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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 YEAR ENDED 31 DECEMBER 2021

The board (the “**Board**”) of directors (the “**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 year ended 31 December 2021 (the “**Reporting Period**”) together with the comparative figures for the year ended 31 December 2020.

### FINANCIAL HIGHLIGHTS

	Year ended 31 December			Percentage change change (%)
	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>	Change <i>RMB'000</i>	
Revenue	<b>499,621</b>	449,350	<b>50,271</b>	+11.2
Gross Profit	<b>201,614</b>	209,017	<b>(7,403)</b>	-3.5
Profit for the year	<b>153,938</b>	170,501	<b>(16,563)</b>	-9.7
Adjusted net profit for the year <sup>Note</sup>	<b>179,326</b>	182,337	<b>(3,011)</b>	-1.7
Basic and diluted earnings per share	<b>RMB0.13</b>	RMB0.17	<b>RMB(0.04)</b>	-23.5

*Note:*

Adjusted net profit is defined as profit for the year of the Group after adjusting for those items which are not indicative of the Group’s operating performances. This is not Hong Kong Financial Reporting Standards measure. For details, please refer to the section headed “Management Discussion and Analysis – Financial Review” in this announcement.

The Board has proposed to declare a final dividend of HK5.6 cents per share for the year ended 31 December 2021. The final dividend will be declared and paid in Hong Kong dollars.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME***For the year ended 31 December 2021*

	<i>Notes</i>	<b>2021</b> <b>RMB'000</b>	2020 <i>RMB'000</i>
REVENUE	4	<b>499,621</b>	449,350
Cost of sales		<u>(298,007)</u>	<u>(240,333)</u>
Gross profit		<b>201,614</b>	209,017
Other income and gains	4	<b>112,153</b>	85,948
Selling and distribution expenses		<b>(19,074)</b>	(17,565)
Administrative expenses		<b>(94,130)</b>	(67,566)
Other expenses		<b>(25,392)</b>	(19,119)
Finance costs		<u>(17,760)</u>	<u>(15,225)</u>
PROFIT BEFORE TAX	5	<b>157,411</b>	175,490
Income tax expense	6	<u>(3,473)</u>	<u>(4,989)</u>
PROFIT FOR THE YEAR		<u><b>153,938</b></u>	<u>170,501</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of financial statements		<u>23</u>	–
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods		<u>23</u>	–
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><b>23</b></u>	–
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><b>153,961</b></u>	<u>170,501</u>
Profit attributable to:			
Owners of the parent		<u><b>153,938</b></u>	<u>170,501</u>
Total comprehensive income attributable to:			
Owners of the parent		<u><b>153,961</b></u>	<u>170,501</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
	8		
Basic and diluted			
– For profit for the year		<u><b>RMB0.13</b></u>	<u>RMB0.17</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	<i>Notes</i>	<b>2021</b> <b>RMB'000</b>	2020 <b>RMB'000</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>1,138,478</b>	1,019,129
Investment properties		<b>53,700</b>	72,148
Right-of-use assets		<b>439,710</b>	437,586
Other intangible assets		<b>8,903</b>	7,881
Prepayments for non-current assets		<b>1,068</b>	21,493
Contract costs		<b>5,834</b>	4,278
		<hr/>	<hr/>
Total non-current assets		<b>1,647,693</b>	1,562,515
<b>CURRENT ASSETS</b>			
Prepayments, other receivables and other assets		<b>8,641</b>	14,670
Accounts receivable	9	<b>5,961</b>	7,168
Amounts due from related parties		<b>57,575</b>	20,464
Financial assets at fair value through profit or loss		<b>70,047</b>	20,190
Contract costs		<b>6,663</b>	5,702
Cash and cash equivalents		<b>482,393</b>	288,446
		<hr/>	<hr/>
Total current assets		<b>631,280</b>	356,640
<b>CURRENT LIABILITIES</b>			
Contract liabilities	4	<b>151,830</b>	167,856
Other payables and accruals		<b>140,504</b>	165,056
Interest-bearing bank and other borrowings		<b>83,415</b>	97,209
Lease liabilities		<b>25,210</b>	22,877
Tax payable		<b>16,985</b>	17,096
Amounts due to related parties		<b>467</b>	713
Amount due to a director		<b>–</b>	62,281
Deferred income		<b>5,366</b>	4,846
		<hr/>	<hr/>
Total current liabilities		<b>423,777</b>	537,934
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<hr/> <b>207,503</b>	<hr/> (181,294)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<hr/> <b>1,855,196</b>	<hr/> 1,381,221

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>1,855,196</u>	<u>1,381,221</u>
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	185,009	282,588
Lease liabilities	123,167	116,925
Deferred income	<u>91,495</u>	<u>98,781</u>
Total non-current liabilities	<u>399,671</u>	<u>498,294</u>
Net assets	<u>1,455,525</u>	<u>882,927</u>
EQUITY		
<b>Equity attributable to owners of the parent</b>		
Share capital	11,124	9
Reserves	<u>1,444,401</u>	<u>882,918</u>
Total equity	<u>1,455,525</u>	<u>882,927</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

## 1. CORPORATE AND GROUP INFORMATION

South China Vocational Education Group Company Limited 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 address of the registered office 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 are principally engaged in providing private higher vocational education in the People's Republic of China (the "PRC").

### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value. These 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 Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	<i>Interest Rate Benchmark Reform – Phase 2</i>
Amendment to HKFRS 16	<i>Covid-19-Related Rent Concessions</i>
Amendment to HKFRS 16	<i>Covid-19-Related Rent Concessions beyond 30 June 2021 (early adopted)</i>

The nature and the impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate (“**RFR**”). The amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity’s financial instruments and risk management strategy.

These amendments had no impact on the consolidated financial statements of the Group.

- (b) Amendment to HKFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. In April 2021, the HKICPA issued another amendment to HKFRS 16 *Covid-19-Related Rent Concessions beyond 30 June 2021* to extend the availability of the practical expedient for any reduction in lease payments that affects only payments originally due on or before 30 June 2022 (the “**2021 Amendment**”). The 2021 Amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted.

The Group has early adopted the 2021 Amendment on 1 January 2021. However, the Group has not received covid-19-related rent concessions and plans to apply the practical expedient when it becomes applicable within the allowed period of application.

### **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 year, 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 year (2020: Nil).

#### 4. REVENUE, OTHER INCOME AND GAINS

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

	<i>Notes</i>	<b>2021</b> <b>RMB'000</b>	2020 RMB'000
<b><u>Revenue</u></b>			
<i>Revenue from contracts with customers</i>			
Tuition fees	<i>(a)</i>	<b>450,341</b>	422,960
Boarding fees	<i>(a)</i>	<b>43,096</b>	22,021
Other education service fees	<i>(b)</i>	<b>6,184</b>	4,369
		<b>499,621</b>	449,350
<b><u>Other income and gains</u></b>			
Bank interest income		<b>4,236</b>	1,599
Fair value gain, net:			
Financial assets at fair value through profit or loss		<b>1,694</b>	2,608
Rental income		<b>56,931</b>	56,008
Brand licensing income		<b>2,365</b>	3,448
Training income		<b>17,010</b>	11,945
Government grants:			
Related to assets	<i>(c)</i>	<b>5,441</b>	4,037
Related to income	<i>(d)</i>	<b>4,896</b>	3,508
Gain on disposal of items of property, plant and equipment, net		<b>8,598</b>	–
Gain on termination of leases	<i>(e)</i>	<b>10,700</b>	–
Gain on disposal of subsidiaries		–	2,463
Others		<b>282</b>	332
		<b>112,153</b>	85,948

- (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) Certain lease and sub-leasing arrangements of the Group were terminated on 31 August 2021 and investment properties of RMB15,422,000, right-of-use assets of RMB3,347,000, lease liabilities of RMB14,898,000 were derecognised. As Guangzhou Lingnan Tongwen Education Investment Management Co., Ltd. agreed to pay an amount of RMB15,400,000 (including tax of RMB829,000) to the Group as a compensation for the investment property built up by the Group on the original leased land, the Group recognised a net gain on termination of leases of RMB10,700,000 for the year.

## 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 year are as follows:

	<b>2021</b> <b>RMB'000</b>	2020 <i>RMB'000</i>
At the beginning of the year	<b>167,856</b>	174,366
Revenue recognised that was included in the balance of contract liabilities at the beginning of the year	<b>(165,949)</b>	(158,841)
Increases due to cash received, including amounts recognised as revenue during the year	<b>474,939</b>	451,286
Revenue recognised that was not included in contract liabilities at the beginning of the year	<b>(322,132)</b>	(280,238)
Transfer to refund liabilities	<b>(2,884)</b>	(18,717)
	<hr/>	<hr/>
At the end of the year	<b>151,830</b>	167,856
	<hr/> <hr/>	<hr/> <hr/>

### ***Revenue recognised in relation to contract liabilities***

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

	<b>2021</b> <b>RMB'000</b>	2020 <i>RMB'000</i>
Revenue recognised that was included in the balance of contract liabilities at the beginning of the year		
Tuition fees	<b>147,358</b>	155,444
Boarding fees	<b>18,591</b>	3,397
	<hr/>	<hr/>
	<b>165,949</b>	158,841
	<hr/> <hr/>	<hr/> <hr/>

## Unsatisfied performance obligations

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2021 are as follows:

	<b>2021</b> <i>RMB'000</i>	2020 <i>RMB'000</i>
Expected to be recognised within one year:		
Tuition fees	<b>135,594</b>	149,233
Boarding fees	<b>16,236</b>	18,623
	<b>151,830</b>	167,856

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 December 2021 and 2020.

## 5. PROFIT BEFORE TAX

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

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Wages and salaries	167,037	143,185
Pension scheme contributions	16,377	11,679
	<u>183,414</u>	<u>154,864</u>
Depreciation of property, plant and equipment	47,380	38,970
Depreciation of investment properties	4,348	5,488
Depreciation of right-of-use assets	31,764	30,816
Amortisation of other intangible assets*	1,771	1,215
Lease payments not included in the measurement of lease liabilities	1,125	3,065
Impairment of accounts receivable	332	536
Direct operating expenses arising from rental-earning investment properties****	10,346	10,709
Donation expenses****	818	122
Fair value gain, net		
Financial assets at fair value through profit or loss	(1,694)	(2,608)
(Gain)/loss on disposal of items of property, plant and equipment, net	(8,598)	273
Gain on termination of leases	(10,700)	–
Loss on disposal of investment properties	25	–
Gain on disposal of subsidiaries	–	(2,463)
Bank interest income	(4,236)	(1,599)
Government grants**	(10,337)	(7,545)
Auditor's remuneration	2,700	270
Listing expenses***	25,388	14,299
Exchange loss, net****	1,948	–

\* The amortisation of other intangible assets is included in cost of sales in the 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.

\*\*\* Listing expenses are included in administrative expenses 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.

## 6. INCOME TAX

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Current – Mainland China Charge for the year	<u>3,473</u>	<u>4,989</u>

## 7. DIVIDENDS

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Proposed final – HK5.6 cents (2020: Nil) per ordinary share	<u>60,627</u>	<u>–</u>

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

## 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 year attributable to ordinary equity holders of the parent of RMB153,938,000 (2020: RMB170,501,000) and the weighted average number of ordinary shares of 1,156,476,712 in issue during the year, as adjusted to reflect the capitalisation issue of shares during the year (2020: 999,210,385 ordinary shares, as adjusted to reflect the capitalisation issue, which were deemed to have been issued throughout the year ended 31 December 2020).

As of 1 January 2020, the Company had 3 ordinary shares in issue.

On 15 October 2020, the Company issued and allotted a total of 999,997 shares.

On 13 July 2021, the Company was listed on the Main Board of the Hong Kong Stock Exchange by way of issuing 334,000,000 new ordinary shares and the capitalisation issue of 999,000,000 ordinary shares (the "**Capitalisation Issue**").

The calculation of the diluted earnings per share amounts is based on the profit for the 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 in issue during the year, 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 years ended 31 December 2021 and 2020.

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

	<b>2021</b>	2020
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<u>Earnings</u>		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	<b>153,938</b>	170,501
	<b>Number of shares</b>	
	<b>2021</b>	2020
<u>Shares</u>		
Number of issued shares on 1 January	<b>1,000,000</b>	3
Effect of shares issued on 15 October 2020	–	210,382
Effect of Capitalisation Issue on 13 July 2021	<b>999,000,000</b>	999,000,000
Effect of the Initial Global Offering on 13 July 2021	<b>156,476,712</b>	–
Weighted average number of ordinary shares used in the basic and diluted earnings per share calculations	<b>1,156,476,712</b>	999,210,385

## 9. ACCOUNTS RECEIVABLE

	<b>2021</b> <i>RMB'000</i>	2020 <i>RMB'000</i>
Tuition fees and boarding fees receivables	<b>6,209</b>	7,269
Impairment	<b>(248)</b>	(101)
	<b>5,961</b>	7,168

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 relate 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 are 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:

	<b>2021</b> <i>RMB'000</i>	2020 <i>RMB'000</i>
Within one year	<b>5,911</b>	7,117
One to two years	<b>50</b>	11
Two to three years	–	9
Over three years	–	31
	<b>5,961</b>	7,168

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

	<b>2021</b> <i>RMB'000</i>	2020 <i>RMB'000</i>
At beginning of year	<b>101</b>	–
Impairment losses	<b>332</b>	536
Amounts written off as uncollectible	<b>(185)</b>	(435)
At end of year	<b>248</b>	101

## 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 December 2021, Lingnan Institute of Technology had 12 secondary colleges and offered over 45 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.

#### *Lingnan Modern Technician College*

Lingnan Modern Technician College is a private vocational education institution located in Guangzhou and provides vocational education and training in various industries for students. As at 31 December 2021, Lingnan Modern Technician College had seven departments and offered over 25 majors, including, advertising design, computer network application, computer program design, digital media application and cross-border e-commerce.

### ***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 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 25,797 for the 2021/2022 school year. As at 31 December 2021, the average tuition fee of Lingnan Institute of Technology and Lingnan Modern Technician College amounted to RMB16,677 and RMB11,918, respectively, and the average boarding fee of these two schools amounted to RMB1,822 and RMB1,781, respectively.

## Outlook

### *Favorable Policy Environment for Vocational Education*

At a national conference on vocational education held in April 2021, important instructions were delivered by Xi Jinping, general secretary of the Communist Party of China (CPC) Central Committee, Chinese President and chairman of the Central Military Commission, on the development of vocational education that vocational education has a promising future and great potential as China journeys toward socialist modernisation. It was emphasised that more efforts will be made to optimise the positioning of vocational education, to promote integration between industry and education and cooperation between schools and enterprises, to reform training and schooling modes as well as management and support mechanisms, to promote bachelor-level vocational education and bring about a number of quality vocational education institutions and programs, to promote the integration of vocational education and regular education, to improve the adaptability of vocational education and speed up the development of the modern vocational education system so as to cultivate more high-quality technical professionals.

In May 2021, the State Council promulgated the “Regulations for the Implementation of the Private Education Promotion Law of the People’s Republic of China”, pursuant to which, various policies have been introduced to encourage the development vocational education, such as “public schools implementing vocational education can attract the capital, technology, management and other elements of enterprises to establish or participate in the establishment of for-profit private schools that implement vocational education” and “enterprises are encouraged to establish or participate in the establishment of private schools that implement vocational education in various forms, such as sole proprietorship, joint venture and cooperation”.

In June 2021, the Vocational Education Law of the People’s Republic of China (Revised Draft) (the “**Revised Draft**”) was submitted to the 29th meeting of the Standing Committee of the 13th National People’s Congress for consideration and public opinions were solicited thereon. The Revised Draft provides that vocational education and regular education are of the same importance. Besides, the country encourages the government and social organisations to participate in vocational education and the establishment of vocational education systems, and also gives support to the eligible enterprises or social organisations implementing vocational education according to regulations.

In October 2021, the General Office of the Central Committee of CPC and the General Office of the State Council issued the Opinions (the “**Opinions**”) on Promoting the High-Quality Development of Modern Vocational Education (“關於推動現代職業教育高質量發展的意見”). The Opinions has put forward that vocational education, an important part of the national education system and human resource development, shoulders the important responsibility of training diversified talents, inheriting technical skills, and promoting employment and entrepreneurship. In the new journey of building a modernised socialist country in an all-round way, vocational education has a bright and promising future. The Opinions have also determined the development goals for vocational education by 2025: the types of vocational education are more distinctive, a modern vocational education system is basically completed, and the construction of a skill-based society is being fully promoted. The pattern of running schools will be further optimised, the conditions of running schools will be greatly improved, the enrollment scale of vocational education at undergraduate level will not be less than 10% of the enrollment scale of higher vocational education, and thus the attractiveness and training quality of vocational education will be significantly enhanced.

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 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 11.7% nominal GDP in 2019. 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 Guangdong-Hong Kong-Macao 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 three 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 Guangdong-Hong Kong-Macao 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.

## **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 its schools collected from students.

The Group's revenue increased by approximately 11.2% from approximately RMB449.4 million for the year ended 31 December 2020 to approximately RMB499.6 million for the Reporting Period. The increase was primarily due to (i) an increase in tuition fees and boarding fees as a result of the increase in total full-time student enrollment of Lingnan Modern Technician College, the average tuition fees and boarding fees during the Reporting Period; (ii) an increase in continuing education programs during the Reporting Period; and (iii) an increase in boarding fees as the Group refunded boarding fees in 2019/2020 school year as required by the relevant education authority due to the COVID-19 outbreak during the year ended 31 December 2020.

### ***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 24.0% from approximately RMB240.3 million for the year ended 31 December 2020 to approximately RMB298.0 million for the Reporting Period. 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 depreciation of property, plant and equipment in line with the expansion of the Group's school operating scale during the Reporting Period; (iii) an increase in student study and practicing fees and teaching expenditure, as less cost were incurred during the year of 2020 with temporary shut down of school campuses in the spring semester of the 2019/2020 school year as a result of the COVID-19 outbreak; and (iv) an increase in the operation costs from the expansion of cooperative education scale under the adult education business segment.

### ***Gross Profit and Gross Profit Margin***

The Group's gross profit decreased by approximately 3.5% from approximately RMB209.0 million for the year ended 31 December 2020 to approximately RMB201.6 million for the Reporting Period and the Group's gross profit margin decreased from approximately 46.5% to approximately 40.4% during the same periods. 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 depreciation of property, plant and equipment in line with the expansion of the Group's school operating scale during the Reporting Period; and (iii) an increase in student study and practicing fees and teaching expenditure, as less cost were incurred during the year of 2020 with temporary shut down of school campuses in the spring semester of the 2019/2020 school year as a result of the COVID-19 outbreak.

### ***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; (vi) gain on disposal of items of property, plant and equipment; and (vii) gain on termination of leases.

The Group's other income and gains increased by approximately 30.6% from approximately RMB85.9 million for the year ended 31 December 2020 to approximately RMB112.2 million for the Reporting Period. The increase was primarily due to (i) an increase of RMB10.7 million in gains from termination of leases as the Group terminated certain lease and sub-leasing arrangements and would receive a compensation from the lessee in consideration of fair value of the investment property built up by the Group on the original leased land during the Reporting Period; (ii) an increase of RMB8.6 million in gains from disposal items of property, plant and equipment as the Group disposed certain properties during the Reporting Period; and (iii) an increase 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 8.5% from approximately RMB17.6 million for the year ended 31 December 2020 to approximately RMB19.1 million for the Reporting Period. 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; (iv) consulting expenses; and (v) listing expenses.

The Group's administrative expenses increased by approximately 39.2% from approximately RMB67.6 million for the year ended 31 December 2020 to approximately RMB94.1 million for the Reporting Period. The increase was primarily due to (i) an increase of RMB11.1 million in listing expenses; (ii) an increase in staff costs for administrative staff as a result of an increase in their average salary levels and bonuses during the Reporting Period; and (iii) an increase in consulting expenses related to the increase of consulting services.

### ***Other Expenses***

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

The Group's other expenses increased by approximately 33.0% from approximately RMB19.1 million for the year ended 31 December 2020 to approximately RMB25.4 million for the Reporting Period. The increase was primarily due to (i) an increase of RMB4.2 million in training cost with expansion of the Group's training business during the Reporting Period; and (iii) an increase of exchange loss.

### ***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 17.1% from approximately RMB15.2 million for the year ended 31 December 2020 to approximately RMB17.8 million for the Reporting Period. The increase was primarily due to the accelerated recognition of the remaining unamortised prepaid interest expenses due to the early repayment of certain other borrowings during the Reporting Period.

### ***Profit for the Year***

As a result of the above factors, profit for the period of the Group decreased by approximately 9.7% from approximately RMB170.5 million for the year ended 31 December 2020 to approximately RMB153.9 million for the Reporting Period.

### ***Adjusted Net Profit***

The Group defines its adjusted net profit as its profit for the year after adjusting for those items which are not indicative of the Group's operating performances (as presented in the table below). This is not a HKFRSs measure. The Group has presented this item because the Group considers it an important supplemental measure of the Group's operational performance used by the Group's management as well as analysts or investors. The following table shows profit and adjusted net profit of the Group for the years presented below:

	<b>Year ended 31 December</b>	
	<b>2021</b>	2020
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Profit for the year</b>	<b>153,938</b>	170,501
<b>Add:</b>		
Listing expenses	<b>25,388</b>	14,299
<b>Less:</b>		
Gain on disposal of subsidiaries	—	2,463
Adjusted net profit	<b><u>179,326</u></b>	<u>182,337</u>

Adjusted net profit for the Reporting Period decreased by approximately RMB3.0 million or approximately 1.7% as compared with the year ended 31 December 2020. Adjusted net profit margin decreased from 40.6% for the year ended 31 December 2020 to 35.9% for the Reporting Period.

## **Financial and Liquidity Position**

### ***Current Assets and Current Liabilities***

As at 31 December 2021, the Group had net current assets of approximately RMB207.5 million, increased approximately RMB388.8 million from net current liabilities of approximately RMB181.3 million as at 31 December 2020. The Group had net current assets as at such date primarily because (i) funds raised from the Global Offering (as defined below); and (ii) the receipt of tuition fees and boarding fees from freshmen in the 2021/2022 school year.

The Group's current assets as at 31 December 2021 increased by RMB274.7 million to approximately RMB631.3 million from approximately RMB356.6 million as at 31 December 2020. The increase in current assets was primarily attributable to the increase of cash and cash equivalents from the net proceeds of the Global Offering (as defined below).

The Group's current liabilities decreased by RMB114.1 million from approximately RMB537.9 million as at 31 December 2020 to approximately RMB423.8 million as at 31 December 2021, mainly reflecting: (i) payment settlement of RMB77.4 million for the acquisition of non-controlling interests of a subsidiary during the Reporting Period; (ii) a decrease of approximately RMB24.6 million in other payables and accruals as at 31 December 2021 due to certain payment settlement; (iii) a decrease of approximately RMB16.0 million in contract liabilities as at 31 December 2021 due to the decrease in the number of students at the end of the semester which also lead to the reduction in the advance receipt of the tuition and boarding fees; and (iv) a decrease of approximately RMB13.8 million in current interest-bearing bank and other borrowings as at 31 December 2021.

## ***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 RMB268.4 million as at 31 December 2021, denominated in RMB. As at 31 December 2021, the Group's interest-bearing bank and other borrowings bore effective interest rates ranging from approximately 5.2% to 8.5% 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 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 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 in order 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 1.3% to 3.7% per annum.

The Group's wealth management products increased by approximately RMB49.8 million from approximately RMB20.2 million as at 31 December 2020 to approximately RMB70.0 million as at 31 December 2021. The increase was primarily because the Group invested in a wealth management product issued by a fund company in China.

## ***Contingent liabilities, Guarantees and Litigation***

As at 31 December 2021, the Group did not have any unrecorded significant contingent liabilities, guarantees or any material litigation against any member of the Group (31 December 2020: nil).

## ***Pledge of Assets***

As at 31 December 2021, no assets of the Group were pledged to secure bank loans and other borrowings (2020: certain bank and other borrowings with carrying amounts of RMB357.3 million, were secured by the tuition fee charging right of Lingnan Institute of Technology).

## ***Foreign Exchange Exposure***

The functional currency of the Company is RMB. The majority of the Group's revenue and expenditures are denominated in RMB. As at 31 December 2021, certain bank balances were denominated in HK\$ and US\$. During the year ended 31 December 2021, the Group did not experience any significant difficulties in or impacts on its operations or liquidity due to fluctuations in currency exchange rates. The Directors believe that the Group has sufficient foreign exchange to meet its own foreign exchange requirements and will adopt practical and effective measures to prevent exposure to exchange rate risk. As a result, the Group did not enter into any financial instrument for hedging purposes.

## ***Gearing Ratio***

The gearing ratio, which is calculated by using total interest-bearing bank and other borrowings divided by total equity, decreased to approximately 18.4% as at 31 December 2021 from approximately 43.0% as at 31 December 2020, mainly due to a decrease of the Group's interest-bearing bank and other borrowings and an increase of total equity after the Global Offering (as defined below).

## **OTHER INFORMATION**

### **Completion of the Listing**

On 13 July 2021, pursuant to a written resolution of the shareholders of the Company (the "**Shareholders**"), the Directors were authorised to capitalise the amount of HK\$9,990,000 to pay up in full at par 999,000,000 shares for allotment and issue to the Shareholders whose names appear on the register of members of the Company prior to the Global Offering (as defined below) on a pro rata basis (the "**Capitalisation Issue**").

The shares of the Company were listed on the Stock Exchange on 13 July 2021 (the "**Listing Date**") by way of a global offering of its ordinary shares (the "**Global Offering**"). Pursuant to the Global Offering, 334,000,000 shares (25% of the then total number of shares of the Company of 1,334,000,000) were issued to the public at a price of HK\$1.59 per share. Immediately following the completion of the Capitalisation Issue and the Global Offering, the authorised share capital of the Company was HK\$100,000,000 divided into 10,000,000,000 shares of HK\$0.01 each.

### **Proceeds from the Listing**

The net proceeds from 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	Net proceeds <sup>Note</sup> HK\$' Million	Utilised	Utilised	Unutilised	Expected timeline
		amount during the Reporting Period HK\$' Million	amount as at the date of this announcement HK\$' Million	amount as at the date of this announcement 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.	55.0%	245.3	-	-	245.3 2021-2023
- Constructing additional teaching and administrative facilities and purchasing teaching equipment	12.0%	53.5	53.5	53.5	- 2021
- Constructing an industry and education integrated industrial park	3.0%	13.4	1.7	1.7	11.7 2021-2022
Acquire other schools and educational service providers to expand the school network	20.0%	89.2	-	-	89.2 2022-2023
Working capital	10.0%	44.6	28.0	28.0	16.6 2021-2022
<b>Total</b>	<b>100.0%</b>	<b>446.0</b>	<b>83.2</b>	<b>83.2</b>	<b>362.8</b>

*Note:* The figures of the net proceeds are slightly different from that disclosed in the interim results announcement of the Company dated 30 August 2021 as more expenses were deducted from the proceeds from the Global Offering as at 31 December 2021 with relevant professional service fees fully settled.

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 section headed “Future Plans and Use of Proceeds” in the prospectus of the Company (the “**Prospectus**”) except that (1) the timeline for acquisition of other schools and educational service providers to expand the school network was extended from 2022 to 2023 as the Group needs more time to secure suitable acquisition targets considering the downward market trend for 2022, and (2) for each intended use of net proceeds, the proportion of the net proceeds allocated to each year during their respective expected timeline was adjusted according the practical situation of execution.

## Final Dividend

The Board has proposed to declare a final dividend of HK5.6 cents per share for the year ended 31 December 2021. The final dividend will be declared and paid in Hong Kong dollars. The final dividend will be paid on 23 June 2022 to the Shareholders whose names appear on the register of members of the Company on 2 June 2022. The payment of the final dividend is subject to Shareholders’ approval at the annual general meeting (“**AGM**”) of the Company to be held on 26 May 2022.

## Purchase, Sale or Redemption of Listed Securities of the Company

Other than pursuant to the Global Offering, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities for the period from the Listing Date and up to 31 December 2021.

## **Significant Investments Held**

The Group did not hold any significant investment in equity interest in any company for the period from the Listing Date and up to 31 December 2021.

## **Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies**

The Company did not acquire and/or dispose any of its subsidiaries, associates, interests in joint ventures or affiliated companies for the period from the Listing Date and up to 31 December 2021.

## **Employment, Remuneration Policy and Training**

As at 31 December 2021, the Group had a total of 1,136 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 emphasizes 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.

## **Events after the Reporting Period**

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

## **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 period from the Listing Date up to the end of 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 period from the Listing Date up to 31 December 2021.

## **Audit committee**

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in accordance with Rule 3.21 of the Listing Rules and paragraph D.3 of the CG Code. The primary duties of the Audit Committee are to make recommendation to the Board on the appointment and removal of external auditor, and to assist the Board in fulfilling its oversight responsibilities in relation to the Group’s financial reporting, internal control structure, risk management processes and external audit functions, and corporate governance responsibilities. The Audit Committee consists of three independent non-executive directors, being Mr. Luo Pan, Mr. Yeh Zhe-Wei and Mr. Ma Shuchao, with Mr. Luo Pan being the chairman of the Audit Committee.

The Audit Committee 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 year ended 31 December 2021.

## **Scope of Work of Ernst & Young**

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 year ended 31 December 2021 as set out in the preliminary announcement have been agreed by the Company’s auditor, Ernst & Young, to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young 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 is publicly available to the Company and within the knowledge of the Directors.

## **Annual General Meeting**

The AGM will be held on Thursday, 26 May 2022. Shareholders should refer to the circular of the Company, the notice of AGM and the form of proxy to be published and dispatched 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, 23 May 2022 to Thursday, 26 May 2022, 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 Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong no later than 4:30 p.m. on Friday, 20 May 2022.

The register of members of the Company will be closed by the Group from Wednesday, 1 June 2022 to Thursday, 2 June 2022, both days inclusive, during proposed which period no transfer of shares of the Company will be effected. In order to be qualified for the proposed final dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Group's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 31 May 2022.

### **Publication of Annual Results Announcement and Annual Report**

This annual results announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of the Company at [www.scvedugroup.com](http://www.scvedugroup.com), respectively. The annual report of the Company for the Reporting Period containing all the information required by the Listing Rules will be despatched 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 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 March 2022

*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 of Directors of the Company comprises Mr. He Huishan, Ms. He Huifen, Ms. He Huifang and Mr. Lao Hansheng as executive Directors; and Mr. Luo Pan, Mr. Yeh Zhe-Wei and Mr. Ma Shuchao as independent non-executive Directors.*