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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023

The board (the "**Board**") of directors (the "**Directors**") of South China Vocational Education Group Company Limited (the "**Company**") is pleased to announce the unaudited interim condensed consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the six months ended 30 June 2023 (the "**Reporting Period**") together with the comparative figures for the corresponding period in 2022.

FINANCIAL HIGHLIGHTS

	Six months ended 30 June			
	2023 *RMB'000* **(Unaudited)**	2022 *RMB'000* (Unaudited) (Restated)	**Change** ***RMB'000***	Percentage change *(%)*
Revenue	**277,947**	264,548	**13,399**	+5.1
Cost of sales	**161,932**	141,691	**20,241**	+14.3
Gross profit	**116,015**	122,857	**(6,842)**	-5.6
Profit before tax	**89,363**	93,892	**(4,529)**	-4.8
Profit for the period	**87,405**	92,443[(1)]	**(5,038)**	-5.4
Basic and diluted earnings per share	**RMB0.07**	RMB0.07	**RMB0.00**	–

– The Board does not recommend the payment of interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: nil).

Note:

(1) Certain figures in the unaudited condensed consolidated financial statements for the six months ended 30 June 2022 had been restated as a result of the application of amendments to Hong Kong Accounting Standard 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*. For details, please refer to the section headed "NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – Note 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES" in this announcement.

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

For the six months ended 30 June 2023

	Notes	Six months ended 30 June 2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited) (Restated)
REVENUE	4	**277,947**	264,548
Cost of sales		**(161,932)**	(141,691)
Gross profit		**116,015**	122,857
Other income and gains	4	**35,202**	29,665
Selling and distribution expenses		**(9,933)**	(8,562)
Administrative expenses		**(36,309)**	(34,451)
Other expenses		**(9,135)**	(8,164)
Finance costs		**(6,477)**	(7,453)
PROFIT BEFORE TAX	5	**89,363**	93,892
Income tax expense	6	**(1,958)**	(1,449)
PROFIT FOR THE PERIOD		**87,405**	92,443
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of financial statements		**5**	233
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods		**5**	233
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		**5**	233
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**87,410**	92,676

	Note	Six months ended 30 June	
		2023	2022
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
			(Restated)
Profit attributable to:			
Owners of the parent		**87,341**	92,462
Non-controlling interests		**64**	(19)
		87,405	92,443
Total comprehensive income attributable to:			
Owners of the parent		**87,346**	92,695
Non-controlling interests		**64**	(19)
		87,410	92,676
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*8*		
Basic and diluted			
– For profit for the period		**RMB0.07**	RMB0.07

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2023

	Notes	**30 June 2023** *RMB'000* **(Unaudited)**	31 December 2022 *RMB'000* (Audited) (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment		**1,291,465**	1,291,312
Investment properties		**50,805**	51,770
Right-of-use assets		**405,308**	407,798
Goodwill		**3,052**	3,052
Other intangible assets		**8,560**	8,426
Prepayments for non-current assets		**33,205**	7,374
Contract costs		**7,526**	7,972
Pledged deposits		**18,138**	30,000
Deferred tax assets		**986**	1,172
Total non-current assets		**1,819,045**	1,808,876
CURRENT ASSETS			
Prepayments, other receivables and other assets		**42,831**	244,814
Accounts receivable	*9*	**1,569**	7,767
Amounts due from related parties		**16,023**	15,849
Amounts due from a director		**–**	5,140
Financial assets at fair value through profit or loss		**80,000**	–
Contract costs		**8,967**	8,024
Cash and cash equivalents		**392,047**	247,305
Total current assets		**541,437**	528,899
CURRENT LIABILITIES			
Contract liabilities	*4*	**77,064**	177,517
Other payables and accruals		**152,533**	167,986
Interest-bearing bank and other borrowings		**131,370**	89,172
Lease liabilities		**29,682**	23,637
Tax payable		**15,646**	18,926
Amounts due to a related party		**–**	41
Deferred income		**5,493**	5,362
Total current liabilities		**411,788**	482,641
NET CURRENT ASSETS		**129,649**	46,258
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,948,694**	1,855,134

	30 June 2023 *RMB'000* (Unaudited)	31 December 2022 *RMB'000* (Audited) (Restated)
TOTAL ASSETS LESS CURRENT LIABILITIES	**1,948,694**	1,855,134
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	**127,434**	122,460
Lease liabilities	**109,659**	107,238
Deferred income	**85,001**	86,246
Total non-current liabilities	**322,094**	315,944
Net assets	**1,626,600**	1,539,190
EQUITY		
Equity attributable to owners of the parent		
Share capital	**11,124**	11,124
Reserves	**1,615,231**	1,527,885
	1,626,355	1,539,009
Non-controlling interests	**245**	181
Total equity	**1,626,600**	1,539,190

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) was incorporated in the Cayman Islands on 15 August 2018 as an exempted company with limited liability under the Companies ACT of the Cayman Islands. The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

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

2.1 BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2023 have been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022.

The unaudited interim condensed consolidated financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants for the first time for the current period's financial statements.

HKFRS 17	*Insurance Contracts*
Amendments to HKFRS 17	*Insurance Contracts*
Amendment to HKFRS 17	*Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information*
Amendments to HKAS 1 and HKFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to HKAS 8	*Definition of Accounting Estimates*
Amendments to HKAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to HKAS 12	*International Tax Reform – Pillar Two Model Rules*

The nature and the impact of the new and revised HKFRSs that are applicable to the Group are described below:

(a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since 1 January 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

(b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The Group has applied the amendments on temporary differences related to leases as at 1 January 2022, with any cumulative effect recognised as an adjustment to the balance of retained profits or other component of equity as appropriate at that date. In addition, the Group has applied the amendments prospectively to transactions other than leases that occurred on or after 1 January 2022, if any.

    Prior to the initial application of these amendments, the Group applied the initial recognition exception and did not recognise a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases. Upon initial application of these amendments, the Group recognised (i) a deferred tax asset for all deductible temporary differences associated with lease liabilities (provided that sufficient taxable profit is available), and (ii) a deferred tax liability for all taxable temporary differences associated with right-of-use assets as at 1 January 2022. The quantitative impact on the financial information is summarised below.

Impact on the interim condensed consolidated statement of financial position:

	Note	Increase As at 30 June 2023 *RMB'000* (Unaudited)	As at 31 December 2022 *RMB'000* (Unaudited)	As at 1 January 2022 *RMB'000* (Unaudited)
Assets				
Deferred tax assets	*(i)*	**986**	1,172	1,441
Total non-current assets		**986**	1,172	1,441
Total Assets		**986**	1,172	1,441
Net assets		**986**	1,172	1,441
Equity				
Retained profits (included in reserves)		**986**	1,172	1,441
Equity attributable to owners of the parent		**986**	1,172	1,441
Total equity		**986**	1,172	1,441

Note (i): The deferred tax asset and the deferred tax liability arising from lease contracts of the same subsidiary have been offset in the statement of financial position for presentation purposes.

Impact on the interim condensed consolidated statement of profit or loss and other comprehensive income:

	Increase/(decrease) For the six months ended 30 June 2023 *RMB'000* (Unaudited)	 2022 *RMB'000* (Unaudited)
Income tax expense	**186**	220
Profit for the period	**(186)**	(220)
Total comprehensive income for the period	**(186)**	(220)
Profit attributable to:		
Owners of the parent	**(186)**	(220)
Total comprehensive income attributable to:		
Owners of the parent	**(186)**	(220)

The adoption of amendments to HKAS 12 did not have any impact on the basic and diluted earnings per share attributable to ordinary equity holders of the parent and the interim condensed consolidated statements of cash flows for the six months ended 30 June 2023 and 2022.

(d) Amendments to HKAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after 1 January 2023, but are not required to disclose such information for any interim periods ending on or before 31 December 2023. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

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 Directors, who are the chief operating decision makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the Directors review the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Geographical information

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

Information about major customers

No revenue from services provided to a single customer accounted for 10% or more of the total revenue of the Group during the Reporting Period (six months ended 30 June 2022: Nil).

4. REVENUE, OTHER INCOME AND GAINS

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

	Notes	For the six months ended 30 June 2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Revenue			
Revenue from contracts with customers			
Tuition fees	*(a)*	**251,297**	239,584
Boarding fees	*(a)*	**21,824**	20,563
Other education service fees	*(b)*	**4,826**	4,401
		277,947	264,548
Other income and gains			
Rental income		**12,874**	14,653
Training income		**11,172**	5,559
Government grants:			
Related to assets	*(c)*	**2,641**	2,730
Related to income	*(d)*	**1,418**	2,126
Fair value gain, net:			
Financial assets at fair value through profit or loss		**–**	1,116
Bank interest income		**2,019**	1,979
Loan interest income	*(e)*	**3,974**	–
Brand licensing income		**740**	692
Written-off of an amount due to a related party		**–**	467
Exchange gain, net		**240**	–
Others		**124**	343
		35,202	29,665

Notes:

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

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

(c) Government grants related to assets represent the subsidies in connection with certain pieces of leasehold land and the electronic devices relating to teaching activities. These grants related to assets are released to profit or loss over the expected useful lives of the relevant assets.

(d) Government grants related to income represent the subsidies compensated for the incurred operating expenses arising from teaching activities, which were recognised as other income when the incurred operating expenses fulfilled the conditions attached.

(e) Loan interest income consists of i) interest income of RMB2,894,000 (six months ended 30 June 2022: Nil) from loans to Guangzhou Haige Meina Film Production Co., Ltd.; ii) interest income of RMB986,000 (six months ended 30 June 2022: Nil) from loans to other companies; iii) interest income of RMB28,000 (six months ended 30 June 2022: Nil) from loans to a director; and iv) interest income of RMB66,000 (six months ended 30 June 2022: Nil) from a loan to a related party, which were calculated based on the principal and the corresponding interest rate.

Contract liabilities

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

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

	Six months ended 30 June 2023 *RMB'000* **(Unaudited)**	Year ended 31 December 2022 *RMB'000* (Audited)
At the beginning of the period/year	**177,517**	151,830
Revenue recognised that was included in the balance of contract liabilities at the beginning of the period/year	**(176,381)**	(148,185)
Increases due to cash received, including amounts recognised as revenue during the period/year	**172,488**	535,049
Revenue recognised that was not included in contract liabilities at the beginning of the period/year	**(95,364)**	(356,969)
Transfer to refund liabilities	**(1,196)**	(4,208)
At the end of the period/year	**77,064**	177,517

Revenue recognised in relation to contract liabilities

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

	For the six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue recognised that was included in the balance of contract liabilities at the beginning of the period		
Tuition fees	**157,575**	133,023
Boarding fees	**18,806**	16,002
	176,381	149,025

Unsatisfied performance obligations

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June 2023 are as follows:

	30 June	31 December
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Expected to be recognised within one year:		
Tuition fees	**76,982**	158,528
Boarding fees	**82**	18,989
	77,064	177,517

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

There were no contract assets at the end of the Reporting Period recognised in the unaudited interim condensed consolidated statement of financial position.

5. PROFIT BEFORE TAX

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

	Note	For the six months ended 30 June 2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Employee benefit expense (excluding directors' and chief executive's remuneration):			
Wages and salaries		**90,387**	78,379
Pension scheme contributions (defined contribution scheme)****		**10,454**	8,323
		100,841	86,702
Depreciation of property, plant and equipment		**28,403**	24,658
Depreciation of right-of-use assets		**15,937**	16,173
Depreciation of investment properties		**965**	965
Amortisation of other intangible assets*		**945**	901
Direct operating expenses arising from rental-earning investment properties***		**2,763**	3,676
Lease payments not included in the measurement of lease liabilities		**142**	4
Reversal of provision for impairment of accounts receivable		**(35)**	(49)
Donation expenses***		**500**	2
Loss on disposal of items of property, plant and equipment, net***		**17**	112
Loss on disposal of other intangible assets***		**15**	–
Loss on termination of leases***		**80**	–
Auditor's remuneration		**1,300**	1,400
Fair value gain, net			
Financial assets at fair value through profit or loss	*4*	**–**	(1,116)
Bank interest income	*4*	**(2,019)**	(1,979)
Loan interest income	*4*	**(3,974)**	–
Written-off of an amount due to a related party	*4*	**–**	(467)
Government grants**	*4*	**(4,059)**	(4,856)
Exchange (gain)/loss, net		**(240)**	658

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

** There are no unfulfilled conditions or other contingencies attaching to the government grants that have been recognised.

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

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

6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies ACT of the Cayman Islands and accordingly is not subject to income tax from business carried out in the Cayman Islands.

Lingnan Education Investment Limited, the Company's directly held subsidiary, was incorporated in the British Virgin Islands (the "**BVI**") as an exempted company with limited liability under the BVI Companies ACT and accordingly is not subject to income tax from business carried out in the BVI.

South China Vocational Education Group (Hong Kong) Limited, a subsidiary incorporated in Hong Kong, is subject to income tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong. No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the period.

Pursuant to the decision (the "**2016 Decision**") of the Standing Committee of the National People's Congress on Amending the Private Schools Promotion Law of the PRC (《全國人民代表大會常務委員會關於修改<中華人民共和國民辦教育促進法>的決定》), which was promulgated on 7 November 2016 and came into force on 1 September 2017, private schools are no longer being classified as either schools for which the school sponsor(s) require reasonable returns or schools for which the school sponsor(s) do not require reasonable returns. Instead, the school sponsor(s) of a private school may choose for the school to be a for-profit private school or a non-profit private school, with the exception that schools providing nine-year compulsory education must be non-profit.

On 14 May 2021, the State Council released the Regulations for the Implementation of the Private Schools Promotion Law of the PRC (《中華人民共和國民辦教育促進法實施條例》) with an effective date of 1 September 2021 (the "**2021 Implementation Rules**"). The 2021 Implementation Rules are the detailed implementation rules of the Private Schools Promotion Law of the PRC. Pursuant to the 2016 Decision and the 2021 Implementation Rules, a private school may enjoy the preferential tax policies, which are not defined under neither the 2016 Decision nor the 2021 Implementation Rules, as stipulated by the related government authorities and a non-profit school may enjoy the same tax policies as enjoyed by a public school.

According to the Implementing Opinions of the Guangdong Provincial Government on Encouraging Private Entities and Individuals to Operate Schools and Promote the Healthy Development of Private Education (《廣東省人民政府關於鼓勵社會力量興辦教育促進民辦教育健康發展的實施意見》), which was promulgated by the People's Government of Guangdong Province on 4 May 2018 and the 2016 Decision, school sponsors of private schools which were established and registered in Guangdong prior to 7 November 2016 may choose for the schools to be for-profit private schools or non-profit private schools at their own discretion, except for the schools providing compulsory education, which must be non-profit. However, the Implementing Measures of Classification Registration for Private Schools (《關於民辦學校分類登記的實施辦法》), which was promulgated by five departments of the Guangdong province government and came into effect on 30 December 2018, does not specify a deadline for the existing private schools to elect to be registered as non-profit or for-profit private schools. As at the date of approval of these financial statements, Guangdong Lingnan Institute of Technology and Guangdong Lingnan Modern Technician College (the "**PRC Schools**") have not yet registered as for-profit private schools or non-profit private schools and remain as private non-enterprise units.

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

Pursuant to the PRC CIT Law and the respective regulations, except for the preferential tax rate of 20% under the Notice Regarding the Implementation on Tax Reduction/Exemption Policies for Small and Micro-sized Enterprises (SEMs) available to Qingyuan Lingnan Driving School Co., Ltd., the Group's non-school subsidiary which operates in Mainland China is subject to CIT at a rate of 25% on its respective taxable income.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	For the six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Restated)
Current – Mainland China		
Charge for the period	**1,772**	1,229
Deferred	**186**	220
	1,958	1,449

7. DIVIDENDS

	For the six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Final declared and paid – Nil (six months ended 30 June 2022: HK5.6 cents) per ordinary share	**–**	60,627

No interim dividend has been declared by the Company during the Reporting Period (six months ended 30 June 2022: Nil).

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,334,000,000 (six months ended 30 June 2022: 1,334,000,000) in issue during the period.

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

The Group had no potentially dilutive ordinary shares in issue during the periods ended 30 June 2023 and 2022.

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

	For the six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Restated)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	**87,341**	92,462

	Number of shares	
	For the six months ended 30 June	
	2023	2022
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings per share calculations	**1,334,000,000**	1,334,000,000

9. ACCOUNTS RECEIVABLE

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

	30 June	31 December
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within one year	**1,559**	7,756
One to two years	**10**	11
	1,569	7,767

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 30 June 2023, Lingnan Institute of Technology had 13 secondary colleges and offered over 47 majors in a wide range of disciplines, including but not limited to, electronic engineering technology, e-commerce, computer network technology, cloud computing technology and application, health management and pharmaceutical production technology, webcasting and operation, online marketing and livestreaming e-commerce, industrial internet, financial services and management, etc.

Lingnan Modern Technician College

Lingnan Modern Technician College is a private vocational education institution located in Guangzhou and that provides vocational education and training in various industries for students. As at 30 June 2023, Lingnan Modern Technician College had 7 departments and offered over 27 majors, including but not limited to, mechatronics, drones, vehicle inspection and maintenance, fire engineering, traditional Chinese medicine, rehabilitation, nursing, big data applications, advertising design, computer network application, computer program design, digital media application and cross-border e-commerce, etc.

Ancillary Education Services

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

Business Operating Data

The aggregate number of full-time students enrolled at the Group's schools amounted to 26,743 for the 2022/2023 school year. As at 30 June 2023, the average tuition fee of Lingnan Institute of Technology and Lingnan Modern Technician College amounted to RMB16,558 and RMB12,896, respectively, and the average boarding fee of these two schools amounted to RMB1,672 and RMB1,719, respectively.

Outlook

Favorable Policy Environment for Vocational Education

In February 2022, the Ministry of Education held a press conference to introduce the works related to promoting the high-quality development of modern vocational education, and proposed: 1) to promote the steady progress of bachelor-level vocational education, and promote the diversified development of secondary vocational education, 2) to select and build about 10 high-level bachelor-level vocational education demonstration schools through "small incision" ("小切口") and "big support" ("大支持") in the way of joint construction of ministries and provinces, 3) to transform from the original simple "employment-oriented" to "emphasis on both employment and further education", focusing on further education that is in line with the characteristics of vocational education, 4) to build about 1,000 national-level high-quality secondary vocational schools in 3 to 5 years, to demonstrate to drive the entire secondary vocational education to be standardized and qualified, and to guide parents and students to rationally choose secondary vocational education, and 5) to promote the establishment of a "vocational education college entrance examination" system with provincial coordination, comprehensive evaluation and multiple-channel admissions.

In April 2022, the newly revised Vocational Education Law of the People's Republic of China (《中華人民共和國職業教育法》) (the "**Vocational Education Law**") was voted and passed by the 34th meeting of the Standing Committee of the 13th National People's Congress, the revision of which was the first revision in nearly 26 years. This revision clarifies that "vocational education is a type of education that is of equal importance as general education", promotes "the mutual integration of vocational education and general education", and clarifies that "the State encourages the development of various levels and forms of vocational education, promotes diversified school-running, supports broad and equal participation of social forces in vocational education". The revised Vocational Education Law also adds the followings: 1) appropriately reducing the academic requirements for the positions publicly recruited by public institutions with vocational skill level requirements; and 2) accelerating the cultivation of technical and skilled talents in pre-school education, nursing, health care, and housekeeping. The encouraging attitude towards vocational education is further extended.

In December 2022, the General Office of the Central Committee of CPC and the General Office of the State Council issued the Opinions (the "**Opinions**") on Deepening the Construction and Reform of Modern Vocational Education System (《關於深化現代職業教育體系建設改革的意見》). The Opinions have put forward that the promotion of the high-quality development of modern vocational education should be placed in a more prominent position. Modern vocational education should insist on serving the overall development of students and economic and social development, based on enhancing the key competencies of vocational schools, focusing on deepening the integration of industry and education, promoting the integration of vocational education with the general education as the key, taking the integration of science and education as the new direction, in order to fully mobilize the enthusiasm of all parties, coordinate the synergy and innovation of vocational education, higher education and continuing education, orderly and effectively promote the construction and reform of modern vocational education system, improve the quality, adaptability and attractiveness of vocational education, cultivate more high-quality technical and skilled talents, skilled craftsmen and craftsmen, and lay a solid foundation for accelerating the building of a strong country in education, science and technology and talent.

In June 2023, eight national departments including the National Development and Reform Commission, the Ministry of Education, the Ministry of Human Resources and Social Security jointly issued the "Implementation Plan for the Action to Enhance the Integration and Empowerment of Industry and Education in Vocational Education (2023-2025)" (《職業教育產教融合賦能提升行動實施方案(2023 – 2025 年)》) (hereinafter referred to as the "**Implementation Plan**"). The Implementation Plan proposes that by 2025, the number of national pilot cities for industry-education integration will reach about 50, the breakthrough and leading role of the pilot cities will be brought into full play, more than 10,000 industry-education integration-type enterprises will be built and cultivated nationwide, the system of industry-education integration-type enterprises and the system of combined incentive policies will be sound and complete, the investment in vocational education from various channels of funding will steadily increase, the needs of the industry will be better integrated into the whole process of talent cultivation, and a development pattern of the coordinated integration of and constructive interaction between education and industry will gradually be formed.

The vocational education business engaged in by the Group is in line with the direction of encouragement and support of national policies and has a great potential for future development.

Deepening the Development in the Guangdong-Hong Kong-Macau Greater Bay Area to Provide High-Caliber Talents for the Greater Bay Area Continuously

The Guangdong-Hong Kong-Macau Greater Bay Area (the "**Greater Bay Area**") has become one of the key economic growth drivers in China. According to relevant statistics, the Greater Bay Area occupied less than 1% of China's land area yet contributed 10.6% of nominal GDP in 2022. With the economic transformation and the population aging, the Greater Bay Area will need more and more skilled talents in emerging industries and major health-related industries.

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

Business Development Strategy

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

1) Promoting endogenous growth of formal vocational education

The expansion and upgrade of Lingnan Institute of Technology will continue. Supported by the policy of encouraging the establishment of undergraduate level vocational education, it will firstly focus on the establishment of certain undergraduate programs and then gradually develop into an undergraduate level vocational and technical college as a whole. In July 2021, the Guangdong Industry-Education Integration Demonstration Park (Qingyuan) project of Lingnan Institute of Technology was incorporated into the key construction project plan of Guangdong Province by Guangdong Provincial Development and Reform Commission, being the only demonstrative industry-education integration park project included in the provincial key construction project in Guangdong Province. Further, Lingnan Modern Technician College will proactively identify new venues in the Greater Bay Area for its new branches or new independent colleges, expanding its network of secondary vocational schools.

2) Expanding school networks by mergers and acquisitions

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

3) Expanding ancillary education business

The Group will proactively expand the ancillary education business, including the adult continuing education program, trainings on vocational qualification level examination, and training tasks for government institutions and industry associations. Lingnan Modern Technician College owned by the Group is among the list of the first batch of 2021 social training evaluation organisations for vocational qualification level accreditation in Guangdong Province announced by the Human Resources and Social Security Department of Guangdong Province in July 2021, and has been approved for the accreditation for eight vocational skills, thus laying a foundation for the Group's expansion of the vocational qualification level accreditation business.

4) Developing international cooperation

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

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

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

Financial Review

Revenue

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

The Group's revenue increased by approximately 5.1% from approximately RMB264.5 million for the six months ended 30 June 2022 to approximately RMB277.9 million for the six months ended 30 June 2023. The increase was primarily due to an increase in tuition fees as a result of the increase in total full-time student enrollment and the increase in the average tuition fees of Lingnan Modern Technician College 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) amortisation of other intangible assets; (v) cost of cooperative education; (vi) utilities; (vii) teaching expenditures; and (viii) office expenses.

The Group's cost of sales increased by approximately 14.3% from approximately RMB141.7 million for the six months ended 30 June 2022 to approximately RMB161.9 million for the six months ended 30 June 2023. The increase was primarily due to (i) an increase in staff costs as a result of an increase of the total number of teaching staff and their average salary levels and bonuses during the Reporting Period; (ii) an increase in cost of cooperative education due to the expansion of cooperative education scale under the adult education business segment of Lingnan Modern Technician College; and (iii) an increase in depreciation of property, plant and equipment, amortization of other intangible assets and depreciation of right-of-use assets 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 decreased by approximately 5.6% from approximately RMB122.9 million for the six months ended 30 June 2022 to approximately RMB116.0 million for the Reporting Period, and the Group's gross profit margin decreased from approximately 46.4% to approximately 41.7%. The decrease of gross profit margin was mainly due to (i) an increase in staff costs as a result of an increase of the total number of teaching staff and their average salary levels and bonuses during the Reporting Period; (ii) an increase in cost of constructing additional teaching and administrative facilities and purchasing teaching equipment which leads to the increase in depreciation of property, plant and equipment, amortization of other intangible assets and depreciation of right-of-use assets; and (iii) an increase in cost of cooperative education due to the expansion of cooperative education scale under the adult education business segment of Lingnan Modern Technician College.

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) loan interest income.

The Group's other income and gains increased by approximately 18.5% from approximately RMB29.7 million for the six months ended 30 June 2022 to approximately RMB35.2 million for the six months ended 30 June 2023. The increase was primarily due to the increase of RMB5.6 million of training income in line with the Group's strategy to develop training business sector.

Selling and distribution expenses

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

The Group's selling and distribution expenses increased by approximately 15.1% from approximately RMB8.6 million for the six months ended 30 June 2022 to approximately RMB9.9 million for the six months ended 30 June 2023. The increase was primarily due to (i) an increase in admission fee in line with the increase of newly enrolled student number of Lingnan Modern Technician College during the Reporting Period; and (ii) an increase in staff costs as a result of an increase in average salary levels and bonuses of the marketing staff during the Reporting Period.

Administrative expenses

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

The Group's administrative expenses increased by approximately 5.2% from approximately RMB34.5 million for the six months ended 30 June 2022 to approximately RMB36.3 million for the six months ended 30 June 2023. The increase was primarily due to (i) increase of consulting expenses; and (ii) an increase in staff costs as a result of an increase in average salary levels during the Reporting Period.

Other expenses

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

The Group's other expenses increased by approximately 11.0% from approximately RMB8.2 million for the six months ended 30 June 2022 to approximately RMB9.1 million for the six months ended 30 June 2023. The increase was primarily due to the increase of RMB2.0 million of cost for training income in line with the Group's strategy to develop training business sector.

Finance costs

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

The Group's finance costs decreased by approximately 13.3% from approximately RMB7.5 million for the six months ended 30 June 2022 to approximately RMB6.5 million for the six months ended 30 June 2023. The decrease was primarily in line with the decrease in weighted average long term interest-bearing bank and other borrowings during the Reporting Period.

Profit for the period

As a result of the above factors, profit for the period of the Group decreased by approximately 5.4% from approximately RMB92.4 million for the six months ended 30 June 2022 to approximately RMB87.4 million for the six months ended 30 June 2023.

Financial and Liquidity Position

Current assets and current liabilities

As at 30 June 2023, the Group had net current assets of approximately RMB129.6 million, increased by approximately 180.0% from RMB46.3 million as at 31 December 2022. The Group had net current assets as at such date primarily because (i) the principal and interest of the loans provided to Guangzhou Haige Meina Film Production Co., Ltd. ("**Haigemeina**"), Guangzhou Lingnan Health Valley Investment Co., Ltd. ("**Health Valley**") and Mr. He Huishan (one of the controlling shareholders of the Company, the chairman of the Board and an executive Director) by the Group were repaid in full and the increase in short-term interest-bearing bank loans, which leads to an increase in cash and cash equivalents; and (ii) the decrease in contract liabilities as a result of recognition of tuition fees and boarding fees. For repayment details of the loans provided by the Group to Haigemeina, Health Valley and Mr. He Huishan, please refer to the announcements of the Company dated 28 March 2023 and 23 May 2023.

The Group's current assets as at 30 June 2023 increased by RMB12.5 million to approximately RMB541.4 million from approximately RMB528.9 million as at 31 December 2022. The increase in current assets was primarily attributable to the increase in cash and cash equivalents, which was mainly due to the principal and interest of the loans provided to Haigemeina, Health Valley and Mr. He Huishan by the Group were repaid in full and the increase in short-term interest-bearing bank loans.

The Group's current liabilities decreased by RMB70.8 million from approximately RMB482.6 million as at 31 December 2022 to approximately RMB411.8 million as at 30 June 2023, mainly reflecting the decrease in contract liabilities as a result of recognition of tuition fees and boarding fees.

Indebtedness

Interest-bearing bank and other borrowings primarily consisted 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 RMB258.8 million as at 30 June 2023, denominated in RMB. As at 30 June 2023, the Group's interest-bearing bank and other borrowings bore effective interest rates ranging from approximately 4.2% to 6.8% per annum.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of internally generated cash flows from operations and bank and other borrowings. The Group regularly assesses its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

Financial assets at fair value through profit or loss

During the Reporting Period, the Group invested in wealth management products issued by banks and a qualified fund company in China. These wealth management products primarily include (i) principal-guaranteed financial products with floating returns; and (ii) principal unprotected financial products with floating returns. The Group made investments in these wealth management products as part of its cash management strategy with an aim to obtain higher yields than it would typically receive from regular bank deposits. These wealth management products the Group invested in during the Reporting Period were denominated in RMB and can be redeemed by the Group on any business day upon maturity. The expected yield rate of these wealth management products ranged from approximately 1.7% to 1.9% per annum.

The amount of the Group's investment in wealth management products increased to approximately RMB80.0 million as at 30 June 2023 (31 December 2022: nil). The increase was primarily because the Group invested in a wealth management product issued by a qualified fund company in China.

Contingent liabilities, guarantees and litigation

As at 30 June 2023, the Group did not have any unrecorded significant contingent liabilities, guarantees or any material litigation against any member of the Group (31 December 2022: nil).

Pledge of assets

As at 30 June 2023, certain of the Group's bank loans were secured by the pledge of the Group's time deposits. The Group's time deposits decreased by approximately 39.7% from approximately RMB30.0 million as at 31 December 2022 to approximately RMB18.1 million as at 30 June 2023.

Foreign exchange exposure

All of the Group's revenue and the majority of its expenditures are denominated in RMB. As at 30 June 2023, majority of the Group's bank balances were denominated in RMB. The Group currently does not have any foreign currency hedging policies. The management will continue to assess the Group's foreign exchange risk exposure and consider adopting prudent measures as appropriate.

Gearing ratio

The gearing ratio, which is calculated by using total interest-bearing bank and other borrowings divided by total equity, increased to approximately 15.9% as at 30 June 2023 from approximately 13.7% as at 31 December 2022, mainly due to an increase of the Group's short term interest-bearing bank loans.

Employment, Remuneration Policy and Training

As at 30 June 2023, the Group had a total of 1,342 employees. Employees of the Group are remunerated based on their performance, experience and prevailing industry practices, with all compensation policies and packages reviewed on a regular basis. The remuneration of the Group's employees includes salaries and allowances. As required by the PRC laws and regulations, the Group participates in various employee social security plans for its employees that are administered by local governments, including housing, pension, medical insurance, maternity insurance and unemployment insurance.

The Group also emphasises employee trainings and career development, and invests in the education and training programs for its employees with the purpose of upgrading their knowledge on the latest trends and developments of the industry.

OTHER INFORMATION

Material events after the Reporting Period

The Company did not have any material events that should be brought to the attention of the shareholders of the Company from the end of the Reporting Period and up to the date of this announcement.

Use of proceeds from the Company's initial public offering

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

The following table sets forth a summary of the utilisation of the net proceeds from the Global Offering:

Purpose	Revised portion as stated in the announcement of the Company dated 30 March 2023	Revised allocation of the net proceeds as stated in the announcement of the Company dated 30 March 2023	Utilised amount during the Reporting Period	Utilised amount as at the end of the Reporting Period	Unutilised amount as at the end of the Reporting Period	Expected timeline
		HK$' Million	*HK$' Million*	*HK$' Million*	*HK$' Million*	
Further increase student capacity of the schools with an aim to upgrade Lingnan Institute of Technology from an associate college to a vocational university						
– Acquiring additional land of approximately 400,200 sq.m.	47.0%	209.6	-	0.0	209.6	2022-2023
– Constructing additional teaching and administrative facilities and purchasing teaching equipment	14.1%	63.0	9.5	63.0	–	N/A
– Constructing an industry and education integrated industrial park	3.0%	13.4	0.2	1.9	11.5	2022-2023
Acquire other schools and educational service providers to expand the school network	25.9%	115.4	-	74.4	41.0	2022-2023
Working capital	10.0%	44.6	-	44.6	–	N/A
Total	**100.0%**	**446.0**	**9.7**	**183.9**	**262.1**	

As at the date of this announcement, there was no change in the intended use of net proceeds and the expected timeline as previously disclosed in the announcement of the Company dated 30 March 2023.

Interim Dividend

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: 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 for the six months ended 30 June 2023.

Significant Investments Held

Save as disclosed in this announcement, the Group did not hold any significant investment in equity interest in any company during the Reporting Period.

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

During the six months ended 30 June 2023, the Group did not have any material acquisition or disposal of subsidiaries, associates, joint ventures or affiliated companies.

Future Plans for Material Investments and Investments in Capital Assets

Save as disclosed in the section headed "Use of proceeds from the Company's initial public offering" in this announcement, as at 30 June 2023, the Group did not have any future 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 the Corporate Governance Code (the "**CG Code**") as contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as its own code of corporate governance practices. During the Reporting Period, the Company has complied with all code provisions 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 10 to the Listing Rules as the code of conduct governing Directors' securities transactions. The Company confirms that, having made specific enquiries of all the Directors, each of them has complied with the required standard as set out in the Model Code for the six months ended 30 June 2023.

Audit Committee and Review of Interim Financial Information

The audit committee of the Board has reviewed together with the management the accounting principles and policies adopted by the Group and the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2023.

Publication of Interim Results Announcement and Interim Report

This interim 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 interim report of the Company for the six months ended 30 June 2023 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company 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 of the Company, business partners, and bankers 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, 30 August 2023

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 Mr. Luo Pan, Mr. Yeh Zhe-Wei and Mr. Ma Shuchao as independent non-executive Directors.