 60% | 60% |
| 深圳市遵理國際教育諮詢有限公司 (note i) | Chinese Mainland 10 October 2023 | — | Provision for consultancy services in Chinese Mainland | 100% | 100% |
| 遵理國際教育(深圳)有限公司 (note i) | Chinese Mainland 21 March 2019 | RMB100,000 | Provision for consultancy services in Chinese Mainland | 100% | 100% |
| 深圳市遵理國際教育科技有限公司 (note i) | Chinese Mainland 5 November 2024 | — | Provision for consultancy services in Chinese Mainland | 60% | 60% |
| 深圳市遵理教育管理信息諮詢有限公司 (note i) | Chinese Mainland 8 April 2025 | — | Provision for consultancy services in Chinese Mainland | 60% | 60% |
| 遵理考得好(深圳)教育科技有限公司 (note i) | Chinese Mainland 8 April 2025 | — | Provision for consultancy services in Chinese Mainland | 60% | 60% |
| 深圳市遵理信息技術有限公司 (note i) | Chinese Mainland 13 June 2025 | — | Provision for consultancy services in Chinese Mainland | 100% | 100% |
| 深圳市賽瑞思國際教育科技有限公司 (note i) | Chinese Mainland 24 February 2025 | — | Provision for consultancy services in Chinese Mainland | 60% | 60% |
| 深圳市遵理文化傳播有限公司 (note i) | Chinese Mainland 27 September 2024 | — | Provision for consultancy services in Chinese Mainland | 100% | 100% |
| Beacon Education Technology Limited | Hong Kong 10 May 2002 | HK$10 | Provision for consultancy services | 60% | 60% |
| Honey's Studio Limited | Hong Kong 17 May 2022 | HK$1,000 | Provision of childhood education services | 51% | 51% |

Note:

(i) Being wholly foreign owned enterprises.

(ii) Disposed on 31 March 2026.

## 20. INTERESTS IN ASSOCIATES

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| Costs of investment, unlisted | 5,975 | 5,975 |
| Share of post-acquisition results and other comprehensive income, net of dividends received | 2,356 | 1,968 |
| | 8,331 | 7,943 |

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| At the beginning of the year | 7,943 | 5,861 |
| Additions (note i) | — | 874 |
| Dividends from associates | (750) | (780) |
| Share of results of associates | 1,084 | 1,988 |
| Exchange realignment | 54 | — |
| At the end of the year | 8,331 | 7,943 |

Note (i):

During the year ended 31 July 2025, the Group subscribed 30% of the equity interest in東莞市一方遵理教育投資諮詢有限公司 ("一方") at a total consideration of RMB800,000 (equivalents to approximately HK$874,000). 一方 is principally engaged in provision of education consultancy services in Dongguan of Chinese Mainland.

(a) Particulars of associates of the Group as at 31 July 2026 and 2025 are as follows:

| Name of company | Place of incorporation | Issued and paid-up capital | Principal activities | Effective interest held as at 31 July 2026 | 2025 |
|---|---|---|---|---|---|
| King's Cross Academy Limited | Hong Kong | HK$1,000 | Provision of childhood education services | 40% | 40% |
| Linkedu Overseas Education Limited | Hong Kong | HK$5,813,700 | Provision of education consultancy services | 30% | 30% |
| 東莞市一方遵理教育投資諮詢有限公司 | Chinese Mainland | RMB100,000 | Provision of education consultancy services | 30% | 30% |

The Group has stopped recognising its share of loss of associates when applying the equity method. The unrecognised share of loss of associates, both for the year and cumulatively, are set out below:

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| The unrecognised share of loss of associates for the year | 52 | — |

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| Accumulated unrecognised share of loss of associates | 52 | — |

## 21. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Equity investment at FVTOCI

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| Unlisted security | | |
| At beginning of year | — | 16 |
| Change in fair value recognised in other comprehensive income *(note 33)* | — | (16) |
| At end of year | — | — |

The unlisted equity investments represent investments in unlisted equity securities issued by private entity established in Hong Kong, The investment in equity instruments is held for medium to long-term strategic purposes. Accordingly, the directors of the Company have elected to designate the investment in equity instrument as at FVTOCI as they believe that recognising short-term fluctuations in these investment's fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

## 22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| Current asset | | |
| Contingent consideration receivables *(note a)* | — | 4,572 |
| Listed equity securities *(note b)* | 13,022 | 10,774 |
| | 13,022 | 15,346 |

Note:

a. The balance represents the contingent consideration receivable in relation to the acquisition of Ottorino.

On 25 October 2022, Beacon Holdings Limited, an indirect wholly-owned subsidiary of the Company ("Purchaser"), entered into the subscription and sale and purchase agreement with Ottorino, and Mr. Cheng Hong Fu and Ms. Ng Mei Yee (together as "Vendors"). Pursuant to which, the Vendors guaranteed to the benefit of the Purchaser that (i) the operating cash flow of Ottorino during the period from 15 February 2022 and ending on 31 December 2022 (the "Relevant Cash Flow") shall not be less than HK$5,000,000 and (ii) the audited annual net profit after tax of Ottorino (the "Actual Net Profit") for each of the three financial years ended on 31 July 2023, 2024 and 2025 respectively (the "Guarantee Period") as set out in Ottorino's audited consolidated financial statements in respect of such financial year, shall each not be less than HK$5,000,000 (the "Guaranteed Sum"). If the Guaranteed Sum could not be met, the Vendor will compensate the Purchaser for the shortfall for an amount equivalent to the difference between the Guaranteed Sum and the Relevant Cash Flow or each of such financial years during the Guarantee Period in respect of the Actual Net Profit multiplied by 1.275 times.

On 28 March 2024 (after trading hours), the Purchaser, the Vendors and the Ottorino entered into a supplemental agreement agreed to change the Guaranteed Sum and Guarantee Period from the Actual Net Profit of HK$5,000,000 for each of the three financial years ended on 31 July 2023, 2024 and 2025 respectively to an aggregate amount of the Actual Net Profit of HK$15,000,000 for the three financial years ended on 31 July 2023, 2024 and 2025.

The fair value of the contingent consideration receivable was arrived at based on the discounted cash flow of the expected future economic benefits that would flow into the Group by applying the probability-weighted average method in achieving the Guaranteed Sum taking into consideration of the credit risk effect of the Vendors.

On 28 October 2025 (after trading hours), the Purchaser and the Vendors entered into a settlement agreement ("Settlement Agreement") to agree the compensation sum amounting to HK$6,375,000. The balance of HK$6,375,000 was reclassified to other receivables upon signing the Settlement Agreement. As at 28 October 2025, HK$1,000,000 out of the compensation sum has been paid by the Vendors to the Purchaser in accordance with the Settlement Agreement. The remaining balance of the compensation sum shall be paid in 24 equal consecutive monthly instalments. Details are disclosed in the Company's announcement dated on 28 October 2025.

b. the fair value of listed equity securities in determined based on the market value of the relevant invest in an open market at the end of reporting period.

## 23. DEFERRED TAX

Deferred tax assets and liabilities are offset when taxes relate to the same taxation authority and where offsetting is legally enforceable. The following amounts, determined after appropriate offsetting, are shown separately on the consolidated statement of financial position.

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| Deferred tax assets | 9,623 | 4,378 |
| Deferred tax liabilities | (57) | (12) |
| | 9,566 | 4,366 |
| At beginning of the year | 4,366 | 4,560 |
| Credited (charged) to profit or loss (note 12) | 5,200 | (194) |
| At end of the year | 9,566 | 4,366 |

The movements in deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year were as follows:

### Deferred tax assets

| | Decelerated accounting depreciation HK$'000 | Tax loss HK$'000 | Share-based compensation HK$'000 | Provision for doubtful debt HK$'000 | Total HK$'000 |
|---|---|---|---|---|---|
| At 1 August 2024 | 1,802 | 2,285 | 198 | 293 | 4,578 |
| Charged to profit or loss | (200) | — | — | — | (200) |
| At 31 July 2025 | 1,602 | 2,285 | 198 | 293 | 4,378 |
| Charged to profit or loss | (330) | 5,780 | (4) | (201) | 5,245 |
| At 31 July 2026 | 1,272 | 8,065 | 194 | 92 | 9,623 |

### Deferred tax liabilities

| | Accelerated accounting depreciation HK$'000 |
|---|---|
| At 1 August 2024 | (18) |
| Charged to profit or loss | 6 |
| At 31 July 2025 | (12) |
| Charged to profit or loss | (45) |
| At 31 July 2026 | (57) |

## 23. DEFERRED TAX (CONTINUED)

### Deferred tax liabilities (continued)

Deferred tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred tax assets in respect of tax losses amounting to HK$156,134,000 (2025: HK$183,065,000) as at 31 July 2026. Unrecognised tax losses amounting to approximately HK$23,100,000 (2025: HK$8,864,000) will be expired within five years from 31 July 2026, while the remaining balance can be carried forward indefinitely for offsetting against future taxable income. The management considered not to recognise as those companies with losses carried forward are not expected to generate future taxable income. The Group recognised deferred tax assets only to the extent the management believes it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

## 24. ACCOUNTS RECEIVABLES

| | 2026<br>HK$'000 | 2025<br>HK$'000 |
|---|---|---|
| Accounts receivables | 9,980 | 5,155 |
| Less: Allowance for impairment | (467) | (217) |
| | 9,513 | 4,938 |

There is no credit period granted as the service fees from private supplementary secondary school education services and private secondary day school services are normally received in advance through settlement in cash, cheque or credit cards. As at 31 July 2026 and 2025, the ageing analysis of the accounts receivables based on invoice date were as follows:

| | 2026<br>HK$'000 | 2025<br>HK$'000 |
|---|---|---|
| 1 – 30 days | 6,310 | 3,084 |
| 31 – 60 days | 854 | 529 |
| Over 60 days | 2,349 | 1,325 |
| | 9,513 | 4,938 |

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

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

Movement in allowance for impairment that has been recognised for accounts receivables under ECL model is disclosed in note 31(b).

## 25. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

| | NOTES | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|---|
| Other receivables | (i) | 16,606 | 13,280 |
| Deposits and prepayments | (ii) | 23,334 | 13,108 |
| | | 39,940 | 26,388 |
| Less: allowance for impairment | (iii) | (172) | (846) |
| | | 39,768 | 25,542 |
| Less: non-current portion | | (11,872) | (1,248) |
| Deposits, prepayments and other receivables – current portion | | 27,896 | 24,294 |

Notes:

(i) As at 31 July 2026, other receivables of HK$2,073,000 (2025: HK$2,473,000) represent amounts due from tutors which arise from variable expenses incurred by the Group on behalf of the tutors. Allowance for impairment of HK$9,000 (2025: HK$846,000) has been made.

As at 31 July 2026, other receivable includes an amount of HK$3,583,000 (2025: nil) represent compensation receivable from the Vendors in relation to the acquisition of Ottorino. Allowance for impairment of HK$52,000 (2025: nil) has been made.

As at 31 July 2026, other receivable includes an amount of HK$4,895,000 (2025: HK$4,508,000) represent advertising and IT services receivables from customers. Allowance for impairment of HK$111,000 (2025: nil) has been made.

(ii) Deposits and prepayments mainly represent deposits for utilities, rental deposits, building management fees, prepayments for service fees, renovation, licence fees, advertising and others.

(iii) Movement in allowance for impairment that has been recognised for other receivables under ECL model is disclosed in note 31(b).

As at 31 July 2026, deposits of HK$8,375,000 (2025: HK$8,730,000), prepayments of HK$3,971,000 (2025: HK$3,130,000) and other receivables of HK$15,550,000 (2025: HK$12,434,000) are expected to be recovered within one year.

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

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

## 26. CASH AND BANK BALANCES

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| Cash and cash equivalents | 85,985 | 86,685 |

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

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| Hong Kong dollar | 51,906 | 63,588 |
| Renminbi | 33,030 | 23,089 |
| British pound | 1,023 | 8 |
| USD | 26 | — |
| | 85,985 | 86,685 |

## 27. CONTRACT LIABILITIES

As at 31 July 2026 and 2025, contract liabilities represents the fee collected for education services that have not yet been rendered before respective year ends.

The following table shows the amount of the revenues recognised in the current reporting period relating to carried-forward contract liabilities:

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| Revenues recognised that were included in the contract liabilities balance at the beginning of the year | 52,352 | 24,935 |

There was no revenue recognised in the current year that related to performance obligations that were satisfied in a prior year.

## 28. OTHER PAYABLES

| | *NOTES* | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|---|
| Other payables | *(i)* | 22,527 | 17,395 |
| Provision of reinstatement cost | *(ii)* | 4,086 | 2,399 |
| | | 26,613 | 19,794 |
| Less: non-current portion | | (1,485) | (475) |
| | | 25,128 | 19,319 |

Notes:

(i) Other payables mainly represent accrued staff costs, printing expenses, and advertising expenses, etc.

(ii) Included in other payables is a current portion of provision of reinstatement cost of HK$2,601,000 (2025: HK$1,924,000). Movement of provision of reinstatement cost is as follows:

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| Balance as at beginning of the year | 2,399 | 2,549 |
| Additions | 1,687 | 268 |
| Utilisation | — | (418) |
| Balance as at closing of the year | 4,086 | 2,399 |
| Less: non-current portion | (1,485) | (475) |
| Current portion | 2,601 | 1,924 |

## 29. BORROWINGS

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| Secured bank loan | 4,991 | 5,511 |
| Unsecured bank loans | 72,923 | 73,247 |
| | 77,914 | 78,758 |

## 29. BORROWINGS (CONTINUED)

Carrying amount repayable below are based on scheduled repayment dates set out in the loan agreements:

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| Within one year | 4,163 | 6,901 |
| After one year but within two years | 8,754 | 9,831 |
| After two years but within five years | 28,889 | 29,156 |
| After five years | 36,108 | 32,870 |
| | 77,914 | 78,758 |
| Carrying amount of bank loans that are repayable within one year and contain a repayment on demand clause | 4,163 | 6,901 |
| Carrying amount of bank loans that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities) | 73,751 | 71,857 |
| | 77,914 | 78,758 |

As at 31 July 2026, the secured and unsecured bank loans bears interest on a floating basis and its effective interest rate is 2.84% per annum (2025: 2.95% per annum). The bank loans were classified as current liabilities because the corresponding bank facilities agreements contain repayment on demand clauses. The carrying amounts of bank loans approximate their fair values and are denominated in Hong Kong dollar.

As at 31 July 2026, the Group had access to an undrawn bank overdraft facility amounted to HK$4,000,000 (2025: HK$4,000,000). This facility may be drawn at any time and may be terminated by the bank without notice.

As at 31 July 2026, the secured bank loan of HK$4,991,000 (2025: HK$5,511,000) were secured by a pledge of the investment property of the Group (note 17 (ii)) and corporate guarantee given by the Company.

As at 31 July 2026, the unsecured bank loans of HK$72,923,000 (2025: HK$73,247,000) were 100% guaranteed by the Hong Kong Government and by certain controlling shareholders of the Company.

## 30. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to enhance returns for shareholders and benefits for other stakeholders.

With regard to maintenance and enhancement of capital structure, the Group considers relevant economic and market conditions and takes necessary measures for the beneficial interest of the Group and its shareholders.

The Group monitors capital on the basis of the Group total debt to equity ratio. The Group aims to maintain a manageable total debt to total equity ratio. Total debt is calculated as borrowing and lease liabilities. At 31 July 2026, the total debt-to-total equity ratio is 202.9% (At 31 July 2025, the total debt-to-total equity ratio is 308.7%).

## 31. FINANCIAL INSTRUMENTS

### (a) Categories of financial instruments

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| **Financial assets:** | | |
| Financial asset at amortised cost | | |
| – Accounts receivables | 9,513 | 4,938 |
| – Deposits and other receivables | 35,797 | 22,412 |
| – Cash and cash equivalents | 85,985 | 86,685 |
| Financial assets at FVTOCI | – | – |
| Financial assets at FVTPL | 13,022 | 15,346 |
| Total | 144,317 | 129,381 |
| **Financial liabilities:** | | |
| Financial liabilities at amortised cost | | |
| – Other payables (exclude provision for reinstatement cost) | 22,527 | 17,395 |
| – Borrowings | 77,914 | 78,758 |
| Total | 100,441 | 96,153 |

### (b) Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk, other price risk and liquidity risk. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out under direction by the Boards of Directors. The directors and management identify, evaluate and hedge financial risks in close co-operation with the Group's operating units. The Group has principles for overall risk management, such as foreign exchange risk, interest rate risk, credit risk and use of derivative financial instruments.

*Market risk*

Currency risk

Entities within the Group are exposed to foreign exchange risk from monetary assets and liabilities that are denominated in a currency that is not the entity's functional currency. However, the Group's operations are mainly in Hong Kong. Foreign currency transactions and monetary assets and liabilities that are denominated in a currency that is not the functional currency of the entities within the Group are insignificant to the Group.

## 31. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management objectives and policies (continued)

*Market risk (continued)*

#### Interest rate risk

Other than bank balances, the Group has no significant interest-bearing assets. The Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises primary from borrowings. Borrowings are primarily issued at variable rates which therefore expose the Group to cash flow interest rate risk.

At 31 July 2026, if interest rate had been 50 basis points higher/lower with all other variables held constant, the Group's profit for the year would have been approximately HK$40,000 lower/higher (2025: approximately HK$40,000 lower/higher). The sensitivity analysis has been determined assuming that the change in interest rate had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The 50 basis point (2025: 50 basis point) increase or decrease represents management's assessment of a reasonably possible change in interest rate over the period until the end of next annual reporting period.

#### Other price risk

The Group is exposed to equity price risk through its investments classified as financial assets at FVTPL. The management manages this exposure by closely monitoring the price movements and the changes in market conditions that may affect the value of the investments. For equity securities measured at FVTPL, the Group's equity price risk is mainly concentrated on equity instruments quoted in the Stock Exchange.

***Sensitivity analysis***

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If the prices of the respective equity instruments had been 10% (2025: 10%) higher/lower, profit for the year ended 31 July 2026 would increase/decrease by HK$1,302,000 (2025: HK$1,077,000) as a result of the changes in fair value of financial assets at FVTPL.

#### Credit risk

The Group's maximum exposure to credit risk in relation to financial assets at the reporting date is the carrying amounts of deposits with banks, accounts receivables and deposits and other receivables.

Deposits with banks are mainly placed with high-credit-quality financial institutions. Management considers that the credit risk associated with the deposits with banks and financial institution is low.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from accounts receivables are disclosed in note 24.

Deposits were mainly rental deposit, utilities and management deposits. For these deposits, the credit quality of these deposits has been assessed with reference to historical information about the counterparties default rates and financial position of the counterparties. Therefore, ECL rate of these deposits is assessed to be minimal.

The Group measures the ECL of other receivables based on assumptions about risk of default and expected loss rates, and those receivables are assessed individually for ECL. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the past repayment history, the current market conditions, the valuation of the pledged collaterals, if any, as well as forward looking estimates at the end of each reporting period.

## 31. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management objectives and policies (continued)

*Market risk (continued)*

Credit risk (continued)

The movement of loss allowances for accounts receivables are as follows:

| | HK$'000 |
|---|---|
| At 1 August 2024 | 143 |
| Allowance for impairment | 74 |
| At 31 July 2025 and 1 August 2025 | 217 |
| Allowance for impairment | 250 |
| At 31 July 2026 | 467 |

The movement of loss allowances for other receivables are as follows:

| | HK$'000 |
|---|---|
| At 1 August 2024 | 2,066 |
| Reversal of allowance for impairment | (1,220) |
| At 31 July 2025 and 1 August 2025 | 846 |
| Reversal of allowance for impairment | (674) |
| At 31 July 2026 | 172 |

(Reversal of impairment loss) impairment loss on financial assets recognised in profit or loss

During the year, the following (reversal of impairment losses) impairment loss were recognised in profit or loss in relation to impaired financial assets:

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| Impairment loss on accounts receivables *(note 24)* | 250 | 74 |
| Reversal of impairment loss on other receivables *(note 25)* | (674) | (1,220) |
| | (424) | (1,146) |

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, in the consolidated statement of financial position.

## 31. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management objectives and policies (continued)

*Market risk (continued)*

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with the loan covenants.

The Group is exposed to liquidity risk as at 31 July 2026 as the Group had net current liabilities of HK$26,952,000. The directors of the Company are of the opinion that the Group will have sufficient working capital to meet its financial obligations and the details of which are set out in Note 1.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

| | Within 1 year/ on demand HK$'000 | More than 1 year but within 2 years HK$'000 | More than 2 years but within 5 years HK$'000 | Total undiscounted cash flows HK$'000 | Carrying amount HK$'000 |
|---|---|---|---|---|---|
| At 31 July 2026 | | | | | |
| Other payables (exclude provision for reinstatement cost) | 22,527 | — | — | 22,527 | 22,527 |
| Borrowings | 77,914 | — | — | 77,914 | 77,914 |
| | 100,441 | — | — | 100,441 | 100,441 |
| Lease liabilities | 24,663 | 13,281 | 12,297 | 50,241 | 45,225 |
| At 31 July 2025 | | | | | |
| Other payables (exclude provision for reinstatement cost) | 17,395 | — | — | 17,395 | 17,395 |
| Borrowings | 78,758 | — | — | 78,758 | 78,758 |
| | 96,153 | — | — | 96,153 | 96,153 |
| Lease liabilities | 7,952 | 3,168 | 1,304 | 12,424 | 11,526 |

Bank borrowings with a repayment on demand clause are included in the "within 1 year/on demand" time band in the above maturity analysis. As at 31 July 2026, the aggregate principal amounts of these bank borrowings amounted to HK$77,914,000 (2025: HK$78,758,000). Taking into account the Group's financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors of the Company believe that such bank borrowings will be repaid in accordance with the scheduled repayment dates set out in the respective loan agreements. At that time, the aggregate principal and interest cash outflows will amount to HK$88,316,000 (2025: HK$88,876,000).

## 31. FINANCIAL INSTRUMENTS (CONTINUED)

### (b) Financial risk management objectives and policies (continued)

*Market risk (continued)*

Liquidity risk (continued)

| | Within 1 year HK$'000 | More than 1 year but within 2 years HK$'000 | More than 2 years but within 5 years HK$'000 | More than 5 years HK$'000 | Total undiscounted cash flows HK$'000 | Carrying amount HK$'000 |
|---|---|---|---|---|---|---|
| At 31 July 2026 | 6,323 | 10,737 | 33,232 | 38,024 | 88,316 | 77,914 |
| At 31 July 2025 | 9,135 | 11,812 | 33,407 | 34,522 | 88,876 | 78,758 |

### (c) Fair value estimation

The following table presents the Group's financial assets that is measured at fair value as at 31 July 2026 and 2025.

| | Level 1 HK$'000 | Level 2 HK$'000 | Level 3 HK$'000 | Total HK$'000 |
|---|---|---|---|---|
| As of 31 July 2026 | | | | |
| Financial assets at FVTPL *(note 22)* | 13,022 | — | — | 13,022 |
| As of 31 July 2025 | | | | |
| Financial assets at FVTPL *(note 22)* | 10,774 | — | 4,572 | 15,346 |

The following table presents the changes in level 3 items for the years ended 31 July 2026 and 2025:

| | FVTPL HK$'000 | FVTOCI HK$'000 |
|---|---|---|
| Balance as at 1 August 2024 | 335 | 16 |
| Change in fair value recognised in profit or loss/other comprehensive income | 4,237 | (16) |
| Balance as at 31 July 2025 and 1 August 2025 | 4,572 | — |
| Gain on settlement | 1,803 | — |
| Derecognition upon settlement (note 22(a)) | (6,375) | — |
| Balance as at 31 July 2026 | — | — |

There were also no transfers between categories during the year.

## 32. SHARE CAPITAL

| | Number of shares | HK$'000 |
|---|---|---|
| Authorised: | | |
| Ordinary shares of HK$0.01 at 1 August 2024, 31 July 2025 and 2026 | 10,000,000,000 | 100,000 |
| Issued and fully paid: | | |
| Ordinary shares at 1 August 2024 and 31 July 2025 | 507,632,000 | 124,135 |
| Issue of shares upon subscription | 25,380,000 | 12,570 |
| Ordinary shares at 31 July 2026 | 533,012,000 | 136,705 |

On 18 August 2025, the Company entered into a subscription agreement with a subscriber (who is an independent third party), pursuant to which the Company has conditionally agreed to allot and issue, and the subscriber had conditionally agreed to subscribe for 25,380,000 subscription share ("Subscription Shares") at an issue of HK$0.50 per Subscription Share. The net proceeds from the issue of the Subscription Shares, after deduction of all relevant costs and expenses, are approximately HK$12,570,000. The Subscription Shares were allotted and issued pursuant to the General Mandate granted to the directors at the annual general meeting. Details are disclosed in the Company's announcement dated on 18 August 2025. The transaction was completed on 5 September 2025.

## 33. OTHER RESERVES

| | Financial asset at FVTOCI reserve HK$'000 | Share-based compensation reserve HK$'000 | Other reserve HK$'000 | Total HK$'000 |
|---|---|---|---|---|
| At 31 July 2024 | (484) | 1,188 | 5,213 | 5,917 |
| Exchange reserve | — | — | (265) | (265) |
| Acquisition of interest in a subsidiary | — | — | (34) | (34) |
| Change in the fair value of equity investment at FVTOCI | (16) | — | — | (16) |
| At 31 July 2025 | (500) | 1,188 | 4,914 | 5,602 |
| Exchange reserve | — | — | (628) | (628) |
| Release of share-based compensation reserve upon lapse of share options | — | (12) | — | (12) |
| At 31 July 2026 | (500) | 1,176 | 4,286 | 4,962 |

## 34. NON-CONTROLLING INTERESTS

As at 31 July 2026, the total non-controlling interests was HK$3,108,000 (2025: HK$1,482,000). The non-controlling interests as at 31 July 2026 and 2025 are not individually material.

## 35. RETIREMENT BENEFITS PLAN

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of the relevant payroll costs, capped at HK$1,500 per month, to the MPF Scheme, in which the contribution is matched by employees.

The employees of the Company's subsidiaries in Chinese Mainland are members of a state-managed retirement benefit scheme operated by Chinese Mainland government. The subsidiaries are required to contribute certain percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The total cost charged to profit or loss of approximately HK$5,378,000 (2025: HK$3,647,000) represents contributions payable to this scheme by the Group in respect of the current accounting period.

### Long service payment ("LSP") Liabilities

*Obligation to LSP under Hong Kong Employment Ordinance*

Pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay LSP to employees in Hong Kong under certain circumstances, subject to a minimum of 5 years employment period, based on this formula: Last monthly wages (before termination of employment) × 2/3 × Years of service. Last monthly wages are capped at HK$22,500 while the amount of long service payment shall not exceed HK$390,000. This obligation is accounted for as a post-employment defined benefit plan. Furthermore, the Mandatory Provident Fund Schemes Ordinance passed in 1995 permits the Group to utilise the Group's Mandatory Provident Fund contributions, plus/minus any positive/negative returns thereof (collectively, the "Eligible Offset Amount"), for the purpose of offsetting LSP payable to an employee (the "Offsetting Arrangement").

The Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance") was gazetted on 17 June 2022, which will eventually abolish the Offsetting Arrangement. The Amendment Ordinance will come into effect prospectively from 1 May 2025 (the "Transition Date"). Under the Amendment Ordinance, the Eligible Offset Amount after the Transition Date can only be applied to offset the pre-Transition Date LSP obligation but no longer eligible to offset the post-Transition Date LSP obligation. Furthermore, the LSP obligations before the Transition Date will be grandfathered and calculated based on the last monthly wages immediately preceding the Transition Date.

The provision for LSP liabilities are considered to be insignificant during the year and as at 31 July 2026.

## 36. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### (a) Reconciliation of liabilities arising from financing activities

| | | Liabilities from financing activities | | |
|---|---|---|---|---|
| | Interest payable HK$'000 | Borrowings HK$'000 | Lease liabilities HK$'000 | Total HK$'000 |
| **Balance at 1 August 2024** | 9 | 80,292 | 18,857 | 99,158 |
| Cash flows | (2,458) | (1,534) | (16,144) | (20,136) |
| Non-cash movements | 2,458 | — | 8,813 | 11,271 |
| **Balance at 31 July & 1 August 2025** | 9 | 78,758 | 11,526 | 90,293 |
| Cash flows | (2,263) | (844) | (22,014) | (25,121) |
| Non-cash movements | 2,263 | — | 55,713 | 57,976 |
| **Balance at 31 July 2026** | 9 | 77,914 | 45,225 | 123,148 |

## 36. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

### (b) Non-cash transactions

Other than addition of right-of-use assets and lease liabilities described in note 16, there were no material non-cash transactions for the year ended 31 July 2026 and 2025.

## 37. RELATED PARTY TRANSACTIONS

(a) Save as disclosed elsewhere in this consolidated financial statements, the major related parties that had transactions and balances with the Group were as follows:

| Name of the related parties | Relationship with the Group |
|---|---|
| Dragon Field Corporation Limited ("Dragon Field") | A related company owned by Ms. Leung Ho Ki, June, Mr. Tam Wai Lung and Mr. Ng King Hang, the controlling shareholder |
| Uplift Educational Charity Foundation Limited ("Uplift Educational") | A related company owned by Ms. Leung Ho Ki, June and Mr. Li Man Wai |

The following is a summary of significant related party transactions during the years ended 31 July 2026 and 2025 carried by the Group in the normal course of its business:

| Name of the related parties | Nature of transactions | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|---|
| Dragon Field *(Note (i))* | Payments of lease liabilities | 2,160 | 2,400 |
| Uplift Educational *(Note (ii))* | Service income | 1,237 | 434 |
| | Management income | — | 900 |
| Linkedu Overseas Education Limited | Service fee | 7,931 | 6,277 |
| King's Cross Academy Limited | Rental income | 586 | 75 |

Notes:

(i) The payments of lease liabilities to the related company were charged at a rate as mutually agreed.

(ii) Income from private supplementary secondary school education service are recognised with reference to market rates of similar services.

(b) The Group considers the executive directors as the key management and their compensation are disclosed in note 8 (a).

## 38. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

### Statement of financial position

As at 31 July 2026

| | Notes | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current asset** | | | |
| Investment in a subsidiary | | — | — |
| **Current assets** | | | |
| Amounts due from subsidiaries | | 18,160 | 6,021 |
| Cash and cash equivalents | | 149 | 153 |
| | | 18,309 | 6,174 |
| **Total assets** | | 18,309 | 6,174 |
| **Equity** | | | |
| **Equity attributable to owners of the Company** | | | |
| Share capital | | 136,705 | 124,135 |
| Other reserves | *(a)* | 21,876 | 21,888 |
| Accumulated losses | *(b)* | (140,437) | (139,894) |
| **Total equity** | | 18,144 | 6,129 |
| **Current liability** | | | |
| Other payables | | 165 | 45 |
| **Total liability** | | 165 | 45 |
| **Total equity and liability** | | 18,309 | 6,174 |

### (a) Other reserves

| | Share-based compensation reserve HK$'000 | Other reserve *(Note)* HK$'000 | Total HK$'000 |
|---|---|---|---|
| **At 31 July 2024 and 2025** | 1,188 | 20,700 | 21,888 |
| Release of share-based compensation reserve upon lapse of share option | (12) | — | (12) |
| **At 31 July 2026** | 1,176 | 20,700 | 21,876 |

Note:

Other reserve of the Company mainly represents the difference between the value of issued share capital of Beacon Group Limited acquired and the value of the Company's shares in exchange, adjusted for dividends declared and settled during the year ended 31 July 2017.

## 38. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

### (b) Accumulated losses

Movements in accumulated losses were as follows:

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| At beginning of the year | (139,894) | (139,353) |
| Loss for the year | (543) | (541) |
| At end of the year | (140,437) | (139,894) |

## 39. OPERATING LEASING ARRANGEMENTS

### The Group as lessor

The Group leases out its investment property during the years ended 31 July 2026 and 2025. The leases are rented to an associate under operating leases with leases negotiated for a term of 9 months (2025: 21 months) remaining as at 31 July 2026. None of the leases includes variable lease payments.

Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

| | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|
| Within one year | 439 | 586 |
| In the second year | — | 439 |
| | 439 | 1,025 |

## 40. CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 July 2026 (2025: nil).

A summary of the audited results and of the assets and liabilities of the last four financial years as extracted from the published audited financial statements, is set out below. This summary does not form part of the audited financial statements.

## RESULTS

| | For the year ended 31 July | | | | |
|---|---|---|---|---|---|
| | 2026 | 2025 | 2024 | 2023 | 2022 |
| | HK$'000 | HK$'000 | HK$'000 | HK$'000 | HK$'000 |
| Revenue | 278,022 | 193,169 | 157,084 | 131,162 | 141,829 |
| Other income | 11,420 | 12,197 | 10,253 | 11,050 | 15,011 |
| Other gains (losses) - net | 6,451 | (5,260) | (309) | 3,490 | (1,102) |
| Operating expenses and share of profits/(losses) of associates | (277,486) | (224,441) | (190,072) | (172,474) | (180,063) |
| Profit (loss) before taxation | 18,407 | (24,335) | (23,044) | (26,772) | (24,325) |
| Profit (loss) for the year | 20,396 | (24,525) | (23,297) | (26,941) | (26,211) |

## OPERATIONAL INFORMATION

| | For the year ended 31 July | | | | |
|---|---|---|---|---|---|
| | 2026 | 2025 | 2024 | 2023 | 2022 |
| Total number of teaching centre at 31 July | 11 | 11 | 11 | 10 | 9 |
| Maximum classroom capacity *(Note (i))* | 2,125 | 2,131 | 2,242 | 2,208 | 2,411 |

*Note:*

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

# FINANCIAL SUMMARY

## ASSETS AND LIABILITIES

| | 2026 HK$'000 | 2025 HK$'000 | 2024 HK$'000 | 2023 HK$'000 | 2022 HK$'000 |
|---|---|---|---|---|---|
| Non-current assets | 112,674 | 60,849 | 73,160 | 78,295 | 75,013 |
| Current assets | 136,416 | 131,263 | 121,553 | 111,404 | 126,664 |
| **Total assets** | 249,090 | 192,112 | 194,713 | 189,699 | 201,677 |
| Total equity | 60,691 | 29,250 | 54,123 | 78,497 | 100,327 |
| Current liabilities | 163,368 | 158,171 | 133,938 | 100,885 | 88,239 |
| Non-current liabilities | 25,031 | 4,691 | 6,652 | 10,317 | 13,111 |
| **Total equity and total liabilities** | 249,090 | 192,112 | 194,713 | 189,699 | 201,677 |
| **Net current (liabilities) assets** | (26,952) | (26,908) | (12,385) | 10,519 | 38,425 |

## OPERATING CASH FLOWS

| | For the year ended 31 July | | | | |
|---|---|---|---|---|---|
| | 2026 HK$'000 | 2025 HK$'000 | 2024 HK$'000 | 2023 HK$'000 | 2022 HK$'000 |
| **Net cash generated from (used in) operating activities** | 14,118 | 28,340 | 1,884 | (8,791) | (6,956) |

## CAPITAL EXPENDITURES

| | For the year ended 31 July | | | | |
|---|---|---|---|---|---|
| | 2026 HK$'000 | 2025 HK$'000 | 2024 HK$'000 | 2023 HK$'000 | 2022 HK$'000 |
| Payments for property, plant and equipment and leasehold land | 6,585 | 2,201 | 1,458 | 1,549 | 2,368 |

Unless specified otherwise, capitalised terms used in this Annual Report shall have the same meanings as ascribed in the Prospectus. This glossary contains certain definitions and other terms used in this Annual Report in connection with our Group and our business. The terminology and their meanings may not correspond to standard industry meanings or usage of those terms.

| | |
|---|---|
| "academic year(s)" | the academic school year in Hong Kong which typically commences in September and concludes in June of the following year |
| "AGM" | the annual general meeting of the Company |
| "Articles of Association" | the articles of association of the Company, as amended or supplemented from time to time |
| "Board" | the board of Directors |
| "Companies Ordinance" | the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |
| "Company" or "our Company" | BExcellent Group Holdings Limited 精英匯集團控股有限公司 (formerly known as Beacon Group Holdings Limited 遵理集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 15 April 2015 |
| "Deed of Acting in Concert" | the deed of acting in concert dated 2 October 2015 executed by the Core Shareholders, whereby they confirmed the existence of their acting in concert arrangements |
| "Director(s)" | the director(s) of the Company |
| "EDB" | the Education Bureau of the Government |
| "Exemption Order" | the Education (Exemption) (Private Schools Offering Non-Formal Curriculum) Order (Chapter 279F of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |
| "Education Ordinance" | the Education Ordinance (Chapter 279 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |
| "Group", "our Group", "we", "our", or "us" | the Company and its subsidiaries |
| "HKDSE" | Hong Kong Diploma of Secondary Education |
| "HKDSE Examinations" | examinations administered by the HKEAA in each subject offered under the HKDSE curriculum |
| "HKEAA" | the Hong Kong Examinations and Assessment Authority, an independent, self-financing statutory body which administers public examinations in Hong Kong |
| "intensive course(s)" | courses which are normally organised several months before school assessments or the HKDSE Examinations are held, and they are designed to help students review the key areas of a subject. The courses focus on specific topics of each subject, and provide insight on examination techniques and topics as well as providing additional preparation materials. Intensive courses typically comprise three to four individual lessons, or an individual lesson each running for approximately 75 to 90 minutes |
| "IELTS" | International English Language Testing System, an international standardised test of English language proficiency |
| "IT" | information technology |
| "lesson(s)" | a lesson typically runs for approximately 60 to 75 minutes |
| "Listing" | the listing of the Shares on the Main Board on the Listing Date |

| | |
|---|---|
| "Listing Date" | 13 July 2018 |
| "Listing Rules" | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time |
| "Main Board" | the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange |
| "maximum classroom capacity" | the maximum number of students permitted in our classrooms pursuant to the certificates of accommodation issued to our schools, and for school(s) in which the application for the certificate(s) of accommodation is/are being made, the maximum number of students in our classrooms that we have applied for |
| "Model Code" | the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules |
| "regular course(s)" | courses which are offered from September to June. In general, regular course consists of four individual lessons, each running for approximately 60 to 75 minutes |
| "Secondary (1, 2, 3, 4, 5 or 6)" or "S (1, 2, 3, 4, 5 or 6)" | the respective secondary 1 to 6 (as the case may be) school levels under the 334 System |
| "secondary day school education" | secondary school education under the formal secondary school curriculum set forth by the EDB |
| "session(s)" | for supplementary secondary school education services, a session represents an independent course which consists of a number of lessons each running for no longer than a month; for day school services, a session represents a monthly duration of a course which runs in the academic year |
| "session enrollment(s)" | a student may enroll in a number of our sessions resulting in a number of enrollments. As such, the number of enrollment(s) may not correspond to the number of student(s) |
| "SFO" | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |
| "Share(s)" | ordinary share(s) of nominal value of HK$0.01 each in the capital of the Company |
| "Shareholder(s)" | holder(s) of the Share(s) |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "summer course(s)" | courses which are designed to prepare students for the forthcoming academic year and are typically offered from mid-July until August and occasionally ended in September. In general, a summer course typically comprises three to six individual lessons, each running for approximately 60 to 75 minutes |
| "Top Five Tutors" | our tutors who generated the top five highest revenues for our Group from courses and products |
| "Top One Tutor" | our tutor who generated the highest revenue for our Group from courses and products |
| "unique student(s)" | students who paid for at least one session |
| "VIP self-study service(s)" | "video-induced-pedagogy" self-study services, which enable students to view pre-recorded lessons on an individual basis on computer terminals at selected teaching centres |

# 遵理

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