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China Gingko Education Group Company Limited
中國銀杏教育集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1851)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors (the “**Directors**”) of China Gingko Education Group Company Limited (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2025 (the “**Reporting Period**”), together with the comparative figures for the year ended 31 December 2024 as below.

FINANCIAL HIGHLIGHTS

	For the school year	
	2025/2026	2024/2025
Student enrollment	22,564	20,745
	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue	400,679	372,687
Gross profit	221,441	209,963
Profit for the year	162,570	153,207
Earnings per share (<i>RMB Yuan</i>)	0.33	0.31

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Note</i>	Year ended 31 December	
		2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
Revenue	4	400,679	372,687
Cost of sales		<u>(179,238)</u>	<u>(162,724)</u>
Gross profit		221,441	209,963
Selling expenses		(1,694)	(2,831)
Administrative expenses		(52,887)	(56,451)
Other income	5	2,781	3,994
Other gains – net	6	<u>298</u>	<u>795</u>
Operating profit		169,939	155,470
Finance income		461	1,842
Finance expenses		<u>(7,350)</u>	<u>(3,480)</u>
Finance expenses – net		<u>(6,889)</u>	<u>(1,638)</u>
Profit before income tax		163,050	153,832
Income tax expenses	7	<u>(480)</u>	<u>(625)</u>
Profit for the year, all attributable to shareholders of the Company		<u>162,570</u>	<u>153,207</u>
Other comprehensive income for the year		<u>–</u>	<u>–</u>
Total comprehensive income for the year, all attributable to shareholders of the Company		<u>162,570</u>	<u>153,207</u>
Earnings per share for profit attributable to shareholders of the Company			
Basic and diluted earnings per share (<i>RMB Yuan</i>)	8	<u>0.33</u>	<u>0.31</u>

CONSOLIDATED BALANCE SHEET

		As at 31 December	
		2025	2024
	Note	RMB'000	RMB'000
ASSETS			
Non-current assets			
Right-of-use assets		61,205	63,468
Property, plant and equipment		1,263,754	1,236,249
Intangible assets		5,897	2,935
Prepayments		456	734
		<u>1,331,312</u>	<u>1,303,386</u>
Current assets			
Inventories		884	1,158
Trade and other receivables	10	9,387	8,551
Financial assets at fair value through profit or loss		7,188	–
Prepayments		2,787	1,625
Cash and deposits		243,503	271,723
		<u>263,749</u>	<u>283,057</u>
Total assets		<u>1,595,061</u>	<u>1,586,443</u>
EQUITY			
Share capital		4,321	4,321
Share premium		134,042	134,042
Reserves		129,259	112,108
Retained earnings		832,857	687,438
Total equity		<u>1,100,479</u>	<u>937,909</u>

		As at 31 December	
		2025	2024
	<i>Note</i>	RMB'000	RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings		109,790	189,790
Lease liabilities		142	663
Deferred government grants		107	544
		<u>110,039</u>	<u>190,997</u>
Current liabilities			
Accruals and other payables	<i>11</i>	94,010	134,236
Borrowings		70,000	120,000
Lease liabilities		560	556
Contract liabilities	<i>4</i>	219,479	202,241
Current income tax liabilities		494	504
		<u>384,543</u>	<u>457,537</u>
Total liabilities		<u>494,582</u>	<u>648,534</u>
Total equity and liabilities		<u>1,595,061</u>	<u>1,586,443</u>

NOTES TO THE ANNUAL RESULTS

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 23 March 2018 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company and its subsidiaries and consolidated affiliated entities (collectively referred to as the “**Group**”) are principally engaged in providing private higher education services in the People's Republic of China (the “**PRC**”). The Group currently operates one higher education school, namely Gingko College of Hospitality Management (formerly known as Yinxing Hospitality Management College of CUIT) (“**Yinxing College**”). The Yinxing College has two campuses, each in Chengdu and Yibin of Sichuan Province, the PRC.

The ultimate controlling shareholder of the Company is Mr. Fang Gongyu (the “**Controlling Shareholder**” or “**Mr. Fang**”), who has been controlling the group companies since their incorporation or establishment.

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 18 January 2019 by way of its initial public offering.

The consolidated financial statements are presented in Renminbi (“**RMB**”) and rounded to the nearest thousand yuan (“**RMB'000**”), unless otherwise stated.

2 BASIS OF PREPARATION AND CHANGE IN ACCOUNTING POLICIES AND DISCLOSURES

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss (financial assets at “**FVPL**”), which is measured at fair value.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the 2025 annual report.

In preparation for the initial public offering of the shares of the Company on the Main Board of the Stock Exchange in 2019, the Group underwent a reorganisation (the “**Reorganisation**”), as part of which, a wholly-owned subsidiary of the Company, Chengdu Yinxing Education Management Co., Ltd. (“**Yinxing Education**”), has entered into a series of contractual agreements (the “**Contractual Agreements**”) with Chengdu Gingko Asset Management Co., Ltd. (“**Gingko Asset Management**”) and Yinxing College (collectively the “**Consolidated Affiliated Entities**”) and their respective shareholders, including Mr. Fang and Mr. Tian, on 14 June 2018, which enable Yinxing Education and the Group to:

- exercise effective financial and operational control over the Consolidated Affiliated Entities;
- exercise equity voting rights of the Consolidated Affiliated Entities;
- receive substantially all of the economic interest returns generated by the Consolidated Affiliated Entities in consideration for the corporate management and educational management consultancy services, as well as technical and business support services provided by Yinxing Education. Such services include development, design, upgrade and ordinary maintenance on educational software and website; design on college course and major; compilation and selection and/or recommendation on college course materials; recruitment and training supporting on teachers and other employees; admission and enrollment supporting services; public relation services; market research and development services; management and marketing consulting and related services; and other additional services as the parties may mutually agree from time to time;
- obtain an irrevocable and exclusive right to purchase all of equity interests in the Consolidated Affiliated Entities from the respective equity holders at nil consideration or a minimum purchase price permitted under PRC laws and regulations. Yinxing Education may exercise such options at any time until it has acquired all equity interests in and/or all assets of the Consolidated Affiliated Entities permitted under the PRC laws and regulations. In addition, the Consolidated Affiliated Entities are not allowed to sell, transfer, or dispose any assets, or make any distributions to their equity holders without prior consent of Yinxing Education; and
- obtain a pledge over the entire equity interest of the Consolidated Affiliated Entities from their equity holders to secure performance of the obligations of the Consolidated Affiliated Entities under the Contractual Arrangements.

The Group does not have any equity interest in the Consolidated Affiliated Entities. However, as a result of the Contractual Arrangements, the Group has rights to exercise power over the Consolidated Affiliated Entities, has exposure, or rights to variable returns from its involvement with the Consolidated Affiliated Entities, and has ability to affect those returns through its power over the Consolidated Affiliated Entities. Consequently, the Company regards the Consolidated Affiliated Entities as controlled structure entities under HKFRSs and consolidated these entities as its indirect subsidiaries in the consolidated financial statements of the Group.

Nevertheless, the Contractual Arrangements may not be as effective as direct legal ownership in providing the Group direct control over the Consolidated Affiliated Entities, due to the uncertainties presented by the PRC legal system to impede the Group's beneficiary rights of the results, assets and liabilities of the Consolidated Affiliated Entities. The directors, based on the advice of its legal counsel, consider that the Contractual Arrangements among the Consolidated Affiliated Entities and their equity shareholders are in compliance with the relevant PRC laws and regulations and are legally enforceable.

Going concern basis

The consolidation financial statements of the Group has been prepared on a going concern basis. The Group's current liabilities included contracted liabilities with total amount of RMB219,479,000 as at 31 December 2025 which will not require future cash outflows. Excluding this non-financial liabilities, the Group had net current assets of RMB98,685,000 as at 31 December 2025.

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group expects to fund its future cash flow needs through internally generated cash flows from operations and bank borrowings. Management believes that there is no significant liquidity risk in view of the expected cash flow from operations and continuing support from banks in the coming twelve months from the balance sheet date of 31 December 2025. Therefore, the consolidation financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business.

2.2 Changes in accounting policies

(a) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period and the Group had to change its accounting policies accordingly. None of the new or amended standards has significant financial impact to the Group.

		Effective for accounting periods beginning on or after
HKAS 21 (Amendments)	Lack of Exchangeability	1 January 2025

(b) New and amended standards not yet adopted by the Group

The followings are new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2025 reporting period and have not been early adopted by the Group. These standards, amendments or interpretations, except for HKFRS 18 which will impact the presentation of statement of profit and loss, are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

		Effective for accounting periods beginning on or after
HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements Project	Annual Improvements to HKFRS Accounting Standards-Volumes 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
HKAS 21 (Amendments)	Translation to a Hyperinflationary Presentation Currency	1 January 2027
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group has already commenced an assessment of the likely impact of adopting the above new standards but is not yet in a position to state whether they will have a significant impact on the reporting results of operations and financial position. The management of the Group plans to adopt these new standards and amendments to existing standards when they become effective.

(c) HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 will replace HKAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

– *Impact on consolidated statements of comprehensive income*

Although the adoption of HKFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the income statement into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:

Foreign exchange differences

Foreign exchange differences currently aggregated in the line item "other gains – net" in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit, unless doing so would involve undue cost or effort.

Gain or loss of investments measured at fair value through profit or loss

The gain or loss of investments measured at fair value through profit or loss currently aggregated in the line item “other gains – net” in operating profit and will be presented below operating profit.

– *Impact on consolidated balance sheets:*

The line items presented on the primary financial statements might change as a result of the application of the concept of ‘useful structured summary’ and the enhanced principles on aggregation and disaggregation.

– *Impact on disclosures:*

The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for the first annual period of application of HKFRS 18, a reconciliation for each line item in the income statement between the restated amounts presented by applying HKFRS 18 and the amounts previously presented applying HKAS 1.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

3 SEGMENT INFORMATION

The Group is principally engaged in provision of private higher education services in the PRC. The Group’s chief operating decision maker (the “**CODM**”) has been identified as the chief executive officer who considers the business from the service perspective.

For the purpose of resource allocation and performance assessment, the CODM reviews the overall results and financial position of the Group as a whole prepared based on the accounting policies set out in the Group’s consolidated financial statements for the year ended 31 December 2025. Accordingly, the segment information is aggregated as a single reportable segment. Management of the Group assesses the performance of the reportable segment based on the revenue and gross profit for the year of the Group as presented in the consolidated statement of comprehensive income.

4 REVENUE AND CONTRACT LIABILITIES

(a) Revenue

Revenue during the years ended 31 December 2025 and 2024 are as follows:

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Tuition fees	345,976	325,181
Boarding fees	29,142	27,148
Meal catering service fees	2,390	3,546
Revenue from hotel operation	3,409	3,198
Others (i)	19,762	13,614
	<u>400,679</u>	<u>372,687</u>

(i) Others mainly represent revenue from other education and vocational training programs.

Revenue represented by:

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Recognised over time		
Tuition fees	345,976	325,181
Boarding fees	29,142	27,148
Hotel revenue from room rental	1,487	1,708
Others	19,762	13,614
Recognised at a point in time		
Meal catering service fees	2,390	3,546
Hotel revenue from food and beverage sales	1,922	1,490
	<u>400,679</u>	<u>372,687</u>

No customers individually accounted for more than 10% of the Group's revenue for the years ended 31 December 2025 and 2024.

(b) Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Contract liabilities related to tuition fees	199,081	182,077
Contract liabilities related to boarding fees	19,771	18,534
Others	627	1,630
	<u>219,479</u>	<u>202,241</u>

(1) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current year relates to carried-forward contract liabilities.

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue recognised that was included in the balance of contract liabilities at the beginning of the year		
Tuition fees	181,852	177,929
Boarding fees	18,512	17,451
Others	1,628	2,467
	<u>201,992</u>	<u>197,847</u>

(2) Unsatisfied contracts

The contract liabilities of the Group represent the unsatisfied contracts of the Group, and are expected to be satisfied as revenue within one year.

(c) Revenue recognition accounting policy

Tuition and boarding fees are generally received in advance prior to the beginning of each academic year, and are initially recorded as contract liabilities. Tuition and boarding fees are recognised proportionately over the terms of the applicable program or the beneficial period for the students, where applicable. The portion of tuition and boarding payments received from students but not earned is recorded as contract liabilities. Amounts which will be earned within one year is reflected as a current liability, and those which will be earned beyond one year is reflected as a non-current liability.

Hotel revenue from room rental is recognised over time during the period of stay for the hotel guests.

Revenue from other education and vocational training programs are recognised proportionately over the terms of the applicable projects or programs, where applicable.

Revenue from meal catering service provided at the on-campus canteens and hotel revenue from food and beverage sales is recognised at a point in time when control of the goods has transferred, being when the goods are accepted by the customers.

5 OTHER INCOME

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Service income of school-enterprise cooperation projects	1,560	2,954
Government subsidies	1,033	724
Others	188	316
	2,781	3,994
	2,781	3,994

Government subsidies mainly represent unconditional subsidies from government for school operations.

6 OTHER GAINS – NET

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Net loss on disposal of property, plant and equipment	(9)	(7)
Net loss on disposal of intangible assets	(125)	–
Foreign exchange (losses)/gains – net	(830)	275
Gains on changes in fair value of financial assets	160	–
Net gains on disposal of financial assets at fair value through profit or loss	2	–
Others	1,100	527
	298	795
	298	795

7 INCOME TAX EXPENSES

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Current tax		
Current tax on profits for the year	480	625
	480	625
	480	625

The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the taxation rate of PRC, the principal place of the Group's operations, as follows:

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Profit before income tax	<u>163,050</u>	<u>153,832</u>
Tax calculated at a taxation rate of 25% or relevant domestic tax rate applicable to profits in the respective countries	41,765	39,583
Effects of preferential tax treatment on formal academic education services net income (iv)	(41,911)	(39,915)
Tax effects of amounts which are not deductible in calculating taxable income	312	426
Utilisation of previously unrecognised tax losses	(49)	(38)
Tax losses for which no deferred tax asset has been recognised	<u>363</u>	<u>569</u>
Income tax expenses	<u>480</u>	<u>625</u>

(i) Cayman Islands corporate income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly, is exempted from Cayman Islands corporate income tax (2024: nil).

(ii) British Virgin Islands profit tax

The Company's direct subsidiary in the British Virgin Islands was incorporated under the BVI Companies Act, 2004 and accordingly, is exempted from British Virgin Islands income tax (2024: nil).

(iii) Hong Kong profit tax

No provision for Hong Kong profit tax was provided as the Company and the Group did not have assessable profits in Hong Kong during the year ended 31 December 2025 (2024: nil).

(iv) PRC corporate income tax ("CIT")

CIT is provided on assessable profits of entities incorporated in the PRC. Pursuant to the CIT Law, the CIT rate was 25% during the year.

According to the Implementation Regulations for the Law for Promoting Private Education, private schools for which the school sponsors do not require reasonable returns are eligible to enjoy the same preferential tax treatment as public schools. The preferential tax treatment policies applicable to private schools requiring reasonable returns are to be separately formulated by the relevant government authorities under the State Council of the PRC. As at the date of approval of these financial statements, no regulations have been promulgated by such authorities in this regard, Yinxing College has not yet registered as for profit private schools and remains as non-profit private schools. In accordance with the historical tax returns filed with the relevant tax authorities, the tax compliance confirmations and the Group's external legal advisor's comments on the preferential tax treatments obtained, Yinxing College has been granted corporate income tax exemption for income generated from the provision of formal academic education services. As a result, no income tax expense was recognised for the income from the provision of formal academic education services during the year (2024: nil).

(v) **PRC withholding income tax**

The profits of subsidiaries of the Group in the PRC are subject to PRC withholding income tax at a rate of 10% (2024: 10%) upon the distribution of such profits to the foreign investors in Hong Kong. Deferred income tax liabilities have not been provided for in this regard since it is not expected that dividends will be distributed from the Group's subsidiaries in the PRC to foreign investors in the foreseeable future. In the opinion of the Directors, such remaining earnings will be retained in Mainland China for the expansion of the Group's operation.

(vi) **Tax losses**

Deferred income tax assets were recognised for losses carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of approximately RMB5,667,000 (2024: RMB6,552,000) as at 31 December 2025 in respect of losses amounting to approximately RMB22,668,000 (2024: RMB26,207,000).

The amount of tax losses of the groups entities will expire in the following years:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Subsidiaries in the PRC:		
2025	–	4,837
2026	8,220	8,220
2027	8,470	8,470
2028	2,278	2,405
2029	2,249	2,275
2030	1,451	–
	<hr/> 22,668 <hr/>	<hr/> 26,207 <hr/>

The tax loss of subsidiaries in the PRC can be carried forward for five years, while the tax loss of the subsidiaries in Hong Kong can be carried forward perpetually.

8 EARNINGS PER SHARE

(a) Basic and diluted earnings per share

Basic and diluted earnings per share is calculated by dividing the profit attributable to owners of the Company, by the weighted average number of ordinary shares outstanding during the financial year.

	Year ended 31 December	
	2025	2024
Profit attributable to the ordinary equity holders of the Company used in calculating basic earnings per share (<i>RMB'000</i>)	162,570	153,207
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share (<i>thousands</i>)	500,000	500,000
Basic and diluted earnings per share attributable to the ordinary equity holders of the Company (<i>RMB Yuan</i>)	0.33	0.31

As at 31 December 2025, diluted earnings per share presented is the same as the basic earnings per share as there was no potentially dilutive ordinary share outstanding.

9 DIVIDEND

No dividend has been paid or declared by the Group for the years ended 31 December 2025 and 2024, nor has any dividend been proposed subsequent to 31 December 2025.

10 TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables		
– Due from students	1,191	1,106
– Due from others	137	719
	<u>1,328</u>	<u>1,825</u>
Other receivables		
– Deposits	2,142	2,142
– Others	5,917	4,584
	<u>8,059</u>	<u>6,726</u>
	<u>9,387</u>	<u>8,551</u>

As at 31 December 2025 and 2024, the ageing analysis of the trade receivables based on the recognition date were as follows:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Less than 1 year	1,328	1,825

As at 31 December 2025 and 2024, trade receivables of RMB1,328,000 and RMB1,825,000 were past due but not impaired. These primarily relate to a number of independent students, and based on past experience and management's assessment, the overdue amounts can be recovered.

11 ACCRUALS AND OTHER PAYABLES

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Payables for purchases of property, plant and equipment	49,133	62,643
Other taxes payable	12,864	10,024
Salaries and welfare payable	10,352	8,305
Miscellaneous fees received from students (<i>note (a)</i>)	5,145	27,959
Accrued expenses	3,992	6,918
Government subsidies payable to students (<i>note (b)</i>)	3,164	4,307
Auditor's remuneration payable	1,150	1,300
Others	8,210	12,780
	94,010	134,236

- (a) The amounts represent the miscellaneous fees received from students which would be paid out by the Group on behalf of the students.
- (b) The amounts represent the subsidies received from the government which would be paid out to students by the Group on behalf of the government authorities.
- (c) All accruals and other payables of the Group were denominated in RMB or Hong Kong Dollars (“HKD”).
- (d) As at 31 December 2025 and 2024, the fair values of accruals and other payables approximate their carrying amounts due to their short-term maturities.

12 COMMITMENTS

(a) Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Property, plant and equipment	<u>67,579</u>	<u>17,737</u>

(b) Non-cancellable operating leases

The Group leases certain offices under non-cancellable operating lease agreements. The Group has future aggregate minimum lease payments in respect of offices under non-cancellable low value operating leases as follows:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
No later than 1 year	10	10
Later than 1 year and no later than 5 years	<u>–</u>	<u>10</u>
Total	<u>10</u>	<u>20</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

Overview

The Group is a higher education and vocational training service provider in Sichuan Province, the PRC, dedicated to offering comprehensive and diversified programmes and curricula to students, with the aim of nurturing talents with practical skills applicable in the modern service industry. For the 2025/2026 school year, the total number of students enrolled at Yinxing College was 22,564 (2024/2025: 20,745). In terms of graduates, approximately 4,332 students were graduated in June 2025 (2024: 5,397), representing an decrease of 19.7% when compared with the previous school year. This decrease in the number of graduates was primarily due to a strategic reduction in the enrollment of our junior college diploma programmes as part of the Group's ongoing efforts to optimize our student composition and academic structure. The continuous growth in total student numbers, coupled with the high graduate employment rate in the regions where we operate, demonstrates the appeal of the Group's extensive programme coverage and growing brand reputation to both students and the market. The expanding student base, meanwhile, will continue to elevate the brand reputation of Yinxing College, attract talents and generate organic growth in student enrollment.

With education background and work/placement experiences becoming one of the key differentiators in the job market in China, it is believed that market demand for talents with practical experiences and readily applicable skills will continue to grow, especially for sector such as hospitality which requires significant hands-on experiences. In light of this, being a higher education and vocational training service provider focusing on the hospitality sector, the Group is well-positioned to capture the relevant growth opportunities in China.

The Schools

The Group currently operates one higher education school, namely Gingko College of Hospitality Management (formerly known as Yinxing Hospitality Management College of Chengdu University of Information Technology) ("**Yinxing College**"). The Yinxing College has two campuses, each in Chengdu and Yibin of Sichuan Province, the PRC. As at 31 December 2025, the Yinxing College had 10 departments (31 December 2024: 10), offering an aggregate of 29 bachelor's degree programmes (31 December 2024: 29) and 11 junior college diploma programmes (31 December 2024: 24).

The following table sets forth the enrollment statistics of Yinxing College for the 2024/2025 and 2025/2026 school years:

	Student enrollment for the school year ^(Note)			<i>Change (%) Increase/ (Decrease)</i>
	2025/2026	2024/2025		
Bachelor's degree programme	21,252	18,809		13.0
Junior college diploma programme	1,312	1,936		(32.2)
Total	<u>22,564</u>	<u>20,745</u>		<u>8.8</u>

Note: Despite that our school year typically ends on 31 August, the Group presents student enrollment statistics as at 31 December for the 2024/2025 and 2025/2026 school years.

The number of students enrolled in Yinxing College increased as a result of its growing reputation, increasing marketing efforts as well as improving planning over enrollment.

The Group derives the revenue primarily from tuition fees and boarding fees. The tuition fees and boarding fees are recognised proportionately over the terms of the applicable programme or the beneficial period for the students, where applicable. The following table sets forth the breakdown of the revenue by income source for the years indicated:

	Total income for the year ended 31 December			
	2025	2024	Change	Change (%)
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
			<i>Increase/ (Decrease)</i>	<i>Increase/ (Decrease)</i>
Tuition fees	345,976	325,181	20,795	6.4
Boarding fees	29,142	27,148	1,994	7.3
Meal catering services fees	2,390	3,546	(1,156)	(32.6)
Revenue from hotel operation	3,409	3,198	211	6.6
Others ^(Note)	19,762	13,614	6,148	45.2
Total	<u>400,679</u>	<u>372,687</u>	<u>27,992</u>	<u>7.5</u>

Note: Others mainly represent revenue from other education and vocational training programs.

Outlook

Supported by its expanding enrollment network and proven track record in delivering premium private higher education, the Group remains cautiously optimistic about its future development. Going forward, the Group is committed to becoming the leader and standard-setter in hospitality education in the PRC, by pursuing the following strategies:

- Further increase market penetration and enhance teaching quality to solidify its market position, while gradually establishing itself as a standard-setter in hospitality education in the PRC;
- Actively establish overseas schools and strengthen its international cooperation with overseas educational institutions and enterprises;
- Continue to attract, incentivise and retain quality teachers; and
- Leverage on the existing brand name of Yinxing College to further develop training programmes to diversify its source of income.

Expansion of Yinxing College

During the year ended 31 December 2025, the Group continued the construction works for the Phase II expansion of the Nanxi Campus (the “**Expansion Project**”). The Expansion Project mainly encompasses the construction of a multi-functional gymnasium and three new student dormitories (Buildings No. 16, 17, and 29). The construction of the multi-functional gymnasium was completed and put into use in September 2025, while the three new student dormitories involve a total planned investment of approximately RMB87.0 million. The Expansion Project was financed by the Group’s internal resources and/or bank borrowings.

Financial Review

Revenue

Revenue represents the value of services rendered during the Reporting Period. The Group derives revenue primarily from tuition fees, boarding fees and meal catering services fees collected from students enrolled in Yinxing College.

The Group's revenue for the Reporting Period amounted to approximately RMB400.7 million (2024: RMB372.7 million), representing an increase of approximately 7.5%. Such increase was primarily due to the fact that: (i) tuition fees during the Reporting Period amounted to approximately RMB346.0 million (2024: RMB325.2 million), representing an increase of approximately 6.4% and (ii) boarding fees during the Reporting Period amounted to approximately RMB29.1 million (2024: RMB27.1 million), representing an increase of approximately 7.4%. The increment was attributable to the increase of student admission for the 2025/2026 school year and increase in average tuition fees and boarding fees.

Cost of Sales

Cost of sales primarily consists of salaries and benefits for the Group's school personnel, depreciation and amortisation, heating costs, training expenses, maintenance costs, teaching expenses and utilities, as well as property management cost, cleaning and greenery fees, travel expenses, office expenses, student activity costs and others.

The Group's cost of sales for the Reporting Period amounted to approximately RMB179.2 million (2024: RMB162.7 million), representing an increase of approximately 10.1%. The increase in cost of sales was primarily due to the increase in staff costs and the increase in depreciation and amortisation expenses of property, plant and equipment.

Gross Profit and Gross Profit Margin

The Group's gross profit for the Reporting Period amounted to approximately RMB221.4 million (2024: RMB210.0 million). The Group's gross profit margin during the Reporting Period was approximately 55.3% (2024: 56.3%). Such decrease was primarily due to increase in the cost of sales over the increase in the revenue from tuition fee and boarding fee during the Reporting Period.

Selling Expenses

The Group's selling expenses primarily consist of expenses related to relevant publicity of our College, including student recruitment activities and promotional and advertising expenses. During the Reporting Period, the Group's selling expenses amounted to approximately RMB1.7 million (2024: RMB2.8 million).

Administrative Expenses

The Group's administrative expenses primarily consist of employee benefit expenses, property management fee, office expenses, depreciation and amortisation, professional and business consultancy fees and certain other administrative expenses. During the Reporting Period, the Group's administrative expenses amounted to approximately RMB52.9 million (2024: RMB56.5 million).

Other Income

The Group's other income during the Reporting Period amounted to approximately RMB2.8 million (2024: RMB4.0 million). Government subsidy amounted RMB1.0 million (2024: RMB0.7 million) was received during the Reporting Period.

Other Gains – net

The Group's net other gains for the Reporting Period amounted to approximately RMB0.3 million (2024: RMB0.8 million). The decrease was primarily due to a shift of net exchange loss of RMB0.8 million (2024: exchange gain RMB0.3 million), offset by a fair value gain of financial assets of approximately RMB0.2 million (2024: nil) from the Group's investment in money funds.

Finance Expenses – net

The Group's net finance expenses for the Reporting Period amounted to approximately RMB6.9 million (2024: RMB1.6 million). While the Group's total borrowings decreased during the Year, this increase in net expenses was primarily driven by a significant reduction in interest expenses capitalized in qualifying assets.

Income Tax Expenses

The Group's income tax expenses for the Reporting Period amounted to approximately RMB0.5 million (2024: RMB0.6 million).

Profit for the Year

As a result of the combined effects of the above revenue, costs and expenses, the Group's profit increased by approximately 6.1% to approximately RMB162.6 million for the Reporting Period (2024: RMB153.2 million).

Financial Resources Review

Liquidity, Financial Resources and Capital Structure

As at 31 December 2025, the Group's cash and deposits amounted to approximately RMB243.5 million (2024: RMB271.7 million), representing an decrease of approximately 10.4%.

During the Reporting Period, the Group generated cash from operating activities primarily from tuition fees, boarding fees and meal catering service fees. Cash flows from operating activities have reflected (i) profit before income tax; (ii) movements in working capital; and (iii) other cash items consisting of income tax paid and interest received. Investing activities outflows comprised primarily purchases of property, plant and equipment and intangible assets of approximately RMB93.6 million. Financing activities inflows primarily included proceeds from bank borrowings of approximately RMB13.0 million. Financing activities outflows primarily included repayment of bank and other borrowings of approximately RMB143.0 million and interest payments of approximately RMB7.6 million.

As a result, net cash generated from operating activities were approximately RMB211.4 million in 2025 (2024: RMB205.7 million). Net cash used in investing activities were approximately RMB140.6 million in 2025 (2024: RMB108.2 million). Net cash used in financing activities were approximately RMB138.1 million in 2025 (2024: RMB41.8 million).

The Group's borrowings primarily consisted of guaranteed short-term bank borrowings and secured long-term bank borrowings. We borrowed loans from banks to supplement our working capital and finance our capital expenditure. As at 31 December 2025, our interest-bearing bank borrowings of RMB179.8 million were all denominated in Renminbi. The annual average effective interest rate of our bank borrowings decreased to approximately 3.05% (2024: approximately 3.39%).

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for Shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total debt less cash and cash equivalents. As at 31 December 2025, the Group's gearing ratio was in a net cash position (2024:4.1%). This trend was driven by the Group's ongoing efforts to deleverage its balance sheet through the strategic repayment of bank borrowings, coupled with the maintenance of a healthy liquidity position to support its operational requirements.

As at 31 December 2025, the Group had net current liabilities of approximately RMB120.8 million (2024: RMB174.5 million), representing an decrease of approximately 30.8% which was primarily attributable to the decrease in borrowings. Taking into account of the contract liabilities of approximately RMB219.5 million (2024: RMB202.2 million), which generally will not result in cash outflows in the future, the surplus of the net working capital would be approximately RMB98.7 million (2024: RMB27.7 million).

Significant Investment, Material Acquisition and Disposal of Subsidiaries and Associated Companies

There was no significant investment, material acquisition and disposal of subsidiaries and associated companies by the Group during the Reporting Period.

Future Plan for Material Investments and Capital Assets

Save as disclosed herein, the Group did not have other plans for material investments and capital assets.

Capital Commitments

As at 31 December 2025, the Group had contracted but not provided for capital commitments of approximately RMB67.6 million, which were primarily relating to property, plant and equipment (2024: RMB17.7 million).

Currency Exposure and Management

The Group primarily operates its business in the PRC. The majority of the Group's revenue and expenditures are denominated in RMB. As at 31 December 2025, certain bank balances were denominated in RMB, United States dollars ("USD") and HKD. The Group is exposed to foreign exchange risk with respect mainly to USD and HKD which may affect the Group's performance. The Group currently does not have any foreign currency hedging policies. The management is aware of the possible exchange risk exposure due to the continuing exchange rate fluctuation of USD and HKD against RMB and will continue to monitor its impact on the performance of the Group and consider adopting prudent measures as appropriate.

Contingent Liabilities

As at 31 December 2025, the Group had no material contingent liabilities.

Pledge of Assets

As at 31 December 2025, RMB194.5 million of construction in progress and buildings, RMB3.3 million of land use rights and right over the tuition fees and boarding fees had been pledged as security to secure the bank borrowings of RMB174.8 million.

Employees and Remuneration Policy

As at 31 December 2025, the Group had 1,139 employees (31 December 2024: 1,106 employees). Remuneration of the Group’s employees includes basic salaries, allowances, bonus and other employee benefits, and is determined with reference to their experience, qualifications and general market conditions. The emolument policy for the employees of the Group is set up by the Board on the basis of their merit, qualification and competence. As required by the PRC laws and regulations, the Group participates in various employee social security plans for the employees that are administered by local governments, including, among other things, housing provident fund, pension, medical insurance, social insurance, unemployment insurance and mandatory provident fund schemes. The Board believes that the Group is maintaining a favourable working relationship with its employees, and it has experienced no major labor disputes during the Reporting Period.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Annual General Meeting

The annual general meeting of the Company (the “AGM”) will be held on 12 June 2026 (Friday). A notice convening the AGM will be published on the websites of the Company and the Stock Exchange and dispatched to the shareholders of the Company in the manner required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) in due course.

Final Dividend

At the meeting of the Board held on 27 March 2026, the Board has resolved not to recommend the payment of any final dividend for the year ended 31 December 2025 (2024: nil), and intends to reinvest its profits in the Expansion Project and the Group’s business expansion.

Book Closure Periods

For the purposes of ascertaining the members’ eligibility to attend and vote at the AGM, the Company’s register of members will be closed during the following period:

- Latest time to lodge transfers documents for registration 4:30 p.m. on 5 June 2026 (Friday)
- Closure of register of members 8 June 2026 (Monday) to 12 June 2026 (Friday)

To be eligible to attend and vote at the AGM, all duly stamped instruments of transfers, accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar in Hong Kong, namely Boardroom Share Registrars (HK) Limited, Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong not later than the latest time as stated above. The record date for determining the eligibility of the Shareholders for attending and voting at the AGM is 12 June 2026 (Fri).

Corporate Governance

The Company is committed to maintaining high standard of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and responsibility. The Board comprises four executive Directors and three independent non-executive Directors. The Company had complied with all of the mandatory disclosure requirements and the code provisions as set out in the section headed "Part 2 – Principles of good corporate governance, code provisions and recommended best practices" of the Corporate Governance Code ("**CG Code**") under Appendix C1 to the Listing Rules. Throughout the Reporting Period, the Company has complied with the code provisions under the CG Code in force during the Reporting Period, save and except for the deviation to paragraph C.2.1 of the CG Code as stated below.

Paragraph C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the Reporting Period, the chairman (the "**Chairman**") and chief executive officer (the "**CEO**") of the Company were held by Mr. Fang who has extensive experience in the industry. The Board believes that Mr. Fang can provide the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies. The Board also considered that the structure of vesting the roles of chairman and chief executive officer in the same person will not impair the balance of power and authority between the Board and the management of the Company. The Board reviewed this structure from time to time to ensure appropriate and timely action to meet changing circumstances.

The Board will continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

Further information of the corporate governance practice of the Company will be set out in the corporate governance report in the annual report of the Company for the Reporting Period.

Corporate Social Responsibility & Environmental Matters

While the Company endeavours to promote business development and strive for greater rewards for our stakeholders, it acknowledges its corporate social responsibility to share some burden in building the society where our business has been established and thrived.

Purchase, Sale and Redemption of Shares

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange during the Reporting Period.

Events after the Reporting Period

Subsequent to 31 December 2025 and up to the date of this announcement, the Group had no material events affecting the Group which have occurred since the end of the Reporting Period that has come to the attention of the Directors.

Model Code for Securities Transactions by Directors

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

Having made specific enquiry of all the Directors of the Company, all the Directors have confirmed that they have strictly complied with the required standards set out in the Model Code throughout the Reporting Period.

Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors have confirmed that the Company has maintained sufficient public float as required under the Listing Rules during the Reporting Period and up to the date of this announcement.

Audit Committee

The Company has established the audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rule 3.22 of the Listing Rules and the CG Code. As of the date of this announcement, the Audit Committee consists of three members, namely Mr. Wong Chi Keung, Mr. Jiang Qian and Mr. Yuan Jun, who are all independent non-executive Directors of the Company. The chairman of the Audit Committee is Mr. Wong Chi Keung who has the appropriate professional qualifications or related financial management expertise as required under Rule 3.10(2) of the Listing Rules. The annual results for the Reporting Period of the Company have been reviewed by the Audit Committee. The Audit Committee has also reviewed the accounting policies and practices adopted by the Company and discussed risk management and internal control with senior management members.

Scope of Work for Annual Results Announcement by Auditors

The figures in respect of the preliminary announcement of the Group's results for the Reporting Period have been agreed with the Group's auditor, PricewaterhouseCoopers ("PwC"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PwC in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PwC on the preliminary announcement.

Publication of Annual Results and Annual Report

This annual results announcement is published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.chinagingkoedu.com>). The annual report of the Company for the Reporting Period containing all the information required by the Listing Rules will be despatched to shareholders of the Company and made available for review on the same websites in due course.

By order of the Board
China Gingko Education Group Company Limited
Fang Gongyu
Chairman

Hong Kong, 27 March 2026

As at the date of this announcement, the executive Directors are Mr. Fang Gongyu, Mr. Tian Tao, Ms. Li Jingjing and Ms. Zeng Qin; and the independent non-executive Directors are Mr. Jiang Qian, Mr. Yuan Jun and Mr. Wong Chi Keung.