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SOUTH CHINA VOCATIONAL EDUCATION GROUP COMPANY LIMITED
中國華南職業教育集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6913)

ANNUAL RESULTS ANNOUNCEMENT FOR THE EIGHT MONTHS ENDED 31 AUGUST 2026

The board of directors (the "**Board**" or "**Directors**") of South China Vocational Education Group Company Limited (the "**Company**") is pleased to announce the consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the eight months ended 31 August 2026 (the "**Reporting Period**").

FINANCIAL HIGHLIGHTS

	Eight months ended 31 August			
	2026	2025	**Change**	Percentage change
	RMB'000	*RMB'000*	***RMB'000***	*(%)*
	(Audited)	(Unaudited)		
Revenue	**439,820**	415,553	**24,267**	+5.8
Cost of sales	**359,421**	341,173	**18,248**	+5.3
Gross profit	**80,399**	74,380	**6,019**	+8.1
Profit/(loss) before tax	**10,311**	(37,343)	**47,654**	−127.6
Profit/(loss) for the period	**24,975**	(143,845)	**168,820**	−117.4
Basic and diluted earnings/ (loss) per share	**RMB0.02**	(RMB0.11)	**RMB0.13**	−118.2

Note:

The Directors do not recommend the payment of a final dividend for the eight months ended 31 August 2026 (for the year ended 31 December 2025: nil).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the eight months ended 31 August 2026

	Notes	**Eight months ended 31 August 2026** ***RMB'000***	Year ended 31 December 2025 *RMB'000*
REVENUE	*4*	**439,820**	791,758
Cost of sales		**(359,421)**	(563,569)
Gross profit		**80,399**	228,189
Other income and gains	*4*	**47,564**	76,382
Selling and distribution expenses		**(18,378)**	(31,379)
Administrative expenses		**(56,093)**	(82,896)
Other expenses		**(35,719)**	(99,423)
Finance costs		**(7,462)**	(9,411)
PROFIT BEFORE TAX	*5*	**10,311**	81,462
Income tax credit/(expense)	*6*	**14,664**	(140,908)
PROFIT/(LOSS) FOR THE PERIOD/YEAR		**24,975**	(59,446)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of financial statements		**1,709**	(1,604)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD/YEAR		**1,709**	(1,604)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD/YEAR		**26,684**	(61,050)

	Note	**Eight months ended 31 August 2026** ***RMB'000***	Year ended 31 December 2025 *RMB'000*
Profit/(loss) attributable to:			
Owners of the parent		**24,908**	(59,618)
Non-controlling interests		**67**	172
		24,975	(59,446)
Total comprehensive income/(loss) attributable to:			
Owners of the parent		**26,617**	(61,222)
Non-controlling interests		**67**	172
		26,684	(61,050)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*8*		
Basic and diluted			
— For profit/(loss) for the period/year		**RMB0.02**	RMB(0.04)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 August 2026

	Notes	**31 August 2026** ***RMB'000***	31 December 2025 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**1,877,453**	1,823,472
Investment properties		**44,692**	45,979
Right-of-use assets		**364,999**	386,634
Goodwill		**3,052**	3,052
Other intangible assets		**13,296**	14,246
Contract costs		**7,851**	10,677
Prepayments, other receivables and other assets		**35,436**	18,456
Deferred tax assets		**17,413**	12,426
Total non-current assets		**2,364,192**	2,314,942
CURRENT ASSETS			
Prepayments, other receivables and other assets		**27,811**	17,644
Accounts receivable	*9*	**7,209**	8,129
Amounts due from related parties		**6,085**	1,961
Contract costs		**11,034**	11,930
Cash and cash equivalents		**551,008**	479,592
Time deposits		**50,000**	80,000
Total current assets		**653,147**	599,256
CURRENT LIABILITIES			
Contract liabilities	*4*	**501,942**	321,462
Other payables and accruals		**268,820**	275,718
Interest-bearing bank and other borrowings		**146,021**	103,572
Lease liabilities		**23,494**	23,604
Tax payable		**9,937**	146,627
Amount due to a related party		**1,022**	557
Deferred income		**3,187**	3,529
Total current liabilities		**954,423**	875,069

	31 August 2026	31 December 2025
	RMB'000	*RMB'000*
NET CURRENT LIABILITIES	**(301,276)**	(275,813)
TOTAL ASSETS LESS CURRENT LIABILITIES	**2,062,916**	2,039,129
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	**285,946**	274,423
Lease liabilities	**104,676**	117,999
Deferred tax liabilities	**8,461**	7,722
Deferred income	**81,094**	82,930
Total non-current liabilities	**480,177**	483,074
Net assets	**1,582,739**	1,556,055
EQUITY		
Equity attributable to owners of the parent		
Share capital	**11,124**	11,124
Reserves	**1,571,067**	1,544,450
	1,582,191	1,555,574
Non-controlling interests	**548**	481
Total equity	**1,582,739**	1,556,055

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

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

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

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

On 26 August 2026, the board of directors of the Company (the "**Board**") resolved to change the financial year end date of the Group from 31 December to 31 August in order to align the Group's financial year with its academic year of the schools operated by the Group in the PRC, which runs from 1 September each year to 31 August of the following year. The Board believes that the change will facilitate the preparation of the consolidated financial statements of the Group and to better reflect the operational results of the Group for the financial year.

As a result of the change in the financial year end date, the current accounting period covers a period of eight months from 1 January 2026 to 31 August 2026. Accordingly, the corresponding comparative amounts shown on the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and the related notes, which covered a period of twelve months from 1 January 2025 to 31 December 2025, are not entirely comparable with those of the current period.

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("**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 ("**Listing Rules**") and by the Hong Kong Companies Ordinance.

They have been prepared under the historical cost convention. These consolidated financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

The Group has prepared the consolidated financial statements on the basis of going concern. The Group recorded net current liabilities of RMB301,276,000 as at 31 August 2026. Included therein were contract liabilities of RMB501,942,000 as at 31 August 2026, which will be settled by education services to be provided by the Group. In view of the net current liabilities position, the Board has given careful consideration to the future liquidity and performance of the Group and its available sources of finance when assessing whether the Group will have sufficient financial resources to continue as a going concern and meet its liabilities as and when they fall due in the foreseeable future.

The Board reviewed the Group's cash flow forecast prepared by management which covers a period of twelve months from the end of the reporting period. The cash flow forecast includes assumptions with regards to the anticipated cash flows generated from and used in the Group's operations, related capital expenditures and repayment of existing loan facilities upon maturities. Taking into account the positive cash flows from operations, adequate unutilised loan facilities from reputable financial institutions of approximately RMB345,520,000 and the ability of management in adjusting the pace of its operation expansion, the Board considers that the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due. Therefore, there are no material uncertainties that may cast significant doubt over the going concern assumption and the Board has formed a judgement that there is a reasonable expectation that the Group has adequate resources to operate for the foreseeable future.

2.2 Amendments to HKFRS Accounting Standards that are mandatorily effective for the current period

In the current period, 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 reporting period beginning on 1 January 2026:

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

The amendments clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have a material impact on the Group's consolidated financial statements.

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

The amendments clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have a material impact on the Group's consolidated financial statements.

Annual Improvements to HKFRS Accounting Standards — Volume 11

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

- HKFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. The amendments did not have a material impact on the Group's consolidated financial statements.

- HKFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. The amendments did not have a material impact on the Group's consolidated financial statements.

- HKFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. The amendments did not have a material impact on the Group's consolidated financial statements.

- HKAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". The amendments did not have a material impact on the Group's consolidated financial statements.

Disclosures about Uncertainties in the Financial Statements (amendments)

The amendments add examples to the Illustrative Examples accompanying HKFRS 7 *Financial Instruments: Disclosures,* HKFRS 18 *Presentation and Disclosure in Financial Statements,* HKAS 1 *Presentation of Financial Statements,* HKAS 8 *Basis of Preparation of Financial Statements,* HKAS 36 *Impairment of Assets*, and HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. These examples illustrate how the requirements in the Standards are applied to report the effects of uncertainties in the financial statements. As the amendments only provide illustrative examples and do not change the requirements of the Standards, they did not have a material impact on the Group's consolidated financial statements.

3. OPERATING SEGMENT INFORMATION

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

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

Geographical information

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

Information about major customers

No revenue from services provided to a single customer accounted for 10% or more of the total revenue of the Group during the period (year ended 31 December 2025: Nil).

4. REVENUE, OTHER INCOME AND GAINS

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

	Notes	**Eight months ended 31 August 2026** ***RMB'000***	Year ended 31 December 2025 *RMB'000*
Revenue			
Revenue from contracts with customers			
Tuition fees	*(a)*	**399,935**	712,684
Boarding fees	*(a)*	**31,801**	64,661
Other education service fees	*(b)*	**8,084**	14,413
Total revenue		**439,820**	791,758
Other income and gains			
Rental income		**27,472**	38,564
Training income		**15,404**	24,818
Government grants:			
Related to assets	*(c)*	**2,293**	4,475
Related to income	*(d)*	**1,274**	1,318
Bank interest income		**897**	3,638
Brand licensing income		**—**	1,494
Gain on disposal of right-of-use assets		**—**	1,793
Exchange gain, net		**168**	—
Others		**56**	282
Total other income and gains		**47,564**	76,382

Notes:

(a) Tuition fees and boarding fees mainly represented income received from the provision of education and boarding services to the students, which were recognised over time, i.e. the academic year, of the services rendered.

(b) Other education service fees mainly represented income received from the provision of other education services including training services to the students, which was recognised over time, i.e. the training periods, of the services rendered.

(c) Government grants related to assets represent the subsidies in connection with certain pieces of leasehold land and the electronic devices relating to teaching activities. These grants related to assets are released to profit or loss over the expected useful lives of the relevant assets. There are no unfulfilled conditions or other contingencies attaching to the government grants that have been recognised.

(d) Government grants related to income represent the subsidies compensated for the incurred operating expenses arising from teaching activities, which were recognised as other income when the incurred operating expenses fulfilled the conditions attached. There are no unfulfilled conditions or other contingencies attaching to the government grants that have been recognised.

Contract liabilities

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

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

	Eight months ended 31 August 2026	Year ended 31 December 2025
	RMB'000	*RMB'000*
At the beginning of the period/year	**321,462**	293,790
Revenue recognised that was included in the balance of contract liabilities at the beginning of the period/year	**(319,647)**	(291,975)
Increases due to cash received, including amounts recognised as revenue during the period/year	**620,195**	806,514
Revenue recognised that was not included in contract liabilities at the beginning of the period/year	**(112,089)**	(485,370)
Transfer to refund liabilities	**(7,979)**	(1,497)
At the end of the period/year	**501,942**	321,462

Revenue recognised in relation to contract liabilities

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

	Eight months ended 31 August 2026	Year ended 31 December 2025
	RMB'000	*RMB'000*
Revenue recognised that was included in the balance of contract liabilities at the beginning of the period/year		
Tuition fees	**287,846**	258,229
Boarding fees	**31,801**	33,746
Total	**319,647**	291,975

Unsatisfied performance obligations

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 August 2026 and 31 December 2025 are as follows:

	Eight months ended 31 August 2026	Year ended 31 December 2025
	RMB'000	*RMB'000*
Expected to be recognised within one year:		
Tuition fees	**480,970**	287,889
Boarding fees	**20,972**	33,573
Total	**501,942**	321,462

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

There were no contract assets at the end of the reporting period recognised in the consolidated statement of financial position as at 31 August 2026 and 31 December 2025.

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	Eight months ended 31 August 2026	Year ended 31 December 2025
	RMB'000	*RMB'000*
Employee benefit expense (excluding directors' and chief executive's remuneration:		
Wages and salaries	**186,676**	273,407
Pension scheme contributions (defined contribution scheme)****	**21,083**	18,300
Total	**207,759**	291,707

	Eight months ended 31 August 2026	Year ended 31 December 2025
	RMB'000	*RMB'000*
Depreciation of property, plant and equipment	**62,944**	84,082
Depreciation of right-of-use assets	**21,635**	32,258
Depreciation of investment properties	**1,287**	1,930
Amortisation of other intangible assets*	**3,504**	3,440
Auditor's remuneration	**1,600**	1,500
Donation expenses**	**518**	2,466
Lease payments not included in the measurement of lease liabilities	**1,946**	2,323
Exchange loss, net***	**—**	247
Late payment surcharge**	**5,951**	61,371
Loss on disposal of items of property, plant and equipment, net**	**214**	259

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

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

*** Exchange loss is included in other expenses and exchange gain is included in other income and gains in the consolidated statement of profit or loss and other comprehensive income.

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

6. INCOME TAX

	Eight months ended 31 August 2026	Year ended 31 December 2025
	RMB'000	*RMB'000*
Current — Mainland China		
Charge for the period/year	**9,155**	28,938
(Over)/under-provision in prior years	**(19,571)**	103,833
Deferred	**(4,248)**	8,137
Total	**(14,664)**	140,908

7. DIVIDENDS

	Eight months ended 31 August 2026	Year ended 31 December 2025
	RMB'000	*RMB'000*
Interim — nil (year ended 31 December 2025: HK2.0 cents) per ordinary share	**—**	24,320
Proposed final — nil (year ended 31 December 2025: nil) per ordinary share	**—**	—

8. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings/(loss) per share amounts is based on the profit/(loss) for the eight months ended 31 August 2026 attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,334,000,000 (year ended 31 December 2025: 1,334,000,000) outstanding during the period.

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

The Group had no potentially dilutive ordinary shares in issue during the eight months ended 31 August 2026 and the year ended 31 December 2025.

The calculations of basic and diluted earnings/(loss) per share are based on:

	Eight months ended 31 August 2026	Year ended 31 December 2025
	RMB'000	*RMB'000*
Earnings/(Loss)		
Profit/(loss) attributable to ordinary equity holders of the parent, used in the basic and diluted earnings/(loss) per share calculations	**24,908**	(59,618)

	Number of shares	
	31 August 2026	31 December 2025
Shares		
Weighted average number of ordinary shares outstanding during the period/year used in the basic and diluted earnings/(loss) per share calculations	**1,334,000,000**	1,334,000,000

9. ACCOUNTS RECEIVABLE

	31 August 2026	31 December 2025
	RMB'000	*RMB'000*
Tuition fees and boarding fees receivables	**7,223**	8,143
Impairment	**(14)**	(14)
Net carrying amount	**7,209**	8,129

The Group's students are required to pay tuition fees and boarding fees in advance for the upcoming school year or semester normally in September or February. The outstanding receivables represent amounts due from students who have applied for deferred payments of tuition fees and boarding fees. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's accounts receivable relates to a number of individual students, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its accounts receivable balances. Accounts receivable is non-interest-bearing.

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

	31 August 2026	31 December 2025
	RMB'000	*RMB'000*
Within one year	**6,991**	8,129
One to two years	**218**	—
Total	**7,209**	8,129

The movements in the loss allowance for impairment of accounts receivable are as follows:

	31 August 2026	31 December 2025
	RMB'000	*RMB'000*
At beginning and end of period/year	**14**	14

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

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

Key Operating Business

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

Lingnan Institute of Technology

Lingnan Institute of Technology is a private vocational education institution that has two campuses, one of which is located in Guangzhou, Guangdong Province (the "**Guangzhou Campus**"), and the other is located in Qingyuan, Guangdong Province (the "**Qingyuan Campus**"). As at 31 August 2026, Lingnan Institute of Technology had eight secondary colleges, two public colleges, a college of continuing education, offering over 46 majors in a wide range of disciplines, including but not limited to, rehabilitation treatment and rehabilitation technology, medical laboratory technology, pet medical technology, electronic information engineering technology, e-commerce, computer network technology, intelligent robotics technology, live streaming and operation, industrial robot technology, digital manufacturing technology of aircraft and intelligent logistics technology, covering 4 provincial key programs, 1 provincial type II brand program and 5 provincial high-level development programs. It also developed industrial colleges jointly with Unitree Robotics with a focus on embodied intelligent projects.

Lingnan Modern Technician College

Lingnan Modern Technician College is a private vocational education institution located in Guangzhou and a state-level high-skilled talents training base and provides society with full-time secondary vocational education and short-term vocational skills training services. As at 31 August 2026, the college comprises 8 faculties, being Health Care, E-commerce, Intelligent Manufacturing, Information Technology, Cultural Creativity and Entrepreneurship Management, Culinary Arts, Fashion and Beauty Industry, and International Education, and offers nearly 40 programs, including nursing, advertising design, computer network application, computer program design and digital media application, etc. It has established three major industry colleges with leading enterprises such as JD.com, Huawei, and Siemens, and has also built a standardized pet medical training base to support the high-quality development of distinctive programs in big health and pet medical care.

Ancillary Education Services

The Group also generates revenue from certain ancillary education services, which primarily comprise continuing education programs and other education services. Other education services primarily consist of test preparation and training services the Group provides to the students of its schools for occupational skills appraisal and professional qualification and certificates and subsequently the Group will scale up social training and corporate technical services across the province on this basis. These educational services are referred to as the Group's "Ancillary Education Services".

Business Operating Data

The aggregate number of full-time students enrolled at the Group's schools amounted to 37,200 for the 2025/2026 school year. As at 31 August 2026, the average tuition fee of Lingnan Institute of Technology and Lingnan Modern Technician College amounted to RMB19,724 and RMB16,103, respectively, and the average boarding fee of these two schools amounted to RMB2,630 and RMB2,358, respectively.

OUTLOOK

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

1) Increased fiscal investment and improved school facilities

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

Concurrently, the Measures for the Evaluation of National Scholarships for Secondary Vocational Education (《中等職業教育國家獎學金評審辦法》), which was jointly issued by the Ministry of Education, the Ministry of Human Resources and Social Security and the Ministry of Finance indicate that, tuition fees are exempted for rural students, urban students enrolled in agriculture-related programs, and economically disadvantaged students in secondary vocational schools, with further improvements to the national scholarship and financial aid system.

In addition, the Outline of the Plan for Building a Strong Education Nation (2024–2035) (《教育強國建設規劃綱要 (2024–2035年)》) issued by the CPC Central Committee and the State Council explicitly states that additional education funding will be increased to support vocational education. The Ministry of Finance and the Ministry of Education also revised and issued in January 2026 the Measures for the Management of Funds for the Modern Vocational Education Quality Enhancement Program (《現代職業教育質量提升計劃資金管理辦法》) (財教〔2026〕1號) (Cai Jiao [2026] No. 1), specifying that the funds for enhancement program from 2026 to 2030 will focus on supporting awards and subsidies for higher vocational schools, awards and subsidies for secondary vocational schools, and awards and subsidies for the vocational college teacher quality enhancement program, and that starting from 2026, reform performance-based awards and subsidies will be increased, strengthening the orientation of allocating input based on performance.

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

The Ministry of Education's Opinions on Deepening the Reform of Key Elements in Vocational Education Teaching (《教育部關於深化職業教育教學關鍵要素改革的意見》) calls for two-way empowerment between schools and enterprises. Through enterprise-commissioned construction, joint school-enterprise construction, and cluster-based joint development, a number of industry-education integration internship and practical training bases will be planned and built in schools, enterprises, and industrial parks. Schools are supported in exploring shareholding, mixed-ownership, entrusted production lines, and undertaking production tasks to upgrade, renovate, and build training bases. Various types of fiscal funds will be coordinated to create regional open industry-education integration practice centers. Pilot provinces will upgrade on-campus training facilities, while municipal industry-education consortia and industry communities will respectively establish corresponding training platforms in industrial parks and along industrial chains.

The Education Development Plan for the 15th Five-Year Period (《教育發展「十五五」規劃》) requires accelerating the "New Double High" initiative in vocational education, namely high-level institutional capacity and high-quality industry-education integration, promoting articulated training across secondary vocational, higher vocational, and vocational undergraduate education, and steadily increasing the number of vocational undergraduate institutions and expanding enrollment. It also calls for optimizing public lifelong learning services; encouraging regular higher education institutions, vocational schools, and open universities to collaborate in developing resources and delivering training based on learner needs; improving institutional safeguards for continuing education, self-taught higher education examinations, and non-degree education; and advancing the digital and intelligent transformation of education, enhancing schools' digital infrastructure, and conducting research on new teaching models.

At the project level, the Ministry of Education and the Ministry of Finance jointly issued in January 2025 the Notice on Implementing the Plan for Building High-Level Higher Vocational Schools and Programs with Chinese Characteristics (2025–2029) (《關於實施中國特色高水平高職學校和專業建設計劃 (2025–2029年) 的通知》). The second phase of the "Double High Plan" focuses on building about 60 high-level higher vocational schools and about 160 high-level professional clusters, with the central government providing RMB10 million per cluster per year in award and subsidy support.

In October 2026, the Ministry of Education further deployed a work plan for vocational education to support the expansion and quality improvement of the service sector. Focusing on eight key areas, including elderly care and child care, urban renewal, and international trade, 71 high-level schools, 91 leading enterprises, and 36 industry associations will advance in clusters through a "school + enterprise + industry" model to precisely fill high-skilled talent gaps in key areas.

3) Vocational education system optimization and program specialization

The General Office of the CPC Central Committee and the State Council's Guidelines on Deepening the Reform of Modern Vocational Education System Development (《關於深化現代職業教育體系建設改革的意見》), along with the Ministry of Education's Notice on Accelerating Key Reform Tasks for Modern Vocational Education System Reform (《關於加快推進現代職業教育體系建設改革重點任務的通知》), mandate accelerated development of a modern vocational education framework. This reform adopts a "One Core with Dual Wings" framework (with provincial-level modern vocational education systems as the core, supported by city-based industry-education consortiums and sectoral alliances as dual wings) to drive multi-tiered, coordinated advancement across China's vocational education landscape.

At the top-level design level, the Outline of the Plan for Building a Strong Education Nation (2024–2035) (《教育強國建設規劃綱要 (2024–2035年)》) calls for broadening students' pathways to growth and success through the integration of vocational and academic education (職普融通), and for steadily expanding the number of vocational undergraduate institutions and their enrollment. The Education Development Plan for the 15th Five-Year Period (《教育發展「十五五」規劃》) further proposes building around 100 municipal industry-education consortia, about 20 industry-education integration alliances, and 200 industry-education integration training bases. In July 2026, the Ministry of Education added 27 new undergraduate- and associate-level majors to the Vocational Education Major Catalog (《職業教育專業目錄》), covering shortage areas such as humanoid robotics engineering technology and hydrogen energy engineering technology, so as to precisely align program offerings with the needs of industrial chains.

4) Employment and skilled talent development

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

In June 2026, the State Council issued the 15th Five-Year Plan for Implementing the Employment-First Strategy (Guo Fa [2026] No. 16) (《實施就業優先戰略「十五五」規劃》(國發〔2026〕16號)), which calls for improving the lifelong vocational skills training system, fully implementing a four-in-one model of "job demand + skills training + skills assessment + employment services", building a national qualifications framework, and deepening implementation of the "New Eight-Grade Worker" vocational skill level system.

In June 2025, the State Council Leading Group on Employment Promotion and Labor Protection issued the Guiding Opinions on Launching Large-Scale Vocational Skills Upgrading Training Actions (Guo Jiu Lao Fa [2025] No. 4) (《關於開展大規模職業技能提升培訓行動的指導意見》(國就勞發〔2025〕4號)), specifying that from 2025 through the end of 2027, more than 30 million person-times of subsidized vocational skills training will be provided in areas such as advanced manufacturing, the digital economy, and everyday services, and that a distribution method linking job remuneration and skill levels will be promoted.

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

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

According to the "Guangdong-Hong Kong-Macao Greater Bay Area (Mainland) Talent Demand Catalog (《粵港澳大灣區(內地)人才需求目錄》)" released by the Human Resources and Social Security Department of Guangdong Province in 2025, the Greater Bay Area is focusing on the development of 20 strategic industrial clusters. Among them, five industries — next-generation information technology, biomedicine and health, new energy, software and information services, and ultra-high-definition video display — rank as the top tier in terms of demand for highly skilled talents. Job development is undergoing a comprehensive transformation toward high skill, high salary, and high growth. To align with industrial talent demands, Guangdong Province and cities within the Greater Bay Area introduced a series of major support policies in 2025. Among these, the "Skills Light the Way to the Future, Talents Empower Industries" Large-Scale Vocational Skills Enhancement Training Initiative (2025–2027) (《「技能照亮前程人才賦能產業」大規模職業技能提升培訓行動 (2025–2027)》) provides a full-chain guarantee for the cultivation, deployment, and retention of highly skilled talents across four dimensions: training subsidies, employment support, settlement benefits, and school-enterprise cooperation, creating a favorable policy environment for the development of vocational education.

Business Development Strategy

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

1) High-quality development of formal vocational education

The Group has formulated medium- and long-term development goals for Lingnan Institute of Technology. Benchmarking against the official national "New Double High" requirements for vocational education and guided by high-level institutional capacity and high-quality industry-education integration, the Group aims to develop the college within ten years into an entrepreneurial vocational and technical university distinguished by big-health features. The college is to become a core force in big-health industry development and health-and-wellness services in the Guangdong–Hong Kong–Macao Greater Bay Area, a benchmark for industry-education integration and sci-tech innovation convergence in big health and related fields in the province, and a highland for cultivating high-level technical and

skilled talent. To this end, the institute will align closely with the undergraduate-upgrade indicator system, pursue high-quality development and high-level services, strengthen development of substantive institutional strength and service capability, focus on key program clusters for undergraduate upgrade, and continue improving its faculty, program content, and comprehensive service capabilities, striving to become a national "New Double High" institution with high-level program clusters. The Qingyuan Municipal People's Government has officially supported its inclusion in the provincial 15th Five-Year Plan for higher education institution setup, providing local-government backing. Meanwhile, Lingnan Modern Technician College continues to deepen the implementation of jointly built industry colleges with leading enterprises. With JD Group, it has co-built an industry college to improve the industry-education-assessment talent cultivation loop, bringing in enterprise instructors to co-develop courses and co-build training facilities and implementing order-based targeted training. With Huawei, it has jointly created four digital-intelligent industry-education platforms: HarmonyOS development, 5G communications, artificial intelligence, and cybersecurity. Following the German dual-system model, it has co-built an Intelligent Manufacturing College with Siemens to strengthen practical training hardware and dual-qualified teaching staff and to supply compound skilled talent for advanced manufacturing in the Greater Bay Area. In addition, drawing on the mature operating model of its industry colleges, Lingnan Modern Technician College will identify new campus sites within the Greater Bay Area and expand the scale and coverage of its secondary vocational education by opening branch campuses or establishing new independent campuses.

2) Deepen AI deployment and collaboratively build a new ecosystem integrating industry and education

The Group is built on its core foundation of degree-based vocational education. Drawing on the scenarios, faculty, and student resources accumulated through years of building entrepreneurial vocational education, it is deeply deploying new AI businesses to create a second growth curve. The Group's AI business is not a single-track initiative but an upgrade and reconstruction of its existing education ecosystem for the AI era. It focuses on three core directions: AI talent cultivation, AI entrepreneurial incubation, and AI software R&D, and has established a multi-layered and synergistic business system spanning "degree-based vocational education — AI training and incubation — data assets and vertical model capabilities", thereby building an AI entrepreneurial vocational education ecosystem with differentiated competitiveness.

To implement its AI strategy efficiently, the Group established the New Applied Education Research Institute (新型應用教育研究院) in December 2025 and is advancing three core business segments in parallel. First, it continues to build AI practical-talent training bases focused on four areas: AIGC applications, intelligent agent development, Vibe Coding, and embodied intelligence, providing training, upskilling, and certification services for job seekers and career changers. It has

successively cooperated with enterprises such as 360 Group and Tencent to launch AI practical-talent training course systems and related certificates, continuously improving talent cultivation and evaluation standards and strengthening the entry point for AI talent supply. Second, it is building an AI + OPC incubator that provides individual entrepreneurs and independent professional service providers with full-chain services covering AI tool empowerment, professional training, and entrepreneurial incubation, cultivating "super-individuals" for the AI era. Third, it is independently incubating AI software businesses, continuously refining technology and products based on real business scenarios. Through the institute's proprietary applications such as AI agents and digital avatars, it transforms the school's teaching experience into digital assets that can be accumulated sustainably, builds up applied capabilities in vertical education scenarios and capabilities in vertical and on-device models, and creates long-term core competitive barriers.

In the future, the Group will continue to improve its AI entrepreneurial vocational education ecosystem, using AI practical-talent training bases as the ecosystem entry point and AI entrepreneurial incubation as the core engine, continuously cultivating high-end AI practical talent and incubating high-quality innovative enterprises, and proactively leading and shaping the AI education niche. Concurrently, it will leverage the institute's practical AI capabilities to empower the Group's two schools, promote the integration of AI into degree education, program development, and teaching, increase the share of AI in degree education and professional fields, and enhance the practicality and advanced nature of "Lingnan AI" in vocational education through the widespread application of AI capabilities in real teaching scenarios and school management. In addition, the institute will take the lead in conducting extensive cooperation with AI/OPC organizations in various localities to promote the coordinated development of teaching scenarios, technological resources, and the entrepreneurial ecosystem, continuously expanding the industry influence of "Lingnan AI." The new AI businesses will be deeply linked with the core business of traditional degree-based vocational education, supporting the Group's long-term high-quality and sustainable development.

3) Expanding school networks by mergers and acquisitions and deepening industry-education practical training layout

Building on steady organic growth, the Group will expand its Greater Bay Area campus network through mergers and acquisitions, focusing on acquiring quality technical schools and non-degree vocational training institutions in the region to achieve scale expansion and synergistic efficiency gains from existing assets. In addition to external expansion, the Group will follow national guidelines for industry-education integration and adopt diversified models such as enterprise-commissioned construction, joint school-enterprise construction, and industrial cluster joint development to plan and build specialized industry-education integration internship and practical training bases across partner schools, leading enterprises, and industrial parks. It will create open regional industry-education

integration practice centers and form a complete practical education system in which on-campus industry colleges and off-campus industrial park training platforms complement each other, thereby fully implementing an integrated industry-education integration layout.

4) Expanding ancillary education business

China's vocational skills training market is projected to exceed RMB780 billion by 2026, driven by rising online education penetration rates. Capitalizing on this growth, the Group is aggressively expanding into vocational skill certification and adult continuing education services. Lingnan Modern Technician College has been approved for the accreditation of 28 vocational skills, and has set up 28 social training and evaluation outlets in 11 prefectural cities in Guangdong Province, with plans to achieve substantial provincial coverage within three years. Simultaneously, Lingnan Institute of Technology is deepening collaborations with leading industries, major enterprises, and flagship projects, particularly in cross-sector technical services and technical training. Through its college of continuing education (including the rural revitalization academy), the institution mobilizes secondary colleges to participate, leveraging resources such as Industry-Education Integration Parks, School-Enterprise Cooperation Platforms, Rural Revitalization Training Bases and STEM Education Centers to expand the scope of social training and technical services. This multi-pronged approach enhances both the economic value and social impact of our expanded training programs and technical services.

5) Developing international cooperation

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

6) A new development pattern of "Five-in-One"

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

Financial Review

On 26 August 2026, the Company announced to change its financial year end date from 31 December to 31 August in order to align the Group's financial year with the academic year of the schools operated by the Group in the PRC, which ends in August each year.

The annual results covered a period of eight months from 1 January 2026 to 31 August 2026. To provide meaningful comparative information, the Group presented the unaudited financial information covering the eight months ended 31 August 2025, and such unaudited financial information is detailed in the following table and has not been audited.

	Eight months ended 31 August		
	2026	2025	Percentage change
	RMB'000	*RMB'000*	*(%)*
	(audited)	(unaudited)	
Revenue	**439,820**	415,553	5.8%
Cost of sales	**359,421**	341,173	5.3%
Gross profit	**80,399**	74,380	8.1%
Gross profit margin	**18.3%**	17.9%	2.1%
Profit/(loss) before tax	**10,311**	(37,343)	−127.6%
Profit/(loss) for the period	**24,975**	(143,845)	−117.4%

Revenue

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

The Group's revenue increased by approximately 5.8% from approximately RMB415.6 million for the eight months ended 31 August 2025 to approximately RMB439.8 million for the eight months ended 31 August 2026. The increase was primarily due to an increase in tuition fees and boarding fees as a result of the increase in total full-time student enrollment during the Reporting Period.

Cost of sales

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

The Group's cost of sales increased by approximately 5.3% from approximately RMB341.2 million for the eight months ended 31 August 2025 to approximately RMB359.4 million for the eight months ended 31 August 2026. The increase was primarily due to (i) an increase in the number of faculty staff members during the Reporting Period; and (ii) an increase in depreciation of property, plant and equipment in line with the expansion of the Group's school operating scale during the Reporting Period.

Gross profit and gross profit margin

The Group's gross profit increased by approximately 8.1% from approximately RMB74.4 million for the eight months ended 31 August 2025 to approximately RMB80.4 million for the eight months ended 31 August 2026 and the Group's gross profit margin increased from approximately 17.9% to approximately 18.3% during the same periods. The increase was primarily due to an increase in tuition fees and boarding fees as a result of the increase in total full-time student enrollment during the Reporting Period.

Other income and gains

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

The Group's other income and gains increased by approximately 1.9% from approximately RMB46.7 million for the eight months ended 31 August 2025 to approximately RMB47.6 million for the eight months ended 31 August 2026. The increase was primarily due to the increase in training income.

Selling and distribution expenses

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

The Group's selling and distribution expenses decreased by approximately 0.6% from approximately RMB18.5 million for the eight months ended 31 August 2025 to approximately RMB18.4 million for the eight months ended 31 August 2026. The decrease was primarily due to the decrease in promotional expense for enrollment.

Administrative expenses

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

The Group's administrative expenses increased by approximately 6.1% from approximately RMB52.9 million for the eight months ended 31 August 2025 to approximately RMB56.1 million for the eight months ended 31 August 2026. The increase was primarily due to the increase in depreciation of property, plant and equipment and consulting service expenses.

Other expenses

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

The Group's other expenses decreased by approximately 56.2% from approximately RMB81.5 million for the eight months ended 31 August 2025 to approximately RMB35.7 million for the eight months ended 31 August 2026. The decrease was primarily due to a decrease of the late payment surcharges for corporate income tax expenses from prior years as a result of tax re-assessment initiated by the local tax authority in 2025.

Finance costs

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

The Group's finance costs increased by approximately 35% from approximately RMB5.5 million for the eight months ended 31 August 2025 to approximately RMB7.5 million for the eight months ended 31 August 2026. The increase was primarily in line with the increase in weighted average interest-bearing bank borrowings during the Reporting Period.

Income tax

The Group's income tax decreased by approximately RMB121.2 million from approximately RMB106.5 million for the eight months ended 31 August 2025 to an income tax credit of approximately RMB14.7 million for the eight months ended 31 August 2026. The decrease in income tax was mainly due to an over-provision of income tax in prior years recorded during the Reporting Period as compared to an under-provision recorded during the eight months ended 31 August 2025 as a result of the tax re-assessment initiated by the local tax authority in 2025 where the Group's PRC schools were required to treat their academic education income as taxable.

Profit/(Loss) for the period

As a result of the above factors, profit for the period of the Group increased by approximately 117.4% from approximately RMB143.8 million loss for the eight months ended 31 August 2025 to approximately RMB25.0 million profit for the eight months ended 31 August 2026.

Financial and Liquidity Position

Current assets and current liabilities

As at 31 August 2026, the Group had net current liabilities of approximately RMB301.3 million, increased by approximately 9.2% from the net current liabilities of approximately RMB275.8 million as at 31 December 2025. The increase in net current liabilities as at

such date was primarily due to (i) an increase in contract liabilities in respect of tuition fees collected from students for the 2026/2027 school year; and (ii) an increase in short-term borrowings.

The Group's current assets increased by approximately RMB53.9 million to approximately RMB653.1 million as at 31 August 2026 from approximately RMB599.3 million as at 31 December 2025. The increase in current assets was primarily attributable to the increase in cash and cash equivalents due to the rise in contract liabilities in respect of tuition fees collected from students for the 2026/2027 school year.

The Group's current liabilities increased by approximately RMB79.4 million to approximately RMB954.4 million as at 31 August 2026 from approximately RMB875.1 million as at 31 December 2025, as a result of (i) an increase in contract liabilities in respect of tuition fees collected from students for the 2026/2027 school year; and (ii) an increase in short-term borrowings.

Indebtedness

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

The Group's interest-bearing bank and other borrowings amounted to approximately RMB432.0 million as at 31 August 2026, denominated in RMB. As at 31 August 2026, the Group's interest-bearing bank and other borrowings bore effective interest rates ranging from approximately 2.7% to 4.7% per annum. The fixed interest rate borrowing was RMB80.0 million. The Group has not used any financial instruments for interest rate hedging purposes during the Reporting Period while the Group pays vigilant attention to and monitors interest rate risk continuously and cautiously.

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

Financial assets at fair value through profit or loss

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

Contingent liabilities and guarantees

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

Pledge of assets

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

Foreign exchange exposure

All of the Group's revenue and the majority of its expenditures are denominated in RMB. As at 31 August 2026, majority of the Group's bank balances were denominated in RMB. The Group currently does not have any foreign currency hedging policies and did not hedge against any fluctuation in foreign exchange rates during the Reporting Period due to the insignificance of foreign exchange risk. The management will continue to assess the Group's foreign exchange risk exposure and consider adopting prudent measures as appropriate.

Gearing ratio

The gearing ratio, which is calculated by using total interest-bearing bank and other borrowings divided by total equity, increased to approximately 27.3% as at 31 August 2026 from approximately 24.3% as at 31 December 2025, mainly due to an increase of the Group's interest-bearing bank and other borrowings.

Employment, Remuneration Policy and Training

As at 31 August 2026, the Group had a total of 2,078 employees. Employees of the Group are remunerated based on their performance, experience and prevailing industry practices, with all compensation policies and packages reviewed on a regular basis. The remuneration of the Group's employees includes salaries and allowances. During the Reporting Period, the remuneration of the Group's employees was RMB211.7 million (31 December 2025: RMB297.4 million). As required by the PRC laws and regulations, the Group participates in various employee social security plans for its employees that are administered by local governments, including housing, pension, medical insurance, maternity insurance and unemployment insurance. The Group also emphasises employee trainings and career development, and invests in the education and training programs for its employees with the purpose of upgrading their knowledge on the latest trends and developments of the industry.

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

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

As at 31 August 2026, the Company had utilised HK$446.0 million of the Net Proceeds, representing 100.0% of the Net Proceeds. The Net Proceeds had been fully utilised.

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

Purpose	**Revised portion as stated in the announcement of the Company dated 30 March 2026**	**Re-allocation of the Net Proceeds as stated in the announcement of the Company dated 30 March 2026** *HK$' Million*	**Utilised amount during the Reporting Period** *HK$' Million*	**Utilised amount as at 31 August 2026** *HK$' Million*	**Unutilised amount as at 31 August 2026** *HK$' Million*	**Expected timeline**
Further increase student capacity of the schools with an aim to upgrade Lingnan Institute of Technology from an associate college to a vocational university						
— Acquiring additional land of approximately 400,200 sq.m.	—	—	—	—	—	N/A
— Constructing additional teaching and administrative facilities and purchasing teaching equipment	72.3%	322.7	50.1	322.7	—	N/A
— Constructing an industry and education integrated industrial park	1.0%	4.3	—	4.3	—	N/A
Acquire other schools and educational service providers to expand the school network	16.7%	74.4	—	74.4	—	N/A
Working capital	10.0%	44.6	—	44.6	—	N/A
Total	**100.0%**	**446.0**	**50.1**	**446.0**	**—**	

The Board closely monitors the use of Net Proceeds with reference to those previously disclosed in the announcement of the Company dated 30 March 2026. The Net Proceeds have been fully utilized as at 31 August 2026 in accordance with the expected timeline and intended purposes.

OTHER INFORMATION

Significant Events after the Reporting Period

The Company did not have any significant events that should be brought to the attention of the shareholders of the Company (the "**Shareholders**") from the end of the Reporting Period and up to the date of this announcement.

Final Dividend

The Directors do not recommend the payment of a final dividend for the eight months ended 31 August 2026 (31 December 2025: nil).

Purchase, Sale or Redemption of Listed Securities of the Company

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"))) for the eight months ended 31 August 2026. As at 31 August 2026, no treasury shares (as defined in the Listing Rules) were held by the Company.

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

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

Future Plans for Material Investments and Investments in Capital Assets

Save as disclosed herein, as at 31 August 2026, the Group did not have any plans for material investments or investments in capital assets.

Corporate Governance Code

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

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the code of conduct governing Directors' securities transactions. The Company confirms that, having made specific enquiries of all the Directors, each of them has complied with the required standard as set out in the Model Code for the eight months ended 31 August 2026.

Audit Committee and Review of Financial Information

The audit committee of the Board has reviewed, together with the management, the accounting principles and policies adopted by the Group, and discussed, among other things, auditing and financial reporting matters including a review of the consolidated results of the Group for the eight months ended 31 August 2026.

Scope of Work of AOGB CPA Limited

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the eight months ended 31 August 2026 as set out in the preliminary announcement have been agreed by the Group's auditor, AOGB CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the Reporting Period as approved by the Board on 23 November 2026. The work performed by AOGB CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by AOGB CPA Limited on the preliminary announcement.

Public Float

As at the date of this announcement, the Company had maintained the prescribed public float under the Listing Rules, based on the information that was publicly available to the Company and within the knowledge of the Directors.

Annual General Meeting

The annual general meeting ("**AGM**") of the Company will be held on Thursday, 28 January 2027. Shareholders should refer to the circular of the Company, the notice of AGM and the enclosed form of proxy to be provided by the Company for details regarding the AGM.

Closure of Register of Members

The register of members of the Company will be closed from Monday, 25 January 2027 to Thursday, 28 January 2027, both days inclusive, during which period no share transfers can be registered. In order to be eligible for attending and voting at the AGM, all transfer instruments accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Friday, 22 January 2027. The record date for determining the entitlement of the Shareholders to attend and vote at the AGM will be on Thursday, 28 January 2027.

Publication of Annual Results Announcement and Annual Report

This annual results announcement is published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and on the website of the Company at www.scvedugroup.com, respectively. The annual report of the Company for the eight months ended 31 August 2026 containing all the information required by the Listing Rules will be provided to the Shareholders and published on the above websites in due course.

Acknowledgement

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

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

Hong Kong, 23 November 2026

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

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