



SHANGHAI GENCH
EDUCATION GROUP LIMITED

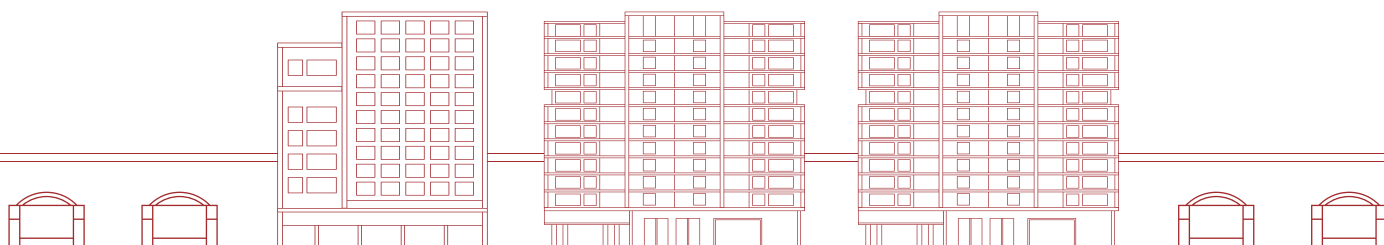
上海建橋教育集團有限公司

2025

INTERIM REPORT

Stock code: 1525

(Incorporated in the Cayman Islands with limited liability)



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Zhao Donghui (趙東輝) (*Chairman*)

Mr. Ding Zheyin (丁哲寅)

Non-executive Directors

Ms. Li Huihui (李慧惠)

Mr. Ye Qionghai (葉瓊海)

Ms. Zhao Jiaqiao (趙佳俏)

Independent Non-executive Directors

Mr. Chen Baizhu (陳百助)

Mr. Hu Rongen (胡戎恩)

Ms. Liu Tao (劉濤)

AUDIT COMMITTEE

Ms. Liu Tao (劉濤) (*Chairlady*)

Mr. Hu Rongen (胡戎恩)

Mr. Chen Baizhu (陳百助)

REMUNERATION COMMITTEE

Mr. Hu Rongen (胡戎恩) (*Chairman*)

Mr. Ding Zheyin (丁哲寅)

Ms. Liu Tao (劉濤)

NOMINATION COMMITTEE

Mr. Zhao Donghui (趙東輝) (*Chairman*)

Mr. Hu Rongen (胡戎恩)

Mr. Chen Baizhu (陳百助)

Ms. Liu Tao (劉濤) (*appointed on 28 March 2025*)

COMPANY SECRETARY

Ms. Zhang Zhimo (張芷陌)

AUTHORISED REPRESENTATIVES

Mr. Ding Zheyin (丁哲寅)

Ms. Zhang Zhimo (張芷陌)

REGISTERED OFFICE

Cricket Square

Hutchins Drive, P.O. Box 2681

Grand Cayman, KY1-1111, Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 1111, Huchenghuan Road

Pudong New Area, Shanghai, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai, Hong Kong

LEGAL ADVISOR AS TO HONG KONG LAW

Morgan, Lewis & Bockius

AUDITORS

Ernst & Young

Certified Public Accountants

Registered Public Interest Entity Auditor

27/F, One Taikoo Place

979 Kings Road

Quarry Bay, Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited

Cricket Square, Hutchins Drive, P. O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17th Floor, Hopewell Centre

183 Queen's Road East

Wanchai, Hong Kong

PRINCIPAL BANKS

Agricultural Bank of China

(Shanghai Pilot Free Trade Zone New Area Branch)

China Construction Bank

(Shanghai Pilot Free Trade Zone New Area Branch)

COMPANY WEBSITE

<http://www.genchedugroup.com>

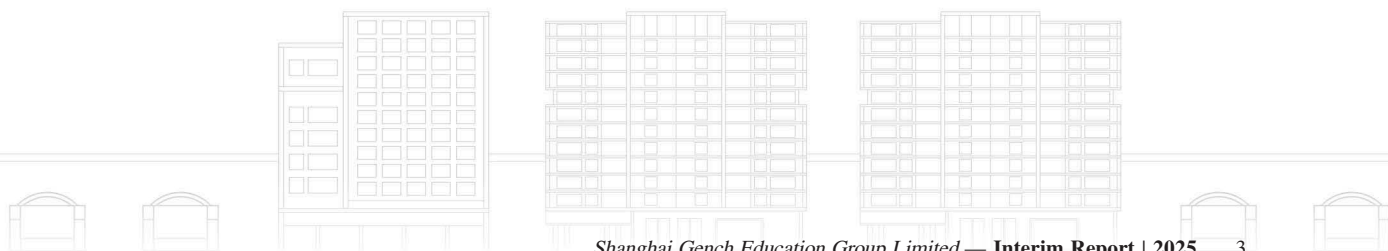
STOCK CODE

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FINANCIAL HIGHLIGHTS

Six months ended 30 June

	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
REVENUE	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	212,334	241,690
Income tax expense	(50,273)	(61,833)
PROFIT FOR THE PERIOD	162,061	179,857



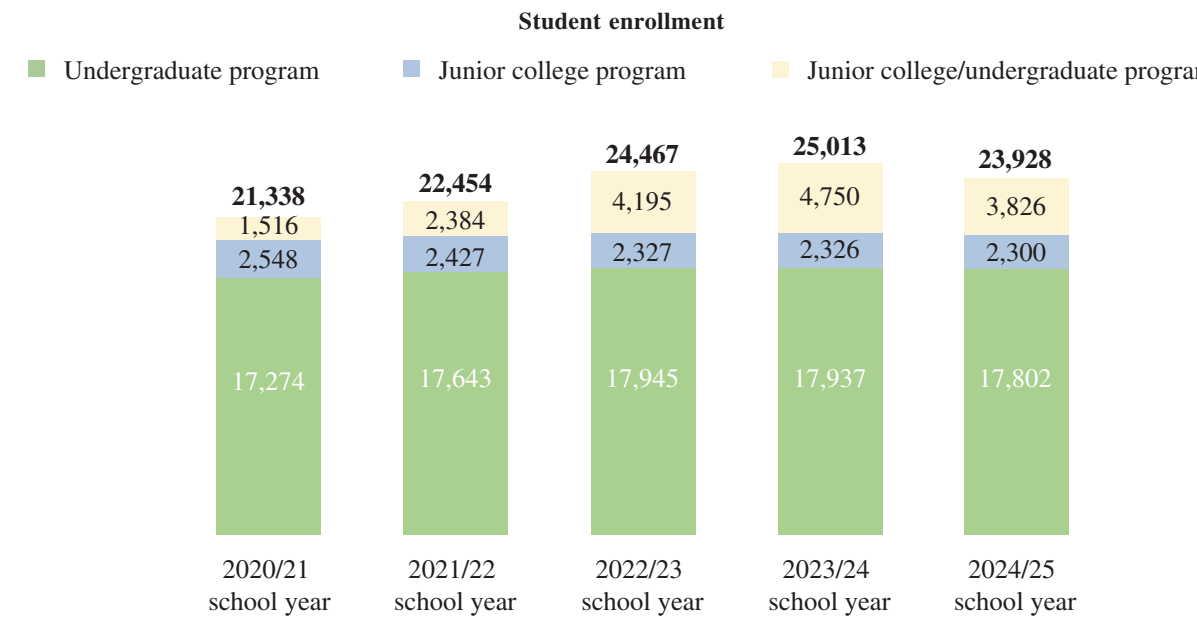
MANAGEMENT DISCUSSION AND ANALYSIS

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).



MANAGEMENT DISCUSSION AND ANALYSIS

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	2024/25	2025/26
	school year RMB	school year RMB	school year 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

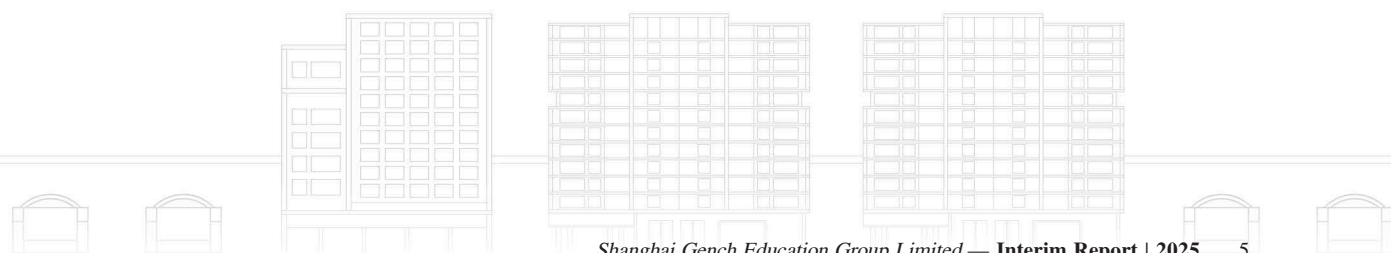
Notes:

- (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

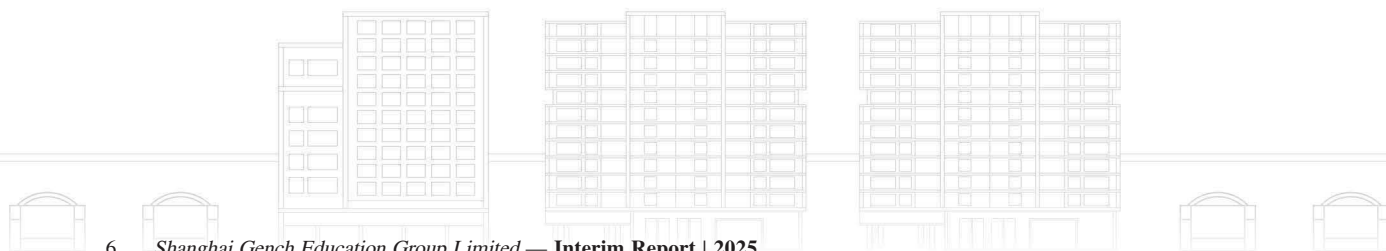
Our University

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.



MANAGEMENT DISCUSSION AND ANALYSIS

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)”.



MANAGEMENT DISCUSSION AND ANALYSIS

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.

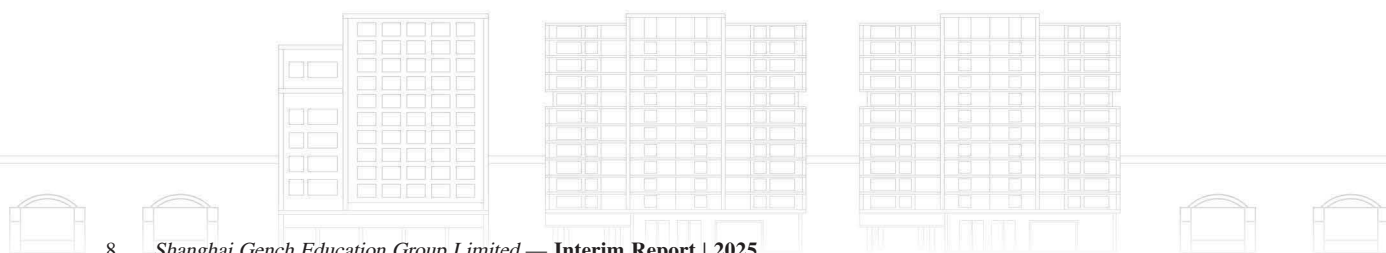
MANAGEMENT DISCUSSION AND ANALYSIS

(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.



MANAGEMENT DISCUSSION AND ANALYSIS

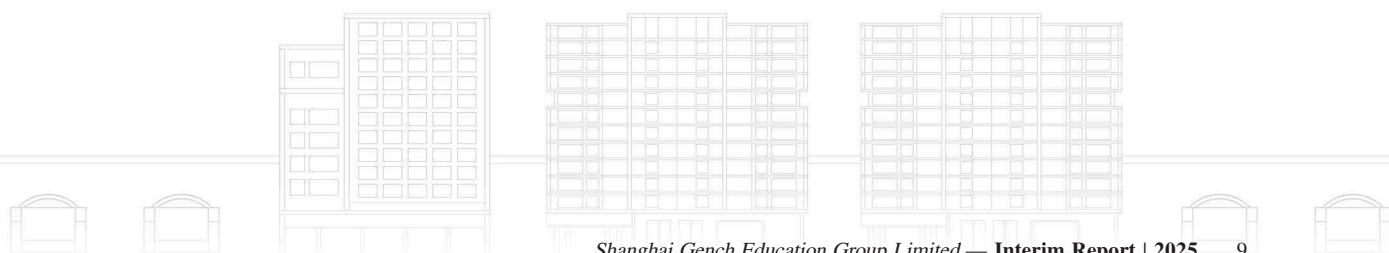
OUTSTANDING ACHIEVEMENTS IN THE CONSTRUCTION OF HIGH-QUALITY VOCATIONAL EDUCATION SYSTEM

(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.



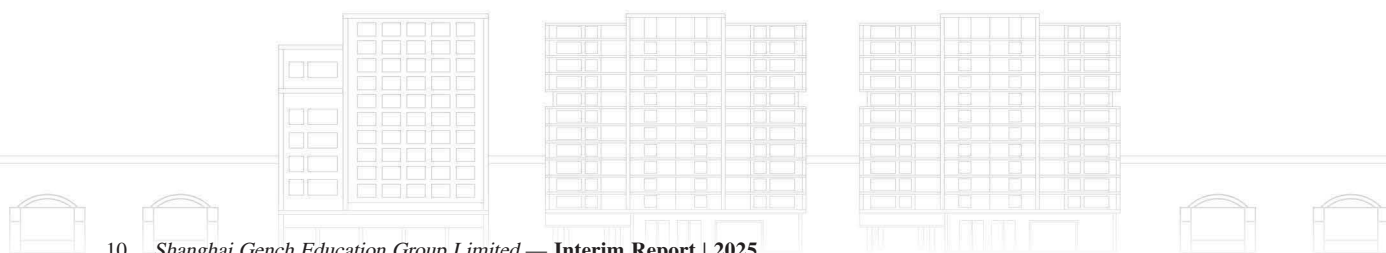
MANAGEMENT DISCUSSION AND ANALYSIS

(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, 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 stabilizing 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)”.



MANAGEMENT DISCUSSION AND ANALYSIS

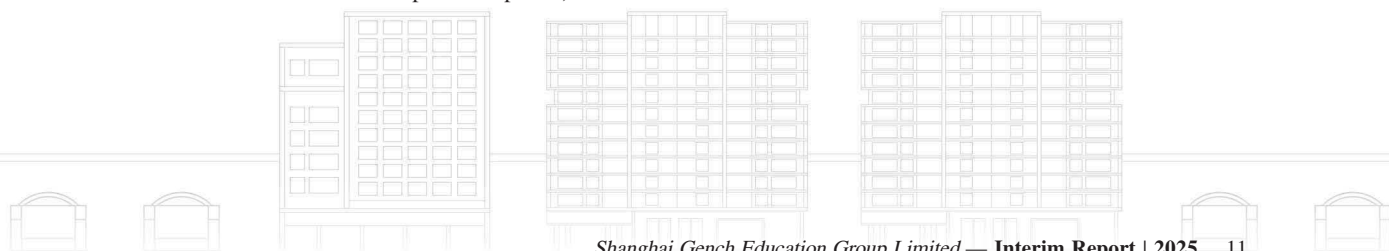
(V) Further deepening school-enterprise cooperation and developing industry-education integration for collaborative talent cultivation

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).



MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE OUTLOOK AND BUSINESS STRATEGY

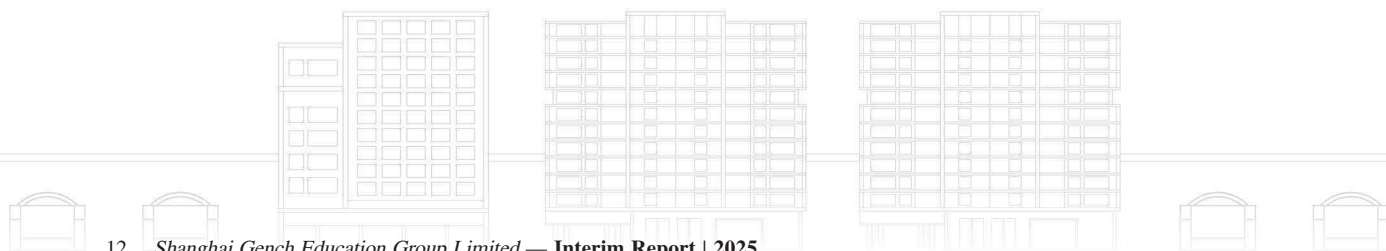
By steadfastly upholding the educational philosophy of running a high-quality school, the Group is committed to building a top-tier applied technical talent cultivation system, delivering education that satisfies the people and building a nationally recognized top-tier private university. Our development 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.



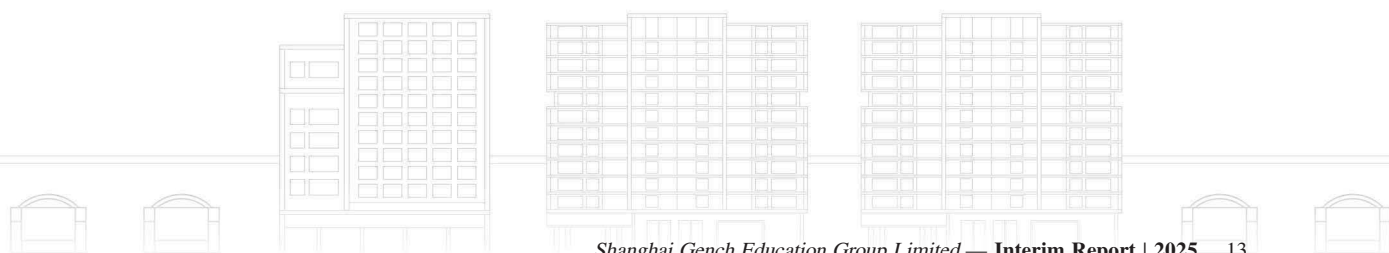
MANAGEMENT DISCUSSION AND ANALYSIS

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.



MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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

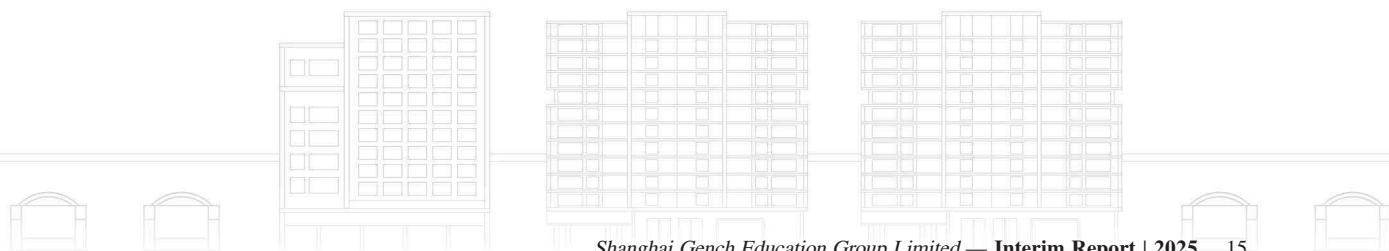
Administrative expenses consisted of salary expenses for administrative staff, logistics expenses, depreciation of vehicle and equipment for administrative purposes, professional service expenses, travel expenses, entertainment expenses, office expenses, and others.

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%.



MANAGEMENT DISCUSSION AND ANALYSIS

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

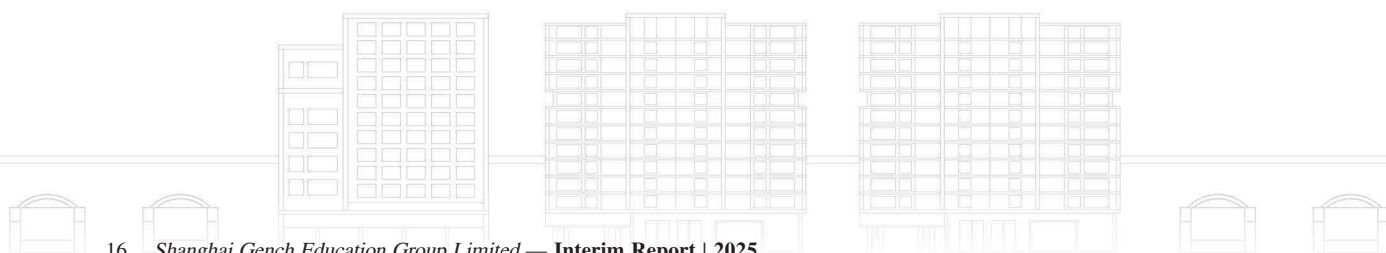
As at 30 June 2025, the Group's property, plant and equipment amounted to approximately RMB2,388.3 million, representing a decrease of approximately RMB19.0 million, or 0.8%, as compared to the balance as at 31 December 2024. Such a decrease was mainly due to the amount of newly added property, plant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



MANAGEMENT DISCUSSION AND ANALYSIS

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 RMB'000 (Unaudited)	31 December 2024 RMB'000 (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

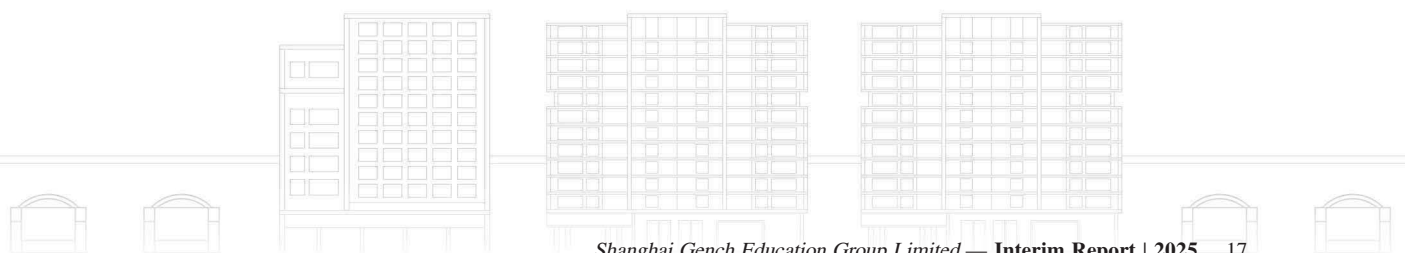
Capital Expenditure

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



MANAGEMENT DISCUSSION AND ANALYSIS

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 report, 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).

OTHER INFORMATION

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 report, 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.

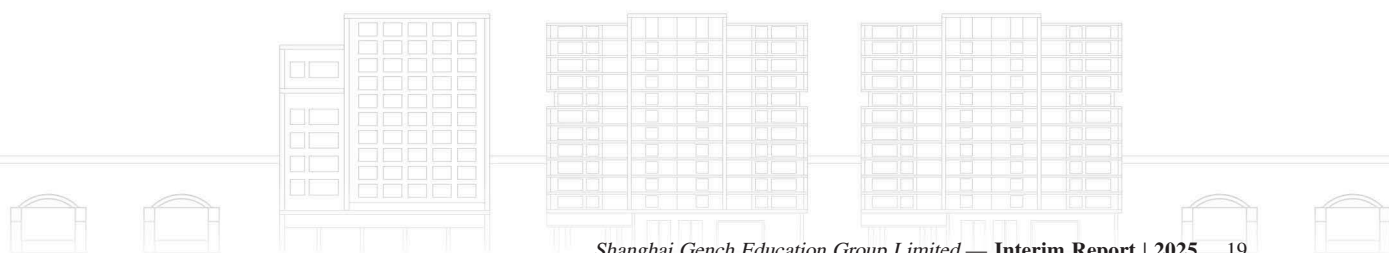
CLOSURE OF THE REGISTER OF MEMBERS

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.



OTHER INFORMATION

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.

OTHER INFORMATION

UPDATE ON DIRECTORS' INFORMATION AND CHANGE IN DIRECTORS AND SENIOR MANAGEMENT MEMBERS

During the Reporting Period, the Board has not been informed of any change in the Directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix C3 to the Listing Rules were as follows:

I. Interest in Shares or underlying Shares of the Company

Name	Capacity/Nature of interest	Number of Shares	Long/short Position	Approximately Percentage of Shareholding in our Company ⁽⁴⁾
Mr. Zhao Donghui	Interest in a controlled corporation ⁽¹⁾	100,000,000	Long position	24.10%
	Person having a security interest in shares ⁽¹⁾⁽²⁾	87,190,000	Long position	21.01%
Mr. Zhou Tianming	Interest in a controlled corporation ⁽³⁾	6,297,000	Long position	1.52%
Mr. Ye Qionghai	Beneficial owner	4,728,000	Long position	1.14%

Notes:

- (1) On 21 January 2022, Ai Xin Limited and Hangzhou Changqi Enterprise Management Consulting Partnership (Limited Partnership) entered into a sale and purchase agreement pursuant to which Fwin Limited (a wholly owned subsidiary of Hangzhou Changqi Enterprise Management Consulting Partnership (Limited Partnership)) agreed to acquire 70,000,000 ordinary shares of the Company from Ai Xin Limited for a consideration of HK\$423,500,000. Ai Xin Limited and Fwin Limited are controlled corporations of Mr. Zhao Donghui.

OTHER INFORMATION

Further information in relation to interests of corporations controlled by Mr. Zhao Donghui are set out below:

Name of controlled corporation	Name of controlling person	% control	Direct interest (Y/N)	Long/Short position	Number of Shares
Ai Xin Limited	Mr. Zhao Donghui	100.00	Y	Long position	117,190,000
Changjiu Industrial Group Co., Ltd.	Mr. Zhao Donghui	90.00	N	Long position	70,000,000
Shanghai Jiuhao Enterprise Management Consulting Co., Ltd.	Changjiu Industrial Group Co., Ltd.	100.00	N	Long position	70,000,000
Hangzhou Changqi Enterprise Management Consulting Partnership (Limited Partnership)	Shanghai Jiuhao Enterprise Management Consulting Co., Ltd.	0.01	N	Long position	70,000,000
Hangzhou Changqi Enterprise Management Consulting Partnership (Limited Partnership)	Changjiu Industrial Group Co., Ltd.	99.99	N	Long position	70,000,000
Fwin Limited	Hangzhou Changqi Enterprise Management Consulting Partnership (Limited Partnership)	100.00	Y	Long position	70,000,000

- (2) As at 30 June 2025, eight shareholders of our Company have pledged a total of 87,190,000 Shares (excluding voting rights and rights to receive income) to Ai Xin Limited. For details of the pledge, please refer to the announcement of our Company dated 11 June 2021.
- (3) Mr. Zhou Tianming, the chief executive officer of the Company, is the sole shareholder and the sole director of Kai Tuo Limited and he is therefore deemed to be interested in the 6,297,000 Shares held by Kai Tuo Limited.
- (4) The approximately percentage of shareholding in our Company is calculated based on the total number of 415,000,000 shares in issue as at 30 June 2025.

II. Interest in shares of associated corporation of the Company

Name	Name of associated corporation	Capacity/ Nature of interest	Amount of registered share capital (RMB)	Approximate percentage of shareholding
Mr. Zhao Donghui	Jian Qiao Group	Beneficial owner	17,500,000	10.00%

Save as disclosed above, as at 30 June 2025, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, to the best knowledge of the Directors, the following persons (other than being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name	Capacity/ Nature of interest	Number of Shares	Long/short Position	Approximately Percentage of Shareholding in our Company ⁽⁴⁾
Ai Xin Limited	Beneficial owner ⁽¹⁾	30,000,000	Long position	7.23%
	Person having a security interest in shares ⁽²⁾	87,190,000	Long position	21.01%
Fwin Limited	Beneficial owner ⁽¹⁾	70,000,000	Long position	16.87%
Hangzhou Changqi Enterprise Management Consulting Partnership (Limited Partnership)	Interest in a controlled corporation ⁽¹⁾	70,000,000	Long position	16.87%
Shanghai Jiuhao Enterprise Management Consulting Co., Ltd.	Interest in a controlled corporation ⁽¹⁾	70,000,000	Long position	16.87%
Changjiu Industrial Group Co., Ltd.	Interest in a controlled corporation ⁽¹⁾	70,000,000	Long position	16.87%
Ze Ren Limited	Beneficial owner ⁽³⁾	30,600,000	Long position	7.37%
Jong Yat Kit	Interest in a controlled corporation ⁽³⁾	30,600,000	Long position	7.37%
So Man Chun	Interest in a controlled corporation ⁽³⁾	30,600,000	Long position	7.37%
Everone (Hong Kong) Company Limited	Beneficial owner	25,880,000	Long position	6.24%

Notes:

- (1) Further information is set out in note (1) on pages 21 and 22 of this interim report.
- (2) As at 30 June 2025, eight shareholders of the Company pledged a total of 87,190,000 Shares to Ai Xin Limited. For details of the pledge, please refer to the announcement of the Company dated 11 June 2021.
- (3) Mr. So Man Chun and Mr. Jong Yat Kit have been appointed as the joint and several receivers over 100% of issued ordinary shares of Ze Ren Limited on 27 January 2025.
- (4) The approximately percentage of shareholding in our Company is calculated based on the total number of 415,000,000 shares in issue as at 30 June 2025.

Save as disclosed above, as at 30 June 2025, the Directors and the chief executive of the Company were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

OTHER INFORMATION

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this interim report, at no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

SHARE AWARD SCHEME

On 11 December 2020, the Company adopted the Share Award Scheme (i) to recognise the contributions by certain Eligible Participants (as defined in the announcement of the Company dated 11 December 2020) and to provide them with 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. On 11 December 2020, the Board resolved to provide from time to time but in any event a total sum of not exceeding HK\$100 million for the trustee, namely CMB Wing Lung (Trustee) Limited, to purchase existing Shares at appropriate time and hold such Shares for future award of Shares under the Share Award Scheme.

For more details of the Share Award Scheme, please refer to the announcements of the Company dated 11 December 2020 and 22 December 2020.

Pursuant to the Chapter 17 of the Listing Rules as amended on 1 January 2023, the Company may continue to make grants to directors and employees of the Group under the Share Award Scheme (i) to award existing shares, and (ii) to award new shares using general mandate until the second AGM after 1 January 2023. As at 30 June 2025, the Company has yet to amend the terms of the existing Share Award Scheme.

During the Reporting Period, the Board did not grant, lapse or cancel any awards. During the Reporting Period, 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.

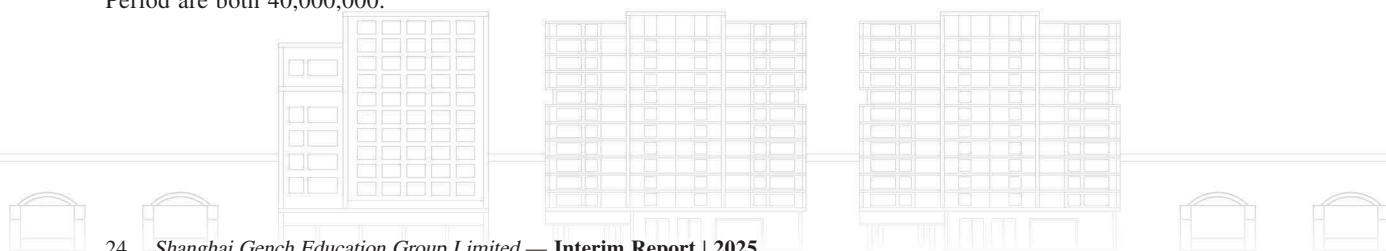
The number of awards over existing and new Shares available for grant under the Share Award Scheme at the beginning and the end of the Reporting Period are both 20,750,000.

SHARE OPTION SCHEME

The Company has adopted the Share Option Scheme on 19 December 2019 to give the Eligible Persons (as defined in the Prospectus) an opportunity to have a personal stake in the Company and help motivate them to optimize their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of Executives (as defined in the Prospectus), to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

No share option has been granted, exercised, lapsed or cancelled under the Share Option Scheme since the Listing of the Company.

The number of options available for grant under the Share Option Scheme at the beginning and the end of the Reporting Period are both 40,000,000.



OTHER INFORMATION

CONTRACTUAL ARRANGEMENTS

For the details of the Contractual Arrangements of the Group, please refer to the section headed “Contractual Arrangements” in the Prospectus and the announcements of the Company dated 20 January 2021, 24 June 2022, 6 January 2023, 9 June 2023 and 16 July 2024. During the Reporting Period, the Board has reviewed the overall performance of the Contractual Arrangements and considered that the Group has complied with the Contractual Arrangements in all material respects.

As at the date of this interim report, save for the aforesaid, there were no changes in the new Contractual Arrangements and/or the circumstances under which the new Contractual Arrangements were adopted.

LATEST REGULATORY DEVELOPMENT

There has been no significant update since the publication of the 2024 annual report. Please refer to the 2024 annual report for details of the regulatory updates.

As at the date of this interim report, the Group’s operations have not been affected by the above law, decision, implementing regulations and rules and administration measures. Based on the current conditions and Company’s preliminary assessment, the Board is of the view that above law, decision, implementing regulations and rules and administration measures do not have an immediate material adverse impact on the Group’s business operations, business plans and financial conditions.

The Company will continue to monitor developments of above law, decision, implementing regulations and rules, administration measures and related laws and regulations, and will make further announcements in respect thereof in accordance with the Listing Rules as and when appropriate.

APPRECIATION

We wish to express our sincere gratitude to our shareholders, management team, employees, business partners and our students for their support and contribution to the Group.

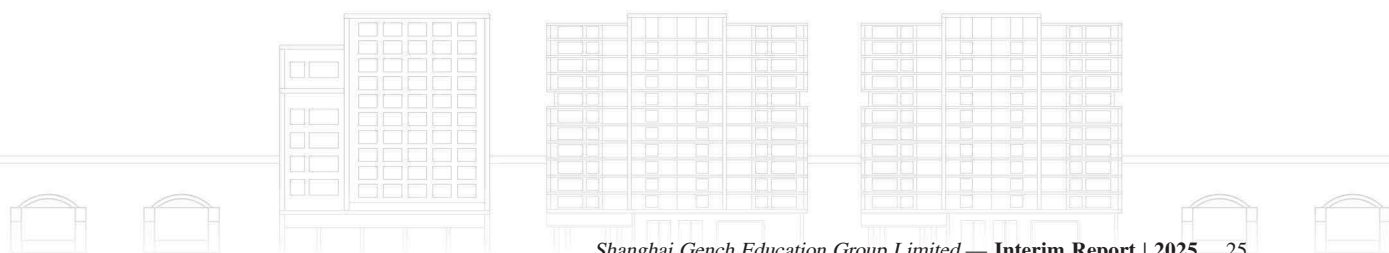
On behalf of the Board

Shanghai Gench Education Group Limited

Zhao Donghui

Chairman

Shanghai, China, 28 August 2025



INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

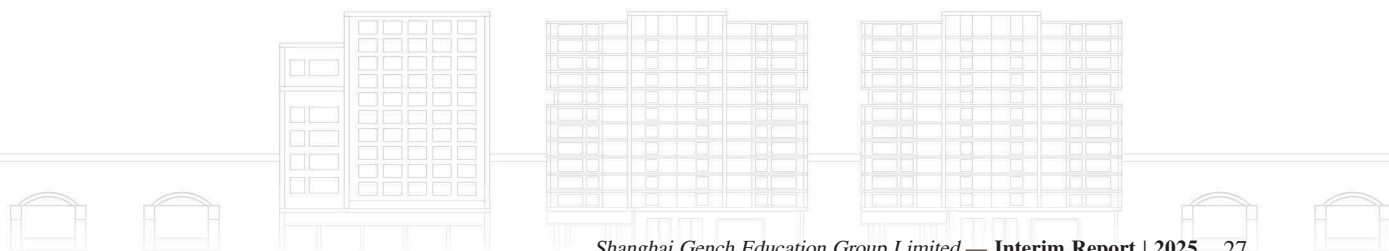
For the six months ended 30 June 2025

		For the six months ended 30 June	
	Notes	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
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT		RMB (Unaudited)	RMB (Unaudited)
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
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

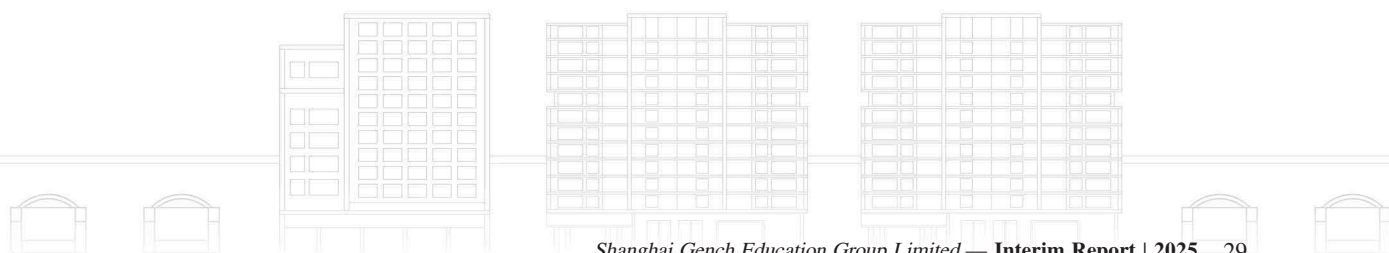
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

For the six months ended 30 June 2025

	Attributable to owners of the parent							Total equity RMB'000
	Issued capital	Share premium*	Share Award Scheme*	Capital reserve*	Statutory surplus reserves*	Exchange fluctuation reserve*	Retained profits*	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	Note 11		Note 12					
As at 1 January 2025 (audited)	3,677	275,370	(84,504)	184,787	263,688	3,292	1,670,820	2,317,130
Profit for the period	—	—	—	—	—	—	162,061	162,061
Other comprehensive income for the period:								
Exchange differences on translation of the financial statements	—	—	—	—	—	230	—	230
Total comprehensive income for the period	—	—	—	—	—	230	162,061	162,291
2024 final dividend declared	—	(36,613)	—	—	—	—	—	(36,613)
As at 30 June 2025 (unaudited)	<u>3,677</u>	<u>238,757</u>	<u>(84,504)</u>	<u>184,787</u>	<u>263,688</u>	<u>3,522</u>	<u>1,832,881</u>	<u>2,442,808</u>

* These reserve accounts comprise the consolidated reserves of RMB2,439,131,000 (31 December 2024: RMB2,313,453,000) in the consolidated statement of financial position as at 30 June 2025.



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

For the six months ended 30 June 2024

	Attributable to owners of the parent							
	Issued capital RMB'000 Note 11	Share premium RMB'000	Share Award Scheme RMB'000 Note 12	Capital reserve RMB'000	Statutory surplus reserves RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total equity RMB'000
As at 1 January 2024 (audited)	3,677	347,505	(81,944)	184,787	243,979	4,914	1,466,911	2,169,829
Profit for the period	—	—	—	—	—	—	179,857	179,857
Other comprehensive loss for the period:								
Exchange differences on translation of the financial statements	—	—	—	—	—	(1,346)	—	(1,346)
Total comprehensive income for the period	—	—	—	—	—	(1,346)	179,857	178,511
2023 final dividend declared	—	(35,990)	—	—	—	—	—	(35,990)
As at 30 June 2024 (unaudited)	<u>3,677</u>	<u>311,515</u>	<u>(81,944)</u>	<u>184,787</u>	<u>243,979</u>	<u>3,568</u>	<u>1,646,768</u>	<u>2,312,350</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

		For the six months ended 30 June	
	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		212,334	241,690
Adjustments for:			
Finance costs		13,029	13,756
Interest income		(944)	(1,991)
Fair value gain on financial assets at fair value through profit or loss		(531)	(330)
Other interest income from financial assets at fair value through profit or loss		(2,907)	(2,480)
Other interest income from debt investments at fair value through other comprehensive income		(1,600)	(307)
Government grants released		(8,243)	(17,566)
(Gain)/loss on disposal of items of property, plant and equipment		(602)	67
Gain on disposal of right-of-use assets		—	(19)
Provision for impairment of accounts receivable	5	2,653	2,176
Provision for impairment of other receivables	5	98	26
Depreciation of property, plant and equipment	5, 9	57,882	50,932
Amortisation of other intangible assets	5	1,135	495
Depreciation of right-of-use assets	5	7,990	7,952
		280,294	294,401
Receipt of government grants		7,928	19,553
(Increase)/decrease in prepayments and other receivables		(179)	1,477
Decrease/(increase) in accounts receivable		3,736	(197)
Decrease in other payables and accruals		(39,359)	(40,833)
Decrease in contract liabilities		(403,517)	(425,933)
Increase in restricted cash		(8)	—
Cash used in operations		(151,105)	(151,532)
Interest received		944	1,991
Tax paid		(54,029)	(92,728)
Net cash flows used in operating activities		(204,190)	(242,269)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	(56,526)	(116,046)
Additions to right-of-use assets	(330)	—
Additions to other intangible assets	(1,631)	(804)
Proceeds from disposal of items of property, plant and equipment	639	17
Loans to a third party	(1,020)	—
Payment for purchases of equity investments designated at fair value through other comprehensive income	(2,000)	—
Investment in a joint venture	(7,500)	—
Payment for purchases of financial assets at fair value through profit or loss	(503,000)	(420,000)
Redemption of financial assets at fair value through profit or loss	834,075	582,996
Payment for purchases of debt investments at fair value through other comprehensive income	(60,269)	(30,000)
Receipt of government grants for property, plant and equipment	1,423	—
Net cash flows generated from investing activities	203,861	16,163
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease payments including related interests	(878)	(328)
New interest-bearing bank borrowings	23,850	100,500
Repayment of interest-bearing bank borrowings	(26,501)	(21,501)
Dividends paid	(36,613)	(35,990)
Interest paid	(13,125)	(15,290)
Net cash flows (used in)/generated from financing activities	(53,267)	27,391
NET DECREASE IN CASH AND CASH EQUIVALENTS	(53,596)	(198,715)
Cash and cash equivalents at beginning of period	300,399	506,107
Effect of foreign exchange rate changes, net	230	(1,346)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	247,033	306,046
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	255,410	306,046
Time deposits	30,000	—
Less: Time deposits with original maturity of more than three months when acquired	30,000	—
Restricted cash	8,377	—
CASH AND CASH EQUIVALENTS AS STATED IN THE INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	247,033	306,046

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, P.O. 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.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

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 RMB'000 (Unaudited)	2024 RMB'000 (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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

4. REVENUE — *continued*

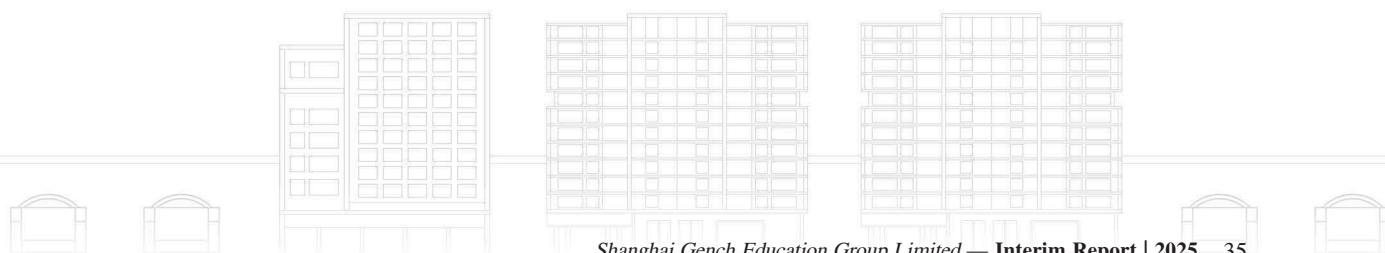
(i) Disaggregated revenue information

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (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.



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

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.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

6. INCOME TAX — *continued*

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 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).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

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 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	<u>162,061</u>	<u>179,857</u>
	Number of shares For the six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Shares		
Weighted average number of ordinary shares used in the basic and diluted earnings per share calculation	<u>394,500,000</u>	<u>395,401,500</u>

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)	<u>2,388,330</u>

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.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

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 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.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

12. SHARE AWARD SCHEME — *continued*

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

14. RELATED PARTY TRANSACTIONS

(1) Name and relationship

The directors of the Group are of the opinion that the following parties/companies are related parties that had transactions or balances with the Group during the period:

Name of related parties	Relationship with the Group
上海長九騏盛能源有限公司 ("Shanghai Changjiu Qisheng Energy Co., Limited")	A company controlled by Mr. Zhao Donghui
上海長九房地產開發有限公司 ("Shanghai Changjiu Real Estate Development Co., Limited")	A company controlled by Mr. Zhao Donghui

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

14. RELATED PARTY TRANSACTIONS — *continued*

(2) Transaction with related parties

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Repayment from related companies for the rental deposits		
Shanghai Changjiu Qisheng Energy Co., Limited	—	250
Shanghai Changjiu Real Estate Development Co., Limited	—	1,350
Total	—	1,600
Lease payments to related companies		
Shanghai Changjiu Qisheng Energy Co., Limited	—	40
Shanghai Changjiu Real Estate Development Co., Limited	—	288
Total	—	328

(3) Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Short-term employee benefits	3,321	3,402
Pension scheme contributions	343	275
Total compensation paid to key management personnel	3,664	3,677

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments as at the end of the reporting period, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Financial assets				
Financial assets at fair value through profit or loss	145,531	473,168	145,531	473,168
Debt investments at fair value through other comprehensive income	192,906	131,037	192,906	131,037
Equity investments designated at fair value through other comprehensive income	2,000	—	2,000	—
Total	340,437	604,205	340,437	604,205
Financial liabilities				
Interest-bearing bank borrowings	827,275	829,926	843,459	846,162

Management has assessed that the fair values of accounts receivable, the current portion of financial assets included in prepayments and other receivables, cash and cash balances, time deposits and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

The Group invests in unlisted investments, representing certificates of deposit placed with licensed banks and wealth management products which were placed with a licensed financial institution in Mainland China. The Group has estimated the fair values of the certificates of deposit placed with licensed banks by using the effective interest rate method and estimated those of the wealth management products by using a discounted cash flow valuation model based on the expected interest rate per annum of instruments with similar terms and risks.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS — *continued*

The fair values of unlisted equity investments designated at fair value through other comprehensive income have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the Directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as price to book (“P/B”) multiple, for each comparable company identified. The multiple is calculated by dividing the price per share of the comparable company by net assets value per share. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. The Directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the Reporting Period.

The fair values of the interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group’s own non-performance risk for interest-bearing bank borrowings was assessed to be insignificant as at the end of the reporting period.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all required significant inputs to fair value of an instrument are observable, the instruments are included in Level 2. If one or more of the significant inputs are not based on observable market data, the instruments are included in Level 3.

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS — *continued*

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2025

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit or loss	—	145,531	—	145,531
Debt investments at fair value through other comprehensive income	—	192,906	—	192,906
Equity investments designated at fair value through other comprehensive income	—	—	2,000	2,000
Total	—	338,437	2,000	340,437

As at 31 December 2024

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit or loss	—	473,168	—	473,168
Debt investments at fair value through other comprehensive income	—	131,037	—	131,037
Total	—	604,205	—	604,205

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS — *continued*

Fair value hierarchy — *continued*

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments: — *continued*

Assets measured at fair value: — *continued*

The movements in fair value measurements within Level 3 during the period are as follows:

	For the six months ended 30 June 2025 RMB'000 (Unaudited)
Equity investments designated at fair value through other comprehensive income	
At 1 January	—
Addition	2,000
At 30 June	2,000

Liabilities for which fair values are disclosed:

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
As at 30 June 2025 (unaudited)				
Interest-bearing bank borrowings	—	843,459	—	843,459
As at 31 December 2024 (audited)				
Interest-bearing bank borrowings	—	846,162	—	846,162

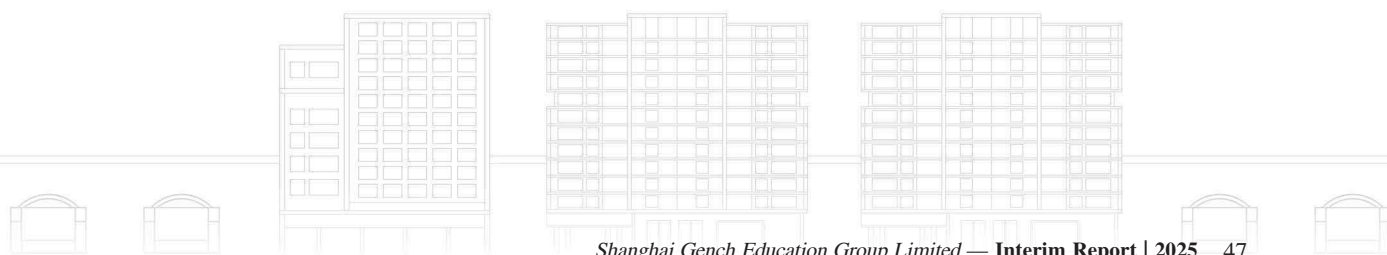
16. EVENTS AFTER THE REPORTING PERIOD

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 report, 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.

17. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed financial information was approved and authorised for issue by the Board on 28 August 2025.



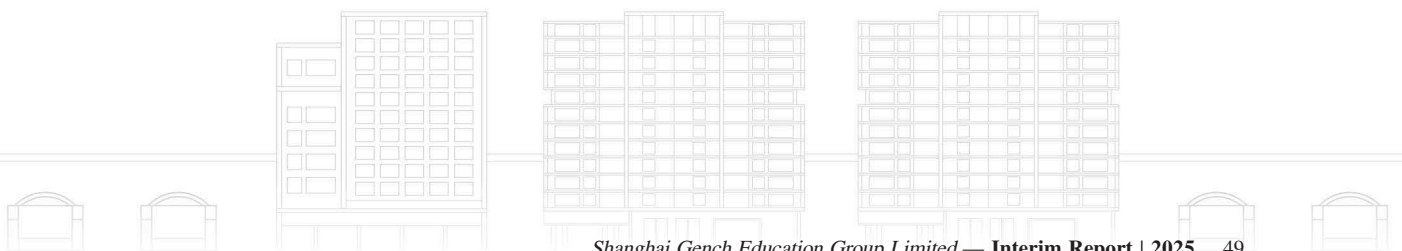
DEFINITION

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

“2016 Decision”	the Decision on Amending the Law for Promoting Private Education of the PRC (《關於修改〈中華人民共和國民辦教育促進法〉的決定》) approved by the Standing Committee of the National People’s Congress on November 2016, which took effect on 1 September 2017
“affiliate(s)”	with respect to any specific person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“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 Rules
“China” or “PRC”	for the purpose of this interim report, the People’s Republic of China, other than the regions of Hong Kong, the Macau Special Administrative Region and Taiwan, China
“Company”	Shanghai Gench Education Group Limited
“Contractual Arrangements”	the framework of contractual arrangements adopted by the Company as described in the Prospectus and, where appropriate, include such minor updates as described in the announcements of the Company dated 20 January 2021, 24 June 2022, 6 January 2023, 9 June 2023 and 16 July 2024
“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\$” or “Hong Kong dollar(s)”	Hong Kong dollars respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITION

“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 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”	the listing of our Shares on the Main Board of the Stock Exchange
“Listing Date”	16 January 2020, since which our Shares have been listed on the Main Board of the Stock Exchange
“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
“New Registered Shareholder(s)”	shareholder(s) 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
“Nomination Committee”	the nomination committee of the Company
“New PRC Affiliated Entities”	collectively, Jian Qiao University Company and the School Holders, each an affiliated entity of the Company
“PRC Legal Advisors”	Commerce & Finance Law Offices, our legal advisors as to the laws of the PRC
“Prospectus”	the prospectus of the Company dated 31 December 2019



DEFINITION

“Remuneration Committee”	the remuneration committee of the Company
“Reporting Period”	the six months ended 30 June 2025
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“School Holders”	the shareholders of Jian Qiao University Company, namely, Jian Qiao Group and Jian Qiao Investment
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and supplemented from time to time
“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
“Share Option Scheme”	the share option scheme adopted by the Company on 19 December 2019
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules. For the avoidance of doubt, the subsidiaries of the Company include the School Holders and our University
“Substantial Shareholders”	has the meaning ascribed to it under the Listing Rules
“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, Zhejiang, Anhui and Shanghai in the PRC
“%”	Percent

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.