SHANGHAI GENCH EDUCATION GROUP LIMITED
上海建橋教育集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1525)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

INTERIM RESULTS

The Board of Directors of the Company is pleased to announce the unaudited interim condensed consolidated financial results of the Group for the six months ended 30 June 2025, together with the comparative figures for the corresponding period in 2024.

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		**Percentage**
	2025	2024	**change**
	RMB'000	*RMB'000*	
	(Unaudited)	(Unaudited)	
Revenue	**534,054**	535,434	-0.3%
Gross profit	**317,204**	330,833	-4.1%
Profit before tax	**212,334**	241,690	-12.1%
Profit for the period	**162,061**	179,857	-9.9%

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

	Notes	For the six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
REVENUE	4	**534,054**	535,434
Cost of sales		**(216,850)**	(204,601)
GROSS PROFIT		**317,204**	330,833
Other income and gains		**17,007**	16,585
Selling and distribution expenses		**(1,182)**	(2,701)
Administrative expenses		**(104,473)**	(86,797)
Impairment losses on financial assets		**(2,751)**	(2,202)
Other expenses		**(442)**	(272)
Finance costs		**(13,029)**	(13,756)
PROFIT BEFORE TAX	5	**212,334**	241,690
Income tax expense	6	**(50,273)**	(61,833)
PROFIT FOR THE PERIOD		**162,061**	179,857
Attributable to:			
Owners of the parent		**162,061**	179,857
		RMB **(Unaudited)**	*RMB* (Unaudited)
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	8	**0.41**	0.45

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	**162,061**	179,857
OTHER COMPREHENSIVE INCOME		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Translation difference of the financial statements using different presentation currency	**(197)**	(3,367)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	**(197)**	(3,367)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Translation difference of the financial statements using different presentation currency	**427**	2,021
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**427**	2,021
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	**230**	(1,346)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**162,291**	178,511
Attributable to:		
Owners of the parent	**162,291**	178,511

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*9*	**2,388,330**	2,407,320
Right-of-use assets		**583,720**	591,380
Other intangible assets		**8,283**	7,787
Investment in a joint venture		**7,500**	–
Long-term prepayments and other receivables		**5,788**	7,020
Debt investments at fair value through other comprehensive income		**192,906**	131,037
Equity investments designated at fair value through other comprehensive income		**2,000**	–
Deferred tax assets		**1,981**	150
Total non-current assets		**3,190,508**	3,144,694
CURRENT ASSETS			
Accounts receivable	*10*	**5,359**	11,748
Prepayments and other receivables		**6,965**	6,884
Financial assets at fair value through profit or loss		**145,531**	473,168
Cash and cash balances and time deposits		**285,410**	338,768
Total current assets		**443,265**	830,568
CURRENT LIABILITIES			
Other payables and accruals		**191,324**	250,394
Interest-bearing bank borrowings		**164,000**	163,000
Lease liabilities		**–**	846
Contract liabilities		**109,368**	512,885
Tax payable		**43,805**	48,955
Deferred income		**5,295**	2,913
Total current liabilities		**513,792**	978,993
NET CURRENT LIABILITIES		**(70,527)**	(148,425)
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,119,981**	2,996,269

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2025

	Note	**30 June 2025** *RMB'000* **(Unaudited)**	31 December 2024 *RMB'000* (Audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		**663,275**	666,926
Lease liabilities		**1,802**	1,786
Deferred income		**1,250**	2,806
Deferred tax liabilities		**10,846**	7,621
Total non-current liabilities		**677,173**	679,139
NET ASSETS		**2,442,808**	2,317,130
EQUITY			
Equity attributable to owners of the parent			
Issued capital	*11*	**3,677**	3,677
Reserves		**2,439,131**	2,313,453
TOTAL EQUITY		**2,442,808**	2,317,130

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
30 June 2025

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 8 May 2018 as an exempted company with limited liability under the laws of the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. During the period, the Company and its subsidiaries (collectively referred to as the "Group") were principally engaged in providing undergraduate education and junior college education services in the People's Republic of China (the "PRC").

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the 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 2024, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period's financial information.

Amendments to IAS 21	*Lack of Exchangeability*

The nature and impact of the amended IFRS Accounting Standard are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

The Group principally provides higher education services in the PRC.

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

Geographical information

During the period, the Group operated within one geographical location because all of its revenues were generated in the PRC and all of its long-term assets/capital expenditures were located/incurred in the PRC. Accordingly, no geographical information is presented.

Information about major customers

No revenue from the provision of services to a single customer amounted to 10% or more of the total revenue of the Group during the period.

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Tuition fees	**451,863**	454,760
Boarding fees	**72,202**	70,636
Education-related services	**8,473**	8,409
Other services	**1,516**	1,629
Total	**534,054**	535,434

(i) Disaggregated revenue information

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Recognised over time		
Tuition fees	**451,863**	454,760
Boarding fees	**72,202**	70,636
Education-related services	**6,201**	5,771
Other services	**1,516**	1,629
Subtotal	**531,782**	532,796
Recognised at a point in time		
Education-related services	**2,272**	2,638
Total	**534,054**	535,434

(ii) Performance obligations

Tuition fees and boarding fees

The performance obligation is satisfied over time as services are rendered and tuition fees and boarding fees are generally paid in advance prior to the beginning of each academic year. The Group has elected the practical expedient for not disclosing the remaining performance obligations for these services.

5. PROFIT BEFORE TAX

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

	Note	For the six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cost of services provided		**216,850**	204,601
Employee benefit expense* (including Directors' and chief executive's remuneration):			
Wages, salaries and other allowances		**159,577**	151,172
Pension scheme contributions and social welfare		**32,266**	26,003
Total		**191,843**	177,175
Depreciation of property, plant and equipment*	*9*	**57,882**	50,932
Depreciation of right-of-use assets*		**7,990**	7,952
Amortisation of other intangible assets*		**1,135**	495
Impairment of financial assets, net			
Impairment of accounts receivable, net		**2,653**	2,176
Impairment of other receivables, net		**98**	26

* The depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of other intangible assets and employee benefit expense of RMB57,319,000 (six months ended 30 June 2024: RMB50,596,000), RMB7,636,000 (six months ended 30 June 2024: RMB7,635,000), RMB871,000 (six months ended 30 June 2024: RMB249,000) and RMB116,460,000 (six months ended 30 June 2024: RMB108,570,000) for the six months ended 30 June 2025, respectively, are recorded in "Cost of sales" in profit or loss.

6. INCOME TAX

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

The Company's directly held subsidiary is incorporated in the British Virgin Islands ("BVI") as an exempted company with limited liability under the BVI Business Companies Act and accordingly is not subject to income tax from business carried out in the BVI.

The Group was not liable for income tax in the United States and Hong Kong as the Group had no assessable profits derived from or earned in the United States and Hong Kong during the period.

All of the Group's subsidiaries operating in Mainland China were subject to the PRC corporate income tax ("CIT") of 25% during the period, except for Wangting Education Technology (Shanghai) Limited ("Gench WFOE"). In accordance with the requirements of the tax regulations in the PRC, Gench WFOE applied for the "High and New Technology Enterprise" qualification and obtained the certificate on 4 December 2020. The certificate was effective for three years from 1 January 2020. Gench WFOE re-applied "High and New Technology Enterprise" qualification and obtained the certification on 15 November 2023 which is effective for another three years from 15 November 2023. Accordingly, Gench WFOE was subject to CIT at a rate of 15% for the six months ended 30 June 2025 and 2024.

The major components of income tax expense of the Group are as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current	**48,879**	56,246
Deferred	**1,394**	5,587
Total tax charge for the period	**50,273**	61,833

7. DIVIDENDS

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Final declared and paid – HK$0.10 (six months ended 30 June 2024: HK$0.10) per ordinary share	**36,613**	35,990

A final dividend of HK$0.10 per share in respect of the year ended 31 December 2024 has been proposed by the board of directors of the Company (the "**Board**") and was approved by the shareholders at the annual general meeting of the Company on 11 May 2025. The Board has resolved to declare an interim dividend of HK$0.10 per share for the six months ended 30 June 2025 (six months ended 30 June 2024: HK$0.10).

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

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent of RMB162,061,000 (six months ended 30 June 2024: RMB179,857,000), and the weighted average number of ordinary shares of 394,500,000 (six months ended 30 June 2024: 395,401,500) outstanding during the period. The number of shares for the six months ended 30 June 2025 has been arrived at after eliminating the shares of the Group held under the Share Award Scheme (as defined in note 12) and shares repurchased.

The Group had no potentially dilutive ordinary shares outstanding during the six months ended 30 June 2025 and 2024.

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

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	**162,061**	179,857

	Number of shares For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares used in the basic and diluted earnings per share calculation	**394,500,000**	395,401,500

9. PROPERTY, PLANT AND EQUIPMENT

	30 June 2025 ***RMB'000*** **(Unaudited)**
At 1 January 2025 (audited)	**2,407,320**
Additions	**38,929**
Disposals	**(37)**
Depreciation provided during the period	**(57,882)**
At 30 June 2025 (unaudited)	**2,388,330**

As at 30 June 2025, the original cost of the Group's property, plant and equipment of RMB237,369,000 (31 December 2024: RMB237,087,000) was netted off by the government grants received.

10. ACCOUNTS RECEIVABLE

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

	30 June 2025 ***RMB'000*** **(Unaudited)**	31 December 2024 *RMB'000* (Audited)
Accounts receivable:		
Within 1 year	**4,288**	9,517
1 to 2 years	**885**	1,684
2 to 3 years	**186**	481
Over 3 years	**–**	66
Total	**5,359**	11,748

11. SHARE CAPITAL

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Number of ordinary shares		
Authorised:		
Ordinary shares of HK$0.01 each	**500,000,000**	500,000,000
Issued and fully paid:		
Ordinary shares of HK$0.01 each	**415,000,000**	415,000,000

	30 June 2025 *RMB'000* (Unaudited)	31 December 2024 *RMB'000* (Audited)
Authorised:		
Ordinary shares of HK$0.01 each	**4,462**	4,462
Issued and fully paid:		
Ordinary shares of HK$0.01 each	**3,677**	3,677

12. SHARE AWARD SCHEME

On 11 December 2020, the Board approved an employee share award scheme (the "Share Award Scheme") under which: (i) an employee (whether full time or part time), executive or officer, (ii) a director (including any executive, non-executive and independent non-executive director), or (iii) any consultant or adviser (whether professional or otherwise being engaged, whether on an employment, contractual or honorary basis or otherwise and whether paid or unpaid) of any member of the Group who, in the sole discretion of the Board, has contributed or may contribute to the growth and development of the Group (the "Eligible Participant"), will be entitled to participate. The purposes and objectives of the Share Award Scheme are (i) to recognise the contributions by certain Eligible Participants and to provide them incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

Subject to any early termination as may be determined by the Board pursuant to rules of the Share Award Scheme (the "Scheme Rules"), the Share Award Scheme shall be valid and effective from 11 December 2020 to the date on which the last of the number of shares determined by the Board and granted to such relevant Eligible Participant selected by the Board pursuant to the Scheme Rules for participating in the Share Award Scheme (the "Selected Participant") has been vested and transferred to the Selected Participant or has lapsed in accordance with the Scheme Rules provided that no award shall be made on or after the 10th anniversary of the Share Award Scheme starting from the date of 11 December 2020.

The Share Award Scheme shall be subject to the administration of the Board in accordance with the Scheme Rules and the terms of the trust deed (the "Trust Deed") which was entered into between the Company as settlor and the trustee (as restated, supplemented and amended from time to time), namely CMB Wing Lung (Trustee) Limited (the "Trustee"), on 11 December 2020.

The Trustee shall hold the trust fund (including the awarded shares and related income) in accordance with the terms of the Trust Deed.

The Board may from time to time issue implementation and operation manual for the Share Award Scheme.

The Board may, at any time and from time to time cause to be paid an amount of cash to the Trustee for the purchase of the shares on and/or off the market for the operation of the Share Award Scheme.

Subject to the terms and conditions of the Share Award Scheme and the fulfillment of all relevant vesting conditions, the respective awarded shares held by the Trustee on behalf of a Selected Participant shall vest in accordance with the vesting schedule (if any) and the Trustee shall cause the awarded shares to be transferred to such Selected Participant on the vesting date(s), provided that the Selected Participant remains at all times after the grant of the awarded shares and on each relevant vesting date(s) as an Eligible Participant.

The following shares were purchased by the Trustee under the Share Award Scheme during the six months ended 30 June 2025:

	Number of shares purchased for the Share Award Scheme	**Total** *RMB'000*
At 31 December 2024 and 1 January 2025 (audited)	20,500,000	84,504
Purchased and withheld	–	–
At 30 June 2025 (unaudited)	20,500,000	84,504

Since 11 December 2020 and up to the date of approval of these financial statements, the Board neither granted, lapsed nor cancelled any awards.

13. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	30 June 2025 ***RMB'000*** **(Unaudited)**	31 December 2024 *RMB'000* (Audited)
Property, plant and equipment	**6,293**	4,388

MANAGEMENT DISCUSSION AND ANALYSIS

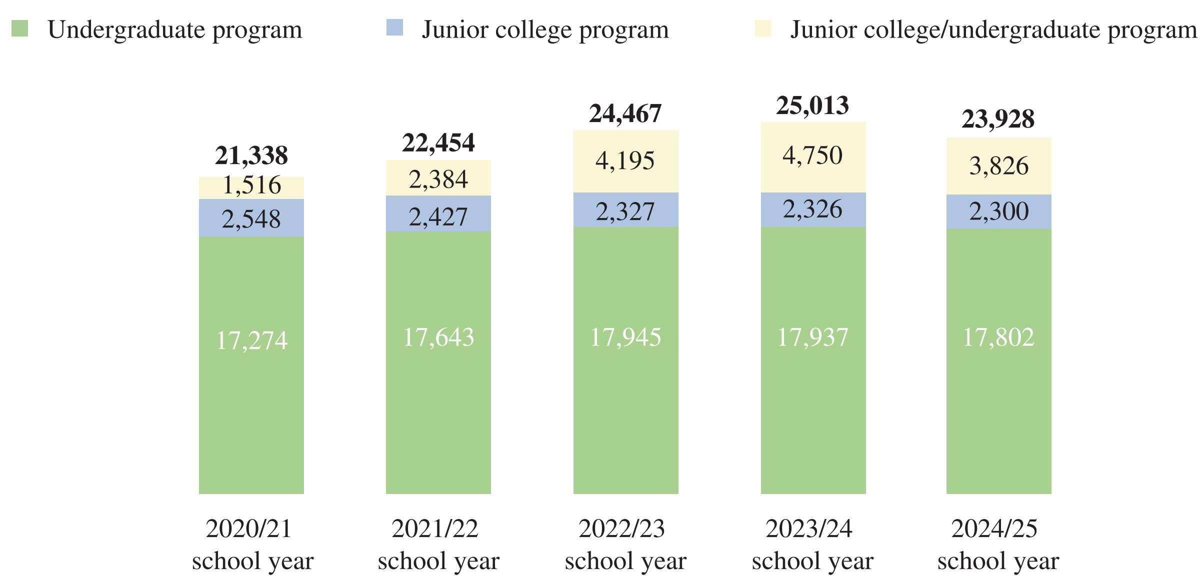
BUSINESS OVERVIEW

The Group is a higher vocational education group which provides undergraduate education and junior college education, focusing on high-quality schooling for the provision of excellent education for students. The Group operates Shanghai Jian Qiao University, being the domestic leading private university, at Lingang New Area in the China (Shanghai) Pilot Free Trade Zone. As measured by the number of full-time students enrolled in the 2024/25 school year, our University is the largest private university in Shanghai and is also a leading private university in the entire Yangtze River Delta. According to CUAA.net (中國校友會網), our University ranked third among all category I private universities in China for four consecutive years from 2022 to 2025 and first among private universities in the Yangtze River Delta for six consecutive years from 2020 to 2025.

Student enrollment

In the 2024/25 school year, the overall number of full-time enrolled students of our University reached 23,928, representing a decrease of 1,085 as compared to that of the 2023/24 school year. Such decrease was mainly due to a decrease in the number of students enrolled in the junior college/undergraduate program as the students from the junior college/undergraduate program expanded in the 2022/23 school year graduated in July 2024. In the 2025/26 school year, our University plans to enroll 5,486 undergraduates (2024/25 school year: 4,886), 850 junior colleges (2024/25 school year: 850), 1,902 junior colleges/undergraduates (2024/25 school year: 1,988).

Student enrollment



Tuition rates

The following table sets forth tuition fee information for our full-time programs for the school years indicated:

	Tuition Fee of New Student[1]		
	2023/24 school year	**2024/25 school year**	**2025/26 school year**
	RMB	*RMB*	*RMB*
Undergraduate program	32,000-39,800[2]	32,000-39,800[2]	42,000-48,000[3]
Junior college program	20,000	20,000	23,000
Junior college/undergraduate program	30,000-39,800	32,000-39,800	32,000-39,800

Notes:

(1) Tuition fees shown above are applicable to full-time students enrolled in the relevant school years only, excluding tuition fees charged for part-time students enrolled in our continuing education program.

(2) The tuition fee range of the undergraduate program includes (i) the undergraduate program; and (ii) the undergraduate program under the international program. It excludes tuition fee rate of RMB80,000 per school year for the international design college, the tuition fee rate of RMB58,000 per school year for the bilingual-lectured digital media technology program, the tuition fee rate of RMB45,000 per school year for the bilingual-lectured journalism program and the tuition fee rate of RMB45,000 per school year for the international project with Vaughn College of Aeronautics and Technology.

(3) The tuition fee range of the undergraduate program includes (i) the undergraduate program; and (ii) the undergraduate program under the international program. It excludes tuition fee rate of RMB80,000 per school year for the international design college, the tuition fee rate of RMB58,000 per school year for the bilingual-lectured digital media technology program and journalism program and the tuition fee rate of RMB58,000 per school year for the international project with Vaughn College of Aeronautics and Technology.

BUSINESS REVIEW AND OPERATIONAL UPDATE

Our University

Our University is an applied technology university which focuses on undergraduate education. As of 30 June 2025, our University offered 40 undergraduate majors and 10 junior college majors covering seven disciplines including economics, management, literature, engineering, art, science and pedagogy. Our University has 1 major with national characteristics, 1 Ministry of Education (MOE) comprehensive pilot reform undergraduate major, 15 first-class undergraduate majors in Shanghai, as well as 3 majors with Shanghai characteristics.

The schooling quality of our University ranked in the forefront of peer universities, which has accumulated a solid brand reputation. In January 2025, CUAA.net (中國校友會網) announced the 2025 CUAA University Rankings, which showed that our University continued to rank third among the CUAA category I private universities in China for four consecutive years. Over 25 years of operation, our University has been consecutively awarded "Shanghai Civilized Unit (上海市文明單位)" for nine times over 18 years since 2004, won the honorary title of "Shanghai Garden Unit (上海市花園單位)" from 2015 to 2020 and awarded the "National Model Unit of Civilization (全國文明單位)" for the first time in 2015 (the first private university in Shanghai), and successfully passed the re-examination three times in 2017, 2020 and 2025, retaining the honorary title of the "National Model Unit of Civilization (全國文明單位)". Our University passed the ISO9001 quality management system certified by Shanghai Audit Centre of Quality System in 2018, and passed the re-certification in May 2021, and also passed the MOE undergraduate teaching quality assessment (教育部本科教學工作審核評估) twice in November 2019 and April 2025. In February 2022, our University has been approved by the MOE as an "Innovation and Development Centre for Ideological and Political Work in Higher Education Institutions (教育部高校思想政治工作創新發展中心)", and in the same month, our University was selected as Shanghai Safe and Civilized Campus for 2019-2020 school year, and was once again selected as "Shanghai Safe and Civilized Campus for 2021–2022 School Year" in March 2024. In April 2024, our University was among the first batch of universities in the PRC to be granted reputable title of "Lei Feng Spirit College Demonstration Education Base (雷鋒精神高校示範教育基地)", and in September of the same year, our University received the "Award for Outstanding Contribution to Promoting Lei Feng Spirit in the New Era (新時代傳播雷鋒精神貢獻獎)". In February and March 2025, our University was successively recognized as an "Outstanding Unit in Information Disclosure Work among Shanghai Higher Education Institutions for 2023-2024 (2023-2024年度上海高校信息公開工作優秀單位)" and an "Outstanding Unit in Petition Work within the Shanghai Education System for 2024 (2024年度上海市教育系統信訪工作優秀單位)".

DUAL SUPPORT FROM LINGANG SPECIAL AREA POLICY AND VOCATIONAL EDUCATION POLICY

(I) Strategic emerging industries gather in Lingang, building a new development pattern of industry and education integration

In January 2024, the General Office of the Communist Party of China Central Committee and the General Office of the State Council issued the "Implementation Plan for the Comprehensive Reform Pilot Program in Pudong New Area (2023-2027) (《浦東新區綜合改革試點實施方案(2023-2027年)》)", to support Pudong New Area in achieving high-level reform and opening up and building a leading area for socialist modernization, and clearly give Pudong New Area greater autonomy in reforms in key areas and key links.

In July 2024, the Management Committee of Lingang New Area issued the revised "Several Policy Opinions on Supporting the Integration of Industry and Education in Lingang New Area of the China (Shanghai) Pilot Free Trade Zone (《中國(上海)自由貿易試驗區臨港新片區關於支持產教融合發展的若干政策意見》)", which clearly aims to create a new development pattern of deep integration of industry and education, and provide special support for qualified industry-education integration projects. Specifically, it includes supporting the construction of important carriers of demonstration bases, supporting the innovation of industry-education cooperation models in demonstration bases, supporting the construction of major industry-education integration platforms, land guarantee and financial support for major projects, supporting school-enterprise cooperation in collaborative education, supporting the construction of a"double-position" teaching faculty, supporting the enhancement of industrial talents' skills, supporting the cultivation of industry-education integration bases, summarizing and promoting typical cases of industry-education integration, and supporting the organization of high-level industry-education activities, so as to further strengthen the cultivation of innovative, application-oriented, and skilled talents, and build a closed loop for the integrated development of industrial chain, talent chain, education chain, and innovation chain.

In February 2025, the Management Committee of Lingang New Area issued "the Action Plan for High-Quality Development of Industry-Education Integration in Lingang New Area of China (Shanghai) Pilot Free Trade Zone (2025-2027) (《中國(上海)自由貿易試驗區臨港新片區產教融合高質量發展行動計劃(2025-2027)》)" to further promote the smooth flow of resources and virtuous cycle of education, science and technology, talents and industries. The plan outlines multiple initiatives to elevate higher education resource capabilities such as optimizing the distribution of higher education resources, actively introducing high-quality academic resources, supporting universities in innovating industry-education integration mechanisms, strengthening the construction of the cultivation carriers for scientific and innovative talents in universities and colleges, consolidating the construction of new engineering disciplines in universities and the cultivation of outstanding engineers, and launching international industry-education integration programs, and also explicitly supports our University's vision to grow into a model industry-education integration university.

The open development philosophy and robust economic foundation of the Pudong New Area have provided solid support for the development of the Lingang New Area. Lingang New Area is rapidly becoming a gathering point of China's strategic emerging industries, increasing the exploration of differentiation system innovation in several areas, and putting effort into building a world-class industrial cluster. Under the favourable policy of Lingang National Core Pilot Area for Industry-education Integration, our University, as the only private university in Lingang currently, has increasingly highlighted its geographical advantage in admitting students and exploring new models of industry-education integration.

(II) Successive implementation of national supporting policies promotes the high-quality development of modern vocational education

In January 2025, the Central Committee of the Communist Party of China and the State Council published the "Outline of the Plan for the Construction of a Stronger Education State (2024-2035) (《教育強國建設規劃綱要(2024-2035年)》)" (the "Outline"), which proposed to strengthen the comprehensive strength of higher education, create a strategic leading force, promote the reform and development of colleges and universities in a categorical manner, optimize the layout of higher education, and shape a new form of diversified operation and integration of industry and education. The newly issued Outline is a programmatic document for the development of education promulgated and implemented by the Central Committee of the CPC and the State Council, and is the first national action plan with the theme of thriving the nation through education, serving as a crucial initiative to fully support China's modernization. As a top-level institutional framework, it aims to holistically advance the integrated development of education, science and technology, and talent cultivation, while enhancing the overall efficiency of the national innovation system, carrying profound and far-reaching significance.

In March 2025, the Third Session of the 14th National People's Congress considered and passed the "2025 Government Work Report" which clearly proposed to deeply implement the strategy of rejuvenating the nation through science and education, emphasize coordinated efforts in advancing educational development, scientific and technological innovation, and talent cultivation, accelerate the construction of a high-quality education system, guide and regulate the development of private education, promote the integration of general and vocational education as well as industry-education integration, and enhance the adaptability of vocational education.

Continuous policy support and encouragement provided a strong support for the integration of education and industry and the high-quality development of vocational education.

OUTSTANDING ACHIEVEMENTS IN THE CONSTRUCTION OF HIGH-QUALITY VOCATIONAL EDUCATION SYSTEM

(I) Aligning with the market demand for talents and optimising the layout of disciplines and majors

Majors ranking of our University remained the top among application-oriented universities and colleges across the country and our majors closely kept pace with the needs. In March 2025, according to "2025 First-class Majors Ranking (Application-oriented) in China" published by CUAA.net (中國校友會網), 29 majors of our University ranked among top 10 in China, and 33 majors ranked among top 20 in China, among which 13 majors including gemstone and material technology, journalism, automobile service engineering, and international business ranked first in the country. In the 2023/24 school year, the Japanese major and tourism management major of our University successfully passed the professional certification of the Yangtze River Delta New Liberal Arts Education Professional Certification Alliance (長三角新文科教育專業認證聯盟). So far, including advertising, three majors of our University have obtained the professional certification of new liberal arts education. Our University has introduced a new undergraduate major in business English in the 2024/25 school year, aiming to cultivate applied business English versatile talents with solid foundation in English language skills and relevant business professional knowledge, enabling them to proficiently use English in foreign-related fields such as international business, international trade, and cross-border e-commerce, engaging in economic, trade, management, financial, and other related work. We believe that this major will further expand our undergraduate major categories, optimize our majors settings, and cultivate more applied technical talents for the society.

(II) Enhancing the faculty capacity and strengthening the construction of curriculum quality

The proportion of full-time teachers with doctoral degrees in our University remains in the forefront among peer universities. As of 30 September 2024, among the full-time teachers of our University, the master degree or higher accounted for 85.8%, the doctoral degree accounted for 28.7%, the senior title accounted for 36.9%, and the double-position accounted for 45.7%. Our University also places high importance on construction of teacher ethics and conduct. Since 2021, we have consistently organized an annual faculty ethics and conduct month activity for four consecutive years, promoting the regular implementation of teacher ethics and conduct construction. Our University adheres to the combination of the positioning of talent cultivation objectives, as well as the goal of first-class majors construction, carries out curriculum construction in a planned, focused and step-by-step manner, and strengthens practical teaching and quality teaching. 12 courses of our University have been selected as first-class undergraduate courses in Shanghai for 2024, bringing the total number of courses selected as first-class undergraduate courses in Shanghai to 31. Our University has also actively seized the opportunities presented by the development of artificial intelligence to comprehensively promote the construction of "AI+ courses" and teaching innovation, and has explored the construction of 70 "AI+ courses". In the application of Shanghai Key Courses in 2024, our University successfully secured the approval for 9 "AI+ courses", accounting for 32.1% of the total approved courses. In addition, our University has actively organized training sessions for the development of "AI+ courses" to continuously enhancing the intelligent teaching ability of our faculty and lay a solid foundation for promoting the digital and intelligent transformation of education and teaching.

(III) Devoting to upgrading teaching facilities and building a smart campus with characteristics

The Group continues to deepen the upgrading and modification of teaching and scientific research instruments and equipment as well as teaching laboratories, and is committed to building a modern and intelligent teaching environment. Our smart classrooms integrate high-definition camera systems, intelligent audio devices, high-speed network connections, and advanced smart teaching platforms to achieve high-quality audio and video capture and transmission to meet the requirements of listening and evaluating classes at all levels. Based on the OBE (outcome-based education) concept, we have formed a talent cultivation program management system, a curriculum and teaching management system system, a teaching quality control system, etc, and also completed the construction of Cloud Teaching Center, Cloud Examination Center and Cloud Teaching Management Center for the first phase of Cloud Gench Intelligent Teaching Platform, and built a "student-oriented, learning-centered" teaching process support system. Meanwhile, we have built a research system to enhance the efficiency of research management and independently developed the office automation (OA) workflow system to further improve the work efficiency and management level. Centering on the curriculum and teaching reform and classroom teaching revolution, the Group has integrated AI, 5G, VR (virtual reality) and other technologies into the teaching reform process, combined the application of smart learning scenarios with the classroom teaching revolution. Our University has also been actively developing the DeepSeek Gench Education Application Large Model, thereby creating service agents, management agents, and teaching agents to provide round-the-clock, personalized learning support and life services for faculty and students, and achieving intelligent and refined campus management to build an efficient, convenient, and dynamic smart campus ecosystem.

(IV) Promoting all-round development of students and enhancing their competitiveness in employment

Focusing on the general requirements of "five-pronged education stratagem (五育並舉)" and "three comprehensive education (三全育人)", our University continues to deepen the talent cultivation system of "core qualities, competence-based, result-oriented and continuous improvement (核心素養+能力本位+成果導向+持續改進)" to further improve the quality of applied talent cultivation. Our University also attaches great importance to the high-quality employment of students. In recent years, the employment rate of our graduates has always been stabling at 98% and above. As of 31 August 2024, the employment rate of 2024 graduates of our University reached 99.1%, the college-entrance rate reached 5.7% and the rate of studying abroad reached 4.6%, of which 58.8% of graduates who reported for employment stayed in Shanghai area. In addition, according to the MyCOS report, the overall satisfaction rate of employers who have hired recent graduates of our University from 2022 to 2024 has reached over 95%. In May 2024, our University was awarded the honorary title of "Advanced Institution in Promoting Employment of Shanghai Municipality (上海市促進就業先進集體)", and in December of the same year, our University was awarded the honorary title of "2024 Best Service University for High-Quality Employment (2024年度高質量就業最佳服務高校)".

(V) Further deepening school-enterprise cooperation and developing industry-education integration for collaborative talent cultivation

Our University is both the high-tech talents cultivation base in Shanghai and the first batch of industry-education integration bases in Lingang New Area (臨港新片區首批產教融合基地). The "Digital Smart Manufacturing (數聯智造)" Industrial College is one of the first batch of Shanghai municipal key modern industrial colleges (首批上海市級重點現代產業學院) while the "Integrated Circuit (集成電路)" Industrial College is one of the second batch of Shanghai municipal key modern industrial colleges (第二批上海市級重點現代產業學院). Our University employs an in-depth industry-education integration system to drive applied talent cultivation. The cooperation models with enterprises include but are not limited to co-building internal and external internship bases, alternating work and study programs, order-based talent training, and integration of industry, academia and research. As the initiator of Lingang Industrial University, our University jointly applied for "Municipal Consortium of High-end Equipment Industrial Zone in Lingang New Area (臨港新片區高端裝備產業區市域聯合體)" and was successfully approved as one of the first batch of "City-wide Industry-education Associations (市域產教聯合體)" in Shanghai.

In 2024, our University has established a significant strategy to transform into an industry-education integrated university, proposing the Action Plan for Accelerating the Transformation of Shanghai Jian Qiao University into an Industry-Education Integrated University (《上海建橋學院加快向產教融合型大學轉型行動方案》). By closely aligning with the requirements of regional industrial layout, we aim to tailor education, learning, research, and innovation based on industrial needs, and build an industry-education integration model centered around "one core, two wings, three integrations, and four scenarios (一體兩翼三融四境)", striving to achieve the coordinated development of "industry, academia, research, and innovation" as an integrated entity. We expect to preliminarily complete the transformation of an industry-education integrated university by 2030 and fully accomplish it by 2035, thereby enriching the distinctive features of an applied university with the unique characteristics of an industry-education integrated university, and building our University as a nationally recognized top-tier private university.

As of 30 June 2025, our University has selected eight pilot projects to explore the "one core, two wings, dual delivery" approach, covering multiple majors across various colleges including the College of Mechanical and Electronic Engineering, the Business College, the College of Jewelry, the College of Journalism and Communications, and the College of Art Design. Currently, the pilot projects have completed the establishment of physical entities and introduced real production service projects, which are now being utilized in the talent cultivation process. Among them, the Medical Engineering Industrial College and the Big Data Industrial College, as industry-education integrated colleges, operate independently through a "trinity model" consisting of "secondary college + industrial college + physical entity", forming a new type of educational organization that integrates industry (industrial services), academia (talent cultivation), research (technology research and development), and innovation (innovation and entrepreneurship).

The phase four of the Group's campus facilities was fully put into operation in March 2025, with a total gross floor area of approximately 86,400 square meters for such campus facilities, mainly comprise (i) a teaching and training building (which will facilitate the alignment of university and enterprise resources and deepen the integration of industry and education); (ii) three talent apartments (which will enhance our University's appeal to outstanding talents and support the expert recruitment for the integration of industry and education); and (iii) a multifunctional research and development centre (which will promote the research on the integration of industry and education and the joint talent cultivation with the on-campus enterprises).

FUTURE OUTLOOK AND BUSINESS STRATEGY

By steadfastly upholding the educational philosophy of running a high-quality school, the Group is committed to building a top-tier applied technical talent cultivation system, delivering education that satisfies the people and building a nationally recognized top-tier private university. Our development strategy aligns closely with the national direction of promoting high-quality vocational education development. We are confident that, by leveraging the geographical advantages of operating in both Pudong and Lingang special zones and the development opportunities of Lingang as a cluster of China's strategic emerging industries, the Group will persist in pursuing quality improvement and connotative development. Through its commitment to building an ecological benchmark campus with the integration of industry and education and establishing itself as a long-distance runner for high-quality development of higher education in China, coupled with scarce value derived from our University's transition to a for-profit entity, the Group is expected to gain wider recognition in the industry. Looking forward, we will leverage the following strategies to promote our business development:

BUILDING ON OUR EXISTING STRENGTHS AND ADHERING TO THE PATH OF HIGH-QUALITY DEVELOPMENT

In the 2025/26 school year, we continued to optimize tuition fees, with the minimum tuition fee for new students of undergraduate program being optimized from RMB32,000 per year to RMB42,000 per year, and the minimum tuition fee for new students of junior college program being optimized from RMB20,000 per year to RMB23,000 per year. Meanwhile, the boarding fees in respect of our smart dormitory buildings for the freshman remain at RMB7,800 per year. In the future, we will continue to adhere to the educational philosophy of "student-oriented, teaching-centred, undergraduate-focused (育人為本，教學為本，本科為本)" and the work ideology of "quality as the core, teaching as the centre, students as the base, teachers as the principal (品質核心，教學中心，學生本位，教師主體)" to deepen the reform of talent cultivation models, optimise the structure and layout of professional disciplines, promote digital and intelligent curriculum reform, explore AI-enabled education and teaching such as DeepSeek, strengthen the construction of the teaching staff, do a good job in teaching quality assurance, stimulate scientific research and innovation, comprehensively serve students' growth and development, thus promoting the high-quality development of our undertakings.

PROMOTING BUSINESS DIVERSIFICATION AND EXPLORING NEW GROWTH AREAS

The period of "Fourteenth Five-year Plan" is a key five-year period for Shanghai to accelerate the construction of a modern socialist international metropolis with world influence, and also a key five-year period for Lingang New Area to initially establish a special economic functional area with strong international market influence and competitiveness. 2025 is the last year of the "14th Five-Year Plan" and a new starting point for the "15th Five-Year Plan". At this critical juncture, the Group will vigorously develop international education, adult continuing education and non-academic vocational education, based on the strong demand for international and highly skilled talents in the region.

In terms of international education, in order to seize the opportunities of international talents of Lingang, our University deepened the reform of the internationalized school-running system and mechanism, took the International Education Institute as an innovative experimental field, promoted international exchanges and cooperation as a whole, improved the level of international cooperation partners and project levels, promoted the internationalization of school teachers and teaching courses, and made every effort to enhance students' international vision and global literacy; in terms of adult continuing education, as of 30 June 2025, the number of adult students of the continuing education programs of our University amounted to 4,065; in terms of non-academic vocational education, the Group actively responds to vocational education "1+X" certificate system, to deepen the vocational qualification training and enhance students' occupational skills. As of 30 June 2025, our University provided a total of 400 types of vocational qualification certificate training. In addition, our University applied for the Shanghai "Dual System" Employee Continuing Education College Pilot Base (Cultivation) Project around the High-end Equipment Industry Employee Continuing Education Base and the Fashion Consumption and Logistics Industry Employee Continuing Education Base, and successfully obtained the project approval.

CAPITALIZING ON POLICY BENEFITS IN THE LINGANG NEW AREA AND ADVANCING THE INTEGRATION OF INDUSTRY, EDUCATION AND CITY

Lingang is a dual special zone under the superposition of two national strategies: Pudong Pioneer Area and Lingang New Area, carrying an important national strategic mission as the first trial test field of "Pioneer Area for Socialist Modernization". Lingang focuses on the innovation and development of key technological links in the field of "Filling the Domestic Gaps" and emerging industries, which is to establish a special economic functional zone with more international market influence and competitiveness. As the national core area for pilot integration of industry and education, leveraging on the regional advantages of rapid gathering in the advanced manufacturing industry, Lingang will embrace vast exploration opportunities for industry-education integration.

Looking forward, the Group will grasp and fully utilise the opportunities brought by the policy of taking Lingang New Area as the "The First Trial Test Field of Pioneer Area for Socialist Modernization (社會主義現代化建設引領區先行先試試驗田)" and the "National Core Area for Pilot Industry-education Integration (國家產教融合試點核心區)", and will proactively support the national strategy of promoting the high-quality development of vocational education and the regional development strategy of building Lingang into a "Global Hub of Power". The Group will continue to adhere to the philosophy of "high-quality schooling standards", cultivating more high-quality technical and skilled talents, deepening the construction of integration, internationalization and digitalisation strategy, deepening the construction of modern vocational education system. Meanwhile, the Group will keep abreast of the latest policies and development trends of industry-education integration, deeply align industry needs with educational and teaching rules, promote the deep integration of teaching scenarios and production practices, accelerate the transformation to an industry-education integration university, and strive to build our University into a first-class private university in China with more unique features and international standing and a long-distance runner for the high-quality development of higher education in China.

FINANCIAL REVIEW

Revenue

Revenue represents the value of services rendered during the Reporting Period. The Group derives revenue from tuition fees, boarding fees, education related services and other services.

For the six months ended 30 June 2025, the Group's revenue was approximately RMB534.1 million, which remained stable as compared to the corresponding period of last year.

Cost of Sales

Cost of sales primarily consisted of salary costs, depreciation and amortization, student-related expenses, cooperative education expenses, teaching material expenses and maintenance expenses, along with training expenses, research and development costs, travel expenses, office expenses, and others.

For the six months ended 30 June 2025, the Group's cost of sales increased by approximately RMB12.2 million, or 6.0%, as compared with the corresponding period of last year, which was primarily due to the combined effects of (i) the salary costs increased by approximately RMB7.9 million, or 7.3%, as a result of the growth of the number of teachers; (ii) the increase of the depreciation and amortization expenses by RMB7.3 million, or 12.6%, as the phase four of the campus of our University has been progressively put into use in 2024/25 school year and has been put into full operation by March 2025; and (iii)the decrease of the office expenses.

Gross Profit and Gross Profit Margin

Gross profit represents our revenue less cost of sales. The Group's gross profit decreased by approximately RMB13.6 million, or 4.1%, from approximately RMB330.8 million for the six months ended 30 June 2024 to approximately RMB317.2 million for the six months ended 30 June 2025.

The Group's gross profit margin represents the Group's gross profit as a percentage of its revenue. For the six months ended 30 June 2025, the Group achieved a gross margin of 59.4% down by 2.4 percentage points as compared to corresponding period of last year. The decrease was mainly due to(i) the increase of the salary costs, as a result of increasing growth of the number of teachers; (ii) the increase of the depreciation and amortization expenses, as the phase four of the campus of our University has been progressively put into use in 2024/25 school year and has been put into full operation by March 2025.

Other Income and Gains

Other income and gains primarily consist of government grants, bank interest income, operating lease income from operators of supermarkets, snap shops, etc. in the school campus, and others.

For the six months ended 30 June 2025, the Group's other income and gains was RMB17.0 million, which remained stable as compared to the corresponding period of last year.

Selling and Distribution Expenses

Selling and distribution expenses primarily consist of expenses incurred for relevant advertising of our University, including labour remuneration, the cost of promotional brochures, transportation expenses, telecommunication expenses, business entertainment expenses and other expenses.

The Group's selling and distribution expenses decreased by approximately RMB1.5 million, or 56.2%, from approximately RMB2.7 million for the six months ended 30 June 2024 to approximately RMB1.2 million for the six months ended 30 June 2025, which was mainly due to the decrease of employee remuneration resulting from the Group's enhanced labor cost controls during the Reporting Period.

Administrative Expenses

Administrative expenses consisted of salary expenses for administrative staff, logistics expenses, depreciation of vehicle and equipment for administrative purposes, professional service expenses, travel expenses, entertainment expenses, office expenses, and others.

For the six months ended 30 June 2025, the Group's administrative expenses increased by RMB17.7 million, or 20.4%, from RMB86.8 million for the six months ended 30 June 2024 to RMB104.5 million for the six months ended 30 June 2025, which was primarily due to (i) the administrative salary expenses increasing by approximately RMB8.1 million, mainly as a result of the increase in the number of administrative staff, (ii) the logistics expenses increasing by approximately RMB8.7 million, as the Group continued to upgraded and renovated existing campus premises during the Reporting Period.

Finance Costs

The Group's finance costs primarily consisted of the interest expenses for bank loans.

Finance costs decreased by RMB0.8 million, or 5.3%, from RMB13.8 million for the six months ended 30 June 2024 to RMB13.0 million for the six months ended 30 June 2025, which was due to(i) the scale of interest-bearing borrowings of our Group decreased from RMB838.4 million as at 30 June 2024 to RMB827.3 million as at 30 June 2025, (ii) the decrease in the annual average effective interest rate from 3.79% to 3.07%.

Profit Before Tax

For the six months ended 30 June 2025, the Group recorded a profit before tax of approximately RMB212.3 million, representing the decrease of approximately RMB29.4 million from approximately RMB241.7 million for the corresponding period of prior year.

Income tax expense

For the six months ended 30 June 2025, the Group's Income tax expense was approximately RMB50.3 million, which was mainly due to the decrease of the profit before tax during the Reporting Period.

Liquidity and Capital Resources

Our primary uses of cash were to fund our working capital requirements, our purchase of property, plant and equipment and to repay bank borrowings and related interest expenses. During the Reporting Period, we funded our operations principally with cash generated from our operations and bank borrowings. In the future, we believe that our liquidity requirements will be satisfied with a combination of cash flows generated from our operating activities, bank borrowings and the net proceeds from the initial public offering of the Company and other funds raised from the capital markets from time to time.

Treasury Policy

Our Group has adopted a prudent financial management approach towards its treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of our Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

Property, Plant and Equipment

As at 30 June 2025, the Group's property, plant and equipment amounted to approximately RMB2,388.3 million, representing a decrease of approximately RMB19.0 million, or 0.8%, as compared to the balance as at 31 December 2024. Such a decrease was mainly due to the amount of newly added property, plant and equipment less than the depreciation expenses for the property, plant and equipment during the Reporting Period.

Cash and cash balances and time deposits

As at 30 June 2025, the Group's cash and cash equivalents and time deposits were approximately RMB277.0 million, representing a decrease of approximately RMB53.4 million, or 16.2%, as compared to the balance as at 31 December 2024. The decrease was mainly as the effect of seasonality as our University typically receives most of our tuition fees and boarding fees from students in the second half of the year while our University still needs to pay staff salaries, utility expenses and the capital expenditure in the first half of the year to support its operation.

Bank Borrowings

Our bank borrowings are long-term project loans for our campus construction plan.

We primarily borrowed loans from banks and financial institutions to supplement our working capital and finance our capital expenditure. Our bank borrowings amounting an aggregate of approximately RMB827.3 million as at 30 June 2025 (31 December 2024: approximately RMB829.9 million) were all denominated in Renminbi. As at 30 June 2025, our bank borrowings bore effective interest rate was 3.07% per annum. The following table sets forth the maturity profile of the interest-bearing bank and other borrowings as of the dates indicated:

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Analysed into:		
Repayable within one year	**164,000**	163,000
Repayable in the second year	**178,000**	172,000
Repayable in the third to fifth years, inclusive	**465,903**	437,653
Repayable beyond five year	**19,372**	57,273
	663,275	666,926
	827,275	829,926

Capital Expenditure

Capital expenditures during the Reporting Period primarily related to the phase four of our campus construction plan, maintaining and upgrading existing school premises for the University. For the six months ended 30 June 2025, the Group's capital expenditures were RMB58.5 million.

Contractual Commitments

Our capital commitments primarily were related to the acquisition of property, plant and equipment. The following table sets forth our capital commitments as at the dates indicated:

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Property, plant and equipment	**6,293**	4,388

Contingent Liabilities

As at 30 June 2025, the Group did not have any significant contingent liabilities or guarantees of material importance, pending or threatened.

Gearing Ratio

The Group's gearing ratio equals to the interest-bearing debt divided by total equity.

For the six months ended 30 June 2025, the gearing ratio decreased from 0.4 to 0.3, compared with the gearing ratio as at 31 December 2024, which was due to (i) the repayment of part of the bank borrowings by the Group, and (ii) the increase in amount of equity during the Reporting Period.

Foreign Exchange Risk Management

The functional currency of the Company is Renminbi (RMB). The majority of the Group's revenue and expenditures are denominated in RMB. During the Reporting period, the Group did not experience any significant difficulties in or impacts on its operations or liquidity due to fluctuations in currency exchange rates. The Directors believe that the Group has sufficient foreign exchange to meet its own foreign exchange requirements and will adopt practical and effective measures to prevent exposure to exchange rate risk. The Group did not enter into any financial instrument for hedging purpose.

Significant Investments, Acquisitions and Disposals, Future Plan for Material Investments And Capital Assets

There were no significant investments held as at 30 June 2025, nor other material acquisitions and disposals of subsidiaries and associated companies. Save as disclosed in this announcement, as at 30 June 2025, our Group did not have any immediate plans for material investments and acquisition of capital assets.

Pledge of Assets

As at 30 June 2025, the balance of secured bank borrowings of the Group was RMB827.3 million, of which RMB642.4 million was secured by the Group's rights over tuition fees and boarding fees, and the other was secured by the charging right of the talent center in the phase four of the campus of our University.

Employees and Remuneration Policy

As at 30 June 2025, our Group had 1,896 full-time employees (30 June 2024: 1,810 employees), the remuneration policy and package of the Group's employees are periodically reviewed in accordance with industry practice and result performance of the Group. The Group provides external and internal training programs to its employees. The Group participates in various employee social security plans for its employees that are administered by local governments, including housing, pension, medical insurance, occupational injury insurance, maternity insurance and unemployment insurance. The total remuneration cost incurred by the Group for the six months ended 30 June 2025 was RMB191.8 million (30 June 2024: RMB177.2 million).

EVENTS AFTER THE REPORTING PERIOD

In early August 2025, the Group received two judgments issued by the Pudong New Area People's court of Shanghai regarding the disputes over the construction contracts between Jian Qiao University and its constructor. The civil lawsuits were filed by the constructor in 2024. According to the judgments, Jiao Qiao University has been ordered to pay the construction fee with a total amount of approximately RMB8.3 million and the interest arising from the overdue payment of these construction fee. Jian Qiao University has lodged appeals against the aforesaid first-instance judgments in mid of August 2025. As of the date of this announcement, the financial position and daily operation of the Group are not materially affected.

On 28 August 2025, the Board has resolved to recommend the payment of an interim dividend of HK$0.10 per ordinary share for the six months ended 30 June 2025 to the shareholders whose names appear on the register of members of the Company on Friday, 10 October 2025.

INTERIM DIVIDEND

On 28 August 2025, the Board has resolved the payment of an interim dividend of HK$0.10 per ordinary share of the Company for the six months ended 30 June 2025 (for the six months ended 30 June 2024: HK$0.10 per ordinary share). The 2025 Interim Dividend is intended to be paid out of the share premium of the Company.

The 2025 Interim Dividend will be payable on or around Friday, 24 October 2025 to the shareholders whose names appear on the register of members of the Company on Friday, 10 October 2025.

CLOSURE OF THE REGISTER OF MEMBERS

For determining the entitlement of the shareholders of the Company to receive the 2025 Interim Dividend, the register of members of the Company will be closed on Friday, 10 October 2025, during which period no transfer of Shares will be registered. The record date for entitlement to the 2025 Interim Dividend is Friday, 10 October 2025. In order to be qualified for the entitlement to receive the 2025 Interim Dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services

Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Thursday, 9 October 2025. The payment date of the 2025 Interim Dividend is expected to be on Friday, 24 October 2025.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any other listed securities of the Company (including treasury shares as defined in the Listing Rules) during the six months ended 30 June 2025. As at 30 June 2025, the Company did not hold any treasury shares.

Separately, during the six months ended 30 June 2025, no Shares were purchased by the trustee of the Share Award Scheme pursuant to the terms of the trust deed of the Share Award Scheme.

COMPLIANCE WITH THE CG CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability. The Company has adopted the code provisions under the CG Code as its own code of corporate governance. The Company has complied with all applicable code provisions under the CG Code during the six months ended 30 June 2025. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries of all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code during the six months ended 30 June 2025.

At the same time, the Company has also adopted its own code of conduct regarding employees' securities transactions on terms no less exacting than the standard set out in the Model Code for the compliance by its relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of their dealings in the Company's securities.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Audit Committee has reviewed the accounting principles and practices adopted by the Group. The Audit Committee, together with the Board, have reviewed the Group's unaudited interim condensed consolidated financial statements for the six months ended 30 June 2025. The Audit Committee is of the opinion that such financial statements comply with the applicable accounting standards, the Listing Rules and all other applicable legal requirements.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.genchedugroup.com). The interim report for the six months ended 30 June 2025 containing all the information required by Appendix D2 to the Listing Rules will be made available on the above websites and dispatched to the shareholders of the Company who request the printed copy in due course.

DEFINITION

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

"2025 Interim Dividend"	interim dividend of HK$0.10 per ordinary share of the Company resolved by the Board for the six months ended 30 June 2025
"AI"	artificial intelligence
"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors of the Company
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rule
"China" or "PRC"	for the purpose of this announcement, the People's Republic of China, other than the regions of Hong Kong, the Macau Special Administrative Region and Taiwan
"Company"	Shanghai Gench Education Group Limited
"Director(s)"	the director(s) of the Company
"Group", "we" or "us"	the Company, its subsidiaries and New PRC Affiliated Entities from time to time, or, where the context so requires in respect of the period before the Company became the holding company of our present subsidiaries, the entities which carried on the business of the present Group at the relevant time
"HK$"	Hong Kong dollars respectively, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Jian Qiao Group"	Shanghai Jian Qiao (Group) Limited* (上海建橋(集團)有限公司), a limited liability company established under the laws of the PRC on 7 November 2000, which is currently owned by the New Registered Shareholders. It is an affiliated entity of the Company
"Jian Qiao Investment"	Shanghai Jian Qiao Investment and Development Limited* (上海建橋投資發展有限公司), a limited liability company established under the laws of the PRC on 3 August 1999, which is wholly owned by Jian Qiao Group. It is an affiliated entity of the Company
"Jian Qiao University Company"	Shanghai Jian Qiao University Co., Ltd.* (上海建橋學院有限責任公司), a limited liability company established under the laws of the PRC on 28 September 2020, of which the equity interest is owned as to 90% by Jian Qiao Group and as to 10% by Jian Qiao Investment. It is an affiliated entity of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
"Model Code"	the Model code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"MOE"	the Ministry of Education of the PRC
"New PRC Affiliated Entities"	collectively, Jian Qiao University Company and the School Holders, each an affiliated entity of the Company
"New Registered Shareholders"	shareholders of Jian Qiao Group, namely, Mr. Zhou Xingzeng, Mr. Zheng Xiangzhan, Mr. Zhao Donghui, Mr. Shi Yinjie, Mr. Jin Yinkuan, Mr. Chen Shengfang, Mr. Chen Zhiyong, Mr. Zhou Tianming, Mr. Bao Jianmin, Mr. Wang Hualin, Mr. Wang Chengguang, Mr. Chen Minghai, Mr. Chen Shengcai, Ms. Huang Chunlan and Mr. Zheng Juxing
"Reporting Period"	the six months ended 30 June 2025
"RMB"	Renminbi, the lawful currency of the PRC
"School Holders"	the shareholders of Jian Qiao University Company, namely, Jian Qiao Group and Jian Qiao Investment
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company

"Share Award Scheme"	the share award scheme adopted by the Company on 11 December 2020
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"University", "our University", or "Shanghai Jian Qiao University"	a university in the PRC operated as a private non-enterprise unit under the name of "Shanghai Jian Qiao University" (上海建橋學院) from 28 June 2000 to 9 August 2021 and as a limited liability company under the name of "Shanghai Jian Qiao University Co., Ltd."* (上海建橋學院有限責任公司) since 10 August 2021, with the short name of "Shanghai Jian Qiao University" (上海建橋學院) in the relevant private school operating permit
"Yangtze River Delta"	comprises Jiangsu Province, Zhejiang Province, Anhui Province and Shanghai in the PRC
"%"	Percent

By order of the Board
Shanghai Gench Education Group Limited
Zhao Donghui
Chairman

Shanghai, 28 August 2025

As at the date of this announcement, our executive Directors are Mr. Zhao Donghui and Mr. Ding Zheyin, our non-executive Directors are Ms. Li Huihui, Mr. Ye Qionghai and Ms. Zhao Jiaqiao and our independent non-executive Directors are Mr. Chen Baizhu, Mr. Hu Rongen and Ms. Liu Tao.

If there is any inconsistency between the Chinese names of entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail. The English translation of company or entity names in Chinese or another language which are marked with "" and the Chinese translation of company or entity names in English which are marked with "*" is for identification purpose only.*