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BExcellent Group Holdings Limited

精英匯集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1775)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 JANUARY 2025

FINANCIAL HIGHLIGHTS

Summary of the results of the Group for the six months ended 31 January 2025 comparing to that of the same period ended 31 January 2024 is as follows:

- The Group's revenue increased by 18.2% from HK\$79.7 million to HK\$94.2 million.
- Loss of the Group increased by HK\$4.5 million from HK\$3.8 million to HK\$8.3 million.
- Adjusted loss* of the Group decreased by 45.2% from HK\$5.0 million to HK\$2.7 million.
- Loss attributable to owners of the Company increased by HK\$2.9 million from HK\$5.1 million to HK\$8.0 million.

As at 31 January 2025, the Group had cash and cash equivalents of HK\$65.7 million (31 July 2024: HK\$76.6 million).

The Board does not recommend the payment of interim dividend for the six months ended 31 January 2025 (For the six months ended 31 January 2024: Nil).

* Adjusted loss was defined as loss attributable to owners of the Company adjusted by excluding the changes in fair value of an investment property, fair value on financial assets at fair value through profit or loss and interest expenses on bank loans.

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of BExcellent Group Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 31 January 2025 together with the comparative unaudited figures for the comparable period in 2024, which have been reviewed by the Company's Audit Committee. Unless specified otherwise, (i) capitalised terms used herein shall have the same meanings as used in the immediately preceding annual report of the Company; and (ii) where appropriate, numerical figures or percentages presented herein shall be approximate figures and percentages (as the case may be).

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 January 2025

		2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
	Note		
Revenue	3	94,232	79,704
Other income	4	9,192	7,291
Other losses	4	(6,320)	(43)
Staff costs	5	(42,388)	(34,680)
Tutor service fees		(16,948)	(16,859)
Short-term lease and low-value lease payments		(6,214)	(5,996)
Advertising and promotion expenses		(6,170)	(3,092)
Printing and other operating expenses		(26,020)	(20,383)
Depreciation and amortisation		(8,725)	(9,033)
Change in fair value of investment property		2,200	1,100
Operating loss		(7,161)	(1,991)
Finance costs	6	(1,847)	(1,665)
Share of profit of associates		779	383
Loss before tax	7	(8,229)	(3,273)
Income tax expense	8	(46)	(503)
Loss for the period		(8,275)	(3,776)
Other comprehensive income/(loss)			
Item that may be reclassified subsequently to profit or loss			
Exchange difference arising on translation of financial statement of foreign operations		1	(155)
Item that will not be reclassified to profit or loss			
Change in the fair value of equity investment at fair value through other comprehensive income		—	(3)
Other comprehensive income/(loss) for the period		1	(158)
Total comprehensive loss for the period		(8,274)	(3,934)
Loss attributable to			
– Owners of the Company		(7,972)	(5,114)
– Non-controlling interests		(303)	1,338
		(8,275)	(3,776)
Total comprehensive loss for the period attributable to			
– Owners of the Company		(7,971)	(5,272)
– Non-controlling interests		(303)	1,338
		(8,274)	(3,934)
Basic and diluted loss per share for loss attributable to the owners of the Company (expressed in HK cents per share)	9	(1.57)	(1.01)

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 January 2025

		31 January 2025 HK\$'000 (Unaudited)	31 July 2024 HK\$'000 (Audited)
	Note		
Assets			
Non-current assets			
Property, plant and equipment		8,457	7,985
Right-of-use assets		25,155	29,937
Investment property		16,800	14,600
Intangible assets		6,893	6,917
Interest in associates		7,500	5,861
Financial assets at fair value through other comprehensive income		16	16
Deferred income tax assets		4,592	4,578
Financial assets at fair value through profit or loss		—	335
Deposits	12	1,492	2,931
		<u>70,905</u>	<u>73,160</u>
Current assets			
Accounts receivables	11	6,483	6,073
Deposits, prepayments and other receivables	12	34,873	19,314
Financial assets at fair value through profit or loss		10,776	19,606
Cash and cash equivalents		65,681	76,560
		<u>117,813</u>	<u>121,553</u>
Total assets		<u>188,718</u>	<u>194,713</u>
Equity			
Share capital	14	124,135	124,135
Reserves		(79,648)	(71,677)
Equity attributable to owners of the Company		44,487	52,458
Non-controlling interests		1,330	1,665
Total equity		<u>45,817</u>	<u>54,123</u>
Liabilities			
Current liabilities			
Other payables	13	18,128	14,794
Contract liabilities		29,870	24,935
Current income tax payable		487	427
Borrowings		79,510	80,292
Lease liabilities		11,177	13,490
		<u>139,172</u>	<u>133,938</u>

		31 January	31 July
		2025	2024
		HK\$'000	HK\$'000
	<i>Note</i>	(Unaudited)	(Audited)
Non-current liabilities			
Other payables	<i>13</i>	627	1,267
Deferred income tax liabilities		18	18
Lease liabilities		3,084	5,367
		3,729	6,652
Total liabilities		142,901	140,590
Total equity and liabilities		188,718	194,713

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

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

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

These condensed consolidated financial statements are presented in thousands of Hong Kong dollars (“**HK\$’000**”), unless otherwise stated.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Presentation

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”) and Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

2.2 Principal Accounting Policies

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated interim financial information are consistent with those used in the Group's annual financial statements for the year ended 31 July 2024, except for the following revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA that have been adopted by the Group for the first time for the current period's unaudited interim financial information:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5(2020) Presentation of Financial Statements – Classification by the Borrower of a Team Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Financial Arrangements

The adoption of the above revised HKFRSs has had no significant financial effect on these interim financial statements.

3 REVENUE AND SEGMENT INFORMATION

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

The CODM consider the business by nature of business activities and assess the performance of private supplementary secondary school education services, private secondary day school services, school services and ancillary education services and products. Ancillary education services and products mainly represent (i) IELTS and foreign language courses under our “Beacon BExcellent” brand; (ii) mock examination services; (iii) VIP self-study services; and (iv) tutorial and consultation services, interview preparation, language and supplementary primary school education under our childhood education brands, BTEC Level 3 Certificate in Enterprise and Entrepreneurship and language courses and BTEC level 5 Higher National Diploma in Business RQF under “Beacon CAPE” brand, education consultancy services, as well as online retail and education businesses under our “Beacon Living” and “CourseZ” brands respectively. The CODM consider that the Group operates and is managed as a single operating segment.

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

	Six months ended 31 January	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregates by major products or services lines		
Private supplementary secondary school education services	51,786	49,897
Private secondary day school services	8,726	6,743
School services	20,390	10,934
Ancillary education services and products	13,330	12,130
	<u>94,232</u>	<u>79,704</u>
	<u>94,232</u>	<u>79,704</u>
Six months ended 31 January		
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Timing of revenue recognition:		
Overtime	89,390	76,087
At a point in time	4,842	3,617
	<u>94,232</u>	<u>79,704</u>
Total revenue from contracts with customers	<u>94,232</u>	<u>79,704</u>

Majority of the Group's revenue from external customers and assets were generated from and located in Hong Kong. All unsatisfied contracts of the Group were related to education service contracts and those contracts were for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

4 OTHER INCOME AND OTHER LOSSES

	Six months ended 31 January	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Other income		
– Advertising income	3,528	1,673
– IT service income	2,101	2,888
– Interest income	379	694
– Dividend income from financial assets at fair value through profit or loss	481	569
– Rental income from investment property	685	359
– Government subsidies	768	492
– Sundry income	1,250	616
	<u>9,192</u>	<u>7,291</u>
Other losses		
Exchange differences - net	(154)	68
Fair value gain/(loss) on financial assets at fair value through profit or loss	795	(1,494)
(Loss)/gain on disposal of financial assets at fair value through profit or loss	<u>(6,961)</u>	<u>1,383</u>
	<u>(6,320)</u>	<u>(43)</u>

5 STAFF COSTS

	Six months ended 31 January	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Salaries, allowances and bonus	40,611	33,148
Pension costs-defined contribution retirement plans (<i>Note (a)</i>)	1,777	1,532
	<u>42,388</u>	<u>34,680</u>

Note:

(a) Pension costs-defined contribution retirement plans

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

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

6 FINANCE COSTS

	Six months ended 31 January	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest expenses on lease liabilities	552	513
Interest expenses on bank loans	1,295	1,152
	<u>1,847</u>	<u>1,665</u>

7 LOSS BEFORE TAX

Six months ended 31 January

2025 2024

HK\$'000 HK\$'000

(Unaudited) (Unaudited)

Loss before tax has been arrived at after charging:

Short-term lease expenses	6,214	5,996
Depreciation of right-of-use assets	7,330	7,437
Depreciation of property, plant and equipment	1,102	1,277
Printing and stationery	3,605	3,178
Amortisation of intangible assets	293	319
Impairment loss recognised in respect of property, plant and equipment	136	—

8 INCOME TAX EXPENSE

The amounts of income tax expense charged to the condensed consolidated statement of comprehensive income represent:

Six months ended 31 January

2025 2024

HK\$'000 HK\$'000

(Unaudited) (Unaudited)

Current income tax

– Hong Kong profits tax

Deferred income tax

60	392
(14)	111
46	503

Hong Kong profits tax has been provided at a rate of 16.5% on the estimated assessable profit for both periods. Taxation on overseas profits has been calculated on the estimated assessable profits for both periods at the rates of taxation prevailing in the countries where the Group operates.

9 LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 31 January	
	2025 (Unaudited)	2024 (Unaudited)
Loss attributable to owners of the Company (HK\$'000)	(7,972)	(5,114)
Weighted average number of shares in issue (thousand shares)	<u>507,632</u>	<u>507,632</u>
Basic loss per share for loss attributable to owners of the Company (HK cent)	<u>(1.57)</u>	<u>(1.01)</u>

Basic and diluted loss per share for the six months ended 31 January 2025 and 2024 are the same since the potential shares from options are anti-dilutive.

10 DIVIDEND

There were no dividends paid or declared by the Company for the six months ended 31 January 2025 and 31 January 2024.

The Board does not recommend the payment of interim dividend for the six months ended 31 January 2025 (2024: nil).

11 ACCOUNTS RECEIVABLES

	31 January 2025 HK\$'000 (Unaudited)	31 July 2024 HK\$'000 (Audited)
Accounts receivables	6,643	6,073
Less: Allowance for impairment	<u>(160)</u>	<u>—</u>
	<u>6,483</u>	<u>6,073</u>

There is no credit period granted as the income from private supplementary secondary school education services, private secondary day school services and school services are normally received in advance through settlement in cash, cheque or credit cards. As at 31 January 2025 and 31 July 2024, the ageing analyses of the accounts receivables based on invoice date were as follows:

	31 January	31 July
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
1-30 days	4,957	4,267
31-60 days	556	470
Over 60 days	970	1,336
	<u>6,483</u>	<u>6,073</u>

The Group applies the HKFRS 9 simplified approach to measure expected credit losses (“ECL”) which uses a lifetime expected loss allowance for all accounts receivables. To measure the ECL, accounts receivables have been grouped based on shared credit risk characteristics and the days past due.

The ECL rates are based on the past repayment history and the historical credit losses experience. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The ECL provided on a collective basis is insignificant as there has been no history of material default from accounts receivables.

12 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

		31 January 2025 HK\$'000 (Unaudited)	31 July 2024 HK\$'000 (Audited)
	Note		
Other receivables	(i)	20,410	11,772
Deposits and prepayments	(ii)	15,955	12,539
		<u>36,365</u>	<u>24,311</u>
Less: Allowance for impairment		—	(2,066)
		<u>36,365</u>	<u>22,245</u>
Less: non-current portion		(1,492)	(2,931)
Deposits, prepayments and other receivables			
– current portion		<u>34,873</u>	<u>19,314</u>

Notes:

- (i) As at 31 January 2025, other receivables of HK\$3,152,000 (31 July 2024: HK\$2,524,000) represent amounts due from tutors which arose from variable expenses incurred by the Group on behalf of the tutors.

As at 31 January 2025, other receivables include an amount of HK\$247,000 (31 July 2024: HK\$527,000) due from associates and a loan to an associate of HK\$210,000 (31 July 2024: HK\$860,000). The loan to an associate is unsecured, interest-free with three years repayment terms.

- (ii) Deposits and prepayments mainly represent deposits for utilities, rental deposits, building management fees, prepayments for service fees, renovation, license fees, advertising and others.

As at 31 January 2025, deposits of HK\$9,133,000 (31 July 2024: HK\$7,221,000), prepayments of HK\$5,330,000 (31 July 2024: HK\$2,387,000) and other receivables of HK\$20,410,000 (31 July 2024: HK\$9,706,000) are expected to be recovered within one year.

The carrying amount of the Group's deposits, prepayments and other receivables was denominated in Hong Kong dollar and Renminbi.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

13 OTHER PAYABLES

		31 January 2025 HK\$'000 (Unaudited)	31 July 2024 HK\$'000 (Audited)
	<i>Note</i>		
Other payables	(i)	15,939	13,512
Provision of reinstatement cost	(ii)	2,816	2,549
		18,755	16,061
Less: non-current portion		(627)	(1,267)
		18,128	14,794

Notes

- (i) Other payables mainly represent accrued staff costs, printing expenses, legal and professional fees and advertising expenses, etc.
- (ii) Included in other payables is a current portion of provision of reinstatement cost of HK\$2,189,000 (31 July 2024: HK\$1,282,000). The movement of provision of reinstatement cost is as follows:

	31 January 2025 HK\$'000 (Unaudited)	31 July 2024 HK\$'000 (Audited)
Balance as at beginning of the period/year	2,549	3,012
Additions	267	277
Utilisation	—	(740)
Balance as at closing of the period/year	2,816	2,549
Less: non-current portion	(627)	(1,267)
Current portion	2,189	1,282

14 SHARE CAPITAL

	Number of shares	HK\$'000
Authorised:		
Ordinary shares at 31 July 2024 (audited) and at 31 January 2025 (unaudited)	10,000,000,000	100,000
Issued and fully paid:		
Ordinary shares at 31 July 2024 (audited)	507,632,000	124,135
Ordinary shares at 31 January 2025 (unaudited)	<u>507,632,000</u>	<u>124,135</u>

15 COMPARATIVE INFORMATION

Certain comparative figures have been reclassified, to conform to current periods' presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Our Group is a leading education services provider that offers a wide range of educational services and products in Hong Kong for 36 years since 1989. We also serve a wide range of students with age from 2 years old to adults. We principally engage in the operation of private secondary day schools, the provision of private supplementary secondary school education services, and school services in Hong Kong and mainland China. We also offer ancillary education services and products targeted at pre-school, kindergarten, primary and secondary school students and individuals pursuing further education, other interest learning or personal development. Our teaching centres situated in areas across districts in Hong Kong. In recent years, our Group made further effort in expanding the school service market and successfully extended our educational services to mainland China. As at 31 January 2025, we were operating 13 teaching centres, with a total of 84 classrooms, which, in accordance with the EDB's guidelines, allow a maximum classroom capacity of 2,266 students to attend class at the same time. Though the economy recovery in Hong Kong has been in a slow pace, our Group still recorded a moderate growth in revenue from HK\$79.7 million for the six months ended 31 January 2024, to HK\$94.2 million for the six months ended 31 January 2025, representing an increase of HK\$14.5 million or 18.2%. In line with our Group's strategy of business diversification that has been implemented in recent years, the proportion of revenue derived from private supplementary secondary school education services has further decreased from 62.6% for the six months ended 31 January 2024 to 55.0% for the six months ended 31 January 2025. Overall, all categories of our key services and products experienced growth and among others, revenue derived from the provision of school services increased by HK\$9.5 million or 86.5% from HK\$10.9 million for the six months ended 31 January 2024 to HK\$20.4 million for the six months ended 31 January 2025. This is promising as there was a consistent growth in our Group's penetration of the B2B market in both Hong Kong and mainland China.

Below is a summary of the revenue for each category of services which we provided for each of the six months ended 31 January 2025 and 2024:

	For the six months ended 31 January			
	2025		2024	
	HK\$'000	%	HK\$'000	%
Private supplementary secondary school education services	51,786	55.0	49,897	62.6
Private secondary day school services	8,726	9.3	6,743	8.5
School services	20,390	21.6	10,934	13.7
Ancillary education services and products	13,330	14.1	12,130	15.2
	<u>94,232</u>	<u>100.0</u>	<u>79,704</u>	<u>100.0</u>

i) Private supplementary secondary school education services

The Group's revenue derived from private supplementary secondary school education services, ranging from Secondary 1 to Secondary 6, is mainly under our "Beacon College" (遵理學校) brand. This revenue increased by HK\$1.9 million, or 3.8%, from HK\$49.9 million for the six months ended 31 January 2024 to HK\$51.8 million for the six months ended 31 January 2025. The increase was primarily due to our services related to international curriculums, such as A-Level and IB, in addition to HKDSE, which align with our Group strategy to expand service lines horizontally.

On the other hand, we were able to maintain the revenue level of traditional HKDSE services for the reporting period, despite that our Group's maximum classroom capacity decreased by 4.7% between the two reporting periods due to teaching centre network optimization. With more effective utilization of our teaching centre network, our revenue per average classroom capacity increased by 8.6%, from HK\$22,000 for the six months ended 31 January 2024 to HK\$23,900 for the six months ended 31 January 2025.

ii) Private secondary day school services

We operated two private secondary day schools located respectively in Yuen Long and Mong Kok under our “Beacon Day School” (遵理日校) brand. Due to the increase in the number of student enrollments and increase in school fees in our private secondary day school during the six months ended 31 January 2025, the revenue increased by HK\$2.0 million or 29.4% when compared with that in the previous financial period.

iii) School services

Our Group aimed to diversify our education business in recent years, we offered various school services such as education services to schools and institutions in Hong Kong and mainland China under our “Diverse Learning Club” (多元學習坊), “1% Group Education” (壹伙教育) and “Hong Kong Beacon International Education” (香港遵理國際教育) brands respectively. The table below shows the revenue components of the school services for each of the six months ended 31 January 2025 and 2024 respectively:

	For the six months ended	
	31 January	
	2025	2024
	HK\$'000	HK\$'000
Hong Kong	7,416	4,269
Mainland China	12,974	6,665
	<u>20,390</u>	<u>10,934</u>

In line with the government policies advocating the integration among cities in the Greater Bay Area, there has been an increasing demand for HKDSE-related education services in mainland China. We offered various consultancy services and support to education institutions in Shenzhen, Dongguan, Foshan and Hangzhou in mainland China during the six months ended 31 January 2025. On the other hand, our Group offered various academic and activity-based programs to over 200 schools in Hong Kong. The increase in variety of school services such as overseas and mainland China study tours and our quality services resulted in a continuous growth in revenue. Our revenue derived from school services increased significantly by HK\$9.5 million or 86.5% from HK\$10.9 million for the six months ended 31 January 2024 to HK\$20.4 million for the six months ended 31 January 2025.

iv) Ancillary education services and products

Our Group offered various ancillary education services and products such as (i) IELTS and foreign language courses under our “Beacon BExcellent” brand; (ii) mock examination services; (iii) VIP self-study services; and (iv) tutorial and consultation services, interview preparation, language and supplementary primary school education under our childhood education brands, BTEC Level 3 Certificate in Enterprise and Entrepreneurship and language courses and BTEC level 5 Higher National Diploma in Business RQF under “Beacon CAPE” brand, education consultancy services, as well as online retail and education businesses under our “Beacon Living” and “CourseZ” brands respectively. The table below shows the revenue components of the ancillary education services and products for each of the six months ended 31 January 2025 and 2024:

	For the six months ended	
	31 January	
	2025	2024
	HK\$'000	HK\$'000
Beacon BExcellent	2,747	4,214
Mock examination services	3,250	1,007
VIP self-study services	412	432
Childhood and other education services	6,921	6,477
	<hr/>	<hr/>
Total	<u>13,330</u>	<u>12,130</u>

The revenue of Beacon BExcellent decreased by HK\$1.5 million or 34.8% from HK\$4.2 million for the six months ended 31 January 2024 to HK\$2.7 million for the six months ended 31 January 2025. The decrease was mainly due to the decrease in enrollment in IELTS courses registered under CEF during the period. The revenue of mock examination services increased by HK\$2.2 million or 222.7% from HK\$1.0 million for the six months ended 31 January 2024 to HK\$3.3 million for the six months ended 31 January 2025. The growth was mainly attributable to timing of the mock examination being conducted, it was held earlier this year in January 2025, whereas it was held in February 2024 last year. Childhood and other education services comprise revenue arising from (i) the provision of childhood education services; (ii) certain post-HKDSE courses such as BTEC Level 3 Certificate in Enterprise and Entrepreneurship and language courses; (iii) online learning platforms, such as CourseZ.com; (iv) online store namely Beacon Living; and (v) education consultancy services. The relevant revenue increased by HK\$0.4 million or 6.9% from HK\$6.5 million for the six months ended 31 January 2024 to HK\$6.9 million for the six months ended 31 January 2025. Such an increase was mainly attributable to the revenue growth derived from childhood education courses partially compensated by the decline in income from education consultancy services.

OUTLOOK AND FUTURE DEVELOPMENTS

During the six months ended 31 January 2025, our Group reinforced its market position in Hong Kong while advancing its expansion strategy in mainland China. Despite the slow economic recovery in Hong Kong, the Group's revenue growth across key business categories reflects the effectiveness of our Group's diversified service offerings and strategic initiatives.

Our Group continues to capitalize on the rising demand for HKDSE-related education services among new immigrants in Hong Kong and students in mainland China, in alignment with government initiatives to enhance the international recognition of the HKDSE and promote Hong Kong as a study destination. The newly established education consultation centre of the Group in Shenzhen serves as a foundation for the Group's further expansion beyond the Greater Bay Area. With the teaching team in mainland China doubling compared to the same period last year, our Group is strengthening its HKDSE expertise by integrating experienced Hong Kong teachers, and ensuring high-quality education consultancy services for schools and individuals.

Our Group is also expanding its presence in the B2B education sector in both Hong Kong and mainland China. The strong growth in revenue from school services highlights the success of our market development efforts. As HKDSE gains popularity among mainland Chinese students, our Group remains focused on deepening partnerships and exploring new operational models to accelerate market expansion.

In Hong Kong, our Group remains committed to optimizing core operations. Private supplementary secondary school education continues to be a key revenue driver, while the private secondary day school segment has seen a steady growth. The expansion of international curriculum offerings, such as A-Level and IB, supports the Group's efforts to position Hong Kong as a regional education hub, attracting a broader student base.

With a strong market position and a diversified service portfolio, our Group remains optimistic about future growth. By leveraging education technology and enhancing brand recognition, our Group is well-positioned to capture emerging opportunities in the evolving education landscape.

FINANCIAL REVIEW

Revenue

For the components of our revenue, please refer to the section headed "Business Review" above.

The Group's total revenue increased by HK\$14.5 million, or 18.2%, from HK\$79.7 million for the six months ended 31 January 2024 to HK\$94.2 million for the six months ended 31 January 2025. This was mainly due to the remarkable revenue growth from our Group's school services.

Revenue from the provision of private supplementary secondary school education services increased by HK\$1.9 million or 3.8% from HK\$49.9 million for the six months ended 31 January 2024 to HK\$51.8 million for the six months ended 31 January 2025. Such an increase was mainly brought by the growth in course enrollment related to international curriculum other than HKDSE.

Revenue from private secondary day school services increased by HK\$2.0 million or 29.4% from HK\$6.7 million for the six months ended 31 January 2024 to HK\$8.7 million for the six months ended 31 January 2025. The increase was attributable to the increase in school fee as well as the student enrollment number.

Revenue from school services increased by HK\$9.5 million or 86.5% from HK\$10.9 million for the six months ended 31 January 2024 to HK\$20.4 million for the six months ended 31 January 2025. The demand for services from schools in both Hong Kong and mainland China is strong, allowing the Group to swiftly grasp the chance to penetrate the market.

Revenue from the provision of the ancillary education services and products increased by HK\$1.2 million or 9.9% from HK\$12.1 million for the six months ended 31 January 2024 to HK\$13.3 million for the six months ended 31 January 2025. This was mainly due to the increase in the revenue arising from mock examination services by HK\$2.2 million or 222.7% from HK\$1.0 million for the six months ended 31 January 2024 to HK\$3.3 million for the six months ended 31 January 2025, compensated by the HK\$1.5 million or 34.8% decline in revenue derived from Beacon BExcellent.

Other income

Other income for the six months ended 31 January 2025 primarily consisted of advertising income, IT service income, government subsidies, rental income from an investment property and interest income from bank deposits.

Other income increased by HK\$1.9 million or 26.1% from HK\$7.3 million for the six months ended 31 January 2024 to HK\$9.2 million for the six months ended 31 January 2025. The increase was mainly attributable to the growth in advertising income compensated by the decline in revenue derived from IT services for the six months ended 31 January 2025.

Major costs components

The summary below shows the major costs components of the Group among which 56.5% (2024: 58.3%) (Note 1) is related to labor costs (staff costs and tutor service fees), followed by printing and other operating expenses, depreciation of right-of-use (“ROU”) assets, short-term lease and low-value lease payments, and advertising and promotion expenses.

	For the six months ended 31 January			
	2025 HK\$'000	% of revenue	2024 HK\$'000	% of revenue
Staff costs (Note 1)	42,388	45.0	34,680	43.5
Tutor service fees (Note 1)	16,948	18.0	16,859	21.2
Printing and other operating expenses (Note 1)	26,020	27.6	20,383	25.6
Depreciation of ROU assets	7,330	7.8	7,437	9.3
Short-term lease and low-value lease payments	6,214	6.6	5,996	7.5
Advertising and promotion expenses	6,170	6.5	3,092	3.9

Note 1: Certain comparative figures have been reclassified to align with the presentation of the current period.

Staff costs

As at 31 January 2025, the Group had 240 full-time employees and maintained an accumulated pool of 92 part-time employees for seasonal and cyclical business needs.

Staff costs mainly consist of (i) salaries, allowances and bonus and (ii) pension costs. The Group remunerates its employees based on their performance, working experience and the prevailing market condition. Other employee benefits include mandatory provident fund, insurance and medical coverage and training.

The staff costs increased by HK\$7.7 million or 22.2% from HK\$34.7 million for the six months ended 31 January 2024 to HK\$42.4 million for the six months ended 31 January 2025. Such an increase was mainly attributable to the increase in staff headcount to support the Group’s business expansion especially in mainland China offset by the continuous effort in corporate savings. The Group will engage more relatively low-cost resources in mainland China to cope with the fast-growing business there.

Tutor service fees

Typically we offer a revenue sharing scheme to our tutors and thus the tutor service fees are in general positively correlated to the revenue arising from private supplementary secondary school education services. Nevertheless, as the Group's business becomes more diversified, more tutors are engaged on an hourly rate basis or with a fixed project-based remuneration. These expenses have been reclassified from other operating expenses to tutor service fees for fair appraisal. The adjusted tutor service fees of HK\$16.9 million for the six months ended 31 January 2025 were comparable to those of the prior year, this was due to the increased teaching resources deployed to support business expansion in school services offset by the reversal of impairment of an amount due from a tutor.

Printing and other operating expenses

Printing and other operating expenses primarily consist of printing expenses, building management fees, service fees to freelancers, legal and professional fees, utilities and other administrative expenses. These expenses increased by HK\$5.6 million or 27.7% from HK\$20.4 million for the six months ended 31 January 2024 to HK\$26.0 million for the six months ended 31 January 2025.

The increase was mainly attributable to the rise in service fees paid to various service providers supporting business growth in school services, as well as in private supplementary school education services for the international curriculum. Moreover, printing expenses, scholarships, office supplies, travel, repairs and maintenance, and certain administrative expenses increased in general to meet the demands of growth in the market of mainland China.

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

Depreciation of ROU assets, short-term leases, and low-value lease payments account for 7.8% and 6.6%, respectively (2024: 9.3% and 7.5%), of the Group's total revenue. Although the overall expenses remained at the level of HK\$13.5 million, the percentage of total revenue decreased from 16.9% for the six months ended 31 January 2024 to 14.4% for the six months ended 31 January 2025. Despite the increase in the number of teaching centers and offices employed to support business expansion, the Group was able to manage the rise in lease-related expenses due to efficient resource utilization and continuous efforts in teaching centre network optimization in recent years.

Advertising and promotion expenses

Advertising and promotion expenses mainly consisted of advertising fees in online channels and social media platforms such as Google, Instagram and Facebook, offline channels such as billboard, transportation, foamboard and banners, as well as expenses in relation to branding, courses promotion, marketing and public relations. In order to capture the market opportunity in mainland China swiftly, the marketing and advertising effort put in mainland China contributed to a sharp rise of the advertising and promotion expenses. The overall advertising and promotion expenses increased sharply by HK\$3.1 million or 99.5% from HK\$3.1 million for the six months ended 31 January 2024 to HK\$6.2 million for the six months ended 31 January 2025.

Income tax expense

The income tax expense for the period ended 31 January 2025 was HK\$0.05 million (income tax expense for the six months ended 31 January 2024: HK\$0.5 million). The effective tax rates of the Group for the six months ended 31 January 2025 and 2024 were 0.6% and 15.4% respectively.

Loss for the period

The Group recorded a loss of HK\$8.3 million for the six months ended 31 January 2025 (loss of the Group for the six months ended 31 January 2024: HK\$3.8 million). The loss was mainly due to the resources deployed in the initial investment stage for strategic business development in the market of mainland China.

Liquidity, financial resources and capital structure

As at 31 January 2025, the Group's net current liabilities was HK\$21.4 million, which mainly consisted of prepayments, deposits and other receivables and cash and cash equivalents less other payables, contract liabilities, current income tax payable, borrowings and lease liabilities.

The Group's current assets slightly decreased from HK\$121.6 million as at 31 July 2024 to HK\$117.8 million as at 31 January 2025. Such a decrease in current assets was primarily due to the decrease in cash and cash equivalents from HK\$76.6 million as at 31 July 2024 to HK\$65.7 million as at 31 January 2025.

Among the cash and cash equivalents of the Group as at 31 January 2025, 53.2% was denominated in Hong Kong Dollar and 42.5% was denominated in Renminbi.

As at 31 January 2025, the current ratio of the Group (expressed as current assets divided by current liabilities) was 0.8, compared with 0.9 as at 31 July 2024. The Group is not exposed to material fluctuations in exchange rates or any related hedges.

As at 31 January 2025, the Group had bank borrowings amounting to HK\$79.5 million (31 July 2024: HK\$80.3 million) and lease liabilities HK\$14.3 million (31 July 2024: HK\$18.9 million). All lease liabilities and bank borrowings were denominated in Hong Kong Dollar and Renminbi. All bank borrowings are under a floating interest rate structure.

Treasury Policy

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

Charges on the Group's Assets

The Group has investment property with carrying value of approximately HK\$16.8 million pledged to secure borrowings and general banking facilities granted to the Group. There was no charge on the Group's other assets.

Gearing ratio

As at 31 January 2025, the Group's gearing ratio (calculated based on bank borrowings amounting to HK\$79.5 million and lease liabilities amounting to HK\$14.3 million divided by equity attributable to the owners of the Company as at the period end date amounting to HK\$44.5 million) was 210.8% (31 July 2024: 189.0%).

Contingent liabilities

The Group did not have any material contingent liabilities as at 31 January 2025 (2024: nil).

DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 31 January 2025 (2024: nil).

ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

In January 2025, the Group acquired 30% of the equity interests in 東莞市一方遵理教育投資諮詢有限公司 at a total consideration of RMB800,000. It is principally engaged in provision of education consultancy services in Dongguan of mainland China. Save as disclosed in this announcement, there was no other material acquisition or disposal of subsidiaries, associates or joint ventures during the six months ended 31 January 2025.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 31 January 2025, the Group did not have any definite future plan for material investments or capital assets in the coming period of six months ended 31 July 2025.

PURCHASE, SALES OR REDEMPTION OF COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company during the period of the six months ended 31 January 2025.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board has committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of shareholders of the Company and to enhance corporate value and accountability. Since the listing of the Company's shares on the Main Board of the Stock Exchange and up to 31 January 2025, the Company has complied with all applicable code provisions set out in the Corporate Governance Code in Appendix C1 to the Listing Rules (the "Corporate Governance Code") as amended from time to time.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (“**Model Code**”) as its own securities dealing code to regulate all dealings by Directors and relevant employees of securities in the Company and other matters covered by the Model Code. Specific enquiries have been made of all the Directors and the relevant employees and they have confirmed that they have complied with the Model Code during the period of the six months ended 31 January 2025 and up to the date of this announcement.

AUDIT COMMITTEE

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

The Audit Committee consists of three members: Mr. Li Kai Sing, Mr. Kwan Chi Hong and Mr. Tai Kwok Leung, Alexander, all of whom are independent non-executive Directors. Mr. Li Kai Sing is the chairman of the Audit Committee. The Audit Committee has reviewed with the management this announcement including the unaudited financial statements of the Group for the six months ended 31 January 2025 and the accounting principles and practices adopted by the Group, and has discussed auditing, internal controls and financial reporting matters.

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

No significant events affecting the Group occurred after 31 January 2025 and up to the date of this announcement.

PUBLICATION OF PRELIMINARY ANNOUNCEMENT AND INTERIM REPORT

This preliminary announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.bexcellentgroup.com). The interim report of the Company for the six months ended 31 January 2025 containing all the information required by the Listing Rules will be despatched to the Shareholders and made available on the same websites in due course.

By order of the Board
BExcellent Group Holdings Limited
Leung Ho Ki, June
Chairman

Hong Kong, 28 March 2025

As at the date of this announcement, the Company's executive directors are Ms. Leung Ho Ki, June (Chairman), Mr. Tam Wai Lung (Chief Executive Officer), Mr. Chan Tsz Ying, Wister, and Mr. Li Man Wai; the independent non-executive directors are Mr. Kwan Chi Hong, Mr. Li Kai Sing, and Mr. Tai Kwok Leung, Alexander.