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Minsheng Education Group Company Limited
民生教育集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1569)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2024

HIGHLIGHTS OF THE INTERIM RESULTS

1. Concrete progress has been made in the for-profit registration of the Group's colleges

On 24 November 2023, the Company announced that Dianchi College of Yunnan University obtained the approval from China's education authorities for conversion from Dianchi College of Yunnan University to Dianchi College. Dianchi College is a private undergraduate-level general higher education institution. Dianchi College has obtained the approval for registration as a for-profit college in the second half of 2023 and is going through the necessary registration procedures during the Reporting Period. Dianchi College has begun enrolling new students in 2024-2025 academic year as a for-profit college.

The Group's other major colleges in China have applied to register as for-profit colleges, though at various early stages.

2. *Main financial performance indicator of the Group during the Reporting Period*

- **Revenue:** For the Reporting Period, the total revenue of the Group was approximately RMB1,079.8 million, representing a decrease of approximately 10.7% as compared to the corresponding period in 2023.
- **Gross profit:** For the Reporting Period, the gross profit of the Group decreased by approximately 19.9% from approximately RMB725.1 million for the six months ended 30 June 2023 to approximately RMB580.8 million, and gross profit margin decreased from approximately 60.0% to approximately 53.8%.
- **Profit for the period:** For the Reporting Period, profit for the period of the Group decreased by approximately 63.1% from approximately RMB306.5 million for the six months ended 30 June 2023 to approximately RMB113.2 million.
- **Total assets and net assets:** As at 30 June 2024, the total assets of the Group were approximately RMB10,778.6 million; and the net assets of the Group were approximately RMB6,018.9 million.
- **Gearing ratio:** As at 30 June 2024, the Group's gearing ratio which is calculated by dividing total interest bearing loan from financial institutions and other borrowings by total equity, was approximately 38.0%. The Group's gearing ratio is on a healthy level.

The board (the “**Board**”) of directors (the “**Director(s)**”) of Minsheng Education Group Company Limited (the “**Company**”) is pleased to announce the interim condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**” or “**we**”) for the six months ended 30 June 2024 (the “**Reporting Period**”) together with the comparative figures for the corresponding period in 2023.

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

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
REVENUE	4	1,079,786	1,209,022
Cost of sales		(498,948)	(483,945)
Gross profit		580,838	725,077
Other income and gains	4	71,543	79,334
Selling and distribution expenses		(98,046)	(117,077)
Administrative expenses		(240,309)	(243,407)
Other expenses, net		(59,675)	(6,707)
Finance costs		(68,419)	(100,498)
PROFIT BEFORE TAX	5	185,932	336,722
Income tax expense	6	(72,767)	(30,177)
PROFIT FOR THE PERIOD		<u>113,165</u>	<u>306,545</u>

	<i>Notes</i>	Six months ended 30 June	
		2024	2023
		(Unaudited)	(Unaudited)
		RMB'000	RMB'000
OTHER COMPREHENSIVE INCOME			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of financial statements		<u>(11,308)</u>	<u>(65,707)</u>
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods		<u>(11,308)</u>	<u>(65,707)</u>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of financial statements of the Company		<u>3,416</u>	<u>28,574</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods		<u>3,416</u>	<u>28,574</u>
OTHER COMPREHENSIVE LOSS FOR THE PERIOD		<u>(7,892)</u>	<u>(37,133)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>105,273</u>	<u>269,412</u>
Profit attributable to:			
Owners of the parent		<u>104,802</u>	292,608
Non-controlling interests		<u>8,363</u>	<u>13,937</u>
		<u>113,165</u>	<u>306,545</u>
Total comprehensive income attributable to:			
Owners of the parent		<u>97,588</u>	255,475
Non-controlling interests		<u>7,685</u>	<u>13,937</u>
		<u>105,273</u>	<u>269,412</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT:			
Basic and diluted	8	<u>RMB0.0248</u>	<u>RMB0.0694</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2024

	<i>Notes</i>	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		3,360,593	3,277,081
Right-of-use assets		873,586	881,798
Goodwill		2,271,699	2,271,699
Other intangible assets		293,195	329,915
Financial assets at fair value through profit or loss		12,004	7,941
Deferred tax assets		36,306	24,018
Other non-current assets		263,389	261,451
		<u>7,110,772</u>	<u>7,053,903</u>
TOTAL non-current assets			
		<u>7,110,772</u>	<u>7,053,903</u>
CURRENT ASSETS			
Inventories		8,817	8,958
Trade receivables	9	552,636	457,549
Prepayments, other receivables and other assets		593,433	544,088
Financial assets at fair value through profit or loss		108,553	108,553
Restricted bank deposits		210,000	3,671
Cash and cash equivalents		2,194,356	3,189,846
		<u>3,667,795</u>	<u>4,312,665</u>
TOTAL current assets			
		<u>3,667,795</u>	<u>4,312,665</u>
CURRENT LIABILITIES			
Trade payables	10	539,095	652,213
Contract liabilities	11	107,754	832,959
Other payables and accruals	12	764,490	782,172
Dividend payable		227,122	188,411
Deferred income		18,869	19,660
Interest-bearing bank and other borrowings		1,308,772	1,148,613
Loans from the ultimate holding company		125,463	–
Tax payable		96,666	151,214
		<u>3,188,231</u>	<u>3,775,242</u>
TOTAL current liabilities			
		<u>3,188,231</u>	<u>3,775,242</u>
NET CURRENT ASSETS			
		<u>479,564</u>	<u>537,423</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>7,590,336</u>	<u>7,591,326</u>

	<i>Notes</i>	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
NON-CURRENT LIABILITIES			
Deferred income		224,606	234,193
Interest-bearing bank and other borrowings		977,115	989,457
Other long term liability		249,477	254,172
Deferred tax liabilities		120,217	162,365
		<u>1,571,415</u>	<u>1,640,187</u>
Total non-current liabilities		<u>1,571,415</u>	<u>1,640,187</u>
Net assets		<u>6,018,921</u>	<u>5,951,139</u>
EQUITY			
Equity attributable to owners of the parent			
Share capital		322	322
Reserves		5,150,457	5,090,360
		<u>5,150,779</u>	<u>5,090,682</u>
Non-controlling interests		<u>868,142</u>	<u>860,457</u>
Total equity		<u>6,018,921</u>	<u>5,951,139</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 JUNE 2024

1. CORPORATE AND GROUP INFORMATION

Minsheng Education Group Company Limited (the “**Company**”) was incorporated in the Cayman Islands on 13 December 2005 as an exempted company with limited liability under the laws of the Cayman Islands. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. During the six months ended 30 June 2024 (the “**Period**”), the Company and its subsidiaries (collectively referred to as the “**Group**”) were principally engaged in providing educational services in the People’s Republic of China (the “**PRC**”).

2.1 BASIS OF PREPARATION

The unaudited interim condensed consolidated financial information of the Group for the Period has been prepared in accordance with International Accounting Standard (“**IAS**”) 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the Group’s annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023. The unaudited interim condensed consolidated financial information is presented in Renminbi (“**RMB**”), and all values are rounded to the nearest thousand except otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following new and revised International Financial Reporting Standards (“**IFRSs**”) for the first time for the Period’s financial information:

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i> <i>(the “2020 Amendments”)</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i> <i>(the “2022 Amendments”)</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and has two reportable operating segments as follows:

- (a) on-campus education
- (b) online education

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, non-lease-related finance costs as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Six months ended 30 June 2024	On-campus education RMB'000 (unaudited)	Online education RMB'000 (unaudited)	Total RMB'000 (unaudited)
Segment revenue (note 4)			
Sales to external customers	752,217	327,569	1,079,786
Intersegment sales	<u>—</u>	<u>263</u>	<u>263</u>
Total segment revenue	752,217	327,832	1,080,049
<i>Reconciliation:</i>			
Elimination of intersegment sales			<u>(263)</u>
Revenue			<u><u>1,079,786</u></u>
Segment results	283,924	(2,372)	281,552
Interest income			4,080
Corporate and other unallocated expenses			(32,165)
Finance costs (other than interest on lease liabilities)			<u>(67,535)</u>
Profit before tax			<u><u>185,932</u></u>

Six months ended 30 June 2023	On-campus education RMB'000 (unaudited)	Online education RMB'000 (unaudited)	Total RMB'000 (unaudited)
Segment revenue (note 4)			
Sales to external customers	<u>741,142</u>	<u>467,880</u>	<u>1,209,022</u>
Segment results			
Interest income	394,152	50,251	444,403
Corporate and other unallocated expenses			(29,423)
Finance costs (other than interest on lease liabilities)			<u>(99,408)</u>
Profit before tax			<u>336,722</u>

The following table presents the asset and liability information of the Group's operating segments as at 30 June 2024 and 31 December 2023:

	On-campus education RMB'000	Online education RMB'000	Total RMB'000
Segment assets			
30 June 2024 (unaudited)	<u>9,767,915</u>	<u>2,305,185</u>	<u>12,073,100</u>
31 December 2023 (audited)	<u>10,201,179</u>	<u>2,441,370</u>	<u>12,642,549</u>
Segment liabilities			
30 June 2024 (unaudited)	<u>3,147,532</u>	<u>2,053,192</u>	<u>5,200,724</u>
31 December 2023 (audited)	<u>3,537,717</u>	<u>2,180,502</u>	<u>5,718,219</u>

4. REVENUE, OTHER INCOME AND GAINS

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

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Tuition fees	690,920	681,295
Boarding fees	61,297	59,847
Distance education services	209,296	341,118
Teacher training services	13,570	45,255
Online courses services	10,676	14,007
Sales of books	15,615	11,123
Other educational services	78,412	56,377
	<hr/>	<hr/>
Total	<u>1,079,786</u>	<u>1,209,022</u>
Other income and gains		
Investment income from short-term investments measured at fair value through profit or loss	22,071	23,733
Rental income:		
Fixed lease payments	3,756	10,397
Bank interest income	4,080	11,238
Interest income from a company controlled by the former shareholders of a subsidiary	–	9,912
Government grants		
– Related to assets	10,367	11,736
– Related to income	3,015	3,286
Fair value gain from an equity investment at fair value through profit or loss	4,182	–
Foreign exchanges, net	9,202	–
Others	14,870	9,032
	<hr/>	<hr/>
Total	<u>71,543</u>	<u>79,334</u>

Disaggregated revenue information for revenue from contracts with customers

Six months ended 30 June 2024

Segments	On-campus education RMB'000 (Unaudited)	Online education RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Timing of revenue recognition			
<i>Revenue recognised over time:</i>			
Tuition fees	690,920	–	690,920
Boarding fees	61,297	–	61,297
Distance education services	–	209,296	209,296
Teacher training services	–	13,570	13,570
Online courses services	–	10,676	10,676
Other educational services	–	72,022	72,022
<i>Revenue recognised at a point in time:</i>			
Sales of books	–	15,615	15,615
Commission income	–	6,390	6,390
Total	<u>752,217</u>	<u>327,569</u>	<u>1,079,786</u>

Six months ended 30 June 2023

Segments	On-campus education RMB'000 (Unaudited)	Online education RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Timing of revenue recognition			
<i>Revenue recognised over time:</i>			
Tuition fees	681,295	–	681,295
Boarding fees	59,847	–	59,847
Distance education services	–	341,118	341,118
Teacher training services	–	45,255	45,255
Online courses services	–	14,007	14,007
Other educational services	–	46,419	46,419
<i>Revenue recognised at a point in time:</i>			
Sales of books	–	11,123	11,123
Commission income	–	9,958	9,958
Total	<u>741,142</u>	<u>467,880</u>	<u>1,209,022</u>

5. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	87,449	86,195
Depreciation of right-of-use assets	20,484	21,629
Amortisation of other intangible assets	40,053	43,015
Lease payments not included in the measurement of lease liabilities	7,930	8,563
Auditor's remuneration	1,800	1,800
Employee benefit expense (including directors' remuneration):		
Wages and salaries	316,425	284,724
Equity-settled share option expense	47	575
Pension scheme contributions (defined contribution schemes)	61,914	81,602
	378,386	366,901
Foreign exchange differences, net	(9,202)	82
Impairment of financial assets:		
Impairment of trade receivables	5,553	–
Impairment of financial assets included in prepayments, other receivables and other assets	52,588	3,372
Reversal of impairment of trade receivables	–	(5,209)
	58,141	(1,837)
Investment income from short-term investments measured at fair value through profit or loss	(22,071)	(23,733)
Bank interest income	(4,080)	(11,238)
Interest income from a company controlled by the former shareholders of a subsidiary	–	(9,912)
Fair value (gain)/loss from an equity investment at fair value through profit or loss	(4,182)	4,074
(Gain)/loss on disposal of items of property, plant and equipment, net	(382)	137
Donation expense	726	3,300

6. INCOME TAX

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current – Mainland China		
Charge for the Period	127,203	39,816
Deferred	(54,436)	(9,639)
	<u>72,767</u>	<u>30,177</u>

7. INTERIM DIVIDEND

The Board does not declare any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: 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 4,217,720,000 (2023: 4,217,720,000) shares in issue during the Period.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 June 2024 and 2023 in respect of a dilution as the impact of the share option had an anti-dilutive effect on the basic earnings per share amounts presented.

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

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to owners of the parent, used in the basic and diluted earnings per share calculation	<u>104,802</u>	<u>292,608</u>

	Number of shares	
	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	<u>4,217,720,000</u>	<u>4,217,720,000</u>

9. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the Period, based on the transaction date and net of provisions, is as follows:

	30 June 2024 <i>RMB'000</i> (Unaudited)	31 December 2023 <i>RMB'000</i> (Audited)
Within 1 year	434,442	380,468
1 to 2 years	83,036	70,604
2 to 3 years	32,617	6,162
Over 3 years	<u>2,541</u>	<u>315</u>
Total	<u>552,636</u>	<u>457,549</u>

10. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the period, based on the invoice date, is as follows:

	30 June 2024 <i>RMB'000</i> (Unaudited)	31 December 2023 <i>RMB'000</i> (Audited)
Within 1 year	448,205	606,335
1 to 2 years	55,811	21,834
2 to 3 years	13,977	13,269
Over 3 years	<u>21,102</u>	<u>10,775</u>
Total	<u>539,095</u>	<u>652,213</u>

11. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
<i>Short-term advances received from customers</i>		
Tuition fees	8,750	661,854
Boarding fees	14,591	70,491
Distance education service fees	27,088	49,020
Teacher training services	139	10,694
Other education business	57,186	40,900
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Total	107,754	832,959
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12. OTHER PAYABLES AND ACCRUALS

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Accrued bonuses and other employee benefits	79,505	103,534
Payables for catering services	12,943	10,666
Payables for purchase of property, plant and equipment	202,534	241,821
Payables for management fee	32,858	46,274
Miscellaneous expenses received from students	145,387	114,630
Tuition fees received from students	147,086	111,590
Other tax payable	7,300	10,507
Payables for audit fee	1,800	1,304
Payables for interest	1,056	1,148
Refund liabilities	437	313
Consideration payable for business combination	49,725	49,725
Payables to the non-controlling shareholder of subsidiaries	20,000	20,000
Other payables	63,859	70,660
	<hr/>	<hr/>
Total	764,490	782,172
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13. EVENT AFTER THE PERIOD

There were no significant events of the Group after the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review of the Reporting Period

The Group is a leading “Internet +” vocational education group in China. The Group has already equipped the integrated vocational education service capabilities of “Enrollment – Assessment – Teaching – Practical Training – Examination – Employment” and gathered resources of learning services and resources of digital intelligence employment services, continuously improved the comprehensive ability of employment services for talents, to connect colleges, students and enterprises, to realize data interoperability and precise matching employment services for talents.

At present, the Group has perfected the layout of eight business sectors: (i) on-campus education, (ii) online education services, (iii) vocational ability improvement and training, (iv) human resources services, (v) integration of digital intelligence, industry and education services, (vi) education informatization services, (vii) examination and evaluation services, and (viii) international education services. As of 30 June 2024, the Group has over 1,900 learning centres in all 31 provinces, autonomous regions and municipalities throughout the nation and more than 1,500 colleges and universities, bringing together more than 900 human resources companies and approximately 38,000 employers, linking approximately 4.7 million C-end users and approximately 3.7 million jobs, serving students and users at the total scale of more than 50 million, and forming an online + offline vocational education network and talent employment service system covering the whole nation.

The business operations of the Group’s main business sectors during the Reporting Period are as follows:

1. *On-campus Education*

The Group is committed to constructing a vocational education service system for the training of secondary vocational schools, junior colleges, applied undergraduate and professional postgraduate students. During the Reporting Period, the Group operated or managed 10 schools (including 7 higher education institutions, 2 secondary vocational schools and 1 high school) in Chongqing, Shandong, Yunnan and Inner Mongolia. As of 30 June 2024, the total number of students was approximately 100,000, of which full-time undergraduate students accounted for approximately 59%. The Group’s schools offer a total of 121 undergraduate majors, 146 junior college majors, 72 secondary vocational majors and 4 postgraduate cultivation and construction majors.

The Group’s undergraduate colleges now offer 1 key subject at provincial and above level, 2 key disciplines, 3 key cultivation disciplines, 15 first-class majors and 68 first-class programmes. The Group has established the only provincial level key discipline among private universities in Yunnan Province. The Group’s schools actively respond to the national policy of vocational education’s integration of industry-education, closely follow the development strategy of national key industries, promote school-enterprise cooperation, and comprehensively improve the training quality of applied talents. As of 30 June 2024, the Group’s schools have a total of approximately 1,000 off-campus practical training bases and have cooperated with other enterprises to build industrial colleges, and have achieved good results. The industry-education integration project

of Dianchi College of Yunnan University has been selected into the first and second batch of “New Engineering” (新工科) projects of the Ministry of Education, and one of the first batch of “New Liberal Arts” (新文科) projects of the Ministry of Education, which was the only private university in the nation being selected for two consecutive batches of “New Engineering” projects and the first notice of “New Liberal Arts” projects of the Ministry of Education.

Concrete progress has been made in the for-profit registration of the Group’s colleges

On 24 November 2023, the Company announced that Dianchi College of Yunnan University obtained the approval from China’s education authorities for conversion from Dianchi College of Yunnan University to Dianchi College. Dianchi College is a private undergraduate-level general higher education institution. Dianchi College has obtained the approval for registration as a for-profit college in the second half of 2023 and is going through the necessary registration procedures during the Reporting Period. Dianchi College has begun enrolling new students in 2024-2025 academic year as a for-profit college.

The Group’s other major colleges in China have applied to register as for-profit colleges, though at various early stages.

Social honors and awards obtained by the Group’s colleges

The Group’s colleges have been endorsed by local education authorities and widely recognized by society. During the Reporting Period:

1. The Group’s colleges have won the titles of “Vice Chairman Unit of the National Smart Financial Industry Industry-Education Integration Community” (全國智慧金融行業產教融合共同體副理事長單位), “Advanced Unit of Social Science Management in Chongqing Universities” (重慶市高校社科管理工作先進單位), “Advanced Collective of Student Financial Aid in Chongqing” (重慶市學生資助工作先進集體) and other provincial and ministerial level awards and honors.
2. More than 2,800 teachers and students counts of the Group’s colleges won the “Gold Medal in Modern Dance at the IDAA International Dance Competition” (IDAA國際舞蹈比賽現代舞金獎), the “Special Prize in the National Semi-finals of the 2024 FLTRP ‘Teaching Star’ Competition” (2024年外研社‘教學之星’大賽全國複賽特等獎), and the “First Prize in the Art Category of the Eighth Russian International Research Competition” (俄羅斯第八屆國際研究競賽藝術類一等獎), “First Prize in the Seventh China Vocational Education Innovation and Entrepreneurship Competition” (第七屆中華職業教育創新創業大賽全國一等獎), “First Prize in the Chinese Wisdom Cup National College Students’ Foreign Language Proficiency Competition” (中語智匯杯全國高校大學生外語水準能力大賽一等獎) and other provincial and ministerial level awards.
3. In the 2024 Best Chinese Universities Ranking of Shanghai Ranking (2024 軟科中國大學排名), Chongqing College of Humanities, Sciences and Technology ranked 18th among the private universities in the nation and ranked 1st among the private universities in Chongqing.

2. *Online Education Services*

The Group's online education services mainly cover higher academic continuing education and postgraduate (master's/doctoral) education. Facing towards to those who need to improve their academic qualifications, through cooperation with colleges of higher education, domestic and foreign business schools, provincial open universities and junior colleges, through the national online and offline learning center, the Group provides online learning services for students and users.

Higher academic continuing education online services

The Group's higher academic continuing education online services are provided by a wholly owned subsidiary of the Company, namely Beijing Open Distance Education Center Company Limited* (北京奧鵬遠程教育中心有限公司) (“**Open Distance Education**”) and a consolidated affiliated entity of the Company, namely Guangdong Minsheng Online Education Technology Company Limited* (廣東民生在線教育科技有限公司) (“**Minsheng Online**”). As of 30 June 2024, Open Distance Education and Minsheng Online cooperated with approximately 350 domestic key universities, provincial open universities, junior colleges and secondary vocational schools, to provide support services of online education, open education, adult higher education and self study examination qualification education to approximately 630,000 students throughout over 1,900 learning centres across the nation.

Postgraduate Management Education Services

The Group's postgraduate management education services are provided by Doxue Network Technology (Beijing) Company Limited* (都學網絡技術(北京)有限公司) (“**Doxue Network**”), a consolidated affiliated entity of the Company. Doxue Network is a national leading enterprise in postgraduate management education services. Its MBACHina platform is an active, intelligent and diversified learning information online platform in the industry, which gathers professional and famous teachers in the industry for those who want to improve their academic qualifications, and provides information channels for real-time consultation and learning courses that suit their needs. The business school rankings released by the MBACHina platform are widely recognized by the industry, universities and learners, and have extensive influence in the industry. As of 30 June 2024, Doxue Network cooperated with more than 200 domestic and foreign business schools; and the platform had newly added approximately 35,000 registered users and the cumulative number of registered users reached approximately 3.4 million.

3. *Vocational Ability Improvement and Training*

The Group's vocational ability improvement and training business mainly covers (i) teacher continuing education training; (ii) information technology (“**IT**”) vocational training; and (iii) cloud training platform.

(i) *Teacher continuing education and training*

The Group's teacher continuing education and training is provided by Open Distance Education. As the pioneer of mobile learning for teachers, the Group has launched platforms such as "Open Distance Education's Teachers Network" (奧鵬教師教育網), "Teacher Training Bao" (師訓寶) and "I-Classmate" (i同學) and other mobile learning application tools, and built a "school-based" (校本) training platform, providing all-round, full-process online training, hybrid training and offline training and other support services for educational administrative departments, teacher development centers, primary and secondary schools, colleges and universities and other educational institutions in various places. As of 30 June 2024, Open Distance Education has more than 500 partnered schools, and completed more than 15,300 training projects, has trained approximately 9 million teacher counts, and formed a total of 30TB+ course resources.

(ii) *IT vocational training*

The Group's IT vocational training is provided by IMOOC, a subsidiary of Open Distance Education. IMOOC focuses on IT online education, creates cutting-edge IT technology quality courses, and cultivates practical technical talents for enterprises. It has built more than 3,000 high quality training courses, and the platform has gathered nearly 1,000 high-level industry lecturers and accumulated approximately 25 million users as of 30 June 2024.

IMOOC has been selected into the top 10 of the "Vocational Education APP Ranking List" (職業教育APP排行榜) released by the Chinese Academy of Sciences for consecutive years. It has also been selected in the Apple application store to regularly recommend applications on various topics such as "Helping the Workplace" (助力職場), "Everyone Can Program" (人人能編程) and "Easy Learning to Program" (輕鬆學編程).

(iii) *Cloud training*

The Group's cloud training is based on the education cloud platform, which focuses on industry applications, integrates resources and services of cloud training providers for coprovision of online training solutions to colleges and universities, provides all-rounded trainings for cultivation of application oriented talents, and facilitates the cultivation of talents and enhancement of comprehensive vocational skills. Currently, the platform has incorporated over 60 training projects, covering 11 categories including computer, big data, architecture, machinery, pharmaceuticals, finance and trade, radio, film and television, tourism, agriculture, logistics and general education. In particular, general education-oriented trainings apply to most majors, while other specialized trainings cover over 20 undergraduate majors and over 40 junior college majors.

4. *Human Resources Services*

The Group actively deploys human resources services to create a talent training closed loop that integrates “Enrollment-Training-Employment”. A consolidated affiliated entity of the Company, Beijing Xiaoi Intelligent Technology Company Limited*(北京小愛智能科技有限公司) (“**Xiaoi Technology**”) created a skilled talent service platform of “Excellent Learning and Happy Work” (優學樂業), dedicated to providing Chinese skilled talents with high-quality internship training, employment, job selection and professional ability improvement services. Relying on its rich digital experience and matured landing service capabilities, Xiaoi Technology provides different digital products and solutions as well as a stable one-stop person-time service and technology supply chain for enterprises, human resources organizations and colleges. The platform consists of (i) “zhiyonggong” (智用工) – providing digital employment SaaS for employment enterprises; (ii) “Yunzhiai” (雲智愛) and “Ailingong” (愛靈工) – providing HROSaaS for third-party human resource service agencies; (iii) through “School-Enterprise Express” (校企職通車) – providing colleges and universities with an internship employment management system that connects schools, students and enterprises, with first of all, data exchange and display on the same platform. The School-Enterprise Express is also one of the first batch of compliant platforms that complies with the Ministry of Education’s new “Regulations on the Management of Vocational School Student Internships” (《職業學校學生實習管理規定》); and to provide regional governments – a comprehensive solution for the digital gig job market that has SaaS + skills training and capability improvement + talent training base + industry-education integration. The platform aims to solve the employment problem, increase the employment income, meet the employment needs of enterprises, promote the development of enterprises, and provide needed high quality talents for key regional industries.

As of 30 June 2024, the business of Xiaoi Technology covered more than 20 provinces, autonomous regions and municipalities throughout the nation, and the platform had approximately 900 human resources companies with over 38,000 employers settling on the platform, linking approximately 4.7 million C-end users and approximately 3.7 million of jobs.

5. *Integration of Digital Intelligence, Industry and Education Services*

Revolving around the integration of industry and education, the Group integrates the resources of leading enterprises in various fields, combines the Group’s strong teaching and research strength and product research and development investment, and builds an integrated platform of integration and cooperation which support for secondary vocational schools, junior colleges and undergraduate colleges and universities. The Group’s integration of industry and education covers various professional groups related to strategic emerging industries such as artificial intelligence, big data, blockchain, information security, intelligent manufacturing, industrial internet, new energy vehicles, intelligent networked vehicles, digital economy, and new media. As of 30 June 2024, it has covered 12 colleges, which provide them with products and services including enrollment services, teaching services, course construction services, experimental training room construction, teaching software platform construction, teacher training, student internship, employment and etc.

6. *Education Informatization Services*

The Group attaches great importance to the construction of new education infrastructure. Guided by new development concepts and information technology and oriented to the needs of high quality education development, and by focusing on information networks, platform systems, digital resources, innovative applications, credible security, etc., it constructed a new infrastructure system, created core productivity, and established a user-centric, end-to-end, fully closed-loop education service cloud platform (including IaaS infrastructure, developer platform, multi-cloud resource management platform, middle-level services, technical products, OPEN application center, terminal services, etc.).

The Group's education informatization services are provided by a consolidated affiliated entity of the Company, namely UMOOC Online Education Technology (Beijing) Company Limited* (優慕課在線教育科技(北京)有限公司) (“**UMOOC**”), Open Distance Education and Doxue Network.

UMOOC provides education and teaching informatization construction, online teaching support, mixed teaching applications and other services for undergraduate colleges and vocational colleges. As of 30 June 2024, UMOOC has partnered with more than 400 undergraduate colleges and vocational colleges, and the services provided by UMOOC covered more than 13 million students. The “Campuswit” platform released by Doxue Network is committed to providing business education in major colleges and universities, and providing students with a full life cycle and all round one-stop solution, with products covering business education enrollment, online teaching, academic affairs, career development, alumni management and other different stages of process.

7. *Examination and Evaluation Services*

Examination and evaluation services are mainly provided by Open Distance Education and another Group's subsidiary, namely Silk Road (Beijing) International Education Technology Center Company Limited* (絲綢之路(北京)國際教育技術中心有限公司) (“**Silk Road**”). Silk Road is the world's first HSK online test center and is an industry-leading professional service organization for the HSK online test. As of 30 June 2024, it has built more than 80 test centers/exams at home and abroad and has accumulated more than 180,000 internet-based examination users counts.

8. *International Education Services*

The Group's international education services is provided by Open Distance Education, Doxue Network, and other two Group's subsidiaries, namely Beijing Zhongmin Guohe Education Technology Co., Ltd.* (北京中民國合教育科技有限公司) and Shanghai Zhiaosheng International Business Development Co., Ltd.* (上海智奧勝國際商務發展有限公司). The international education services including undergraduate, master's and doctoral study abroad programme, operations of Chinese and foreign academic exchange projects, intermediary services for studying abroad, long-term and stable cooperative relations with colleges and educational institutions in the United States, United Kingdom and other countries, and integrating language training, application for studying abroad, overseas study tours, internship employment, overseas services, international schools, etc. are integrated in order to create a closed loop of all-round study abroad services.

FUTURE OUTLOOK

Looking back on the first half of 2024, the government policies continue to support the development of vocational education. In January 2024, the National Education Work Conference deployed “enhancing the adaptability and attractiveness of vocational education” as one of the key tasks. In March 2024, the Government Work Report of the National Two Sessions mentioned “vigorously improving the quality of vocational education”. In July 2024, the Third Plenary Session of the 20th Central Committee of the Communist Party of China proposed to “accelerate the construction of a vocational education system that integrates vocational education with general education and industry and education.” With the support of the national policies, the Group will continue to adopt the following development strategies in the future:

1. *Firmly follow the path of high-quality development of higher education*

The Group will continue to put in resources, firmly follow the path of high-quality development of higher education, continue to optimize the teaching environment and equipments of its colleges, strengthen the professional teaching teams, provide students with high-quality teaching services, assist students in obtaining high-quality employment, and cultivate high-quality applied vocational talents for the nation.

2. *Continue to build a digital and intelligent service platform ecosystem of “learning, employment, and entrepreneurship”*

The Group will continue to comprehensively promote the digitalization and intelligentization of learning, employment, and entrepreneurship services, and provide full coverage of academic education, including enrollment, assessment, teaching, examinations, practical training, employment, and entrepreneurship, from entrance to exit; providing digital services for all types of schools and education training institutions.

Financial Review of the Reporting Period

Revenue

Revenue represents the value of services of the Group rendered during the Reporting Period. The Group derives revenue primarily from providing on-campus education and online education services to students and users.

The total revenue decreased by approximately 10.7% to approximately RMB1,079.8 million for the Reporting Period from that of approximately RMB1,209.0 million for the six months ended 30 June 2023, which was mainly due to the decrease in the revenue of online education resulted from the suspension of new student enrollment of online formal education under Open Distance Education during the Reporting Period, which was partly offset by the increase in the revenue of on-campus education during the Reporting Period.

Cost of sales

Cost of sales consists primarily of teaching staff costs, depreciation and amortization, cost of cooperative education, utilities and other costs.

The cost of sales increased by approximately 3.1% from approximately RMB483.9 million for the six months ended 30 June 2023 to approximately RMB498.9 million for the Reporting Period. The increase was primarily due to the increase in the salaries and allowances of the teaching staff of the Group's colleges during the Reporting Period.

Gross profit

The gross profit decreased by approximately 19.9% from approximately RMB725.1 million for the six months ended 30 June 2023 to approximately RMB580.8 million for the Reporting Period, and gross profit margin decreased from approximately 60.0% to approximately 53.8%, which was mainly due to increase in the on-campus teaching expenses of the Group's colleges during the Reporting Period.

Other income and gains

Other income and gains consist primarily of government grants, interest income, rental income and etc.

Other income and gains decreased by approximately 9.8% from approximately RMB79.3 million for the six months ended 30 June 2023 to approximately RMB71.5 million for the Reporting Period. This decrease was primarily due to the decrease in the interest income received by the Group during the Reporting Period.

Selling and distribution expenses

Selling and distribution expenses consist primarily of salaries and other benefits for our staff who are in charge of student recruitment and promoting, promoting expenses and student recruitment expenses and marketing cost of the online education entities.

Selling and distribution expenses decreased by approximately 16.3% from approximately RMB117.1 million for the six months ended 30 June 2023 to approximately RMB98.0 million for the Reporting Period, which was primarily due to (i) the decrease in salaries and other benefits of the sales and marketing staff; and (ii) decrease in promoting and marketing cost of the online education entities during the Reporting Period.

Administrative expenses

Administrative expenses primarily consist of the salaries and other benefits for general and administrative staff, office-related expenses, depreciation of office buildings and equipment, environment and health expenses and travel and transportation expenses.

Administrative expenses slightly decreased by approximately 1.3% from approximately RMB243.4 million for the six months ended 30 June 2023 to approximately RMB240.3 million for the Reporting Period due to the cost effective control of the administrative expenses enforced by the Group during the Reporting Period.

Other expenses, net

Other expenses consist primarily of expenses relating to impairment losses on financial assets and donations made to third-party educational and other institutions total interest bearing loan.

Other expenses increased from approximately RMB6.7 million for the six months ended 30 June 2023 to approximately RMB59.7 million for the Reporting Period. This increase was primarily attributable to the increase in impairment losses on financial assets during the Reporting Period.

Finance costs

Finance costs consists primarily of interests on bank loans and other borrowings.

Finance costs has decreased by approximately 31.9% from approximately RMB100.5 million for the six months ended 30 June 2023 to approximately RMB68.4 million for the Reporting Period, which was mainly due to the interest of the put option liability arose from the acquisition of Leed International has ceased to be recognised during the Reporting Period.

Income tax expense

Income tax expense increased from approximately RMB30.2 million for the six months ended 30 June 2023 to approximately RMB72.8 million for the Reporting Period, which was mainly due to the provision of income tax for the Group's colleges 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 63.1% from approximately RMB306.5 million for the six months ended 30 June 2023 to approximately RMB113.2 million for the Reporting Period.

Adjusted net profit

The Group defines its adjusted net profit as its profit for the period 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 IFRSs 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 periods presented below:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period	113,165	306,545
Add:		
Unrealised exchange (gain)	(3,188)	(7,205)
Share option expenses	47	575
Interest of the put option liability arose from the acquisition of Leed International	–	33,159
Amortisation of intangible assets due to consolidation	25,705	27,674
Change in fair value (gain)/loss	(4,182)	4,074
Adjusted net profit	<u>131,547</u>	<u>364,822</u>

Adjusted net profit for the Reporting Period decreased by approximately RMB233.3 million or approximately 63.9% as compared with that of the corresponding period in 2023. Adjusted net profit margin decreased from approximately 30.2% for the six months ended 30 June 2023 to approximately 12.2% for the Reporting Period.

Financial and Liquidity Position

Net current assets

As at 30 June 2024, the Group had net current assets of approximately RMB479.6 million, which primarily consisted of cash and bank balances. The current assets as at 30 June 2024 decreased to approximately RMB3,667.8 million from approximately RMB4,312.7 million as at 31 December 2023. The decrease in current assets was primarily attributable to a decrease of cash and cash equivalents during the Reporting Period.

The current liabilities decreased from approximately RMB3,775.2 million as at 31 December 2023 to approximately RMB3,188.2 million as at 30 June 2024. The decrease in current liabilities was primarily attributable to a decrease of contract liabilities during the Reporting Period.

Interest-bearing loan from financial institutions and other borrowings

The Group's interest-bearing loan from financial institutions and other borrowings primarily consisted of short-term working capital loans to supplement our working capital and finance our expenditure and long-term project loans for the continuous development of our school buildings and facilities.

The interest-bearing loans from financial institutions and other borrowings amounted to approximately RMB2,285.9 million as at 30 June 2024, denominated in Renminbi, United States dollar (“US\$”) or Hong Kong dollar (“HK\$”). As at 30 June 2024, our interest bearing loans from financial institutions and other borrowings bore effective interest rates ranging from 2.2% to 9.3% per annum. The loans of Chongqing Zhenzhi Zhiye Co., Ltd.* (重慶臻智置業有限責任公司) (a wholly-owned subsidiary of Chongqing Electronic Information College) amounted to RMB6.1 million, with interest rates ranging from 15%-24% per annum.

The Group maintains a balance between continuity of funding and flexibility through generated cash flows from operating activities and other borrowings. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

Contingent liabilities

Grant of option in relation to the acquisition of 49% of issued share capital of Leed International

Minsheng Vocational Education Company Limited (“**Minsheng Vocational**”) and Leed Education Holding Limited, National Education Holding Limited and Hyde Education Holding Limited (collectively, the “**Vendors**”) are in dispute over a put option for the sale of 49% shares in Leed International Education Group Inc. (“**Leed International**”) under the Share Purchase Agreement (the “**SPA**”) entered into between the parties in 2018, which is subject to resolution by arbitration administered by the Hong Kong International Arbitration Center (“**HKIAC Arbitration**”). The Vendors claimed for an inflated exit price of RMB2,180,735,560.50, alleging that they had effectively exercised the option under the SPA. Minsheng Vocational’s position is that the Vendors’ purported exercise of the option was ineffective because, inter alia, Minsheng Vocational had not granted any option as required under the SPA prior to the Vendors’ purported exercise of the option, the timing of which fell outside the put option period provided under the SPA, and the Vendors’ calculation for the claimed exit price of RMB2,180,735,560.50 was also flawed. On 3 August 2023, in fulfilment of its obligation under the SPA, Minsheng Vocational issued a Deed of Grant of Option (the “**Deed**”) granting the Vendors an option to sell the 49% shares in Leed International at an exit price calculated pursuant to the SPA equal to RMB981,500,000. As the Vendors failed to exercise the option granted under the Deed by the designated deadline of 17 August 2023, the Deed automatically lapsed. Subsequently, the Vendors alleged that the Deed was in breach of the SPA. Minsheng Vocational’s position is that the Deed was properly issued in compliance with the SPA, and Minsheng Vocational has fully fulfilled its obligation to grant the option under the SPA by way of the Deed which the Vendors consciously chose not to exercise, and subject to the decision of the Tribunal in the HKIAC Arbitration, Minsheng Vocational’s position is that it is not obliged to purchase the 49% interests in Leed International. The Directors are of the view that the Vendors would not be able to overcome all of Minsheng Vocational’s defences and succeed for the whole of their claim for the inflated exit price of RMB2,180,735,576.50. At the date of this announcement, the arbitration is still in process. Based on the above, the put option liability was derecognized and non-controlling interests in relation to 49% shares in Leed International was recognized on the expiry date of the put option for the purpose of financial reporting in accordance with IFRS. As at 30 June 2024, the Group made no provision related to the aforesaid arbitration.

Update on provision of loans to Leed National Education Technology (Beijing) Limited

In February 2019 and June 2019, Chongqing Yuecheng Zhiyuan Education Technology Company Limited (“**Chongqing Yuecheng**”) extended loans in an aggregate principal amount of RMB400,000,000 to Leed National Education Technology (Beijing) Limited (a company designated by the Vendors, “**Leed National**”) and 49% shares in Leed International held by Vendors has been charged as the guarantee under the loan agreements. In May 2023, the Vendors and Leed National filed a request for arbitration with China International Economic and Trade Arbitration Commission (“**CIETAC**”) claiming that the obligation to repay the principal of RMB400,000,000 and corresponding unpaid interest under the loan agreements has been extinguished and Chongqing Yuecheng and Minsheng Vocational were not entitled to enforce the charge following the effective exercise of the put option by the Vendors at an exercise price of RMB2,180,735,576.50 and the set-off clause under the loan agreements. In August

2023, Chongqing Yuecheng and Minsheng Vocational filed a counter-claim for arbitration, requesting for an award for the repayment by Leed National to Chongqing Yuecheng of the principal amount totaling RMB400,000,000 under the Loan Agreement, together with the corresponding unpaid interest and additional late payment fees. As at the date of this announcement, the arbitration with CIETAC is still in progress. In May 2023, the Vendor filed an originating summons with the Grand Court of the Cayman Islands to apply for an interim injunction to restrain Minsheng Vocational from taking any step to enforce a series of share charges over 49% of the issued share capital of Leed International. In August 2023, a conditional time-limited injunction order was issued by the Grand Court of the Cayman Islands (“**Injunction Order**”). In September 2023, Minsheng Vocational filed a notice of appeal with the Court of Appeal of the Cayman Islands to appeal the decision of the Grand Court of the Cayman Islands and to apply for the Injunction Order to be set aside, which was dismissed in March 2024. At the date of this announcement, Minsheng Vocational is applying for leave to appeal to the Judicial Committee of the Privy Council. With a detailed analysis of the HKIAC Arbitration, the Directors are of the view that the Vendors cannot succeed for the whole of their claim for the inflated exit price of RMB2,180,735,576.50 by overcoming all of Minsheng Vocational’s defences. Therefore, the outstanding principal, together with the corresponding unpaid interest and additional late payment fees and the charge are still subsisted.

Pledge of assets

As at 30 June 2024, certain of the Group’s assets with a net carrying amount of approximately RMB80.1 million (31 December 2023: RMB80.9 million) were pledged to secure bank loans and other borrowings.

Foreign exchange exposure

The majority of the Group’s revenue and expenditures are denominated in RMB. As at 30 June 2024, certain bank balances were denominated in US\$ and HK\$. The Group currently does not have any foreign currency hedging policies. The management will continue to monitor the Group’s foreign exchange risk exposure and consider adopting prudent measures as appropriate.

Gearing ratio

The gearing ratio, which is calculated by dividing total interest bearing loan from financial institutions and other borrowings by total equity, increased to approximately 38.0% as at 30 June 2024 from approximately 35.9% as at 31 December 2023. The gearing ratio is on a healthy level.

TRAINING AND DEVELOPMENT FOR EMPLOYEES

As at 30 June 2024, the Group has approximately 6,900 employees (as at 31 December 2023: approximately 6,900 employees).

As required by the PRC laws and regulations, we participate in various employee social security plans for our employees that are administered by local governments, including pension, medical, maternity, work-related injury, unemployment insurance and housing provident fund.

The Group provides comprehensive training programs to its existing and newly recruited employees and/or sponsors its employees to attend various job-related training courses and also supports some excellent teachers to study, receive training and academic exchange with famous universities.

CORPORATE GOVERNANCE CODE

The Company is committed to the establishment of good corporate governance practices and procedures with a view to be a transparent and responsible organization which is open and accountable to the shareholders of the Company (the “**Shareholders**”). The Board strives for adhering to the principles of corporate governance and has adopted sound corporate governance practices to meet the legal and commercial standards, focusing on areas such as internal control, fair disclosure and accountability to all Shareholders to ensure the transparency and accountability of all operations of the Company. The Company believes that effective corporate governance is the foundation to create more value for the Shareholders. The Board will continue to review and improve the corporate governance practices of the Group from time to time to ensure that the Group is led by an effective Board in order to optimize return for Shareholders.

Throughout the Reporting Period, the Company has complied with the code provisions set out in Appendix C1 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has also adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 of the Listing Rules as its code of conduct regarding securities transactions by the Directors for the Reporting Period.

Having made specific enquiry with all Directors, it is confirmed that all Directors have complied with the required standard set out in the Model Code regarding securities transactions by the Directors throughout the Reporting Period.

INTERIM DIVIDEND

The Board does not declare any interim dividend for the Reporting Period (for the six months ended 30 June 2023: nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares) during the Reporting Period.

As at 30 June 2024, the number of treasury shares held by the Company is nil.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) has reviewed and discussed with the management in relation to the accounting principles and practices adopted by the Company, the internal controls and financial report matters, and the Company’s policies and practices on corporate governance. The interim results have been reviewed by the Audit Committee.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.minshengedu.com>). The interim report for the Reporting Period containing all the information required by Appendix D2 to the Listing Rules will be dispatched to the Shareholders and available on the above websites in due course.

By order of the Board
Minsheng Education Group Company Limited
Li Xuechun
Chairman

Hong Kong, 20 August 2024

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 executive Directors are Mr. Li Xuechun, Ms. Zhang Weiping, Mr. Zuo Yichen and Mr. Lam Ngai Lung, the non-executive Director is Ms. Li Yanping, and the independent non-executive Directors are Mr. Chan Ngai Sang, Kenny, Mr. Yu Huangcheng and Mr. Wang Wei Hung, Andrew.