Neutech

東軟睿新科技集団有限公司

Neutech Group Limited

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 9616

ANNUAL REPORT
2025

科技赋能教医养生态　教育创新数智化生活

EMPOWER EDUCATION HEALTHCARE WELLNESS ECOSYSTEM WITH TECHNOLOGY　BOOST DIGITAL INTELLIGENT LIFESTYLES WITH INNOVATIVE EDUCATION

CONTENTS





CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairperson and Non-executive Director
Dr. LIU Jiren

Executive Director
Dr. WEN Tao

Non-executive Directors (aside from our Chairperson)
Mr. RONG Xinjie
Dr. ZHANG Xia
Dr. ZHANG Yinghui
Mr. SUN Yinhuan

Independent Non-executive Directors
Dr. LIU Shulian
Dr. QU Daokui
Dr. WANG Weiping

AUDIT COMMITTEE

Dr. LIU Shulian (Chairperson)
Dr. QU Daokui
Mr. RONG Xinjie

REMUNERATION COMMITTEE

Dr. QU Daokui (Chairperson)
Dr. LIU Jiren
Dr. WANG Weiping

NOMINATION COMMITTEE

Dr. LIU Jiren (Chairperson)
Dr. LIU Shulian
Dr. WANG Weiping

COMPANY SECRETARY

Ms. HE Jing

AUTHORISED REPRESENTATIVES

Dr. WEN Tao
Ms. HE Jing

REGISTERED OFFICE

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Cayman Islands

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Liaoning, China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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No. 23 Harbour Road
Wanchai, Hong Kong

PRINCIPAL SHARE REGISTRAR

Ogier Global (Cayman) Limited
89 Nexus Way
Camana Bay
Grand Cayman, KY1-9009
Cayman Islands

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
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16 Harcourt Road, Hong Kong

LEGAL ADVISERS

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As to PRC laws:

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Beijing, China

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place 979 King's Road
Quarry Bay Hong Kong

PRINCIPAL BANKS

China Construction Bank
Dalian High-tech Zone Branch
Shanghai Pudong Development Bank
Dalian Xueyuan Square Branch
Bank of Chengdu
Dujiangyan Branch
Guangdong Nanhai Rural Commercial Bank
Shishan Software Park Banking Office

STOCK CODE

9616

COMPANY WEBSITE

https://www.neutech.com.cn

LISTING DATE

29 September 2020

HIGHLIGHTS

January 2025

- The Group changed its name to Neutech Group, enabling a more accurate reflection of its strategic transformation and more precisely showcasing its industrial layout integrating "Education-Healthcare-Wellness". It helps to establish a renewed corporate brand image and highlight the Group's comprehensive strengths in technological innovation and integrated development.

February 2025

- Guangdong University, a subsidiary of the Group, won the bid for the land use rights for a new land parcel located in Nanhai District, Foshan, Guangdong Province. Leveraging the Group's integrated development strategy of "Education-Healthcare-Wellness", Guangdong University plans to establish various new practical training bases by aligning talent development with regional industrial development needs tightly, including science-technology parks to the university and international conference centers.

May 2025

- The Group commenced construction of its Dalian Ruikang Rehabilitation Hospital project. As a key component of the integrated ecosystem of "Education-Healthcare-Wellness", this hospital will further complete the Group's four-in-one integrated healthcare and wellness service system of "medical care, rehabilitation, nursing and elderly care" upon its completion.

May 2025

- The Group acquired part of the equity interest in Xikang Yunshe, which will further enhance the cooperation and synergy between Xikang Yunshe hotels and the elderly education business, and establish a new comprehensive "Learning-Travel-Wellness" integrated model for elderly education.

May 2025

- The Group's "Healthcare Technology Park (健康醫療科技園區)", with its innovative model, was awarded the title of "2025 Healthcare Innovation Park of the Year" in the "2025 Top 100 Future Healthcare" list hosted by vcbeat.net (動脈網). This award fully recognizes the Group's outstanding achievements in driving the coordinated development of the education, healthcare and wellness industries through technological innovation.

June 2025

- The Group's first integrated elderly care service platform, "Shengqing Wellness (盛情康養)", was launched. Jointly operated by the Group, Shenyang Shengjing Financial Holding Investment Group Co., Ltd., and Neusoft Corporation, this platform helped Shenyang win the title of National Pilot Zone for Integrated Basic Elderly Care Service Platforms. This initiative represents another practice of government-enterprise cooperation in the elderly care sector, leveraging information technology to drive innovation in elderly care service models.

June 2025

- The Group entered into a strategic partnership with WorldSkills International (WSI), becoming its Global Premium Partner (GPP). As the first Chinese enterprise to achieve the highest-tier partnership level with WorldSkills International, the Group will collaborate closely with WorldSkills International to drive innovation in vocational skill standards, deepen talent cultivation, and elevate competition standards worldwide.

June 2025

- The Group's "Healthcare Technology Park Dormitory Project (健康醫療科技園公寓項目)" has successfully achieved the topping-out of its main structure. Utilizing internationally advanced health apartment construction standards, the project is dedicated to creating a smart integrated community that combines learning, social interaction, daily living, and elderly care.

September 2025

- The Group has officially become the senior organizational partner of the "3rd National Vocational Skills Competition of the People's Republic of China (中華人民共和國第三屆職業技能大賽)". Since the first National Vocational Skills Competition held in 2020, the Group has provided technical support for multiple competition events for three consecutive editions.

October 2025

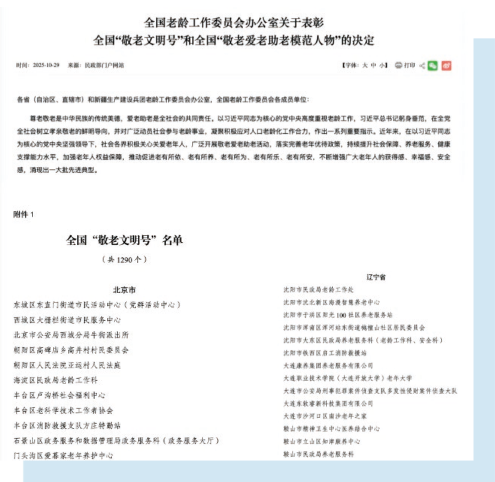
- The Group's citywide smart elderly care platform, "Dalian Smart Wellness", was launched. It made its debut at the 20th Dalian International Silver Industry Expo and the First International Silver Hair Economy Expo with a series of elderly care technology products.

October 2025

- Dr. Liu Jiren, Founder and Chairman of the Group, was invited to attend the "WorldSkills International General Assembly (世界技能組織全體成員國大會)" as the representative of the first Chinese enterprise that has become WorldSkills International's Global Premium Partner (GPP), and signed the cooperation agreement. This fully reflects the Group's outstanding achievements in the cultivation of skilled talents in China, while the improvement of China's skilled talent level also gained wide recognition and respect across the world.

October 2025

- Relying on its systematic innovation and ecological practices in the smart elderly care, the Group has been successfully selected into the List of National "Respect-for-the-Elderly Civilization Model" Awardees (《全國「敬老文明號」表彰對像名單》) issued by the Ministry of Civil Affairs. This serves as an authoritative recognition of the Group's successful development of an integrated ecosystem of "Education-Healthcare-Wellness" and its effective promotion of the high-quality development of the elderly care industry.



全国老龄工作委员会办公室关于表彰
全国"敬老文明号"和全国"敬老爱老助老模范人物"的决定

时间：2025-10-29 来源：民政部门户网站 【字体：大 中 小】 打印

各省（自治区、直辖市）和新疆生产建设兵团老龄工作委员会办公室，全国老龄工作委员会各成员单位：

尊老敬老是中华民族的传统美德，爱老助老是全社会的共同责任。以习近平同志为核心的党中央高度重视老龄工作，习近平总书记躬身垂范，在全党全社会树立孝亲敬老的鲜明导向，并对广泛动员社会参与老龄事业，凝聚积极应对人口老龄化工作合力，作出一系列重要指示。近年来，在以习近平同志为核心的党中央坚强领导下，社会各界积极关心关爱老年人，广泛开展敬老爱老助老活动，落实完善老年优待政策，持续提升社会保障、养老服务、健康支撑能力水平，加强老年人权益保障，推动促进老有所依、老有所养、老有所为、老有所乐、老有所安，不断增强广大老年人的获得感、幸福感、安全感，涌现出一大批先进典型。

附件 1

全国"敬老文明号"名单

（共 1290 个）

北京市

东城区东直门街道市民活动中心（党群活动中心）
西城区大栅栏街道市民服务中心
北京市公安局西城分局牛街派出所
朝阳区高碑店乡高井村村民委员会
朝阳区人民法院亚运村人民法庭
海淀区民政局老龄工作科
丰台区卢沟桥社会福利中心
丰台区老科学技术工作者协会
丰台区消防救援支队方庄特勤站
石景山区政务服务和数据管理局政务服务科（政务服务大厅）
门头沟区爱慕家老年养护中心

辽宁省

沈阳市民政局老龄工作处
沈阳市沈北新区海漫智慧养老中心
沈阳市于洪区阳光 100 社区养老服务站
沈阳市浑南区浑河站东街道桃檀山社区居民委员会
沈阳市大东区民政局养老服务科（老龄工作科、安全科）
沈阳市铁西区启工消防救援站
大连康养集团养老服务有限公司
大连职业技术学院（大连开放大学）老年大学
大连市公安局刑事犯罪案件侦查支队多发性侵财案件侦查大队
大连东软睿新科技集团有限公司
大连市沙河口区南沙老年之家
鞍山市精神卫生中心医养结合中心
鞍山市立山区知津康养中心
鞍山市民政局养老服务科

November 2025

- With its solid practices in industry-education integration and remarkable contributions to talent cultivation in such professional fields as artificial intelligence, big data and software R&D, the Group, following its selection as one of the first batch of Dalian-level Enterprises for the Development and Cultivation of Industry-Education Integration in 2020, has been successfully selected into the 2025 List of Provincial-level Enterprises for the Development and Cultivation of Industry-Education Integration (《2025年度省級產教融合型企業建設培育名單》) released by the Liaoning Provincial Development and Reform Commission.

December 2025

- With its profound accumulation, innovative practices and strong growth momentum in the smart wellness, the Group has been awarded the title of "2025 Outstanding Competitiveness Listed Company in the Big Health Sector (2025年大健康卓越競爭力上市公司)" at the "14th 2025 Annual Conference on Listed Companies' Development and Hainan Free Trade Port Opening-up Opportunities Exchange Conference (2025第十四屆上市公司發展年會暨海南自貿港開放機遇交流大會)" co-hosted by National Business Daily and Hainan International Economic Development Bureau.

December 2025

- Guangdong University, a subsidiary of the Group, won 4 Guangdong Provincial Excellent Teaching Achievement Awards (Higher Education – Undergraduate Category), including 2 first-class awards and 2 second-class awards, achieving a dual breakthrough in both the quantity and quality of the awards.

FINANCIAL HIGHLIGHTS

Major financial results for the years ended 31 December 2025 and 31 December 2024 are as follows:

	For the year ended 31 December		
	2025	2024	
	RMB'000	RMB'000	
		Restated	Percentage of
	(audited)	(audited)	change
Revenue	**2,039,167**	2,070,006	–1.5%
Cost of sales	**(1,136,305)**	(1,075,121)	5.7%
Gross profit	**902,862**	994,885	–9.2%
Selling expenses	**(44,685)**	(48,643)	–8.1%
Administrative expenses	**(194,897)**	(213,591)	–8.8%
Research and development expenses	**(26,135)**	(38,341)	–31.8%
Impairment losses on financial assets, net	**7,794**	(15,479)	–150.4%
Other income	**72,920**	86,734	–15.9%
Other expenses	**(38,500)**	(33,228)	15.9%
Other (losses)/gains, net	**(11,665)**	211	-5,628.4%
Share of losses of an associate	**(2,165)**	–	N/A
Finance expenses, net	**(114,069)**	(94,353)	20.9%
Profit before income tax	**551,460**	638,195	–13.6%
Income tax expense	**(148,400)**	(170,876)	–13.2%
Profit for the year	**403,060**	467,319	–13.8%
Profit for the year attributable to owners of the Company	**404,799**	465,619	–13.1%
Adjusted net profit *(Note)*	**407,389**	466,092	–12.6%
Adjusted net profit attributable to owners of the Company	**409,128**	464,392	–11.9%

Note:

For the year ended 31 December 2025, the adjusted net profit is the profit for the year after deducting the effect of (i) net fair value losses on unlisted fund investments of RMB4,159,000; and (ii) net exchange losses of RMB170,000.

For the year ended 31 December 2024, the adjusted net profit is the profit for the year after deducting the effect of net exchange gains of RMB1,227,000.

CHAIRPERSON'S STATEMENT

DEAR SHAREHOLDERS:

Looking back on the year we have journeyed together, what strikes me most is still the fulfillment of hard work and the gratification of rewards reaped. The past year was a landmark year in Neutech's development. Early in the year, we officially launched our new integrated strategy of "Education, Healthcare and Wellness." While some may view this as another expansion of Neutech's business scope, I see it as a deep embodiment of our core value – aligning ourselves with societal needs. Times change, and so do societal needs. If we cling to old maps, we will never discover new continents. This is not just a methodology – it is wisdom essential to survival.

Over the years, Neutech has been steadfastly committed to one mission: integrating technology, capital, and resources onto a broader platform to enable continuous value creation. From education to healthcare and wellness, every step we have taken is not born of imagination, but rooted in the real pulse of our times. Therefore, our goal is clear: to build an integrated ecosystem of "Education, Healthcare and Wellness" that comprehensively addresses society's diverse demands for high-quality education, professional medical services, and premium elderly care. We are only at the beginning of this journey, yet our direction is clear and our steps resolute.

Looking back on 2025, we have left solid footprints across all our business segments. In the field of academic education, the vibrant growth of Neusoft's three institutions is reflected not only in strong enrollment figures, but more importantly in the spark ignited within our students – their critical pursuit of truth, courage to innovate, adaptability in embracing change, and competencies to thrive in the digital age. Underpinning this is our enduring belief: education creates student value. We are nurturing not just students, but the vital force that will sustain – and ultimately lead – the development of Digital China.

In the field of education technology and services, we have proactively embraced change amid the AI wave. Through industry-education integration and technological innovation, we are bridging the gap between industry and education and enhancing the adaptability of talent development at our partner institutions. We are especially proud to have become a Global Premium Partner of WorldSkills International, which represents international recognition of our educational philosophy and practice. We will continue building global exchange platforms to illuminate pathways to skills-based success for more young people. This is both a demand of our times and our mission.

In the elderly care technology and services sector, guided by the philosophy of "aging prevention through education and empowering elderly care through technology," we continue to drive innovation in service models. Citywide smart elderly care platforms in Shenyang and Dalian have been successively launched, establishing an initial "digital foundation" that connects government, institutions, communities, and families. By aggregating high-quality service resources from thousands of providers, we are making elderly care smarter and more caring. Our "Neucare Phoenix Academy" is actively exploring an integrated "Learning – Travel – Wellness" lifestyle model for seniors, one that not only supports their physical well-being but also nurtures their spiritual fulfillment. All these efforts are dedicated to conveying the very belief: elderly care is not the epilogue of life, but the serene beginning of a new chapter lived with dignity and purpose.

In the medical services segment, our thoughtfully developed model integrating "medical, healthcare, wellness, and elderly care" continues to grow, with Dalian Ruikang Rehabilitation Hospital nearing completion and the Health Apartment having recently topped out. We are no longer building isolated facilities, but a layered, human-centric health services ecosystem. The value of technology lies in making professional prevention, precise diagnosis and treatment, compassionate rehabilitation, and holistic care an integral part of daily life for millions of households. Everything we do is dedicated to ensuring that every individual can enjoy a healthier life with greater dignity and higher quality at every stage of life.

As we stand at the threshold of 2026, we are filled with confidence, yet fully mindful of the responsibility we bear. The integrated development of education, healthcare and wellness is a long-term endeavor that touches the well-being of millions and shapes the future of society. Let us take "integration" as our vessel and "collective effort" as our oars, advancing steadily each day toward a future we firmly believe in – one that is wise, renewed, and full of promise.

Neutech Group Limited
Chairperson of the Board
LIU Jiren

MANAGEMENT DISCUSSION AND ANALYSIS

1 ABOUT US

Following its strategic transformation in recent years, the Group has built a diversified business portfolio comprising: (i) formal higher education services; (ii) education technology and services; (iii) elderly care technology and services; (iv) medical services; and (v) industry management and services, which marks the Group's evolution from "China's leading digital talent education service provider" to a builder of an integrated ecosystem of "education, healthcare and wellness". Going forward, the Group aspires to become a "leader in the education, healthcare and wellness ecosystem", guided by the mission "empower education-healthcare-wellness ecosystem with technology and boost digital intelligent lifestyles with innovative education." Through integrated development across education, healthcare and wellness services, and efficient sharing of human, financial and physical resources, the Group will strive for greater development space, stronger growth and better profit margins to achieve sustainable development.

The following table outlines the revenue performance of our various business segments during the Reporting Period:

	For the year ended 31 December			
	2025 RMB'000	2024 RMB'000 (Restated)	Percentage of change	Percentage of total revenue
Formal Higher Education Services	**1,621,269**	1,625,566	–0.3%	79.5%
Education Technology and Services	**288,529**	359,687	–19.8%	14.1%
Education resources	**184,649**	220,610	–16.3%	9.1%
Continuing education services	**103,880**	139,077	–25.3%	5.0%
Elderly Care Technology and Services	**9,297**	–	N/A	0.5%
Medical Services	**83,303**	56,820	46.6%	4.1%
Campus Life Services	**36,769**	27,933	31.6%	1.8%
Total	**2,039,167**	2,070,006	–1.5%	100.0%

2 BUSINESS REVIEW

2.1 Formal Higher Education Services – Solidifying quality foundation and significantly enhancing brand strength

Relying on Neusoft's robust industrial foundation, we have established three high-standard IT application-oriented undergraduate universities in Dalian, Liaoning, Chengdu, Sichuan and Foshan, Guangdong, namely Dalian Neusoft University of Information, Chengdu Neusoft University and Neusoft Institute Guangdong.

During the Reporting Period, the three universities under the Group successively passed the Undergraduate Teaching Qualification Assessment/the Undergraduate Education and Teaching Audit Assessment for regular higher education institutions conducted by the Ministry of Education, and successfully completed student enrollment for the 2025/2026 school year, achieving revenue of approximately RMB1,621.3 million.

2.1.1 Significant Achievements in Academic Program Development

Dalian University currently offers 33 bachelor degree programmes, 9 junior college diploma programmes, 9 junior college to bachelor degree transfer programmes, and 2 vocational bachelor degree programmes, including 8 programmes in healthcare technologies. In the 2025/2026 school year, Dalian University was approved to establish 2 new junior college diploma programmes (nursing, geriatric care and management). Dalian University has cumulatively obtained 7 National-level First-class Bachelor Degree Programme Construction Sites (國家級一流本科專業建設點), 8 Provincial-level First-class Bachelor Degree Programme Construction Sites (省級一流本科專業建設點); During the Reporting Period, Dalian University was approved with 3 National-level First-class Undergraduate Courses (國家級一流本科課程): Principles and Technologies of Database, Augmented Reality Technology, Internet Product Planning (（《數據庫原理與技術》、《增強現實技術》、《互聯網產品規劃》）), ranking first among private universities in Liaoning Province in 2025. It has cumulatively obtained 5 National-level First-class Undergraduate Courses and 116 Provincial-level First-class Bachelor Degree Courses (省級一流本科課程).

Major honors and awards during the Reporting Period:

- Ranked first among national private universities in the 2024 China Undergraduate Institution Innovation and Entrepreneurship Education Index Ranking (《2024年中國本科院校創新創業教育指數榜》) released by "Chuang Index (創指數)", a research and consulting service institution for innovation and entrepreneurship education evaluation in colleges and universities;

- According to the Comprehensive Overview of National-Level First-Class Bachelor Degree Programme Construction Sites in Private Universities (《民辦高校國家級一流本科專業建設點全覽》) issued by the Higher Education Professional Committee of the China Association for Private Education (中國民辦教育協會高等教育專委會), Dalian University ranked first among national private universities in the number of approved National-level First-class Bachelor Degree Programme Construction Sites;

- In the 2025 Alumni Association Private University Discipline Ranking (《2025校友會民辦高校專業排名》), three disciplines ranked first nationally: software engineering, digital media technology, integrated circuit design and integrated systems; the computer science and technology discipline ranked second nationally;

- Maintained the first position among national private universities in the Computer Competition Index for Undergraduate Students (《普通高校大學生計算機競賽指數》) jointly released by the National Research Association for Computer Education in Higher Institutions (全國高等學校計算機教育研究會), the National Virtual Teaching & Research Office for Faculty Development (教師教學發展研究國家級虛擬教研室), and the Higher Education Digital Intelligence Evaluation Research Center of Hangzhou City University (浙大城市學院高等教育數智評價研究中心);

- In the 2025 Shanghai Ranking's Best Chinese Majors Ranking (《2025軟科中國大學專業排名》), the film and television production major ranked first among national private universities;

- In the World Comprehensive Ranking of Innovative Universities (《世界創新大學綜合排名》) jointly released by the Hanseatic League of Universities (漢薩大學聯盟) (HLU), Korea Institute for Industrial Policy Studies (韓國產業政策研究院) (IPS), Taylor Institute at Franklin University Switzerland (瑞士富蘭克林大學泰勒研究所) (TI-FUS) and United Nations Institute for Training and Research (聯合國訓練研究所) (UNITAR), it has been ranked among the top 100 for five consecutive years, ranking 57th in 2025 and achieving a new record high;

- Ranked first among private universities in the College Environment Satisfaction Ranking (《院校環境滿意度》) released by MyCOS Research;

- In the National University Programming Education Conference Training Case Selection (《全國高校程序設計教育大會實訓案例評選》) issued by the Computer Science Teaching Steering Committee of Higher Education Institutions (高等學校計算機類專業教學指導委員會) of the Ministry of Education and the Computer Education Research Association of Chinese Universities (全國高等學校計算機教育研究會), it won 3 special prizes and 27 first prizes, ranking first among all universities nationwide in terms of the number of awards;

- It was approved 10 High-Quality Industry-University Cooperation Collaborative Education Projects (《高質量產學合作協同育人項目》) by the Department of Education of Liaoning Province, ranking first among private universities in Liaoning Province for three consecutive years.

Chengdu University currently offers 33 bachelor degree programmes, 14 junior college to bachelor degree transfer programmes, and 1 vocational bachelor degree programme, including 6 health technology programmes. In the 2025/2026 school year, Chengdu University was approved to establish 1 new bachelor degree programme (robotics engineering) and 1 new vocational bachelor degree programme (software engineering technology); Chengdu University has cumulatively obtained 1 National-level First-class Bachelor Degree Programme Construction Site and 6 Provincial-level First-class Bachelor Degree Programme Construction Sites. During the Reporting Period, Chengdu University was approved with 1 National-level First-class Bachelor Degree Course (Mobile Application Development); it has cumulatively obtained 2 National-level First-class Bachelor Degree Courses and 31 Provincial-level First-class Bachelor Degree Courses.

Major honors and awards during the Reporting Period:

- Ranked third nationally and first in Sichuan among private universities in the Computer Competition Index for Undergraduate Students jointly released by the National Research Association for Computer Education in Higher Institutions, the National Virtual Teaching & Research Office for Faculty Development, and the Higher Education Digital Intelligence Evaluation Research Center of Hangzhou City University;

- In the 2025 Shanghai Ranking's Best Chinese Majors Ranking, virtual reality technology major ranked second nationally and first in Sichuan among private universities;

- In the First Teachers' Artificial Intelligence Application Capability Competition (《首屆教師人工智能應用能力大賽》) organized by the Department of Education of Sichuan Province, it won 1 First Prize and 3 Third Prizes;

- It was selected into the 2025 Sichuan Provincial High-Skilled Talents Training Base Construction Project (《2025年度四川省高技能人才培訓基地建設項目》) jointly launched by the Department of Human Resources and Social Security of Sichuan Province and the Department of Finance of Sichuan Province.

Guangdong University has currently offered 23 bachelor degree programmes, 3 junior college diploma programmes, 12 junior college to bachelor degree transfer programmes, including 1 health technology programme, and has cumulatively obtained 3 Provincial-level Firstclass Bachelor Degree Programme Construction Sites; During the reporting period, Guangdong University obtained 3 National-level First-class Bachelor Degree Course ("Network Attack and Defense", "Tax Law", "Introduction to E-commerce"); it has obtained 4 National-level First-class Bachelor Degree Course and 20 Provincial-level First-class Bachelor Degree Courses.

Major honors and awards during the Reporting Period:

- Won 4 Guangdong Provincial Excellent Teaching Achievement Award (Higher Education-Undergraduate Category), including 2 first prizes and 2 second prizes, achieving a dual breakthrough in both the quantity and quality of awards;

- In the 2025 Shanghai Ranking's Best Chinese Majors Ranking, visual communication design major ranked first among private universities in Guangdong Province, while animation major secured second place;

- Ranked 15th in China among private universities in the Jinpingguo "2025 China Ranking of Private Colleges and Universities Competitiveness";

- Recognized by the Guangdong Provincial Department of Education as a "2025 Guangdong Province Application Case of Digital Empowerment for High-Quality Education Development";

- Two teaching materials were recognized as "First Excellent Teaching Materials for Higher Education in Guangdong Province" by the Guangdong Provincial Department of Education;

- Recognized by China Education Online as a "University with High-Quality Employment Services" and a "Most Influential Undergraduate University Online".

2.1.2 Steady growth in student enrollment

The excellent quality of our three universities has been widely recognised by students and parents across the country, which enables us to continuously recruit high-quality students. In the enrollment for the 2025/2026 school year, in Dalian University, the highest admission score of physics stream is 99 scores higher than the university cut-off scores of Liaoning Province; in Chengdu University, the highest admission score of physics stream is 100 scores higher than the university cut-off scores of Sichuan Province; in Guangdong University, the highest admission score of physics stream is 68 scores higher than the university cut-off scores of Guangdong Province.

As of 31 December 2025, the total number of student enrolment in our three universities combined exceeded 59,000, representing an increase of 1.6% compared to the corresponding period in 2024; among them, the total number of undergraduate students combined exceeded 46,000, representing an increase of 4.2% compared to the corresponding period in 2024; leading to a steady increase in student enrolment.

	Student enrolment			Tuition fees and boarding fees standards	
	As of 31 December 2025	As of 31 December 2024	Percent of change	Tuition fee in 2025/2026 School year[1]	Boarding fees in 2025/2026 School year
Dalian University					
Bachelor degree programmes	**15,367**	15,466	–0.6%	28,000-34,000	2,400
Junior college diploma programmes	**2,290**	2,322	–1.4%	28,000	2,400
Junior college to bachelor degree transfer programmes	**5,625**	5,734	–1.9%	28,000-34,000	2,400
Subtotal	**23,282**	23,522	–1.0%		
Chengdu University					
Bachelor degree programmes	**21,810**	19,652	11.0%	18,000-20,000	2,000
Junior college diploma programmes[2]	**197**	510	–61.4%	–	–
Junior college to bachelor degree transfer programmes	**1,353**	1,438	–5.9%	18,000-20,000	2,000
Subtotal	**23,360**	21,600	8.1%		
Guangdong University					
Bachelor degree programmes	**8,990**	9,200	–2.3%	30,800-33,800	3,000
Junior college diploma programmes	**289**	241	19.9%	23,000	3,000
Junior college to bachelor degree transfer programmes	**3,159**	3,595	–12.1%	30,800-33,800	3,000
Subtotal	**12,438**	13,036	–4.6%		
Total	**59,080**	58,158	1.6%		

Notes: (1) The tuition fees for each school year are only applicable to new students enrolled in that school year.

(2) The Junior college diploma programmes of Chengdu University will stop enrolling students in the 2025/2026 school year.

2.1.3 Continuous Optimization of Campus Environment

In February 2025, Guangdong University purchased the land use right and initiated the construction project of University Science Park, International Conference Center, Dormitory and Training Center. For details, please refer to the announcements issued by the Company on 26 February 2025, 13 March 2025 and 19 November 2025. In June 2025, the "Healthcare Technology Park Dormitory Project (健康醫療科技園公寓項目)" of Dalian University completed topping-out of its main structure; currently, interior finishing, exterior finishing, and electromechanical works are under construction, and it is expected to be officially put into use in September 2026. In November 2025, the "Digital Art Development Center Construction Project (數字藝術發展中心建設項目)" of Chengdu University was initiated, with a total construction floor area of 16,700 square meters.

As of 31 December 2025, the campus capacity of the three universities has reached around 60,000 beds, and the comprehensive utilisation rate of the campus capacity of the higher education was approximately 100.0%. The following table sets forth the campus utilization:

	Campus capacity(1)		Utilisation rate(2)	
	As at 31 December 2025	As at 31 December 2024	**As at 31 December 2025**	As at 31 December 2024
Dalian University	**24,324(4)**	24,525	**95.7%**	95.9%
Chengdu University	**20,883(4)**	21,168	**111.9%(3)**	102.0%(3)
Guangdong University	**13,902(4)**	14,054	**89.5%**	92.8%
Total/Average	**59,109(4)**	59,747	**100.0%**	97.3%

Notes:

(1) The campus capacity of each university refers to the total number of beds in student dormitories as at 31 December in each corresponding year;

(2) The utilisation rate for each university is calculated as the total number of students enrolled in our higher education programmes as at 31 December in each corresponding year divided by the campus capacity at that time;

(3) The excess utilization rate refers to the fresh graduates to leave campus for internships;

(4) In 2025, three universities optimised and improved the student dormitory conditions to some extent and reasonably reduced the number of beds in dormitories.

Further Upgrading of Digital Campus Construction

Three universities of the Group have established and upgraded over 620 multimedia smart classrooms, all of which are equipped with smart hardware such as smart blackboard, high-definition camera, loudspeaker amplification system, electronic class card, sensors and smart central control, basically realizing the intelligence of classrooms throughout the school.

During the Reporting Period, we added video encoders and teaching evaluation cameras in our smart classrooms to realize regular class patrol and recording and broadcasting functions in all classrooms. In addition, we continued to deepen the in-depth integration of AI technology and smart campus construction through our self-developed smart education platform, and implemented intelligent application scenarios in multiple dimensions to comprehensively improve campus governance and education efficiency:

1. In the field of teaching supervision, AI recognition model was built based on patrol data to realize automatic and accurate identification of class attendance rate, concentration rate and interaction rate, and the efficiency of patrol supervision was significantly improved;

2. In the field of campus security, integrating the global security monitoring system to realize intelligent management of daily campus inspections, early warning of abnormal events, crowd flow control, and facility operation and maintenance; linking security situation awareness platform to build a full-link security protection system;

3. In the field of education services, the Company generated academic analysis reports based on student learning data, and accurately recommends customized exercises; through the portrait system (students, teachers, teaching), multi-dimensional accurate portraits are output, providing data support for personalized teaching, teacher training, etc., and empowering the high-quality development of education and teaching.

2.2 Education Technology and Services – Integrating Innovation and Going Abroad

We have built an educational intelligent platform integrating educational methodology, teaching resources and scientific research empowerment, deeply integrating educational theoretical research and cutting-edge technologies, and fully serving the cultivation of technical and skilled talents through a systematic product matrix. We have established an online-offline continuing education service framework that empowers both partner institutions and learners through first-class education technology products and services.

During the Reporting Period, the revenue generated from the education technology and services was approximately RMB288.5 million.

2.2.1 Education resources

We are driving the research, development, and application of emerging cutting-edge technologies such as AI, big data, and the metaverse in the education sector following the main line of technology empowering education. We have developed and iterated multiple platform software, teaching content, and smart practical training laboratories, enabling sustained optimization of our product portfolio:

Smart education platform software and teaching contents

We provide smart education platforms and software covering areas such as educational management, teaching operations, and practical teaching, empowering institutions to achieve personalized and intelligent education driven by data. As of 31 December 2025, our smart education platforms and software products available for sale are as follows:

Smart education platform	Education management software
• Smart Education Platform V3.0 • Metaverse Creation Sharing Platform – OpenNEU • Cloud Practice Platform • Cloud Training Platform • Theory-Practice Integrated Practice Platform • Comprehensive Innovation Quality Development Platform • Education Map Construction Management Platform • Smart Education AI Capability Platform	• Major Assessment and Evaluation System • Teaching Quality Evaluation System • Intelligent Student Management System • Engineering Education Certification Support System • Innovation and Entrepreneurship Education Management System

During the Reporting Period, we upgraded the Smart Education Platform with the core direction of "deep AI integration into the entire teaching process." A new NeuAI intelligent module was added, building a controllable and trustworthy AI capability system covering the entire scenarios of "teaching, learning, management, training, and evaluation" based on the "vertical large model + RAG + intelligent agent" technical path. This promotes the large-scale and normalized implementation of AI in teaching scenarios. Through product upgrades, the Smart Education Platform has formed an integrated and sustainably evolving smart education system, with AI as the core driver, integrating teaching support, learning services, capability evaluation, and process management. This effectively promotes more precise teaching, smarter classrooms, and more efficient learning.

In addition, we upgraded the Neusoft Metaverse Creative Creation and Sharing Platform (OpenNEU). Utilizing technologies such as big data, blockchain, generative artificial intelligence, spatial intelligence, and information security, it breaks the limitations of time and space through metaverse visualization, constructing a fusion of the real world and the virtual world. This allows teachers and students to enter a fully immersive, highly interactive learning scenario to acquire knowledge and enhance skills, providing schools with more personalized, efficient, and comprehensive learning support and services for teaching.

Leveraging on superior majors, focusing on the key elements of TOPCARES educational methodology and integrating key elements such as interactive design, we have developed digital teaching content including courses, projects, activities, experiments, activities, and capstone projects, forming a systematic content resource package. As of 31 December 2025, we focusing on five key professional groups: software development, artificial intelligence, big data, digital media and smart medical care, we have built more than 30 professional resource libraries, covering hundreds of digital courses and thousands of digital training projects.

Smart practical training laboratories

In line with the forefront of the industry and fully aligning with industrial practical experience and demands, we have established smart practical training laboratories that cater to the cultivation of applied talents and practical teaching in universities. Combined with the physical environment and related software and hardware equipment, the smart practical training laboratories provide a comprehensive integrated solution for practical training of academic majors, facilitating the transformation of teaching models from traditional "one-way instruction" to "immersive co-creation" and creating a more interactive and engaging learning experience for students.

As of 31 December 2025, our smart practical training laboratory products available for sale are as follows:

Majors	Smart Practical Training Laboratories
IT & AI	Intelligent and Connected Vehicle Practical Training Lab (智能網聯汽車實訓室), HarmonyOS Information Technology Innovation Practical Training Lab (鴻蒙Harmony信創實訓室), Intelligent Robotics Software Practical Training Lab (智能機器人軟件實訓室), Smart Manufacturing "Dual Carbon" Control Practical Training Lab (智能製造「雙碳」管控實訓室), Healthcare and Wellness Maintenance Practical Training Lab (健康頤養實訓室), Internet Software Testing Practical Training Lab (互聯網軟件測試實訓室), Artificial Intelligence Innovation Application Training Lab (人工智能創新應用實訓室), Large Model Practical Training Lab (大模型實訓室), Autonomous Driving Practical Training Lab (無人駕駛實訓室), Port Logistics Training Lab (港口物流實訓室), Intelligent Manufacturing Training Lab (智能製造實訓室), Embodied Intelligent Training Lab (具身智能實訓室), Intelligent Monitoring Practical Training Lab (智慧監控實訓室), Medical Imaging Practical Training Lab (醫學影像實訓室), Neutech Case Library (案例庫), Transportation Big Data Practical Training Lab (交通大數據實訓室), Financial Big Data Practical Training Lab (金融大數據實訓室), E-commerce Big Data Practical Training Lab (電商大數據實訓室), Telecommunications Big Data Practical Training Lab (電信大數據實訓室), Health Care Big Data Training Lab (康養大數據實訓室)
Digital Media	Omnimedia – Virtual Studio Practical Training Lab (全媒體類–虛擬演播實訓室), AI-XR Digital Interaction Engine Technology Development Practical Training Lab (AI-XR數字交互引擎技術開發實訓室)
Healthcare	Smart Health Care Training Lab (智慧養老照護實訓室)

During the Reporting Period, we developed an AIOT home-based elderly care training room, and built a comprehensive training system integrating "Teaching – Training-Scientific Research-Industry and Finance" based on the home-based elderly care scenario of the future smart home 4.0 concept. The training room is based on basic teaching, runs through comprehensive training to realize the closed-loop development of the whole-process business system of home care for the aged, explores cutting-edge fields such as large models and health data analysis by relying on scientific research and innovation, and simulates smart old-age care micro-solutions through school-enterprise training, finally fully adapting to the multi-dimensional needs of classroom teaching, project training, skills competition and enterprise pre-job training, and realizing the accurate connection between talent chain and industrial chain.

In the future, the Group will continue to focus closely on core directions such as artificial intelligence, software and computers, health and elderly care, and digital media, and combine industry and education needs to create a series of products with both technological leadership and scenario practicality.

Joint Establishment of Academic Majors and Industrial Colleges

Against the backdrop of robust policy support for vocational education development, the Group has been promoting and applying its educational resources among colleges, universities, and vocational institutions. Through joint establishment of academic majors or industrial colleges, it provides cooperative institutions with comprehensive support services, including facilitating educational and teaching reforms, building first-class courses, training teachers, and enhancing competition capabilities, thereby helping client institutions achieve digital transformation, deepen the integration of industry and education and enhance the quality of talent cultivation. We mainly conduct joint establishment of academic majors in the fields of IT, DT, and HT, and can co-establish five industrial colleges with cooperative institutions, namely the Digital Intelligence Industrial College, Artificial Intelligence Industrial College, Big Data Industrial College, Medical and Health Technology Industrial College, and Digital Media Industrial College.

As of December 31, 2025, we cooperated with 52 institutions in joint establishment of academic majors and industrial colleges, covering nearly 15,300 students.

Field	Main Cooperative Majors
IT	Software engineering, computer science and technology, intelligent science and technology, AI, data science and big data technology, internet of things engineering, electronic information engineering
DT	Digital media technology, intelligent imaging engineering, virtual reality technology, digital media art, visual communication design, animation, film & television photography and production
HT	Medical information engineering, medical imaging technology, intelligent medical engineering, health service and management, medical product management, elderly care service and management

During the Reporting Period, at the "New Industrialization Industry-Education Integration Exhibition" (《新型工業化產教融合展》) sponsored by the Education and Examination Center of the Ministry of Industry and Information Technology (the "MIIT"), the MIIT and the Group jointly released the "Collaborative Innovation and Construction Project of Professional and Technical Vertical Models", which is aimed at industries such as software development, artificial intelligence, big data, intelligent manufacturing, intelligent transportation, industrial robots, intelligent connected vehicles, digital media, intelligent medical care and low-altitude economy, and will cooperate with 100 colleges and universities to build a number of professional and technical vertical models with industry influence and teaching practicality, forming a set of solutions for smart courses, digital teaching materials, teaching resource libraries and talent evaluation system.

During the Reporting Period, the Group became the first Global Premium Partner (GPP) of WorldSkills International (WSI) in China, and Dr. Liu Jiren, the founder and chairman of the Group, was invited to attend the "WorldSkills International All Member States Conference" and signed the cooperation agreement. This fully reflects the Group's outstanding achievements in the cultivation of skilled talents in China, and at the same time, the improvement of the level of skilled talents in China has been widely recognized by the world. The Group will collaborate closely with WorldSkills International to drive innovation in vocational skill standards, deepen talent cultivation, and elevate competition standards worldwide.

During the Reporting Period, on the occasion of the 70th anniversary of the establishment of diplomatic relations between China and Egypt, the Group signed a cooperation agreement with Luban Workshop. In the future, the Group will deepen cooperation around three core dimensions: co-construction of digital talent training courses, teacher training and student practice, and deeply integrate into the construction of Luban Workshop, so as to improve the quality and efficiency of cooperation between the two countries. As a benchmark project of China's vocational education "Going Abroad", the construction of Luban Workshop has always been cared for and guided by the President Xi Jinping. The Group will closely follow the national strategic guidance, deeply explore the resources of the whole chain of digital talent training and the characteristic advantages of medical and nursing education, and innovatively empower the high-quality development of Luban Workshop.

2.2.2 Continuing education services

During the Reporting Period, we advanced our qualification application efforts on continuing education services, securing 4 national-level and 3 provincial-level training certifications. Leveraging our portfolio of over 90 training qualifications spanning national, provincial, municipal, and industry levels, we delivered 219 training programs to 112 institutional clients, representing an increase of 16% as compared with the whole year of 2024, with government entities, state-owned enterprises, and public institutions accounting for 88% of the projects. These programs trained over 20,000 participants, while 31% of clients have maintained partnerships for more than 3 years, underscoring the strong industry moat of our corporate training business and its recognition by high-standard clients.

The Group's self-developed online education platform–"Neuedu Online", provides integrated solutions for assessment, learning, employment and other full-chain intelligent training for governments, enterprises, students and teachers of colleges and universities, and individual users, helping government and corporate employees to improve their digital literacy, helping colleges and universities to cultivate complex and applied digital talents in line with the development trend of the new era, and empowering the careers of digital talents. In 2025, Neuedu Online was awarded the "Industry and Information Technology Talent Training Project Training Site" by the Education and Examination Center of the MIIT (2025).

As of 31 December 2025, "Neuedu Online" has accumulated 2.339 million registered users, with the highest-paying courses including those for Artificial Intelligence Application Specialists, JAVA Software Development Engineers, Big Data Analysts, VR Technology Application Engineer and Video Designers.

2.3 Elderly Care Technology and Services – Strategic Layout Taking Shape

To proactively address the profound impacts and unique opportunities arising from China's increasingly prominent "aging" society, we have strategically embarked on expanding and deepening our presence in the silver economy market. Adhering to the concept of "promote aging prevention through education and empower elderly care through technology", we have organized elderly care services from the two dimensions of technology and service, creating a new ecosystem integrating "education-healthcare-wellness". During the Reporting Period, the elderly care technology and services business achieved a revenue of approximately RMB9.3 million.

Citywide Smart Elderly Care Platform

To put the concept of "empowering elderly care through technology" into practice and fully leverage digital and intelligent means to develop the elderly care cause and industry, we have established smart healthcare solutions covering multiple scenarios. We have launched the "Citywide Smart Elderly Care Platform", creating a digital foundation that connects "government – institutions – communities – families". The Citywide Smart Elderly Care Platform represents new infrastructure for cities in the aging era. It is an integrated elderly care service system led by government guidance, supported by the platforms, driven by data, and coordinated by industries. It can activate the city elderly care service market and drive the transformation of elderly care service models from the traditional "consumers seeking service" to "targeting service at specific consumers". It delivers elderly care services that are "safe, standardized, reliable, precise, convenient, and comfortable", enabling smart, efficient, and personalized elderly care services. It plays a critical role in urban governance, livelihood security, and industrial development. Through the operation of the Citywide Smart Elderly Care Platform, innovation in elderly care models can be effectively driven, advancing the elderly care cause and fostering a thriving elderly care industry.

At the operational level of ToG, through collaboration with local governments, the platform serves as a vehicle for policy implementation, undertaking governmental functions such as the distribution of elderly care subsidies and the review of high-age allowances. By optimizing government efficiency through information-based processes, it ensures the timely and precise implementation of policies. The platform can collect real-time operational data such as bed occupancy rates and service satisfaction levels from local elderly care institutions, thereby strengthening industry regulation and maintaining market order. It also utilizes big data to analyze aging trends and demand hotspots for services, providing data-driven scientific decision-making support for government planning and resource allocation in elderly care.

At the operational level of ToC, the platform integrates resources from various service providers, including elderly care institutions, home-based care services, and elderly-friendly home modifications, achieving a comprehensive aggregation of services. Through an integrated online-to-offline model, it facilitates the matching of supply and demand for elderly care services and elderly-friendly products, offering all-scenario, all-around elderly care services and one-stop transaction functionalities. This provides the elderly with convenient, efficient, and personalized elderly care experiences.

At the operational level of ToB, the Group continues to research and develop elderly care technology products and introduces digital solutions for elderly care institutions. By leveraging the "Rui Xin Tong" integrated medical, wellness, and elderly care SAAS service system, it empowers elderly care service institutions and community service centers with digital intelligence, helping them expand their markets, improve management efficiency, and enhance service quality.

In the future, the Citywide Smart Elderly Care Platform business will accelerate its expansion to cities nationwide through the "one platform, two centers" model. In cities where the platform is deployed, it will simultaneously establish wellness talent training centers and senior education activity centers, serving the development of the local elderly care industry from multiple dimensions, and aspects including both the supply and demand sides, and achieve economies of scale through the growth of the number of cities.

As of 31 December 2025, on the launched "Shenyang Shengqing Kangyang (瀋陽盛情康養)" platform and the "Dalian Smart Kangyang (大連智慧康養)" platform, 30 core elderly care scenarios have been covered, serving over 50,000 users. These platforms have aggregated more than 1,750 high-quality service providers and listed nearly 8,000 elderly-friendly products and services, initially establishing a one-stop smart elderly care ecosystem that is agile in response and precisely tailored to needs. Since its launch in June 2025, the "Shenyang Shengqing Kangyang" platform has achieved a transaction volume near RMB10 million within just six months, gaining increasing recognition from elderly individuals and their families.

Elderly Education Services

Adhering to the philosophy that "aging prevention as the foundation of elderly care, and education drives elderly care", we have established the senior education activity center – "Neucare Phoenix Academy". Currently, Neucare Phoenix Academy has built a nationwide senior education network comprising "3 main campuses and 8 branch campuses". The curriculum covers areas such as digital literacy, health management, culture, and arts, helping seniors bridge the digital divide and adopt healthy lifestyles. Leveraging the educational resources of three universities, the strategically positioned elderly care resources of the Group, and the wellness tourism resources of the Yunshe hotels of invested Xikang Yunshe nationwide (for details, please refer to the Company's announcement issued on 20 May 2025), we have created a distinctive new model for elderly education under the Group's integrated "Education-Healthcare-Wellness" ecosystem, "LIFECARES" – encompassing enjoyment, wellness, healthcare, education, and engagement. In the future, Neucare Phoenix Academy will also be established in multiple cities nationwide alongside the promotion of the "Citywide Smart Elderly Care Platform" achieving rapid expansion.

As of 31 December 2025, Neucare Phoenix Academy had over 2,000 enrollments in its offline paid courses from elderly learners. Among these, learners under the age of 50 accounted for 27%, while those aged between 50 and 70 made up 66%. Learners who enrolled in two or more courses accounted for 53%, fully demonstrating the high quality and recognition of our curriculum.

Wecare Family Nursing Home

Wecare Family Nursing Home is an internationally high-end nursing care center under the Group and serves as a demonstration site for our elderly care technology products and the "Rui Xin Tong" integrated medical, wellness, and elderly care SAAS service system. Adhering to the "We Care" service philosophy, we are wholeheartedly dedicated to caring for the health, life, family, spirit, and dignity of the elderly. Through professional and meticulous medical-nursing care services, we inspire the elderly's passion and hope for life. At the same time, by integrating smart technology with deep medical-nursing convergence, we have created a high-quality wellness complex for advanced-age seniors requiring nursing care. Wecare Family Nursing Home currently has 50 rooms and 59 beds. Millimeter-wave radar sensors are installed in all rooms, which protect the privacy of elders while precisely detecting situations such as elders leaving their beds or falling and immediately notify staff. Smart bracelets continuously monitor elders' various physical indicators, and alarm in case of abnormalities. Customized family apps keep families updated in real-time about elders' diets, daily routines, and health status, enhancing their sense of security. The comprehensive deployment of the "Rui Xin Tong" integrated medical, wellness, and elderly care SAAS service system enables full-scale tracking of the elderly's physical condition, activity trajectory and care status, while also facilitating intelligent management of the facility's operations. Wecare Family Nursing Home breaks the conventional separation between medical treatment and elderly care, sharing medical services from tertiary hospitals. Its mission is to address the industry's pain points such as weak medical capabilities and untimely access to medical care in traditional nursing homes, and low comfort levels for long-term hospitalization, and to provide customised nursing and rehabilitation services to elders with basic to moderate and severe disability.

During the Reporting Period, Wecare Family Nursing Home was recognized by the Liaoning Provincial Department of Civil Affairs as a "Liaoning Province Five-Star Elderly Care Institution". This highest-level accreditation is not only a milestone in its own development but also signifies its strategic elevation from a traditional elderly care service provider to a "pioneer of elderly care solutions". As of 31 December 2025, the occupancy rate of Wecare Family Nursing Home reached 93%, among which, 96% were aged 80 or older and mainly for elders with semi-disability or worse.

2.4 Medical Services – Brand Influence Continues to Deepen

By integrating our education and healthcare operations, the Group has forged a new integrated development model encompassing "education-healthcare-wellness", blending the three key sectors of education, healthcare, and wellness care, this will foster a new business format, where education enhances healthcare and wellness, healthcare transitions into wellness and supplements education, and wellness supports and complements both healthcare and education. Medical services served as practical training bases and research hubs of our three universities, and at the same time provide robust medical support for the development of wellness care technology and services.

During the Reporting Period, the medical services achieved a total revenue of approximately RMB83.3 million.

Ruikang Cardiovascular Hospital

Ruikang Cardiovascular Hospital, jointly operated by the Second Affiliated Hospital of Dalian Medical University, is a non-profit tertiary-level cardiovascular disease specialist hospital. It obtained medical insurance settlement qualifications, with its fee standards determined according to the medical insurance pricing of municipal tertiary hospitals. As a teaching hospital characterized by its strong specialist departments and comprehensive medical services, Ruikang Cardiovascular Hospital focuses on pan-vascular disease management and provides comprehensive medical services throughout the entire life cycle. Currently, the hospital operates departments, including cardiology, neurology, general internal medicine, general surgery, orthopedics, medical weight loss center, intensive care ICU, endoscopy center, interventional therapy, chronic pain treatment and other related medical departments. Ruikang Cardiovascular Hospital can accommodate nearly 300 beds, which is a fully intelligent hospital with smart processes, equipped with state-of-the-art medical equipment both at home and abroad as well as different purified operating rooms to meet various needs of diagnosis and treatment, emergency and all types of surgical operations. Integrating medical treatment, education, research, prevention, and talent cultivation, Ruikang Cardiovascular Hospital brings together leading medical experts from the national level, the Second Affiliated Hospital of Dalian Medical University, and the First Affiliated Hospital of Dalian Medical University. Currently, it has been an important training base for teachers and students of healthcare technology, as well as an experience center and collaborative organization for the health and rehabilitation courses of the Neucare Phoenix Academy.

During the Reporting Period, Ruikang Cardiovascular Hospital successfully undertook the national cardiovascular high-risk screening project, becoming the only designated examination institution for this project in the Liaoning region. It obtained provincial qualifications for the mutual recognition of examination and test results, and completed the integration with the "Liaoning Provincial Mutual Recognition Platform for Examination and Test Results", becoming one of the first batch of hospitals in the province and the first private medical institution among the 9 tertiary hospitals in Dalian to go live on this platform. In 2025, the Ruikang Cardiovascular Hospital received nearly 58,000 outpatient and emergency visits, and the number of inpatient and surgical admissions exceeded 11,000.

Ruikang Stomatological Hospital

Ruikang Stomatology Hospital is the second large-scale tertiary-standard smart stomatological specialist hospital in Dalian. It obtained medical insurance settlement qualifications and introduced international advanced diagnostic and treatment equipment and smart medical systems. Currently, it operates the Comprehensive Stomatological Medical Center, Maxillofacial Surgery and Implantology Center, Children's Dental Medical Center, Orthodontics and Aesthetic Center and Medical and Aesthetics Center. Integrating clinical practice, education, training, research, and prevention, Ruikang Stomatological Hospital combing medical and engineering expertise to build a smart stomatological hospital, has become the R&D center and practical base for our universities' teachers and students of healthcare technology.

During the Reporting Period, Ruikang Stomatology Hospital was awarded the honor of Liaoning Province Elderly-Friendly Medical Institution (《遼寧省老年友善醫療機構》) by the Health Commission of Liaoning Province. In 2025, Ruikang Stomatological Hospital received over 23,000 outpatient visits.

2.5 Industry Management and Services – Service Model Continuously Optimized

To better utilize campus assets, create a more beautiful campus environment, and provide more convenient living services for teachers and students, we have leveraged the Industrial Service Company comprising the Group to implement unified management and professional operations for university science parks, campus life services, and campus infrastructure maintenance at three universities. During the Reporting Period, the campus life services business achieved a total revenue of approximately RMB36.8 million.

Campus Life Services

Serving over 60,000 teachers, students and staff, we provide safe, high-quality and convenient support services including catering, retail and vending machines. Through formats such as brand introduction, self-operation, joint ventures and franchising, we explore diversified, distinctive and value-added service models to comprehensively meet the diverse needs of various groups.

During the Reporting Period, the three universities and science parks housed over 150 merchants, including newly introduced catering brands such as KFC, McDonald's and Luckin Coffee, as well as retail brands like Lawson and 711foodbar. In addition, in response to policy requirements for strengthening campus food safety, we fully implemented centralized procurement of bulk ingredients and established a digital management platform for ingredient procurement, promoting the formation of a closed-loop food safety supervision system characterized by "traceable sources, controllable processes, preventable risks and accountable responsibilities". At the same time, by breaking away from traditional models, formulating service standards for the catering industry and refining daily operational management norms, we have significantly enhanced the quality of dishes and service standards at food stalls.

Science Park Operations

The industrial service company actively integrates into regional industrial transformation, upgrading, and innovation-driven development, striving to create a competitive and uniquely charming science park ecosystem. It has established a distinctive operational system characterized by "Three Locations, Three Parks, and Three Platforms". "Three Locations" refers to the coordinated planning and integrated layout of the "Dalian Park, Chengdu Park, and Foshan Park"; "Three Parks" refers to the interconnected sharing and deep integration of the "education parks, digital parks, and healthcare-wellness parks"; "Three Platforms" refers to the "lifelong education, technological innovation, and healthcare, wellness and mind tour" service platforms established based on the Group's various business segments, which can provide strong support for the sustainable development of enterprises in the park.

The Dalian Park currently host renowned companies such as HPI from the United States, ALPSALPINE from Japan, FESTO from Germany and H3C. The Dalian Park has established Liaoning Province's first private provincial-level science-technology park to the university, been approved as a National-Level Public Innovation Room (國家級眾創空間), and become an important component of the "National Software Industry Base" and "China's Service Outsourcing Model City". The Chengdu Park, as a National-Level Public Innovation Room, focuses on building a boundary-less and multi-functional platform for industry – academia – research – application. Integrating the Kangdao Courtyard, International Academic Exchange Center, laboratories, and research platforms, it creates a new model of industry-academia-research and a new ecosystem of education, healthcare, and wellness integrating applied research, scenario-based R&D, wellness services, technology development, internships and training, academic exchanges, art exhibitions, and student activities. The Foshan Park's 18MALL Entrepreneurship Park (18MALL創業園) and South China Neusoft IT Entrepreneurship Park (華南東軟IT創業園) have been successively recognized as "National-Level Public Innovation Room" and "National-Level Technology Business Incubator". Through industry-academia-research integration, entrepreneurship practice and incubation, and bringing enterprises into schools, it has now been developed into an open, shared, and industry-education integrated dual-innovation ecosystem.

Infrastructure Engineering and Property Maintenance Management

To build and sustain a beautiful, comfortable, and high-quality ecological environment and landscape for campuses and science parks, the industrial company undertakes the Group's infrastructure engineering management and property maintenance management. Adhering to the principles of professionalism, efficiency, and quality foremost, it continuously promotes the standardization of various business processes, intensive management, and maximization of benefits, so as to realize the efficient and integrated implementation of the logistics work of the Group and better match the needs of logistical support.

During the Reporting Period, infrastructure projects such as the Healthcare Technology Park Dormitory and Rehabilitation Hospital, the Dujiangyan Neusoft Digital Art Development Center, and the Guangdong College International Exchange Center progressed in an orderly manner. Among these, the Healthcare Technology Park Dormitory are expected to be completed and put into use in 2026, providing support and assurance for the expansion of Dalian University.

3 FINANCIAL REVIEW

Revenue

Our revenue was approximately RMB2,039.2 million for the year ended 31 December 2025, representing a decrease of 1.5% as compared with the corresponding period of last year. Details of analysis are as follows:

- Revenue derived from our formal higher education services was approximately RMB1,621.3 million, representing a decrease of 0.3% as compared with the corresponding period of last year, mainly due to revenue fluctuations caused by differences in the teaching calendar, while the number of students still increased slightly.

- Revenue generated from the education technology and services was approximately RMB288.5 million, representing a decrease of 19.8% as compared with the corresponding period of last year, this comprised: (i) revenue generated from the education resources was approximately RMB184.6 million, representing a decrease of 16.3% as compared with the corresponding period of last year, mainly due to government and universities controlling expenses and delaying acceptance; and (ii) revenue derived from the continuing education services was approximately RMB103.9 million, representing a decrease of 25.3% as compared with the corresponding period of last year, primarily due to the decrease in revenue from the continuing education services caused by a reduction in student enrollment resulting from market changes.

- Revenue from elderly care technology and services was approximately RMB9.3 million, mainly due to (i) an increase in revenue from elderly care services and elderly education services; and (ii) the commencement of operations of the citywide smart elderly care platform, achieving a breakthrough in revenue generation.

- Revenue derived from the medical services was approximately RMB83.3 million, representing an increase of 46.6% as compared with the corresponding period of last year, mainly due to the Group's completion of the acquisition of Neusoft Healthcare and its subsidiaries on 31 May 2024, with the consolidation timing effect contributing to the revenue increase.

- Revenue from campus life services was approximately RMB36.8 million, representing an increase of 31.6% compared to the corresponding period of last year, mainly due to an increase in revenue from supply chain services and the increase in management income driven by innovations in life service models.

Cost

Our cost of sales was approximately RMB1,136.3 million for the year ended 31 December 2025, representing an increase of 5.7% as compared with the corresponding period of last year, mainly due to (i) the increase of staff remuneration and cost of pharmaceuticals in the medical services resulting from the impact of the consolidation timing of Neusoft Healthcare and its subsidiaries, and (ii) the increase of depreciation expenses, as the expansion projects of three universities have been completed and put into use gradually.

Gross Profit

As a result of the foregoing, our gross profit was approximately RMB902.9 million for the year ended 31 December 2025, representing a decrease of 9.2% as compared with the corresponding period of last year.

Selling Expenses

Selling expenses were approximately RMB44.7 million for the year ended 31 December 2025, representing a decrease of 8.1% as compared with the corresponding period of last year, mainly due to the Company formulating new sales strategies, optimizing sales force and improving sales performance.

Administrative Expenses

Administrative expenses were approximately RMB194.9 million for the year ended 31 December 2025, representing a decrease of 8.8% as compared with the corresponding period of last year, mainly due to the Company's optimization of performance incentive methods and improvement of administrative management performance.

Research and Development Expenses

Research and development expenses were approximately RMB26.1 million for the year ended 31 December 2025, representing a decrease of 31.8% as compared with the corresponding period of last year. Such decrease was mainly due to the optimization of the research and development team, the implementation of university-industry collaboration, and the improvement of research and development efficiency and output by the Company.

Net Impairment Losses on Financial Assets

Net Impairment Losses on Financial Assets was approximately RMB-7.8 million for the year ended 31 December 2025, representing a decrease of 150.4% as compared with the corresponding period of last year, mainly due to the recovery of some receivables, which led to a reduction in the bad debt ratio.

Other Income

Other income was approximately RMB72.9 million for the year ended 31 December 2025, representing a decrease of 15.9% as compared with the corresponding period of last year, mainly due to the decrease of government grants.

Net Finance Expenses

Net finance expenses were approximately RMB114.1 million for the year ended 31 December 2025, representing an increase of 20.9% as compared with the corresponding period of last year, mainly due to the increase of interest expenses.

Income Tax Expenses

Income tax expenses were approximately RMB148.4 million for the year ended 31 December 2025, representing a decrease of 13.2% as compared with the corresponding period of last year, mainly due to the decrease in taxable profit during the Reporting Period.

Profit for the Year

As a result of the foregoing, for the year ended 31 December 2025, profit for the year decreased by approximately 13.8% as compared with the corresponding period of last year. Meanwhile, the earnings per share decreased by approximately 12.5% as compared with the corresponding period of last year, mainly due to the decrease in profit for the year during the Reporting Period.

Net profit attributable to owners of the Company was approximately RMB404.8 million for the year ended 31 December 2025, representing a decrease of 13.1% as compared with the corresponding period of last year, mainly due to the decrease in profit for the year.

Non-IFRS Accounting Standards Measures

To supplement the Group's Consolidated Financial Statements which are presented in accordance with IFRS Accounting Standards, the Group also use "Adjusted Net Profit", "Adjusted Net Profit Attributable to Owners of the Company" and "Adjusted Net Profit Margin" as additional financial measures. The Group's Adjusted Net Profit is calculated as profit for the period/year after deducting the impact of net exchange losses/(gains) and net fair value losses/(gains) on unlisted fund investments. The Adjusted Net Profit Attributable to Owners of the Company is calculated as profit for the period/year attributable to owners of the Company after deducting the impact of net exchange losses/(gains) and net fair value losses/(gains) on unlisted fund investments. The Group defines Adjusted Net Profit Margin as Adjusted Net Profit divided by revenue. IFRS Accounting Standards does not define the Adjusted Net Profit, Adjusted Net Profit Attributable to Owners of the Company or Adjusted Net Profit Margin. The use of the Adjusted Net Profit, the Adjusted Net Profit attributable to owners of the Company and the Adjusted Net Profit Margin as the analysis tools has significant restrictions, because each of them does not include all items affecting the Group's profit for the period/year and the profit attributable to the owner of the Company within the period/year. The Company presents these financial measures because it may eliminate potential impacts of non-recurring items that the management do not consider to be indicative of the Group's operating performance. The Company also believes that such non-IFRS Accounting Standards measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations of the Group in the same manner adopted by the management of the Company and in comparing financial results across accounting periods with peer companies.

In light of the limitations for Adjusted Net Profit, Adjusted Net Profit Attributable to Owners of the Company and Adjusted Net Profit Margin, when assessing the Group's operating and financial performance, you should not view Adjusted Net Profit, Adjusted Net Profit Attributable to Owners of the Company and Adjusted Net Profit Margin in isolation or as a substitute for the Group's profit for the period/year or any other operating performance measure that is calculated in accordance with IFRS Accounting Standards. In addition, because this non-IFRS Accounting Standards measure may not be calculated in the same manner by all companies, they may not be comparable to other similarly measures used by other companies.

The following table reconciles the Group's Adjusted Net Profit for the year presented to the profit for the year calculated and presented in accordance with IFRS Accounting Standards:

	For the year ended 31 December	
	2025	2024
	(RMB'000)	(RMB'000)
Profit for the year	**403,060**	467,319
Adjusted items:		
Net fair value losses on unlisted fund investments	**4,159**	–
Net exchange losses/(gains)	**170**	(1,227)
Adjusted Net Profit	**407,389**	466,092

Adjusted Net Profit was approximately RMB407.4 million for the year ended 31 December 2025, representing a decrease of 12.6% as compared with the corresponding period of last year. Adjusted net profit margin were 20.0% and 22.5% for the years ended 31 December 2025 and 31 December 2024, respectively.

The following table reconciles the Group's Adjusted Net Profit Attributable to Owners of the Company for the year presented to the profit for the year attributable to owners of the Company calculated and presented in accordance with IFRS Accounting Standards:

	For the year ended 31 December	
	2025	2024
	(RMB'000)	(RMB'000)
Profit for the year attributable to owners of the Company	**404,799**	465,619
Adjusted items:		
Net fair value losses on unlisted fund investments	**4,159**	–
Net exchange losses/(gains)	**170**	(1,227)
Adjusted Net Profit Attributable to Owners of the Company	**409,128**	464,392

Adjusted Net Profit Attributable to Owners of the Company was approximately RMB409.1 million for the year ended 31 December 2025, representing a decrease of 11.9% as compared with the corresponding period of last year.

Financial and Liquidity Position

Liquidity, Financial Resources and Capital Structure

The Shares of the Company were successfully listed on the Main Board of the Stock Exchange on 29 September 2020.

As at 31 December 2025, the issued share capital of the Company was HK$129,244, and the number of issued ordinary Shares was 646,219,735 of HK$0.0002 each.

As at 31 December 2025, cash and cash equivalents of the Group amounted to approximately RMB1,351.0 million (31 December 2024: approximately RMB1,664.8 million). As at 31 December 2025, total borrowings from financial institutions of the Group amounted to approximately RMB3,279.7 million (31 December 2024: approximately RMB3,104.0 million). The maturity range of borrowings is from one year to more than five years. As at 31 December 2025, borrowings of the Group are denominated in RMB(31 December 2024: denominated in RMB). Interests were charged at fixed rates and floating rates, with approximately RMB509.1 million for fixed rate loans and approximately RMB2,770.6 million for floating rate loans. The Group did not carry out any interest rate hedging policy.

Treasury Policy

The 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 the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

Net Current Liabilities

As of 31 December 2025, the net current liabilities amounted to approximately RMB213.0 million (31 December 2024: approximately RMB275.5 million), such decrease was mainly due to the decrease of trade and other receivables, resulting in a decrease in total current liabilities.

As at 31 December 2025, the current ratio of the Group (i.e. current assets divided by current liabilities) was 0.91 (31 December 2024: 0.89).

Contingent Liabilities

As at 31 December 2025, the Group did not have any contingent liabilities or any material litigation against the Group.

Foreign Exchange Exposure

The majority of the Group's revenue and expenditures are denominated in RMB. During the year ended 31 December 2025, 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.

Charge on Assets

As at 31 December 2025, the Group had (i) bank borrowings of RMB2,028.5 million pledged by certain collection rights of tuition fees and boarding fees, (ii) bank and other borrowings of RMB161.7 million pledged by certain equity interests, and (iii) other borrowings of RMB14.5 million mortgaged by certain medical equipment, electronic equipment, etc.

Interest-bearing Debt to Assets Ratio

As at 31 December 2025, the interest-bearing debt to assets ratio (being total debt divided by total assets, of which total debt refers to the sum of interest-bearing bank loans, other borrowings, and lease liabilities) of the Group was 43.7% (31 December 2024: 44.0%).

Gearing Ratio

As at 31 December 2025, the gearing ratio (being total debt divided by total equity, of which total debt refers to the sum of interest-bearing bank loans, other borrowings and lease liabilities) of the Group was 132.2% (31 December 2024: 139.7%).

Capital Expenditures

The capital expenditures of the Group for the year ended 31 December 2025 amounted to approximately RMB553.6 million, which was primarily related to the upgrade and expansion of our campuses.

Material Acquisitions or Disposals of Subsidiaries, Associates and Joint Venture

On 20 May 2025, we acquired approximately 4.2255% equity interest in Xikang Yunshe at a consideration of RMB30.0 million and made a capital contribution of RMB45.0 million to Xikang Yunshe. For details, please refer to the Company's announcements dated 20 May 2025 and 30 June 2025. As of 31 December 2025, the Group held approximately 9.9341% equity interest in Xikang Yunshe.

Save as disclosed above, for the year ended 31 December 2025, the Group had no other material acquisitions or disposals of subsidiaries, associates and joint ventures.

Significant Investments Held

For the year ended 31 December 2025, the Company did not have any significant investment accounting for 5% or more of the Company's total assets.

Future Plans for Material Investments or Capital Assets

On 14 February 2025, Dalian University successfully won the bid for the land use rights of a land parcel located at the High-tech Industrial Zone in Dalian City through a public auction, and entered into the Confirmation Letter with Bureau of Natural Resources, Dalian, China. The land parcel occupies a site area of 2,582.65 square meters, designated for commercial and financial use, with a land tenure of 40 years and a construction area of not more than 8,000 square meters. On 6 March 2025, Dalian University further entered into the Land Use Rights Grant Contracts with Bureau of Natural Resources, Dalian, China in respect of the acquisition of the aforementioned land parcel. The consideration for the acquisition of the land use rights of the land parcel amounted to RMB18.44 million, which was fully settled by internal resources of the Group. The Bureau of Natural Resources, Dalian, China has delivered the land parcel to Dalian University.

On 26 February 2025, Guangdong University successfully won the bid for the land use rights of two land parcels located in Nanhai District, Foshan City through a public auction, offered for sale by the Foshan Natural Resources Bureau (佛山市自然資源局). On 28 February 2025, Guangdong University entered into a Confirmation Letter with Foshan Natural Resources Bureau in respect of the acquisition of the aforementioned land parcels. On 12 March 2025, Guangdong University further entered into the Land Use Rights Grant Contracts with Foshan Natural Resources Bureau in respect of the acquisition of the aforementioned land parcels. The total consideration for the acquisition of land use rights of two land parcels amounted to RMB108.53 million, which was fully settled by internal resources of the Group. The Foshan Natural Resources Bureau has delivered the land parcels to Guangdong University. Please refer to the announcements dated 26 February 2025 and 13 March 2025 of the Company for details.

On 16 October 2025, Dalian University and Dalian Huayu Construction Group Co., Ltd. ("**Huayu Construction**") entered into the Construction Contract for the general contracting project of Dalian Ruikang Rehabilitation Hospital (Dalian Neutech Health Technology Training Base Phase III), with a tentative consideration of RMB30.0 million (subject to adjustment). After the completion of the construction drawings of the project, parties will determine the fixed consideration of the project by entering into a supplementary agreement. The fixed consideration is expected to not exceed RMB33.0 million. On 19 November 2025, Guangdong University and Huayu Construction entered into the Construction Contract for the general contracting project of the International Conference Center Block D and E of Neusoft Institute of Guangdong, with a tentative consideration of RMB98.0 million (subject to adjustment); Chengdu University and Huayu Construction entered into the Construction Contract for the general contracting project of the Dujiangyan Qingchengshan Neutech Digital Art Development Center, with a tentative consideration of RMB55.0 million (subject to adjustment). Please refer to the announcement dated 19 November 2025 of the Company for details.

Save as disclosed above and in this report, the Group did not have any other plans for material investments or capital assets as of the date of this report.

4 EMPLOYEE AND REMUNERATION POLICY

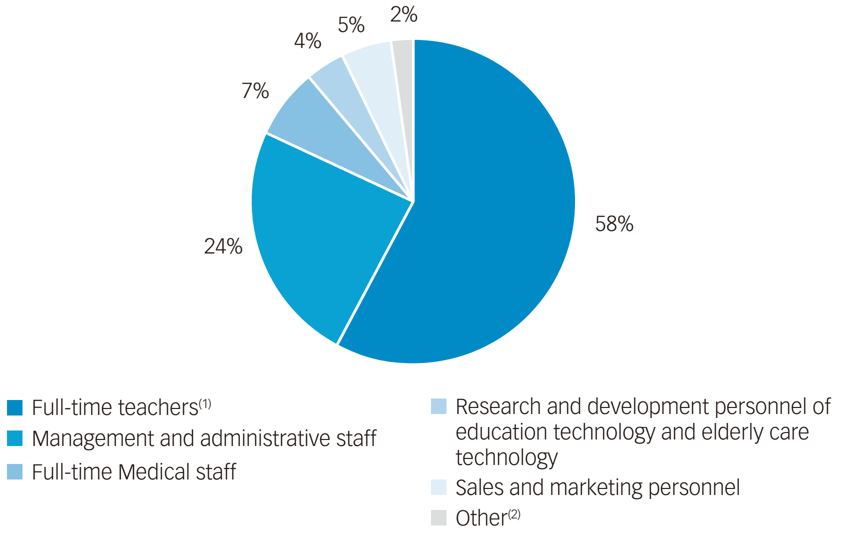
To better serve the Group's integrated "Education, Healthcare and Wellness", the Group is committed to building a professional, practical and internationalized team of a high standard. Therefore, attracting, recruiting, and retaining high-quality employees are essential to the success and sustainability of the Group. The Group provides employees with a competitive remuneration package, which is determined in accordance with prevailing industry practice and employees' educational backgrounds, work experiences and performance. At the same time, as required by the applicable laws and regulations, the Group participates in various employee social security plans for its employees that are administered by local governments, including housing provident funds, pensions, medical insurance, maternity insurance, work-related injury insurance and unemployment insurance. In addition, the Group provides its employees with relevant training courses suited to their personal career development, and provides them with benefits, including commercial insurance, welfare medical examinations, and holiday gifts.

The Company adopted a Pre-IPO Share Incentive Scheme on 19 June 2019 and a Post-IPO Share Incentive Scheme on 11 September 2020 to motivate Directors and eligible employees. Details of such plans are set out in the section headed "Share Incentive Schemes" of the Appendix V to the Company's Prospectus. As of 31 December 2025, 33,135,452 options had been cancelled, 4,727,616 options had lapsed, and 3,388,535 options had been exercised under the Pre-IPO Share Incentive Scheme; no options had been granted, exercised, lapsed or cancelled under the Post-IPO Share Incentive Scheme.

For the year ended 31 December 2025, the total cost of employee remuneration of the Group (including Directors' fees) was RMB762.4 million (for the year ended 31 December 2024: RMB747.0 million). There were a total of 2,359 full-time teachers and 1,111 part-time teachers in our three universities. Approximately 96.1% of the full-time teacher team have a master degree or Ph.D. degree, approximately 46.8% with engineering practice experience in enterprises. Our medical and nursing team comprises 272 individuals, including 9 part-time doctors. Approximately 39% of the full-time doctor team has ten to twenty years of experience, and approximately 24% of the team has over twenty years of experience. Furthermore, we have collaborated closely with multiple hospitals and doctor groups, providing a multisite practice sharing platform for renowned doctors and building a robust medical team cooperation and service network. We have nearly 150 full-time research and development personnel of education technology and elderly care technology, which serves as the cornerstone for our continuous launch of high-quality courses, educational technology products, and elderly care technology products.

As of 31 December 2025, the Group had 4,081 full-time employees, of which the function distribution is set forth as the chart below:

Function distribution of employees



Notes:

(1) Including full-time teachers in the Group's three universities and training instructors of other businesses;

(2) Including the Group's project support personnel and service personnel.

The Group only has defined contribution pension schemes. The Group's employees in China participate in the defined contribution retirement scheme managed by local government, which is contributed to at a certain percentage of payroll costs determined by the relevant local government. As of 31 December 2025, there were no forfeited contributions available (being contributions handled by the Group on behalf of its employees who left the scheme prior to vesting fully in relevant contributions) which may be used to reduce the contributions payable in the future or to reduce the Group's existing level of contributions under the pension schemes, and there was no forfeited contribution used during the year ended 31 December 2025.

5 FUTURE DEVELOPMENT

The Group will achieve multi-business integration through resource integration and complementary advantages, build an integrated development model of "Education, Healthcare and Wellness", and address the survival challenges of single-business operations to enhance risk resistance, meet diversified needs, and expand market space. The Group will provide digital and intelligent education, healthcare and wellness products and services that cover the entire life cycle.

In terms of higher academic education, we are committed to "stabilizing scale and consolidating foundations, while enhancing quality and strengthening core competencies". Taking "improving quality and enhancing excellence" as the core guideline, we empower teaching reform with AI and pursue high-quality development. We continuously iterate and upgrade the TOPCARES educational methodology, integrating the entire chain of "enrollment-training-employment" and building a new educational ecosystem characterized by "human-machine collaboration, industry-education integration, and data-driven approaches". We will develop a digital campus, steadily expand campus capacity, efficiently utilize school-running assets and resources, and build medical care training bases to provide support for the expansion of education technology and services.

In terms of education technology and services, guided by the strategy of "AI+ Education and Deep Integration of Industry and Education", we stay aligned with national policies, industry trends, and educational reform directions. We are dedicated to R&D efforts to create a flagship product matrix characterized by "AI-driven, scenario-led, and integrated software and hardware solutions". We are building a data-driven precision marketing and delivery system centered on customer value, comprehensively empowering our client institutions to achieve digital and intelligent transformation by connecting ecosystems. We continuously improve the continuing education service system, strengthen the "Neusoft Training" brand, accelerate the local implementation of projects, and build a closed loop for cultivating and supplying health care professionals centered around "Education + Wellness", encompassing curriculum, certification, and employment, thereby continuously cultivating and supplying high-quality professional talent for society.

In terms of elderly care technology and services, we are accelerating the nationwide deployment of citywide smart elderly care platforms, systematically building a standardized business system of "one platform, two centers". Online, we focus on enhancing the platform's trading and operational capabilities; offline, we establish talent training and senior education centers. By aggregating ecosystem partners, we aim to create a standardized and replicable operational model. By integrating technologies such as "AI + big data + cloud computing + the Internet of Things + mobile internet", we will develop smart healthcare solutions. We will utilize smart products and information system platforms to propel the transformation and upgrading of the elderly care industry through intelligence, digitalization, and technological innovation.

In terms of medical services, we are advancing from single-disease treatment to full-cycle health management, building a full-chain proactive health management system that includes "early screening and treatment of chronic diseases + personalized lifestyle prescriptions + functional medicine interventions". We are committed to creating high-quality destinations that integrate professional assessment, specialized rehabilitation, and physical and mental healing. Through the fusion of full-chain health management and immersive experiences, we deliver a complete, seamless, and heartfelt experience of value in full-lifecycle health management to our clients.

In terms of industry management and services, we adhere to the principles of "service-oriented, efficiency-focused, resource integration, and refined operations". We systematically promote various businesses to enhance quality and efficiency, actively attract high-quality enterprises, and continuously optimize the campus ecosystem that integrates education, healthcare and wellness. We will strengthen food safety defenses, improve campus living facilities, and enhance service quality and convenience. We will coordinate infrastructure development and property maintenance, strengthen resource synergy and refined management, and build and maintain a beautiful and smart campus.

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

As of the date of this Report, our Board consists of nine Directors: one executive Director, five non-executive Directors and three independent non-executive Directors. The following table sets forth information regarding the Directors.

Name	Age	Position	Roles and responsibilities	Date of joining the Group	Date of Appointment as Director
LIU Jiren (劉積仁)	70	Non-executive Director, Chairperson	Overall strategic planning, overall management and business direction	Jun 2000	31 Aug 2018
WEN Tao (溫濤)	63	Executive Director, Chief executive officer, President	Overseeing operational performance and daily management	Jun 2000	31 Aug 2018
RONG Xinjie (榮新節)	63	Non-executive Director	Providing professional advice to the Board	Jan 2013	31 Aug 2018
ZHANG Xia (張霞)	60	Non-executive Director	Providing professional advice to the Board	May 2022	27 May 2022
ZHANG Yinghui (張應輝)	53	Non-executive Director	Providing professional advice to the Board	Feb 2003	31 Aug 2018
SUN Yinhuan (孫蔭環)	76	Non-executive Director	Providing professional advice to the Board	May 2021	25 May 2021
LIU Shulian (劉淑蓮)	71	Independent non-executive Director	Providing independent opinion and judgement to the Board	Aug 2018	31 Aug 2018
QU Daokui (曲道奎)	64	Independent non-executive Director	Providing independent opinion and judgement to the Board	Aug 2018	31 Aug 2018
WANG Weiping (王衛平)	74	Independent non-executive Director	Providing independent opinion and judgement to the Board	Aug 2018	31 Aug 2018

Chairperson

Dr. LIU Jiren (劉積仁)

Dr. J. Liu, aged 70, is a non-executive Director, chairperson of our Board, chairperson of the Nomination Committee, and a member of the Remuneration Committee of the Company. He is a core founding member of the Group (and Neusoft Holdings Group). He has been and is currently the director, president or chairperson of the board of a number of the Group members, including: (i) our universities (since establishment); (ii) our school sponsors, Dalian Development (from July 2002 to December 2022), Chengdu Development (from July 2002 to July 2022), and Foshan Development (from January 2002 to May 2023); (iii) director of Neutech HK and Neutech BVI (both since September 2018); (iv) Dalian Neusoft Ruixin (since establishment); (v) Neusoft Education Technology (since establishment); (vi) Neusoft Healthcare (since establishment); (vii) Neusoft Ruixin Health Technology (since establishment); (viii) Industrial Service Company (since July 2024); (ix) Chengdu Neutech Health Management Co., Ltd. ("**Chengdu Neutech Health**") (since October 2024); (x) Shenyang Shengqing Kangyang Industry Co., Ltd. ("**Shenyang Shengqing Kangyang**") (since June 2025); and (xi) Dalian Shuzhi Health Industry Co., Ltd. ("**Dalian Shuzhi Kangyang**") (from June 2025 to April 2026). Dr. J. Liu is also the chairperson of Neusoft Holdings since November 2011.

Dr. J. Liu received his bachelor's, master's and doctorate degrees in computing (計算機) from Northeastern University (東北大學, formerly known as Northeastern University of Technology (東北工學院)) in April 1980, December 1982 and November 1987, respectively.

Aside from the Group, Dr. J. Liu has more than 35 years of experience in the education industry. He was formerly a lecturer at the Northeastern University from May 1987 to June 1988 and a vice-principal from March 1995 to August 2014 and he has been a professor of the university since June 1988. Dr. J. Liu is the chairperson of Neusoft Corporation (a company listed on the Shanghai Stock Exchange, stock code: 600718) from August 1999 to April 2025 and since April 2025, he has been serving as the honorary chairman and director of Neusoft Corporation. He was the CEO from June 2008 to April 2021 of Neusoft Corporation. Dr. J. Liu has also served as a non-executive Director and chairman of Xikang Cloud Hospital Holdings Inc. (a company listed on the Stock Exchange of Hong Kong, stock code: 9686) since July 2011.

Save as disclosed in this section, Dr. J. Liu did not hold any directorships in any other listed companies during the three years prior to and including the date of this Report.

Executive Director

Dr. WEN Tao (溫濤)

Dr. Wen, aged 63, is an executive Director, chief executive officer and president of the Company. Dr. Wen has served, or acted as a director or chairman of various companies of the Group, including: (i) director and general manager of Dalian Neusoft Ruixin (since May 2019); (ii) principal (from April 2004 to March 2022), honorary principal (since March 2022), a director (since April 2004) and vice chairman (since April 2020) of Dalian University; (iii) a director (since establishment) and vice chairman (since May 2018) of Chengdu University; (iv) a director (since establishment) and vice chairman (since June 2019) of Guangdong University; (v) director (since July 2002), general manager (from January 2012 to December 2022) and chairman (since December 2022) of Dalian Development; (vi) director (since July 2002) and chairman (since July 2022) of Chengdu Development; (vii) director (since January 2002) and chairman (since May 2023) of Foshan Development; (viii) chairman of Neusoft Ruixin Health Technology (since establishment); (ix) director (since August 2018) and general manager (from August 2018 to March 2025) and chairman (since March 2025) of Neusoft Education Technology; (x) chairman of Industrial Service Company (since July 2024); (xi) director (since June 2023) and chairman of Neusoft Healthcare (since September 2024); (xii) chairman of Shanghai Neusoft Ruixin Technology Co., Ltd. (since December 2024); (xiii) chairman of Chengdu Neutech Health (since October 2024); (xiv) chairman of Shenyang Shengqing Kangyang (since June 2025); (xv) chairman of Dalian Shuzhi Kangyang (since June 2025); and (xvi) director of Neutech HK and Neutech BVI (both since September 2018).

Dr. Wen received his bachelor's degree in aviation electrical engineering (航空電氣工程) and master's degree in engineering, majoring in signals, circuits and systems (信號、電路與系統) from Northwestern Polytechnical University (西北工業大學) in China in July 1984 and April 1987, respectively. He also completed a doctorate degree in engineering (工學) at Northeastern University in March 1994.

Dr. Wen is a director since November 2011 and vice-president of Neusoft Holdings from January 2013 to May 2021. He also holds a number of directorships in related companies of Neusoft Holdings, including: Dalian Ruidao Yibo Education Information Technology Co., Ltd. (大連睿道易博教育信息技術有限公司) from August 2018 to February 2026, as well as a supervisory position in Shenyang Kang Ruidao since December 2014. Shenyang Kang Ruidao holds interests in Neusoft Holdings through Dalian Kang Ruidao and Dalian Siwei.

Dr. Wen is currently (or was) appointed to a number of positions at many professional and government organizations, including a member of the National Evaluation Committee for the Establishment of Institutions of Higher Learning (全國高等學校設置評議委員會), member of the Teaching Steering Committee for Software Engineering Major in Institutions of Higher Learning of the Ministry of Education (教育部高等學校軟件工程專業教學指導委員會), an expert in National Center for Schooling Development Programme (教育部學校規劃建設發展中心), fellow of the Chinese Institute of Communications (中國通信學會), founding chairman of the Vocational Education Development Committee of China Computer Federation (中國計算機學會職業教育發展委員會), executive director of the Chinese Society for Technical and Vocational Education (中國職業技術教育學會), member of the Decision-making Advisory Committee of CPC Liaoning Provincial Committee and Provincial Government (中共遼寧省委省政府決策諮詢委員會), one of the fifth provincial educational inspectors of Liaoning Provincial People's Government (遼寧省人民政府). Dr. Wen was vice president of Fushun Petro College (Liaoning Petrochemical University) and secretary of CPC and president in Dalian Neusoft University of Information. He won the first and second prizes of National Teaching Achievement of Higher Education, "National Advanced Individual of Vocational Education", the government allowances from the State Council, one of 100 talents in the "Millions of Talents Project" of Liaoning Province, "Liaoning May 1st Medal", "Dalian Special Grade Labor Model" and other honors.

Dr. Wen did not hold any directorships in any other listed companies during the three years prior to and including the date of this Report.

Non-executive Directors (aside from our Chairperson)

Mr. RONG Xinjie (榮新節)

Mr. Rong, aged 63, is a non-executive Director of the Company and a member of the Audit Committee. He held various directorships within the Group, including: (i) our school sponsor – Dalian Development (from March 2013 to December 2022), Chengdu Development (from April 2013 to July 2022) and Foshan Development (from June 2013 to May 2023); and (ii) our universities – Chengdu University and Dalian University (both from January 2013 to September 2018), and Guangdong University (from January 2013 to June 2019).

Mr. Rong received his bachelor's degree in computer science (電子計算機) from China University of Mining and Technology (中國礦業大學) in July 1984. Mr. Rong also received an associate professorship from the Senior Teachers Assessment Committee at Shandong University of Finance and Economics (山東財政學院教師職務高級評審委員會) in October 1995.

Aside from the Group, Mr. Rong served as the chief strategy officer of Neusoft Corporation from April 2023 to April 2025, the vice chairman of Neusoft Corporation from May 2023 to April 2025, and has been serving as the chief executive officer of Neusoft Corporation since January 2024. Since April 2025, he has been serving as the chairman of Neusoft Corporation, and he also was a director and senior vice-president of Neusoft Corporation from September 2004 to May 2008.

Mr. Rong currently serves as the chairman of Dalian Neusoft Zhixing Technology Co., Ltd. (since March 2024), chairman of Dalian Qixian Zhiyuan Science and Technology Research Institute Co., Ltd. (since April 2024), director of Neusoft Reach Automotive Technology (Shanghai) Co., Ltd. (since June 2025), and director of Shanghai Neusoft Data Technology Co., Ltd. (since June 2025). Mr. Rong served in various companies of Neusoft Holdings Group and its associated companies, including: (i) general manager, a director and vice chairman of Neusoft Holdings (from February 2013 to January 2017), and general manager and chief executive officer of Neusoft Holdings (from January 2017 to April 2023); and (ii) director (from June 2008 to December 2023) and chairman (from March 2018 to December 2023) of Liaoning Neusoft Venture Capital Co., Ltd..

Save as disclosed in this section, Mr. Rong did not hold any directorships in any other listed companies during the three years prior to and including the date of this Report.

Dr. ZHANG Xia (張霞)

Dr. ZHANG Xia, aged 60, is a non-executive Director of the Company. She has been a director and president of Shenyang Neusoft Intelligent Medical Technology Research Institute Limited (瀋陽東軟智能醫療科技研究院有限公司) since its establishment, a president of Neusoft Research Institute (東軟研究院) under Neusoft Corporation since December 2024 and a director of Hanlang Network Information Technology (Beijing) Limited (漢朗網絡信息科技(北京)有限公司) since June 2017. Since joining Neusoft Corporation in January 1993, Dr. Zhang Xia has served in various positions such as the head of Database System Department, Software Center, the head of Software Products Business Department and the director of Software Technology Center, and in particular, during the period from November 2004 to April 2021, she worked as senior vice president, chief technology officer and chief knowledge officer of Neusoft Corporation. Dr. Zhang Xia was awarded the "Most Leading CTO Award" (最具領導力CTO獎) and the "Most Valuable CTO Award" (最具價值CTO獎) in China by CSDN & ITValue in December 2014.

Dr. Zhang Xia received a bachelor's degree in computer science, a master's degree in computer application and doctor's degree in computer application from Northeastern University in China in July 1986, March 1989 and March 1995, respectively. She has been a professor of Northeastern University since April 2002. She is currently a recipient of the third batch of 100 Persons Level of Liaoning Province's Ten Million Talents Project (遼寧省第三批百千萬人才工程百人層次), an Outstanding Talent in Shenyang City (瀋陽市傑出人才), May Day Labour Medal in Shenyang City (瀋陽市五一勞動獎章) and a recipient of the Special Government Allowance of State Council (國務院政府特殊津貼).

Dr. ZHANG Xia is now working with several professional groups and has made outstanding achievements, including without limitation, acting as deputy director of National Computer Software Engineering Research Center (計算機軟件國家工程研究中心), vice chairman of the Computer Engineering and Application Branch of China Electronics Institute (中國電子學會計算機工程與應用分會) since June 2017, and the outstanding member of China Computer Institute (中國計算機學會) since 27 September 2020, etc. Dr. Zhang Xia also acted as the project leader or project executive leader for more than ten projects, such as National 973 Project, 863 Project, Nuclear Takamoto (核高基), key research projects of the National Natural Science Foundation, and Technological Innovation 2030, and was honored with the second and third prizes for national science and technology progress and the first prize in the science and technology progress award granted by the Ministry of Education and the provincial and municipal departments.

Dr. ZHANG Xia did not hold any directorships in any other listed companies during the three years prior to and including the date of this Report.

Dr. ZHANG Yinghui (張應輝)
Dr. ZHANG Yinghui, aged 53, is a non-executive Director of the Company. He has served, or acted as director or chairman in several companies of the Group, including: (i) director since December 2016 and principal since February 2003 of Chengdu University; (ii) general manager since April 2013 and director since July 2022 of Chengdu Development, the school sponsor of Chengdu University; (iii) director of Dalian Neusoft Ruixin from May 2019 to June 2021; (iv) director of Neusoft Education Technology from August 2018 to July 2021; (v) director of Industrial Service Company (since July 2024); and (vi) executive director from April 2019 to October 2024 and director since October 2024 to June 2025 of Chengdu Neutech Health, among others.

Dr. ZHANG Yinghui received his bachelor's degree in software computing (計算機軟件) and doctorate degree in applied computing (計算機應用技術) from Northeastern University in July 1994 and September 1998, respectively. Dr. ZHANG Yinghui also received professorship from Sichuan Provincial Vocational Reform Bureau (四川省職改辦) in China in December 2007.

Dr. Zhang Yinghui is a recipient of the Special Allowance from the State Council since November 2024 and holds positions in several professional and governmental organizations, including: vice president of the China Association for Non-Government Education (中國民辦教育協會) since 10 January 2026, president of the Sichuan Association for Non-Government Education (四川省民辦教育協會) since May 2016, vice president of the Sichuan Higher Education Society (四川省高等教育學會)since January 2023, member of the Expert Committee on Non-Government and Sino-Foreign Cooperative Education under the Ministry of Education (教育部民辦與中外合作辦學專家委員會) since December 2024, and member of the Sichuan Higher Education Institution Establishment Review Committee (四川省高校設置評議委員會) since September 2011, among others.

Dr. ZHANG Yinghui did not hold any directorships in any other listed companies during the three years prior to and including the date of this Report.

Mr. SUN Yinhuan (孫蔭環)

Mr. Sun, aged 76, is a non-executive Director of the Company. He is a director of Neusoft Holdings, one of the Controlling Shareholders of the Company since November 2011. Mr. Sun is currently a director of China Minsheng Investment Corp., Ltd. (中國民生投資股份有限公司). Mr. Sun was the founder and the chairman of Yida China Holdings Limited (億達中國控股有限公司) (a company listed on the Stock Exchange, stock code: 3639) from 2014 to 2016, the standing committee member of the Twelfth National Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議第十二屆全國委員會), the vice-chairman of the Eleventh All China Federation of Industry & Commerce (第十一屆中華全國工商業聯合會), the vice president of the China Enterprise Confederation (中國企業聯合會); the vice president of the APEC China Business Council (APEC中國工商理事會) and the standing council member of the Fourth China Economic and Social Council (第四屆中國經濟及社會理事會). Mr. Sun received his bachelor's degree in Construction Engineering from the Dalian University of Technology.

Mr. Sun did not hold any directorships in any other listed companies during the three years prior to and including the date of this Report.

Independent Non-executive Directors

Dr. LIU Shulian (劉淑蓮)

Dr. S. Liu, aged 71, is an independent non-executive Director of the Company, chairperson of the Audit Committee, and a member of the Nomination Committee. Dr. S.Liu has been serving as an independent director of Wanghaikangxin (Beijing) Technology Co., Ltd. since December 2025. Dr. S. Liu was an independent director of Neusoft Corporation from May 2017 to May 2023. Prior to this, she was an independent director of Dalian Huarui Heavy Industry Group Co., Ltd. (大連華鋭重工集團股份有限公司) (formerly known as Dalian Huarui Heavy Industry Steel Casting Co., Ltd. (大連華鋭重工鑄鋼股份有限公司), a company listed on the Shenzhen Stock Exchange, stock code: 002204) from March 2007 to April 2013; and she was an independent director of Dashang Co., Ltd. (大商股份有限公司) (formerly known as Dashang Group Co., Ltd. (大商集團股份有限公司), a company listed on the Shanghai Stock Exchange, stock code: 600694) from April 2007 to April 2013.

Dr. S. Liu received her bachelor's degree in economics, master's degree in economics and doctorate degree in management from Dongbei University of Finance and Economics (東北財經大學) (formerly known as Liaoning Finance Institute (遼寧財經學院)) in January 1982, December 1989 and March 2001, respectively. She received her professorship from Dongbei University of Finance and Economics and she has been teaching and conducting research at the accounting school of Dongbei University of Finance and Economics since January 1982. Dr. S. Liu also received her qualification certification for college teachers (高校教師資格) from the Liaoning Provincial Human Affairs Department (遼寧省人事廳) in China in July 1998. She is recognised by the Shanghai Stock Exchange to act as an independent director since September 2007; acted as a member of the Financial Management Committee (財務管理專業委員會委員) of the Accounting Society of China (中國會計學會) from 2008 to 2018; and was admitted as a non-practising member by Liaoning Provincial Institute of Certified Public Accountants in December 2009. Dr. S. Liu has the appropriate professional accounting or related financial management experience for the purpose of Rule 3.10(2) of the Listing Rules.

Save as disclosed in this section, Dr. S. Liu did not hold any directorships in any other listed company during the three years prior to and including the date of this Report.

Dr. QU Daokui (曲道奎)

Dr. Qu, aged 64, is an independent non-executive Director of the Company, the chairperson of the Remuneration Committee, and a member of the Audit Committee. Dr. Qu has served as president of the China Association for Mechatronics Technology and Application (中國機電一體化技術應用協會) since May 2025. He previously held the position of the dean of the Yellow River Institute for Robotics Innovation of Shandong Industrial Technology Research Institute (山東產業技術研究院機器人黃河創新院) from March 2024 to May 2025. Dr. Qu was the president (from January 2000 to March 2022) and deputy chairman (from January 2000 to March 2024) of SIASUN Robot & Automation Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 300024). Prior to this, Dr. Qu was a project supervisor from June 1986 to September 1994, and assistant researcher, researcher, deputy department head and department head of research and development of robotics from October 1994 to April 2000 at the Shenyang Institute of Automation, Chinese Academy of Sciences (中國科學院瀋陽自動化研究所).

Dr. Qu received his master's degree in engineering (specialising in pattern recognition and intelligent control (模式識別與智能控制)) from Shenyang Institute of Automation, Chinese Academy of Sciences in June 1986, and a doctorate degree in engineering (specialising in power electronics and motor drives (電力電子與電力傳動)) from Harbin Institute of Technology (哈爾濱工業大學) in January 2008. Dr. Qu became a researcher at the Shenyang Institute of Automation, Chinese Academy of Sciences (中國科學院瀋陽自動化研究所) in September 1997. Dr. Qu was hired as a doctoral adviser in January 2003.

Save as disclosed in this section, Dr. Qu did not hold any directorships in any other listed companies during the three years prior to and including the date of this Report.

Dr. WANG Weiping (王衛平)

Dr. Wang Weiping, aged 74, is an independent non-executive Director of the Company, a member of the Remuneration Committee, and a member of the Nomination Committee. Dr. Wang Weiping was an independent non-executive director of Rici Healthcare Holdings Limited (a company listed on the Stock Exchange (stock code: 1526)) since June 2016 and re-designated as an executive director in June 2017. He ceased to be an executive director of the company in March 2019. Dr. Wang Weiping served as an independent non-executive director of Top Education Group Ltd. (a company listed on the Stock Exchange, stock code: 1752) from April 2018 to December 2021.

Dr. Wang Weiping received his bachelor's degree in medicine and master's degrees in medicine specialising in paediatric respiratory disease from Norman Bethune University of Medicine (白求恩醫科大學) (currently known as Norman Bethune Health Science Centre of Jilin University (吉林大學白求恩醫學部)) in China in August 1978 and October 1982, respectively, and a doctorate degree in paediatrics from Shanghai Medical University (上海醫科大學) in December 1988. Dr. Wang Weiping also received his professorship from Shanghai Medical University in December 1994.

Save as disclosed in this section, Dr. Wang Weiping did not hold any directorships in any other listed company during the three years prior to and including the date of this Report.

SENIOR MANAGEMENT

The following table provides information about members of our senior management (aside from our Directors) of the Company as at the date of this Report:

Name	Age	Position	Roles and responsibilities	Date of joining the Group
CHAO Yujun (晁玉軍)	60	Vice-president; Chief financial officer	financial and operational management matters	February 2004
LIU Chang (劉暢)	43	Vice-president	medical care and elderly care services business	January 2025
WANG Xinghui (王星輝)	43	Vice-president	elderly care technology, elderly education and continuing education business	April 2007
DONG Benqing (董本清)	45	Vice-president	education technology research and development and the provision of educational resources business	April 2007
WANG Weikun (王維坤)	54	Vice-president	industry management and services business	June 2002
HE Jing (何婧)	41	Company secretary	corporate governance, information disclosure, risk management, and other related matters.	April 2018

1. Due to job change, Mr. LI Yingao (李印杲) has resigned as the vice-president of the Company, which took effect on 26 January 2025. Mr. LI Yingao has confirmed that he did not have any disagreement with the Board or the senior management, and there was not any matters that need to be brought to the attention of the Group, the Company's shareholders or the Stock Exchange.

2. Mr. LIU Chang, Mr. WANG Xinghui and Dr. DONG Benqing were all appointed as vice presidents of the Company on 27 January 2025.

3. Ms. HE Jing was appointed as a member of senior management of the Company on 26 February 2026.

Mr. CHAO Yujun (晁玉軍) ("Mr. Chao")

Mr. Chao, aged 60, is the vice-President and chief financial officer of our Company since March 2020 and currently serves as a director or supervisor of multiple companies within the Group, including: director of Dalian Neusoft Ruixin since June 2021, director of Neusoft Education Technology since July 2021, supervisor of Neusoft Healthcare since May 2024, supervisor of Neusoft Ruixin Health Technology since September 2024, supervisor of Chengdu Neusoft Ruixin Health since June 2025, supervisor of Industrial Service Company since July 2024, as well as supervisor of the three universities affiliated with the Group, and supervisor of the sponsors of the three universities – Dalian Development, Chengdu Development, and Foshan Development, among others. Mr. Chao previously served as a senior vice-president and chief financial officer of Neusoft Education Technology from March 2020 to February 2025 and financial director of Dalian University from May 2011 to January 2020. Mr. Chao is primarily responsible for finance management in the Group.

Mr. Chao received a bachelor's degree in industrial accounting (工業會計) from Northeastern Institute of Technology (東北工學院), now known as Northeastern University in July 1988. Apart from this, Mr. Chao has received a senior accountant title from the Liaoning Provincial Human Affairs Department (遼寧省人事廳) in September 1998.

Mr. Chao did not hold any directorships in any listed companies during the three years prior to and including the date of this Report.

Mr. LIU Chang (劉暢)

Mr. LIU Chang, aged 43, has served as vice-president of the Company since January 2025. He currently holds positions as a director or senior management in multiple companies within the Group, including: director of Dalian Neusoft Ruixin since December 2024, director and general manager of Neusoft Healthcare since September 2024 and June 2025 respectively, director of Neusoft Education Technology since September 2024, director of Industrial Service Company since September 2024, director of Neusoft Ruixin Health Technology since September 2024, director and general manager of Chengdu Neusoft Ruixin Health since October 2024 and June 2025 respectively, director of Chengdu Qingcheng Kangdao Hotel Management Co., Ltd. since July 2025, Director of Dujiangyan Qingcheng Kangdao Traditional Chinese Medicine Clinic Co., Ltd. since July 2025, chairman of Ruikang Home (Dalian) Home Care Co., Ltd. since June 2025, chairman of Dalian Ruikang Zhuomei Stomatological Hospital Co., Ltd. since June 2025, chairman of Dalian Ruikang Cardiovascular Hospital since May 2025, and chairman of Dalian Ruixin Medical Health Management Co., Ltd. since September 2025, among others.

Mr. LIU Chang previously studied at the University of Sheffield and the University of Edinburgh in the UK. In 2018, he joined the Neusoft system. He has served as a director of Haorong Investment Management (Shanghai) Co., Ltd. since 2018, as an executive director of Shanghai Neusoft Investment Holding Co., Ltd. since 2020, and as chairman of Xikang Yunshe since 2024. He was a director of Shanghai Sirui Information Technology Co., Ltd. from May 2022 to May 2025, a rotating president of the Shanghai Liaoning Chamber of Commerce in 2025, and has been a deputy vice president of the Shanghai Liaoning Chamber of Commerce since 2026. With over 10 years of experience in corporate strategic planning, hotel investment and operation management, as well as investment and financing, Mr. LIU Chang has successfully promoted innovative projects and cross-border integrations in multiple fields with his keen industry insight and exceptional execution capabilities. In the fields of information technology and healthcare, he has led several high-level research and development and operation projects, providing strong support for the company's layout in cutting-edge areas such as high-end healthcare, smart cities, and digital transformation.

Mr. LIU Chang did not hold any directorships in any listed companies during the three years immediately prior to and including the date of this Report.

Mr. WANG Xinghui (王星輝)

Mr. WANG Xinghui, aged 43, serves as vice-president of the Company since January 2025. He currently holds director or senior management positions in multiple companies within the Group, including: director and president of Neusoft Ruixin Health Technology, both since September 2024; director and general manager of Dalian Digital Intelligence Senior Care, both since June 2025; director and general manager of Shenyang Shengqing Senior Care, both since June 2025; chairman and general manager of Nanning Digital Intelligent Health Co., Ltd., both since January 2026; chairman and general manager of Dalian High Tech Zone Neusoft Training School Co., Ltd., both since October 2022; chairman of Foshan Nanhai Zhiyuan Education and Training Co., Ltd. since April 2025, and chairman and general manager of Dujiangyan Zhiyuan Tutoring and Training School Co., Ltd., both since October 2025, among others. Mr. WANG Xinghui joined Dalian Neusoft University of Information in 2007 and has held various positions including Deputy Director of the School Office, Director of the Party Committee's Discipline Inspection and Supervision Department, Dean of the Continuing Education College, and Dean of the Vocational College. From January 2019 to February 2025, he has been serving as the general manager of the Continuing Education Business Division at Neusoft Education Technology, and held the position of vice-president at Neusoft Education Technology from January 2021 to February 2025.

Mr. Wang Xinghui obtained a Master's degree in Social Security from Dongbei University of Finance and Economics in 2007. He was awarded the professional title of Associate Professor by the Liaoning Provincial Department of Human Resources and Social Security in 2021.

Mr. WANG Xinghui has received honors such as "Outstanding CPC Member in Liaoning's Education System" and "Excellent Educator". In terms of social engagements, Mr. WANG Xinghui currently serves as an expert on the Expert Committee of the China Association of Social Welfare and Elderly Services (中國社會福利與養老服務協會專家委員會), an expert in the expert database of the MIIT Education and Examination Center (工信部教考中心), an expert in the Elderly Education Expert Database of Liaoning Province (遼寧省老年教育), an expert on vocational ability construction for the Liaoning Provincial Human Resources and Social Security Department (遼寧省人力資源和社會保障廳), the president of the Dalian Elderly Care and Welfare Association (大連市養老福利協會會長) and vice president of the Dalian Wellness Industry Federation (大連市康養產業聯合會). In recent years, Mr. WANG Xinghui has presided over and completed multiple projects funded by the Liaoning Provincial Department of Education and the Liaoning Provincial Education Science Planning Project, winning a Special Award for Vocational Education Teaching Achievements in Liaoning Province and presiding over a project that was recognized as one of the top 10 university scientific and technological achievement transformation projects in Liaoning.

Mr. WANG Xinghui did not hold any directorships in any listed companies during the three years immediately prior to and including the date of this Report.

Dr. DONG Benqing (董本清) ("Dr. Dong")

Dr. Dong, aged 45, has served as vice-president of the Company since January 2025 and currently holds director or senior management positions in multiple companies within the Group, including: director and general manager of Neusoft Education Technology, both since March 2025, director and general manager of Dalian Yunguan, both since March 2025, executive director and general manager of Tianjin Neusoft Ruidao Educational Information Technology Co., Ltd., both since June 2025, executive director and general manager of Shenyang Neusoft Ruidao Educational Service Co., Ltd., both since August 2025, as well as executive director since June 2025 and general manager since November 2022 of Neusoft Electronic Press, among others. Dr. Dong joined Dalian University in 2007 and has held various positions, including section chief of School-Enterprise Cooperation in the Brand and Strategic Development Department of Dalian University, director of the Marketing and Promotion Center of Neusoft Electronic Press, deputy director, director, and editor-in-chief of Neusoft Electronic Press. He joined Neusoft Education Technology in 2018 and has held various positions, including general manager of the Education Resource Development and Promotion Business Division, general manager of the Vocational Education Business Division, director of the Research Institute and vice-president, among others.

Dr. Dong earned a Master's degree in Computer Software and Theory from Hunan University in June 2007, and a Doctoral degree in Educational Management from Dhurakij Pundit University in Thailand (泰國博仁大學) in May 2019. In 2019, he was awarded the professional title of Professor by the Liaoning Provincial Department of Human Resources and Social Security.

Dr. Dong holds concurrent positions in multiple domestic academic organizations, such as the vice chairman of the National Demonstration Software Schools Alliance (國家示範性軟件學院聯盟), secretary-general of the Vocational Education Working Committee of the China Institute of Communications (中國通信學會職業教育工作委員會), among others. Dr. Dong holds the technical title of Professor in Computer Science and Technology and has received multiple honors, including the National Teaching Achievement Award and selection as a Thousand-Level Talent in Liaoning Province's "Hundreds, Thousands, and Tens of Thousands of Talents Project" (遼寧省"百千萬人才工程"千人層次人選), Dalian High-Level Talents. He has presided over numerous national and provincial scientific research projects.

Dr. Dong did not hold any directorships in any listed companies during the three years immediately prior to and including the date of this Report.

Dr. WANG Weikun (王維坤) ("Dr. W. Wang")

Dr. W. Wang, aged 54, has served as vice-president of the Company since March 2020. He currently holds director or senior management positions in multiple companies within the Group, including: executive director of Industrial Service Company from December 2022 to July 2024, and director and general manager since July 2024, executive director and general manager of Chengdu Neusoft Ruixin Industry Management Service Co., Ltd. since March 2025, executive director and general manager of Foshan Neusoft Ruixin Industry Operation Service Co., Ltd. since December 2025, director of the three universities affiliated with the Group, as well as director of the universities' sponsors – Dalian Development, Chengdu Development, and Foshan Development, among others. Dr. W. Wang joined Dalian university in 2002, where he held various positions such as director of the President's Office, director of the Party Committee Office, concurrent director of the Higher Education Research Institute, and member of the University Party Committee. In 2018, he joined Neusoft Education Technology, serving as administrative director from 2018 to 2020, vice-president from 2020 to 2021, and senior vice-president from 2021 to 2025.

Dr. W. Wang received his bachelor's degree in engineering (工學學士學位) from Dalian University of Technology (大連理工大學) in July 1994, master of Business Administration from Dongbei University of Finance and Economics (東北財經大學) in July 2002, and doctor of philosophy in education management (教育管理) from Dalian University of Technology in March 2018. Dr. W. Wang received his professorship from Dalian University in December 2019.

Dr. W. Wang currently serves as a part-time Master's supervisor at the Higher Education Research Institute of Dalian University of Technology and as a part-time researcher at the "Teaching Evaluation and Development Strategy Research Center," a key new think tank in Liaoning Province (遼寧省重點新型智庫「教學評價與發展戰略研究中心」). He has received honors such as the "First Prize of the Liaoning Provincial Teaching Achievement Award" and the title of "Outstanding Educator of Dalian City."

Dr. W. Wang did not hold any directorships in any listed companies during the three years immediately prior to and including the date of this Report.

Ms. HE Jing (何婧) ("Ms. He")
Ms. He, aged 41, has served as the company secretary since June 2019 and currently holds the position of the head of the Board Office at Dalian Neusoft Ruixin since February 2025. Ms. He joined the Group in April 2018 and previously held roles including deputy director of the General Management Department at Neusoft Education Technology from November 2018 to April 2020, and the head of the Board Office from April 2020 to February 2025. Prior to joining our Group, Ms. He was the securities affairs representative (證券事務代表) and the board secretary of INNOBIO Limited (大連醫諾生物股份有限公司), from March 2017 to August 2017 and from August 2017 to April 2018, respectively; and information disclosure officer at the office of the board of directors (董事會辦公室信息披露事務) for New China Life Insurance Company Ltd. (新華人壽保險股份有限公司), a company listed on the Stock Exchange (stock code: 1336) and the Shanghai Stock Exchange (stock code: 601336) from August 2009 to June 2013.

Ms. He received her bachelor's degree in jurisprudence, and master's degree in civil and commercial law, from China University of Political Science and Law (中國政法大學) in July 2006 and June 2009, respectively. She was granted the legal professional qualification (法律職業資格) from the Ministry of Justice China (中華人民共和國司法部) on February 2007.

Ms. He did not hold any directorships in any listed companies during the three years immediately prior to and including the date of this Report.

The chairperson of the Company, Dr. J. Liu, is the father of vice president, Mr. LIU Chang. Other than that, none of the Directors and members of senior management of the Company are related to other Directors or members of senior management.

COMPANY SECRETARY

The company secretary of the Company is Ms. HE Jing. Biographical details of Ms.He is set out in the section headed "Directors and Senior Management" of this Report.

CORPORATE GOVERNANCE REPORT

The Board is pleased to present the corporate governance report for the annual report of the Company for the year ended 31 December 2025.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining and promoting stringent corporate governance. The corporate governance principles of the Company are to promote effective internal control measures, to uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its business and operations are conducted in accordance with applicable laws and regulations, and to enhance the transparency and accountability of the Board to all Shareholders. The Company's corporate governance practices are based on the principles and code provisions as set out in the CG Code.

During the year ended 31 December 2025, the Company has complied with the code provisions of the CG Code. The Company will continue to review and monitor its corporate governance practices to ensure the compliance with the CG Code.

CORPORATE CULTURE AND DEVELOPMENT STRATEGY

Our Company takes "Empower education healthcare wellness ecosystem with technology and boost digital intelligent lifestyles with innovative education" as its mission, promotes the values of "innovation, integration, progression, responsibility and integrity", relies on the innovative research and development capability of "education + technology + healthcare & wellness", adheres to the operation concept of "EMPOWER", actively builds an integrated and synergistically developed new ecosystem of education, healthcare and wellness, and is committed to becoming the pioneer in building an ecosystem of education, healthcare and wellness.

After consideration, the Board unanimously believe that the culture, purpose, values and strategy of the Group are aligned. During the year ended 31 December 2025, the Company has implemented various initiatives to promote corporate culture and strengthen the Company's cultural framework. Details of relevant initiatives are set out in the section headed "Environmental, Social and Governance Report" in this Report.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted Model Code for Securities Transactions by Directors of Listed Issues (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors' securities transactions. In addition, the Company has also adopted a code of conduct regarding the Directors securities transactions on terms no less exacting than the required standard set out in the Model Code as the Company's code of conduct for dealings in securities of the Company by the Directors.

Having made specific enquiry of the Directors, except as stated below, all Directors confirmed that they have complied with the required standard set out in the code of conduct and the Model Code throughout the year ended 31 December 2025.

The Company has been notified by Neusoft Holdings that Dongkong First and Dongkong Second separately entered into "Maximum Amount Pledge Contracts for Listed Company Shares" (collectively referred to as "**the Pledge Contracts**") with Industrial Bank Co., Ltd. Dalian Branch ("**the Lender**") on 6 March 2025, pursuant to which Dongkong First and Dongkong Second, as the pledgers, pledged their respective 127,465,000 Shares and 120,000,000 Shares of the Company to the Lender as supplementary collateral for the Loan amounting to RMB325.5 million ("**the Loan**") under the "Merger and Acquisition Loan Contracts" signed separately between the Lender and the Company's wholly-owned subsidiaries, Dalian Sidi Technology Co., Ltd., Dalian Xindi Technology Co., Ltd., and Dalian Ruidi Technology Co., Ltd., on June 23, 2021. As Dr. Liu is deemed to be interested in the Shares held by Dongkong First and Dongkong Second, the Pledge constitutes a "dealing" of Dr. Liu during the blackout period under the Model Code. Therefore, Dr. Liu did not strictly comply with the requirements under paragraphs A.3(a)(i) and B.8 of the Model Code in respect of the Pledge. In light of the aforesaid and in order to prevent occurrence of similar incident in the future, the Company has decided to take various remedial measures, including: (i) reminding the Directors of their obligations under the Model Code; (ii) providing enhanced trainings to Dr. Liu and other Directors and senior management of the Company at least once a year in relation to the requirements of the Model Code and relevant internal regulations; and (iii) continuing to send proper blackout period notifications to the Directors and senior management of the Company via various channels before the beginning of the blackout period.

THE BOARD

Responsibilities

The Board leads and provides direction to the management, directly, and indirectly through its committees, by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place. The Board has delegated to the Board committees responsibilities as set out in their respective terms of reference.

The major powers and functions of the Board include, but not limited to, convening the general meetings, presenting reports at the general meetings, implementing the resolutions passed at the general meetings, considering and approving the operational plans and investment plans of the Company, formulating the Company's strategic development plans, formulating annual financial budgets and final accounts plans, formulating profit distribution plans and loss recovery plans, and exercising other powers and functions as conferred by the Articles of Association.

Delegation of management function

The Board is responsible for making decision with respect to the strategic plans, major investment decisions and other significant operational matters of the Company, while responsibilities with respect to the implementation of the decisions of the Board, and the execution of strategies and systems in the daily operations of the Company are delegated to the senior management. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to entering into any significant transactions.

Composition of the Board

As at the date of this Report, the members of the Board are set out below:

Chairperson and non-executive Director	Executive Director
Dr. LIU Jiren	Dr. WEN Tao
Non-executive Directors (aside from our Chairperson)	**Independent Non-executive Directors**
Mr. RONG Xinjie Dr. ZHANG Xia Dr. ZHANG Yinghui Mr. SUN Yinhuan	Dr. LIU Shulian Dr. QU Daokui Dr. WANG Weiping

All Directors of the Company has extensive experience and in-depth knowledge, and are diligent and responsible, which is highly beneficial to the business development of the Company. The composition of the Board provides sufficient balance of skills, experience and diversity of perspectives in leading the Company to achieve its goals. The executive Director of the Company is responsible for monitoring the daily operations of the Company. The non-executive Directors are responsible for providing professional advice to the Board. And the independent non-executive Directors are responsible for providing independent judgments in the overall decision-making process of the Board. Biographical details of the Directors are set out in the section headed "Directors and Senior Management" in this Report. A list of the Directors specifying their roles and functions is available on the Stock Exchange's and the Company's website.

There is no other relationship (including financial, business, family or other material/relevant relationship(s)) among the Board members of the Company.

As regards the CG Code provision requiring Directors to disclose to the issuer the number and nature of offices held in public companies or organisations and other significant commitments as well as the identity of the public companies or organisations and an indication of the time involved, the Directors have agreed to disclose their commitments and any subsequent change to the company in a timely manner.

The Board regularly reviews whether the Directors have devoted sufficient time to discharge their duties and responsibilities, as well as their contribution to the Company.

Board meetings and general meeting

The Articles of Association of the Company sets out the responsibilities and proceedings of the Board. The Board meets regularly, at least four times a year, to consider operational reports and policies of the Company. Not less than 14 days' notices are given for all regular Board meetings to provide all Directors with an opportunity to attend and discuss matters in the agenda for a regular meeting. For other Board meetings and Board Committee meetings, reasonable notices are generally given in the circumstances. Relevant documents for a meeting shall be dispatched to the Directors at least three days before the date of the meeting to ensure that they have sufficient time to review the relevant documents.

The company secretary of the Company is responsible for taking and keeping minutes of all Board meetings and committee meetings. Minutes of the Board meetings and committee meetings are recorded in sufficient details in respect of matters considered by the Board and committees and the decisions reached. Final versions of these minutes are available for inspection by Directors. Under the Listing Rules, any Director who has a material interest in a transaction to be discussed at a Board meeting and his/her associates (as defined in the Listing Rules) are required to abstain from voting on the resolution to approve the transaction and shall not be counted in the quorum of the meeting.

During the year ended 31 December 2025, the Company held four regular Board meetings and two temporary meetings and passed seven written resolutions. Six Board meetings were held on 24 February 2025, 27 May 2025, 10 April 2025, 20 May 2025, 25 August 2025, and 30 December 2025, respectively. In addition, the Company held one annual general meeting during the year ended 31 December 2025 and the attendance records of each of the Directors at the Board meetings and the general meeting are set out below:

Name of Director	Number of Board meetings attended in person/attended by entrusting other Directors/ obliged to attend	Attendance rate in person at Board meetings	Attendance in person/ number of general meetings	Attendance rate in person at general meetings
Dr. LIU Jiren[note 1]	5/0/5	100%	1/1	100%
Dr. WEN Tao[note 1]	5/0/5	100%	1/1	100%
Mr. RONG Xinjie	6/0/6	100%	1/1	100%
Dr. ZHANG Xia	6/0/6	100%	1/1	100%
Dr. ZHANG Yinghui	5/0/5	100%	1/1	100%
Mr. SUN Yinhuan	4/1/5	80%	1/1	100%
Dr. LIU Shulian[note 1, 2]	6/0/6	100%	1/1	100%
Dr. QU Daokui	6/0/6	80%	1/1	100%
Dr. WANG Weiping	6/0/6	100%	1/1	100%

Notes:

1. The chairperson Dr. LIU Jiren, the executive Director Dr. WEN Tao and the non-executive Director Mr. SUN Yinhuan were not obliged to attend the Board meetings held on 10 April 2025 as they were required to abstain from voting on all the issues of the meeting.

2. The non-executive Director Dr. LIU Jiren was entrusted to attend and vote on the Board meeting of the Company held on 24 February 2025 by the non-executive Director Mr. SUN Yinhuan.

In addition to the above Board meetings, during the Reporting Period, the Company held a separate meeting for the Chairperson and independent non-executive Directors in accordance with the code provision C.2.7 of Part 2 of the CG Code.

Training and continuous professional development of Directors

The Directors shall always learn about their responsibilities as the Directors of the Company and shall observe the code of conduct and follow-up business activities of the Company and the development of the Group.

The Company is aware of the importance of Directors' engagement in appropriate continuing professional development to deepen and refresh their knowledge and skills to ensure that they provide an informed contribution to the Board. The Company has arranged trainings for all Directors, covering the following five topics: (i) the role, functions, and effectiveness of the board of directors; (ii) the duties of directors, model code for securities transactions by directors and relevant laws and regulations; (iii) corporate governance and ESG matters; (iv) risk management and internal controls; and (v) industry development and business strategies. The Company also regularly provides internal briefings on updates in relation to the Company's performance, condition and prospects to enable the Board and each Director to discharge their duties. Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills.

During the Reporting Period, the records of professional trainings received by the Directors are set out as follows:

Name of Director	Number of training lessons attended(Note 1)	Reading the training materials(Note 2)
Dr. LIU Jiren	5	√
Dr. WEN Tao	5	√
Mr. RONG Xinjie	5	√
Dr. ZHANG Xia	5	√
Dr. ZHANG Yinghui	5	√
Mr. SUN Yinhuan	5	√
Dr. LIU Shulian	5	√
Dr. QU Daokui	5	√
Dr. WANG Weiping	5	√

Notes:

1. All Directors of the Company have participated in director training courses organized by The Hong Kong Chartered Governance Institute. They have comprehensively studied the content covering five core themes and have gained sufficient awareness and understanding of director responsibilities and relevant governance requirements.

2. All Directors read and studied the training materials for the Corporate Governance Guide for Boards and Directors issued by the Hong Kong Stock Exchange on 9 June 2025 and all Directors read and studied the training materials for the Elements of Establishing a Corporate Integrity Culture on 30 December 2025.

The Company has kept the training records of each Director for the year ended 31 December 2025.

Insurance of Directors and Officers

The Company has arranged for appropriate insurance coverage for Directors' and officers' liabilities in respect of legal actions against them arising out of corporate activities.

Independent non-executive Directors

The independent non-executive Directors have brought in a wide range of business and financial expertise, experience and independent judgement to the Board. Through active participation in the Board meetings and serving on various Board committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, all independent non-executive Directors will continue to make various contributions to the Company.

During the year ended 31 December 2025, the Board at all times met the requirements of Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise and the number of independent non-executive Directors represents at least one-third of the Board.

The Company has received from each of the independent non-executive Directors an annual confirmation of independence and considers that each of them to be independent by reference to the Rule 3.13 of the Listing Rules.

Chairperson and Chief Executive Officer

During the year ended 31 December 2025, Dr. LIU Jiren has served as chairperson and Dr. WEN Tao has served as chief executive officer. The chairperson is responsible for leading the Board to formulate the overall strategic planning, overall management and business direction of the Company. The chief executive officer is responsible for overseeing the operational performance and daily management of the Company.

There is a clear and effective division of responsibilities between the chairperson and the chief executive officer to ensure a balance of power and authority.

Appointment and re-election of Directors

Each of the Directors has entered into a service contract or letter of appointment with the Company for a term of three years.

Notwithstanding the specific term of appointment, provisions under the Articles of Association of the Company require that at each annual general meeting, one-third of the Directors for the time being, shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a Director retires may fill the vacated office.

Pursuant to the Articles of Association of the Company, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but so that the number of Directors appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Any Director appointed under this Article shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

In accordance with Article 108 of the Articles, Mr. RONG Xinjie, Dr. ZHANG Yinghui and Dr. LIU Shulian shall retire from office as Directors at the annual general meeting and, being eligible, offer themselves for re-election at the annual general meeting.

BOARD COMMITTEES

As an integral part of good corporate governance, the Board has established three committees (namely, the Audit Committee, the Remuneration Committee and the Nomination Committee) for overseeing the performance of specific functions which are set out in written terms of reference for each committee. The Board committees are provided with sufficient resources to perform their duties and may seek independent professional advices where appropriate when receiving reasonable requests. The relevant costs shall be borne by the Company.

Audit Committee

The Company has established the Audit Committee with written terms of reference (being available on the websites of the Stock Exchange and the Company) in compliance with Rule 3.21 of the Listing Rules and the CG Code. During the Reporting Period, the Audit Committee is comprised of two independent non-executive Directors (Dr. LIU Shulian and Dr. QU Daokui) and one non-executive Director (Mr. RONG Xinjie) of the Company. Dr. LIU Shulian is the chairperson of the Audit Committee.

The primary duties of the Audit Committee are to review financial statements, financial reports, and to provide professional judgements on material events, to review and supervise the reasonableness and effectiveness of the financial reporting process and internal control system (including risk management) of the Group, and to make recommendation to the Board on the appointment and removal of external auditors and other matters. The committee must meet, at least twice a year, with the external auditors, to check on the progress of the auditor's work, to improve the quality of financial reports, to assist and advise the Board in establishing formal and transparent arrangements.

During the year ended 31 December 2025, the Audit Committee held three Audit Committee meetings on 27 March 2025, 25 August 2025, and 30 December 2025, respectively. The Audit Committee meeting held on 27 March 2025 reviewed the audited consolidated financial statements of the Company for the year ended 31 December 2024 and confirmed that the applicable accounting principles, standards and requirements had been complied with and adequate disclosures had been made, and reviewed the Company's risk management, internal control systems, the re-appointment of external auditors and the effectiveness of the Company's internal audit system. The Audit Committee meeting held on 25 August 2025 reviewed the unaudited interim condensed consolidated financial information of the Company for the six months ended 30 June 2025. The Audit Committee meeting held on 30 December 2025 listened to the external auditor's report about audit strategy of the Company for 2025. No executive Director attended the three meetings between the Audit Committee and the external auditors.

The composition of the Audit Committee and attendance of members at committee meeting are as follows:

Composition of the committee (C = Chairperson; M = Member of the committee)	Attendance/Number of meetings held
Dr. LIU Shulian (C)	3/3
Dr. QU Daokui (M)	3/3
Mr. RONG Xinjie (M)	3/3

Nomination Committee

The Company has established the Nomination Committee with written terms of reference (being available on the websites of the Stock Exchange and the Company) in compliance with the CG Code. During the Reporting Period, the Nomination Committee is comprised of two independent non-executive Directors (Dr. LIU Shulian and Dr. WANG Weiping) and one non-executive Director (Dr. LIU Jiren) of the Company. Dr. LIU Jiren is the chairperson of the Nomination Committee.

The primary duties of the Nomination Committee are to review the structure, size and composition of the Board on a regular basis, to identify, consider and recommend to the Board appropriate candidates to serve as Directors of the Company, to evaluate the independence of the independent non-executive Directors, to review and recommend to the Board the nomination policy and the Board diversity policy. The Nomination Committee will take into consideration a candidate's qualification, experience, expertise and knowledge, the requirements applicable to the Company and the structure and composition of the Board, to identify and review and nominate candidates suitably qualified as Board members with due diligence and care before making recommendations to the Board for their final appointment.

During the year ended 31 December 2025, the Nomination Committee held two Nomination Committee meetings on 27 March 2025 and 30 December 2025, respectively. The Nomination Committee held on 27 March 2025 reviewed the independence of the independent non-executive Directors, the membership structure and the diversity of the Board, and made recommendations to the Board on the re-appointment of retiring Directors to be considered at the annual general meeting on 30 May 2025. The Nomination Committee held on 30 December 2025 reviewed the "Workforce Diversity Policy" and made recommendations to the Board.

The composition of the Nomination Committee and the attendance of its members at the committee meetings are as follows:

Composition of the committee (C = Chairperson; M = Member of the committee)	Attendance/Number of meetings held
Dr. LIU Jiren (C)	2/2
Dr. LIU Shulian (M)	2/2
Dr. WANG Weiping (M)	2/2

Remuneration Committee

The Company has established the Remuneration Committee with written terms of reference (being available on the websites of the Stock Exchange and the Company) in compliance with the CG Code. During the Reporting Period, the Remuneration Committee is comprised of two independent non-executive Directors (Dr. QU Daokui and Dr. WANG Weiping) and one non-executive Director (Dr. LIU Jiren) of the Company. Dr. QU Daokui is the chairperson of the Remuneration Committee.

The primary duties of the Remuneration Committee are (i) to review the policy and structure of the remuneration (including remuneration packages, bonuses and other compensation) of all Directors and senior management, and make recommendations to the Board with regard to the establishment of a formal and transparent procedure for the development of the remuneration policies; (ii) to review the remuneration policy from time to time with reference to the corporate purposes, objectives and Directors' performance and their contribution to the Company, and make recommendations to the Board with regard to the remuneration package for Directors and senior management; and (iii) to review and/or approve the matters related to share schemes under Chapter 17 of the Listing Rules.

During the year ended 31 December 2025, the Remuneration Committee held two meetings on 27 January 2025 and 27 March 2025, respectively. The Remuneration Committee meeting held on 27 January 2025 considered the remuneration matters in respect of the proposed appointment of Liu Chang, Wang Xinghui, and Dong Benqing as senior management of the Company, and made recommendations to the Board. The Remuneration Committee meeting held on 27 January 2025 discussed the remuneration policy and structure of the Company's Directors and senior management, the remuneration packages for 2025, and made recommendations to the Board.

The composition of the Remuneration Committee and the attendance of the members at the committee meetings are as follows:

Composition of the committee (C = Chairperson; M = Member of the committee)	Attendance/Number of meetings held
Dr. QU Daokui (C)	2/2
Dr. LIU Jiren (M)	2/2
Dr. WANG Weiping (M)	2/2

REMUNERATION OF THE DIRECTORS AND SENIOR MANAGEMENT

The biographies of Directors and members of senior management as at the date of this Report are set out in the section headed "Directors and Senior Management" in this Report. Pursuant to the code provision E.1.5 of Part 2 of the CG Code, the following table sets forth the remuneration of the Directors and members of senior management (excluding equity settled share option expense) categorized by remuneration group for the year ended 31 December 2025:

Group[Note]	Remuneration (RMB)	Number of Individuals
1	1,000,001-1,500,000	2
2	1,500,001-3,000,000	4
3	3,000,001-5,000,000	2

Note:

Group 1 includes 2 members of senior management of the Company.

Group 2 includes 1 Director and 3 members of senior management of the Company.

Group 3 includes 2 Directors, one of whom is also a senior management member of the Company.

The key principles of the remuneration policy for Directors and senior management of the Company are as follows:

Remuneration of executive Director and senior management:

1. Remuneration packages and structure shall reflect a fair reward system for the executive Director and senior management with an emphasis on performance. The Company adopted a special contribution award which will be approved and awarded according to the outstanding performance of the executive Director and senior management in major matters of the Company's development.

2. Remuneration of executive Director and senior management, which is comprised of fixed and variable components, is determined with reference to various factors such as market terms and conditions, economic situation, time commitment, qualification, experience, and responsibilities assumed by executive Director and senior management. A significant proportion of remuneration shall link rewards to corporate and individual performance.

3. Remuneration shall be set at levels that ensure comparability and competitiveness with companies competing for a similar talent pool. Independent professional advice is to be sought where appropriate and necessary.

Remuneration of non-executive Directors (including Independent non-executive Directors):

1. Remuneration of non-executive Directors (in the form of annual Director's fees), shall be set at an appropriate level to attract and retain first-class non-executive talent.

2. Remuneration practice shall be consistent with recognised best practice standards for non-executive Directors' remuneration.

3. Remuneration of non-executive Directors (subject to Shareholders' approval) shall be set by the Board (with recommendations from the Remuneration Committee). To ensure that non-executive Directors are appropriately remunerated for their time and responsibilities devoted to the Company, the Remuneration Committee undertakes periodic reviews and takes into account factors including fees paid by comparable companies, time commitment, employment conditions elsewhere in the Group and individual responsibilities.

4. Independent non-executive Directors shall not receive equity-based remuneration (e.g. share options or grants) with performance-related elements from the Company.

The Directors and senior management may also receive options to be granted under the share option scheme. For further details of the share option scheme, please refer to the paragraphs headed "Pre-IPO Share Incentive Scheme" and "Post-IPO Share Incentive Scheme" of Directors' Report in this Report.

During the year ended 31 December 2025, none of the Directors waived or agreed to waive any remuneration and no remuneration was paid by the Group to any of the Directors or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

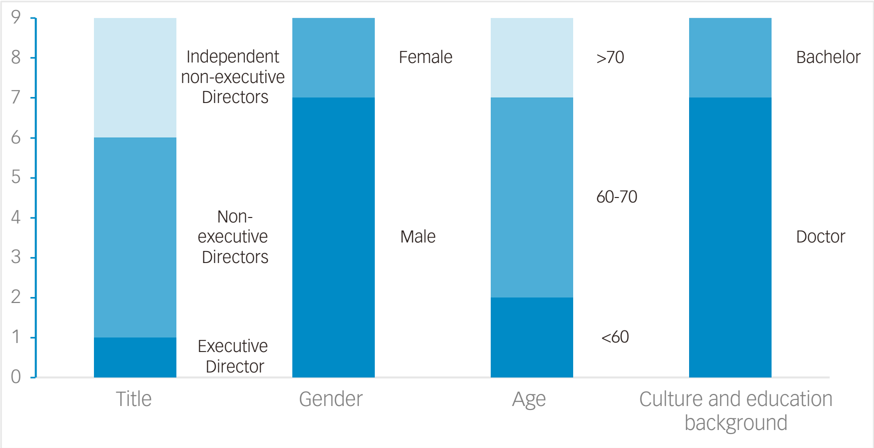
Further details relating to Directors' emoluments and the five highest paid individuals as required to be disclosed pursuant to Appendix D2 of the Listing Rules are set out in notes 10 and 11 to the financial statements.

BOARD DIVERSITY POLICY

The Company has adopted a policy of the Board diversity which sets out the objective and approach to achieve and maintain diversity on our Board in order to enhance the effectiveness of our Board. The Board diversity policy provides that the Company should endeavor to ensure that Board members have the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of our business strategy. Pursuant to the Board diversity policy, selection of candidates for Directors will be based in a range of measurable objectives, including but not limited to gender, age, culture and educational background, professional qualification, skills, knowledge and industry experience. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to our Board. Our Directors believe that such merit-based appointments will better enable the Company to serve the Shareholders and other stakeholders. In order to further improve the Company's channels for appointing Directors and identify suitable candidates, the Company will establish a strong and diversified talent pool mechanism and an appropriate structure in the recruitment and internal selection at all levels (including the Board), so as to take into consideration diversified candidates and make proper and timely preparation for their positions in the Board.

The Nomination Committee is responsible for reviewing and monitoring the implementation of the Board diversity policy to ensure the effectiveness of the Board diversity policy. The committee will make amendments to the policy and submit it to the Board for consideration and approval, where necessary.

The below chart shows the diversity profile of the Board as at 31 December 2025:



As of the date of this Report, the Board comprises nine members, two of whom are female directors, thus achieving the goal of gender diversity in the Board. The Company will continue to strive to increase the number of female Directors and achieve an appropriate balance of gender diversity with reference to Shareholders' expectations and the best industry practices.

The Directors nomination policy of the Company ensures that the Board will have alternate potential female successors to keep the existing gender diversity of the Board. Meanwhile, the Company will achieve gender diversity in recruiting employees, and ensure that the proportion of female employees will not less than 50%, and provide career development opportunities for female employees. The Company is committed to having a group of female senior management and potential successors to the Board.

WORKFORCE DIVERSITY POLICY

The Company has adopted a Workforce Diversity Policy, which articulates the Company's approach and commitment to diversity and inclusion among its employees (including senior management). The key aspects of the Workforce Diversity Policy are outlined below:

(i) The Company is committed to creating an inclusive, diverse, and supportive workplace where all employees, regardless of gender, sexual orientation, religious belief, age, marital status, professional and work experience, cultural and educational background or other characteristics protected by applicable laws, are valued, respected, and treated fairly with equal access to opportunities;

(ii) The Company is also committed to fostering gender empowerment, gender equality and gender diversity across its workforce, and providing equal opportunities in relation to recruitment, training and development, compensation, and career and promotion opportunities; and

(iii) The Company commits to upholding diversity of gender, background, skills and experience across the workforce, maintaining an appropriate level of female staff and ensuring strong female representation at the management level. The Company will strive to maintain the predetermined level of 10% female senior management and 50% female employees.

As of 31 December 2025, the employee team of the Group generally followed the philosophy of diversity, including gender diversity. As of the date of this Report, women accounted for 14% of the Group's senior management and 64% of the total workforce. Therefore, the Group considers that it has achieved the goals of fair employment, merit-based recruitment, without gender discrimination, and diversity in its employee composition.

The Board of Directors has reviewed the implementation and effectiveness of the Board Diversity Policy and Workforce Diversity Policy during the year ended 31 December 2025, and considers their operation to be effective.

DIRECTORS NOMINATION POLICY

The Company has adopted nomination policy, which sets out the nomination criteria and nomination procedures. According to the Directors nomination policy, in evaluating and selecting any candidate for directorship, the Nomination Committee would consider the following criteria, including, among other things, integrity and credit, qualifications (cultural and educational background, professional qualifications, skills, knowledge and experience and diversity aspects under the Board diversity policy), and willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s). The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new Director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship. The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship based on the needs of the Company and reference check of each candidate.

MECHANISMS FOR THE BOARD TO OBTAIN INDEPENDENT VIEWPOINTS AND OPINIONS

Pursuant to the Code Provision B.1.3 of Part 2 of the CG Code, the Board adopted a mechanism for obtaining independent viewpoints and opinions (the "**Mechanism**"), which aims to ensure the strong independence of the Board and improve the working efficiency and the independence of decision-making of the Board. The Board will review the implementation and effectiveness of the Mechanism annually. The Mechanism specifies that all Directors have the right to obtain sufficient resources provided by the Company to perform their duties, and Directors have the right to make a request to the Company for independent professional advice (the relevant expense will be borne by the Company) if they believe that the advice is relevant and necessary for performing their duties. Where queries are raised by Directors, steps would be taken to responds as promptly and fully as possible. The full text of the Mechanism is available on the website of the Company at https://www.neutech.com.cn.

The Board has reviewed the implementation and effectiveness of the Mechanism for the year ended 31 December 2025. The Board considers that Directors are able to obtain information and documents from the Company smoothly, their relevant enquiries can receive detailed responses from the Company, the channels for obtaining independent advice are unobstructed. Accordingly, the Mechanism operates effectively.

WHISTLEBLOWING POLICY

Pursuant to Code Provision D.2.3 of Part 2 of the CG Code, the Company adopted the Whistleblowing and Supervision Management Measures, which provides channels for the employees of the Group and any outsiders to report violations of laws and disciplines and defines the report handling procedures, so as to ensure fairness and justice. In order to facilitate the independent investigation into relevant matters and take appropriate follow-up actions, the Company publicized various whistleblowing methods, including hotline (0411-84466600), special email address (audit@neuedu. com), interview, and mail (Room 202, East Tower, Building D1, No. 66, North Section of Digital Road, Dalian Hightech Zone, 116023), and a report may be submitted on an anonymous and non-anonymous basis. The Company's whistleblowing policy has been conveyed to all employees. The whistleblowing hotline and complaint mailbox have been added to the address books of colleges and universities of the Company, as well as the appendixes to contracts signed with suppliers. The whistleblowing channels, the summary of the whistleblowing policy and contact information have been published on the website of the Company at https://www.neutech.com.cn.

ANTI-FRAUD POLICY

Pursuant to Code Provision D.2.4 of Part 2 of the CG Code, the Company has adopted the Anti-fraud Management Regulation, which reflects its "zero tolerance" of all forms of fraud, bribery, corruption and other behaviors that harm the Company's legitimate economic interests, and provides guidance to employees on how to prevent and control possible fraud in their work. The Audit Committee is responsible for assisting the Board of Directors in guiding and continuously supervising the Company's anti-fraud work, so as to ensure the effective operation of the Company's internal anti-fraud mechanism. The Company has conveyed the anti-fraud policy to employees and carried out anti-corruption training for employees to enhance employees' compliance awareness, effectively safeguard the legitimate rights and interests of the Company and Shareholders, and ensure the realization of the business objectives and the continuous, stable and healthy development of the Company.

DIVIDEND POLICY

Subject to the Articles of Association and applicable laws, the Company may declare dividends in any currency at general meeting but no dividends shall exceed the amount recommended by the Board. For further details on the dividend policy of the Company, please refer to the section headed "Dividend Policy" in Directors' Report in this Report.

AUDITOR'S REMUNERATION

The independent auditor of the Company is Ernst & Young ("**EY**"). EY provided services in respect of the audit of the Company's consolidated financial statements for the year ended 31 December 2025 which were prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) as issued by the International Accounting Standards Board ("**IASB**") and the disclosure requirements of the Companies Ordinance (Chapter 622 of the laws of Hong Kong).

For the year ended 31 December 2025, the total fee paid/payable (excluding disbursements) in respect of audit and non-audit services provided by the independent auditor is set out below:

	RMB'000
Annual audit and related services	2,750
Non-audit services	–
Total	**2,750**

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of financial statements of the Company for the year ended 31 December 2025. The responsibilities of the Company's auditor on the consolidated financial statements of the Company are set out in the Independent Auditor's Report on pages 178 to 182 of this Report. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern. The Board confirms that, to the best of its knowledge and having made appropriate enquires, the Company has adequate resources to continue in operational existence in the foreseeable future and has prepared the financial statements on a going concern basis accordingly.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for evaluating and determining the nature and extent of the risks that the Group is willing to take in achieving its strategic objectives, and ensuring that the Group establishes and maintains appropriate and effective risk management (including environment, social and governance risks and internal control systems), which are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The management is primarily in charge of designing, implementing and monitoring the risk management and internal control systems. The Board, through the Audit Committee, oversees management on the above systems and conducts a review on the effectiveness of the systems including aspects of finance, operation, compliance and risk management annually.

The Group has established a risk management organization to periodically identify, evaluate and manage significant risk matters that may affect the Group's business objectives. The Audit and Supervision Department of the Group has the internal audit function and conducts an independent review on the adequacy and effectiveness of risk management and internal control systems on an annual basis. Such review covers all material control measure and risk management system in aspect of finance, operation, compliance, primarily by (1) interviewing with the Board and supervisors of different operation units regarding the Group's daily operation flow; and (2) paying extra attention to major internal control system, and adopting appropriate auditing procedures to analyse the adequacy and effectiveness of the system. The Audit and Supervision Department reports to the Board from time to time, and has provided its findings and recommendations in respect of enhancing the effectiveness on the risk management and internal control systems of the Group to the Audit Committee, and takes actions to resolve the defects once identified.

The Board has conducted an annual review on the effectiveness of the risk management and internal control system of the Group for the year ended 31 December 2025, and no major deficiencies were found. The Board believes that the risk management and internal control of the Group are adequate and effective.

The key features of the Group risk management and internal control systems include:

- A comprehensive financial accounting system to accurately measure the financial performance of the Group
- The Board monitors and maintains levels of cash and cash equivalents that the management believes adequate to finance the Group's operations
- Prior approval from Directors or senior management regarding commitment for all material matters
- Guidelines on assessing, reporting and disseminating inside information
- Organized and standardized procedures on recruitment and employee relocation
- Periodic review by management on the internal control procedures and risk factors
- Report to the Audit Committee about the findings on identified risks and measures to address such risks

The Group will continue to conduct a periodical review on the internal control and risk management system, to identify potential improvement opportunities and strengthen its governance, risk management (including environment, social and governance risks, and control measures). The Board will also continually evaluate the adequacy of resources, staff qualifications and experience, training programs and internal audit budget in terms of the Group's accounting and financial reporting functions.

The Group has a policy for handling and dissemination of inside information, including relevant control processes and safeguards. The processes and safeguards are implemented when and as necessary by the department head and the management involved in the handling and dissemination of inside information.

COMPANY SECRETARY

Ms. HE Jing is the company secretary and a full-time employee of the Company. Ms. HE Jing is responsible for making recommendations to the Board on issues related to corporate governance, ensuring that Board policies and procedures as well as applicable laws, regulations and rules are strictly followed, as well as reporting corporate governance matters to the chairperson and chief executive officer of the Company. For details of Ms. HE Jing, please refer to the section headed "Directors and Senior Management" of this Report.

In compliance with Rule 3.29 of the Listing Rules, Ms. HE Jing undertook not less than 15 hours of relevant professional training to update her skills and knowledge during the year ended 31 December 2025.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings.

All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

Convening of extraordinary general meetings and putting forward proposals

Under the Articles of Association of the Company, extraordinary general meetings shall be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, in aggregate not less than one-tenth of the voting rights (on a one vote per share basis) in the share capital of the Company and the foregoing Shareholders shall be able to add resolutions to the meeting agenda. Such requisition shall be made in writing to the Board or the Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition.

Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Enquiries made to the Board

Shareholders who intend to put forward their enquiries about their shareholdings to the Board could directly send their enquiries to Hong Kong Share Registrar of the Company, Tricor Investor Services Limited or send email to is-enquiries@vistra.com or hotline at +852 2980 1333 or go in person to the public counter at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

Shareholders who intend to raise their enquiries about corporate governance or other matters to the Board could send their enquiries directly to the Company by email at ir@neuedu.com, or send written enquiries marked "The Board" to the Company, and mail the written enquiries to No. 66, North Section of Shuma Road, Ganjingzi District, Dalian, Liaoning Province, China.

Communication with Shareholders

The Company believes that effective communication with Shareholders is essential to enhance investor relations and investors' understanding of the Company's business performance and strategy. The Company also recognizes the transparency of its corporate information and the importance of timely disclosure of such information, which enables Shareholders and investors to make the best investment decisions.

The Board welcomes the views of Shareholders on matters affecting the Company and is committed to maintaining a dialogue with Shareholders, including but not limited to: (i) direct communication with Shareholders at an annual general meeting or any other general meeting of the Company; (ii) the Company ensures that investors and Shareholders of the Company receive accurate, clear, comprehensive and timely information of the Company, by publishing annual reports, announcements and circulars; and (iii) the Company publishes the latest information regarding the Company on the website (https://www.neutech.com.cn), including business operations, financial information, corporate governance practices, company related information and other information.

Pursuant to the Rule 2.07A of the Listing Rules and the Articles of Association of the Company, the Company has disseminated the future corporate communications of the Company to its Shareholders electronically and only send in printed form to the Shareholders upon request. For more details, Shareholders are advised to see the "Dissemination of Corporate Communications" and "New Arrangements on Dissemination of Corporate Communications" on the website of the Company at https://www.neutech.com.cn.

To facilitate communication between the Company and the investment community, the Company regularly conducts briefings and meetings with institutional investors and analysts as well as media interviews and roadshows through individual contacts, to provide the latest and comprehensive information of the Company. Directors, investor relations managers and employees of the Company complied with the disclosure obligations under the Listing Rules in communicating with investors or other outsiders.

The Company has adopted the Shareholders Communication Policy. The Board periodically reviews the implementation of the Shareholders Communication Policy, and has reviewed Shareholders Communication Policy within the year. Considering the existing communication channels with Shareholders and the feedback received from Shareholders, investors and analysts of the Company, the Board believes that the Shareholders Communication Policy was properly implemented and effective in 2025 and the current Shareholders Communication Policy is still appropriate and effective. For more details, Shareholders are advised to see the "Shareholders Communication Policy" on the website of the Company at https://www.neutech.com.cn.

AMENDMENTS TO CONSTITUTIONAL DOCUMENTS

In order to reflect the change of the Company's name, the Shareholders have passed a special resolution for the adoption of the Third Amended and Restated Memorandum and Articles of Association at the extraordinary general meeting of the Company held on 4 December 2024, which took effect on the same date. For details, please refer to the announcements and circulars of the Company dated 14 November 2024, 4 December 2024 and 9 January 2025.

In order to conform to the relevant requirements of the Listing Rules, particularly the amendments to Appendix A1 of the Listing Rules concerning the core shareholder protection standards, which took effect on 10 February 2025, the Board of the Company resolved at the board meeting held on 26 March 2026 to propose corresponding amendments to the Memorandum and Articles of Association and to adopt the Fourth Amended and Restated Memorandum and Articles of Association. The proposed amendments as well as the Fourth Amended and Restated Memorandum and Articles of Association are subject to Shareholders' approval by way of a special resolution at the annual general meeting and will take effect upon such approval by Shareholders at the annual general meeting. For details, please refer to the Company's announcement dated 26 March 2026.

The Fourth Amended and Restated Memorandum and Articles of Association of the Company will be available on the website of the Company (https://www.neutech.com.cn) and the website of the Stock Exchange.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

PREFACE, AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES

Corporate Culture and Development Strategy

Guided by the vision of "becoming a pioneer in the ecosystem integrating education, healthcare, wellness and mind tour" and the mission of "empower education-healthcare-wellness-mind tour ecosystem with technology and boost digital intelligent lifestyles with innovative education", the Group upholds the core values of "Innovation, Integration, Progression, Responsibility, and Integrity". By leveraging technological innovation, talent supply, and digital intelligence platforms, we empower the upgrading of the industries within this ecosystem. Our goal is to build a city-level integrated ecosystem that comprehensively meets the diverse societal needs for quality education, professional healthcare, and premium senior care. Adhering to our "EMPOWER" business philosophy, we aim to promote the integrated and synergistic development of the education, healthcare and wellness sectors through technology empowerment and value co-creation.

Ecosystem:	Moving beyond the scope of a single business, we are building an integrated ecosystem of "education, healthcare and wellness" with an open, collaborative and symbiotic mindset.
Marketing:	Staying at the forefront of market trends, we consistently adhere to a market-oriented approach and adopt market strategies that adapt to changing circumstances, thereby maintaining our strategic initiative.
Product:	Driven by the pursuit of excellence, we strive to excel in every field – education, healthcare, and wellness – to build our core competitiveness.
Opportunity:	Facing opportunities in the silver economy, we maintain strategic clarity on future directions, identify and seize the opportunities emerging from complexity. By pooling resources and acting decisively, we aim to leverage our momentum and ride the wave of favorable conditions.
Win-win:	We fully respect and integrate the needs of our stakeholders, ensure open and accessible communication channels, and safeguard the interests of all parties. We are committed to building trusting, enduring partnerships and amplifying value through synergy.
Efficiency:	We aim to create economic value while generating social benefits by enhancing resource efficiency and operational effectiveness, thereby ensuring the soundness and sustainability of our development.
R&D:	We persist in pursuing continuous breakthroughs in concepts, methods, models, and technologies to advance the deep integration of technology with education, healthcare, and wellness. Through our innovative strength, we aim to solidify our brand identity as a pioneer in the ecosystem integrating education, healthcare and wellness.

ABOUT THE ESG REPORT

The Group is pleased to release the 2025 environmental, social and governance ("**ESG**") report to disclose the Group's ESG performance in relation to corporate social responsibility and sustainable development, and also to report to stakeholders on the Group's ESG practices and achievements in the year.

Basis of Preparation

This Report was prepared in accordance with Appendix C2 of the Listing Rules of the Stock Exchange of Hong Kong, Environmental, Social, and Governance Reporting Code (the "**Code**"), and ESG Report has complied with the "mandatory disclosure requirements" and the "comply or explain" provisions, and the requirements of the four reporting principles (materiality, quantitative, balance and consistency) of the Code.

Materiality We have disclosed in this ESG Report the process for identifying material environmental, social and governance factors and the criteria for selection, as well as a description of material stakeholders and the process and results of stakeholder engagement.

Quantitative We have disclosed the information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable).

Balance This ESG Report provides an unbiased picture of our performance during the Reporting Period, and avoids selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.

Consistency There is no difference in the preparation of the ESG report compared to that of the previous years. In the future, if there are any changes to the statistical methods or KPIs or any other relevant factors that affect meaningful comparison, we will make clear explanation in future report.

Scope of the ESG Report

The time frame of ESG Report covers the period from 1 January 2025 to 31 December 2025 (the "**Reporting Period**"). Unless otherwise stated, the scope of ESG Report is consistent with the scope covered by the Group's annual report during the Reporting Period. The scope of data for environmental KPIs covers the Group's headquarters and the three universities operated by the Group, namely Dalian University, Chengdu University, Guangdong University, Neusoft Education Technology, Neusoft Healthcare and Neusoft Ruixin Health Technology.

Language of the ESG Report

The ESG Report is published in both Chinese and English. In case of inconsistency, the Chinese version shall prevail.

Approval of the ESG Report

The ESG Report has been considered and approved for issue by the Board on 26 March 2026.

Publication of the ESG Report

The electronic version of the Report is published on the "Investor Relations" section of the Group's official website (http://www.neutech.com.cn) and the HKEXnews website of the Stock Exchange (http://www.hkexnews.hk).

Feedback on the ESG Report

The Group values your views on the ESG Report. If you have any inquiries or suggestions, please feel free to contact us through the following means:

Address: No. 66, North Section of Digital Road, Dalian Hightech Zone, Liaoning Province, China

E-mail: IR@neuedu.com

Tel: +86-0411-82379616

1 SUSTAINABILITY GOVERNANCE

1.1 ESG MANAGEMENT STATEMENT OF THE BOARD

The Group has established the ESG Committee. Under the leadership of the Board of Directors, the ESG Committee has formulated the Group's strategic planning and institutional policies in environmental, social and governance aspects, promoted the effective implementation of the strategic planning and various policies in the Group, and continuously improved the Group's environmental, social and governance level and performance. The Board assumes full responsibility for the Group's ESG strategies and reporting.

During the Reporting Period, the Group conducted a materiality assessment to identify and prioritise material ESG issues in order to formulate appropriate ESG approaches and strategies. During the Reporting Period, we conducted ESG risk identification and assessed ESG-related risks and opportunities, regularly reviewed key ESG issues to ensure their effectiveness, formulated ESG goals and developed relevant systems and measures to achieve these goals, as well as regularly reviewed the set goals to examine the implementation progress. The Board of Directors regularly reviews ESG management policies and ESG performance to better fulfill our sustainability responsibilities.

1.2 SUSTAINABILITY GOVERNANCE STRUCTURE

Board of Directors	Responsible for reviewing the ESG Report, identifying ESG and climate change risks, and deliberating on ESG strategies
ESG Committee	Responsible for formulating ESG goals and strategies, reviewing matters proposed by the ESG Working Group and regularly reporting to the Board of Directors; overseeing overall climate governance efforts and the implementation of climate strategies
ESG Working Group	Composed of members from various departments, the ESG Working Group executes ESG strategies and measures, assists in the overall planning of climate-related work, participates in daily training and learning, and provides relevant data

The Group's Environment, Social and Governance Committee (**ESG Committee**) is chaired by Mr. WANG Weikun, vice president of the Group, and Ms. HE Jing, secretary of the Company, serves as deputy chairman of the Committee. The members of the Committee include senior management and management personnel from relevant functional departments. The Group's Environmental, Social and Governance Working Group (**ESG Working Group**) is composed of employees from various functional departments.

Under the leadership of the Board of Directors, the ESG Committee and the ESG Working Group formulate strategic plans and institutional policies for the Group in terms of environment, society and governance, and promote the effective implementation of strategic plans and policies within the Group, so as to continuously enhance the Group's environmental, social and governance standards and performance; and they also regularly report to the Board of Directors on the Group's environmental, social and governance work status and related risks. They collect and provide ESG data, compile annual report, oversee climate governance, and execute climate response strategies.

1.3 PROMOTING STAKEHOLDERS' ENGAGEMENT

Maintaining close communication with stakeholders and engaging them in our daily operations have a profound impact on the Group's sustainability governance. This is not only an effective way to listen to the opinions on sustainable development governance, but also an effective way to enhance stakeholders' understanding of our strategies and initiatives. It is also an important part of practicing sustainable development governance. We maintain close contact with stakeholders such as investors/shareholders, employees, customers, business partners, suppliers, government/regulatory authorities, community/non-governmental organisations, the general public and the media through various communication channels, such as regular results announcement conferences, regular employee communication meetings and seminars, and on-site inspections by the government, regulatory authorities and partners, to understand their expectations and demands on the ESG aspects of the Group so as to continuously optimise our sustainable management and enhance our sustainable development performance.

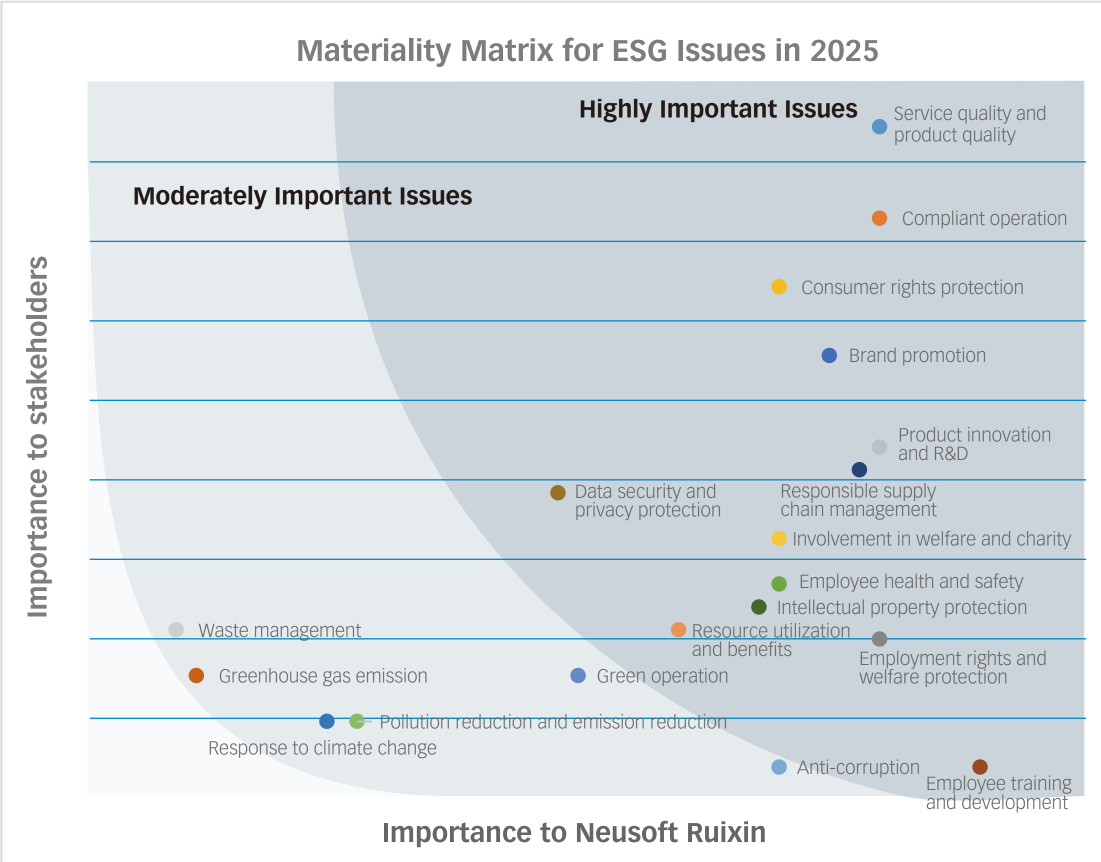
Major stakeholders	Key focus areas	Main communication channels
Investors/shareholders	Compliance and stable operation Transparency of information Performance achievements Corporate image	• Annual general meeting • Performance disclosure • Investor conferences and non-trading roadshows • Teleconferences/web conferences • Email and social media • Interim report and annual report • Announcement release • Research activities
Employees	Employee rights and benefits Employee training and development Employee health and safety Working environment	• Suggestion boxes, mailboxes, etc. • Work performance evaluation and interview • Employee representative conferences • Corporate culture employee activities • Business briefings • Seminars/talks/training sessions
Customers (students/ parents/patients/ the elderly)	Quality products and services Customer privacy protection Data security	• Daily teaching and services • Customer satisfaction survey • Supervisory feedback • Regular visits • Complaint reception and improvements

Major stakeholders	Key focus areas	Main communication channels
Business partners	Compliance and stable operation Business growth Win-win cooperation	• Strategic partnership projects • Competitions and forums • Cooperation meetings • Exchange activities • Visits • Research and investigation • Phone calls, emails, etc.
Suppliers	Fair and impartial procurement Business growth	• Supplier management procedures • Meetings (e.g., negotiation meetings between parties) • Supplier/contractor review and evaluation • Site visits • Tendering activities • Phone calls, emails, etc.
Government/regulatory authorities	Compliant operation Support for economic development	• Inspection by competent authorities • Annual inspection, audit, etc. • Regular information disclosure • Meetings and reception of visits
Community/non-governmental organizations	Community development promotion Participation in public charity Environmental protection	• Public welfare activities • Community events • Talks
General public	Service quality Information transparency Brand influence	• Media information • Official website and official account • Information disclosure
Media	Corporate image Performance achievements	• News and education product launch events • Press releases • Senior executives' interviews • Performance disclosure

1.4 MATERIALITY ASSESSMENT

In order to identify key ESG aspects of concern and disclosure, we conducted a materiality assessment and analysis of ESG issues during the Reporting Period.

Steps of materiality assessment during the Reporting Period
1. Identify key stakeholders and important ESG issues We identified key stakeholders based on our business operations, the degree of interaction between our stakeholders and us, and other factors. By considering our business development direction and operations, we identified 19 potentially important ESG issues with reference to the Code of the Hong Kong Stock Exchange and the materiality map of the Sustainability Accounting Standards Board (SASB).
2. Stakeholders' participation in questionnaires or interviews During the Reporting Period, we conducted questionnaire surveys or interviews with customers, employees, investors/shareholders, government/regulatory authorities, business partners, suppliers, communities/non-governmental organisations and other stakeholders to understand their concerns and appeals on the Group's ESG issues.
3. Analysis of important ESG issues Based on the results of the questionnaire surveys and interviews, we conducted materiality assessment based on two dimensions, namely the importance to stakeholders and the importance to the Group's development, prioritized important ESG issues to form a materiality matrix, and finally determined 13 highly important issues and 6 moderately important issues.
4. Determination of the results of material ESG issues The Board and management of the Group confirmed the materiality assessment results of ESG issues and discussed and analysed the key concerns of stakeholders to adjust the Group's sustainable development strategy accordingly.



Based on the results of the materiality matrix, the Group has identified the direction of important ESG issues, including "Leading Quality", "Compliance Focus", "Talent-oriented", "Green Development", and "Contribute to the Community". This ESG Report will focus on these five aspects to reflect our ESG focuses and contributions.

	Highly important ESG issues	Relevant sections
1	Service quality and product quality	Leading Quality
2	Compliant operation	Compliance Focus
3	Consumer rights protection	Leading Quality
4	Brand promotion	Compliance Focus
5	Product innovation and R&D	Leading Quality
6	Responsible supply chain management	Compliance Focus
7	Data security and privacy protection	Compliance Focus
8	Involvement in welfare and charity	Contribute to the Community
9	Employee health and safety	Talent-oriented
10	Intellectual property protection	Compliance Focus
11	Resource utilization and benefits	Green Development
12	Employment rights and welfare protection	Talent-oriented
13	Employee training and development	Talent-oriented

	Moderately important ESG issues	Relevant sections
14	Anti-corruption	Compliance Focus
15	Green operation	Green Development
16	Waste management	Green Development
17	Greenhouse gas emission	Green Development
18	Pollution reduction and emission reduction	Green Development
19	Response to climate change	Green Development

2 LEADING QUALITY

Quality is the foundation for building and earning customer trust and support, and it is also the fundamental prerequisite for the sustainable development of all our businesses. Over the past years, we have always persisted in implementing the service quality management and assurance system based on full participation, whole process monitoring, and all-round evaluation, which comprises five systems of quality planning, organisational assurance, process monitoring, information collection and feedback, and quality assessment and improvement.

2.1 TEACHING QUALITY ASSURANCE

The Group consistently upholds high-quality education, adhering to a student-centered approach, and fully implements the TOPCARES integrated talent cultivation model.

These three universities of the Group have established a teaching quality management and assurance department, while formulating annual work plans for teaching quality management and monitoring at different stages. They ensure the quality of daily teaching through regular teaching inspections (beginning, mid-term, and end-of-term teaching inspections and daily teaching patrols), teaching supervision classroom observations and evaluation, leadership classroom observations and consultations, special graduation design and course assessment inspections, etc. They understand student needs through special surveys such as graduate satisfaction surveys, current student satisfaction surveys, freshman adaptability surveys, student evaluations of teaching, and teacher evaluations of learning, and improve classroom teaching accordingly. They promote curriculum and program development through curriculum assessment, program assessment and centralized practical teaching link assessment. And they ensure continuous improvement and enhancement of teaching quality through third-party external evaluations.

In addition, our three universities rely on a self-developed smart education platform. By synergizing resource integration, process control, targeted empowerment, and foundational support, we build a robust framework that ensures the steady improvement of teaching quality: 1) We optimize the provision and integration of teaching resources by centralizing and sharing high-quality course materials, bridging efficient communication between teachers and students, and supporting the smooth progression of the teaching process. 2) We strengthen the precise and meticulous control of the teaching process by accurately tracking and dynamically monitoring core indicators such as class attendance rate, concentration rate, and interaction rate. This guides teachers to continuously refine their teaching practices and enhance classroom efficiency. 3) Through the implementation of the new academic management system, we achieve a digital closed loop for teaching management processes including teaching plan formulation, course selection and scheduling, and grade management, ensuring the rigor and efficiency of teaching management. 4) Empower personalized teaching and precision education by integrating data from multiple systems, including academic affairs, student affairs, and classroom performance, thereby supporting the student, teacher, and course profiling systems in generating precise profiles. Based on these profile data, we can clearly grasp students' academic progress, provide data references for enhancing teachers' teaching capabilities, and assist in optimizing teaching methods and improving teaching standards.

As of 31 December 2025, our three universities have cumulatively obtained 8 National-level First-class Bachelor Degree Programme Construction Sites (國家級一流本科專業建設點), 17 Provincial-level First-class Bachelor Degree Programme Construction Sites (省級一流本科專業建設點), 11 National-level First-class Bachelor Degree Courses (國家級一流本科課程) and 166 Provincial-level First-class Bachelor Degree Courses (省級一流本科課程). Looking ahead, guided by the TOPCARES educational methodology, we will continue to deeply advance education and teaching reforms, implement industry-education integration, and innovate the talent cultivation model.

During the Reporting Period, the average employment rate and graduation destination implementation rate for undergraduate and associate degree programs at three universities under the Group were both above 90%. The SOVOs of these three universities collectively nurtured 687 entrepreneurial projects at or above the provincial level, incubated over 220 virtual companies, and 60 physical companies. Students from such three universities collectively won more than 22,000 awards in provincial-level disciplinary competitions of third prize or higher, with more than half being national-level awards, demonstrating the outstanding professional practical abilities and comprehensive strengths of our students.

2.2 R&D OF EDUCATIONAL TECHNOLOGY PRODUCTS AND QUALITY ASSURANCE

In the process of delivering technology products to our institutional clients, we have established a product quality assurance system characterized by "full-process quality control and multi-dimensional collaboration", aimed at comprehensively enhancing product quality and fulfilling our quality responsibilities. We implement full-cycle meticulous management of projects, strictly adhering to the entire process of "project initiation, R&D, testing, acceptance, and release". Through regular progress inspections and special quality audits, we precisely control key R&D milestones, timely identify issues, and ensure their closed-loop resolution, thereby guaranteeing the compliance and efficiency of the R&D process.

We have established a rigorous quality assurance mechanism covering the entire process, with quality control deployed upfront and covering all core stages from requirements, design, development, testing to release. By employing multi-dimensional quality control methods, we systematically identify and eliminate potential defects, ensuring stable and reliable product delivery. In the front-end phase of R&D, we focus on the quality assurance of requirements by organizing cross-disciplinary reviews involving technical, business, and education experts, with an emphasis on verifying the alignment of requirements with the actual teaching practices of institutions and industry needs. During the R&D implementation phase, we conduct categorized quality reviews. For courses and training projects, we perform standardized and comprehensive reviews. For software products, we strictly adhere to testing specifications and utilize the JMeter tool for automated stress testing to validate product performance and stability. In the pre-launch verification phase, we conduct comprehensive adaptability validation and compatibility testing, and review R&D quality records and the status of defect rectification to ensure compliance with launch standards. In the delivery phase, we establish a multi-party collaborative review mechanism to conduct a comprehensive evaluation from two key dimensions: business value (aligning with teaching needs and supporting talent cultivation) and delivery stability (operational reliability and ease of maintenance). Simultaneously, we verify the completeness of the full-process quality control records, truly laying a solid quality foundation for products through full-process quality inspections.

2.3 MEDICAL SERVICE QUALITY ASSURANCE

The Group operates Ruikang Cardiovascular Hospital and Ruikang Zhuomei Stomatological Hospital, which serve as the medical supporting segment of our ecosystem of “Education, Healthcare and Wellness”. We always adhere to the development philosophy of “promoting elderly care through medical care and assisting medical care through elderly care”, actively explore the integrated development path of diverse resources, and constantly optimize and enhance our service quality and professional standards.

During the Reporting Period, Ruikang Cardiovascular Hospital under the Group obtained the provincial qualification for the mutual recognition of medical examination and test results and completed its connection to the “Liaoning Provincial Platform for the Mutual Recognition of Medical Examinations and Tests”. It became the first private medical institution among the first batch of such institutions in the province and the 9 tertiary hospitals in Dalian to launch this platform. Through the mutual recognition platform, patients can avoid redundant examinations, and doctors can more conveniently access examination reports, effectively enhancing the efficiency and quality of medical services as well as patient satisfaction. The hospital has significantly improved the quality of medical records through a “three-in-one” approach combining process control, final quality control, and system-specific rectification, with the number of medical record issues decreasing by 35% over the same period. New hospital infection early warning systems and pre-warning systems for infectious diseases have been established to achieve timely and accurate reporting of infectious disease cases, with no underreporting or delayed reporting throughout the year. Additionally, a new enterprise WeChat service was introduced, establishing multi-to-one VIP groups composed of “attending physician + department directors + dedicated care managers” to provide comprehensive care during and after hospitalization. To date, nearly 2,000 dedicated patient service groups have been created, and patient satisfaction has consistently remained above 98%.

2.4 Quality assurance of elderly care technology products and services

The operating philosophy of our pension technology business is “dual-industry synergy and efficiency aggregation”, aiming to systematically coordinate the government-led “pension business”, ensure the inclusive, supervised, service and market-driven “pension industry”, and take the “city-level smart pension service platform” as a digital hub to connect the government, pension service institutions and elderly families, so as to realize the deep integration and closed loop of “local life service + e-mall business”. Based on the mode of “headquarters empowerment + city execution”, through the standardized and replicable layout of “one platform + two centers (elderly care talent center and elderly rehabilitation center)”, adhering to the basis of “solving the actual pain points of elderly care” and “improving user experience”, we will build a safe and trustworthy “comprehensive elderly care service platform” for the elderly, and provide one-stop solutions and elderly care services for the elderly in the whole cycle and scenario from “old-age prevention” to “old-age enjoyment”. Through refined user operation, strict service quality control and emergency support system, the platform not only facilitates the lives of the elderly, but also ensures the safety and dignity of their services, meets their deep-seated needs for health management, spiritual culture and social integration, and effectively improves the quality of life in their later years.

In order to ensure the quality of products sold on the platform and protect the rights and interests of consumers, we have formulated the Supplier Residence Evaluation System, which takes supplier qualification and quality control as the core foundation of product quality, reviews merchant and product qualifications in strict accordance with laws and regulations in terms of standard solidification process, and signs the Quality Responsibility Agreement with suppliers; we formulate targeted quality standards according to customer needs, and prevent inferior products from flowing into the platform from the source; we carry out irregular sampling inspections and unannounced inspections on the goods for sale, and immediately remove them from the shelves if quality problems are found; at the same time, we establish a sound emergency mechanism for quality problems. If there are potential safety hazards in products, the products will be immediately removed from the shelves, recalled and reported to the regulatory authorities, so as to ensure the traceability and control of the quality of the whole chain, so as to ensure the fairness, transparency and traceability of product selection decisions.

During the Reporting Period, Wecare Family Nursing Home established a standardized operation system (SOP) covering the whole process of care, covering admission and discharge assessment, graded care, medical care, infection control, emergency plan and other aspects. It regularly conducted internal quality review and external rating inspection, comprehensively optimized 82 technical operation procedures and 27 nursing emergency plans, forming a closed-loop management of "inspection-feedback-rectification-review", and was successfully awarded the "Five-star Pension Institution" in 2025.

2.5 Complaint supervision and feedback management on product and service quality

The Group is committed to establishing a transparent, smooth and normalized communication mechanism to actively respond to the demands of various stakeholders. We attach great importance to customer feedback, establish a multi-channel and convenient customer communication system that integrates online and offline services to ensure that the opinions and needs of students, parents, institutional customers, institutional customers and individual customers can be collected and responded to efficiently. On the online front, we set up exclusive customer service hotlines, platform mini programs, social media (such as WeChat official account, etc.) and other channels; in addition, we have set up a dedicated report and complaint hotline and mailbox for receiving major complaints or important suggestions. We have formulated the Standard Management System for Customer Complaint Handling to clarify the "first inquiry responsibility system" and "time-limited settlement system" for complaint handling. There are clear standards, processes and detailed rules in the five links of acceptance and recording, investigation and verification, handling and resolution, feedback and closure, analysis and improvement, forming a closed loop of management to ensure that every appeal can be handled fairly, timely and effectively.

During the Reporting Period, the Group mainly provided products and services in the fields of education and healthcare. In terms of products, none of the products sold or shipped are subject to recall for safety and health reasons; In terms of services, taking Neusoft Healthcare, a subsidiary of the Group, as an example, a total of 72 complaints were received throughout the year, all of which were properly resolved. Among them, there were 13 complaints in cardiovascular hospitals throughout the year, with a handling rate of 100% and patient satisfaction of 100%. The Ministry of Medicine has formulated the Doctor-Patient Communication System to efficiently resolve doctor-patient disputes to build a harmonious doctor-patient relationship by strengthening communication with patients and their families. Ruikang Zhuomei Stomatological Hospital received a total of 27 valid complaints (20 patients' complaints and 7 internal recommendations), all of which were handled according to the established procedures, and no complaint escalation was caused. The nursing home received 32 valid complaints, mainly related to the details of care implementation. The complaints were responded to by grades according to the Regulations on the Management of Customer Complaints and Opinions Handling, and the handling was completed within 24-48 hours and a closed-loop return visit was made, with a handling satisfaction rate of 100%.

3. COMPLIANCE FOCUS

3.1 Risk management

We are fully aware that a sound, complete and effective risk management system contributes to the sustainable, healthy and stable development of the Group. We formulated the Comprehensive Risk Management System and prepared the Comprehensive Risk Management Report annually by adopting the Risk Management System of the Committee of Sponsoring Organisations (COSO) of the Treadway Commission with reference to the actual situation of the Group, integrating risk management into our operation management to create and maintain corporate value.

We have stipulated the risk management organizational structure in the Comprehensive Risk Management System, and have established two-level risk management committees, namely "Group-Tier 1 Subsidiaries": The Group Risk Management Committee is composed of the senior management of the Group and heads of all departments, and is responsible for guiding the risk management work of the whole Group; the Risk Management Committee of each tier-one subsidiary comprises the general manager of the subsidiary and the head of the relevant department of the subsidiary, and is responsible for conducting the risk management of the Company (and its subsidiaries), and accepts the guidance and supervision of the Group's Risk Management Committee. The Group and each of its first-tier subsidiaries have established risk management offices to conduct daily risk management work of the Group/subsidiaries under the authorization of the corresponding risk management committee. The Audit and Supervision Department of the Group independently supervises the risk management as authorized by the Audit Committee of the Board.

Our comprehensive risk management process consists of five steps, including identification, assessment, response, supervision and reporting, to manage various risks of the Group, such as strategic risk, financial risk, market risk, operational risk, legal risk, various environmental, social and governance risks (including climate-related risks).

The Comprehensive Risk Management system specifies the management objectives, management principles and management measures of risks and provides guidance for risk management in order to strengthen the Group's risk prevention capabilities and provide reasonable protection for the Group's strategic development. We have identified and assessed environmental, social and governance risks in each business process that may have a significant impact on us in accordance with a comprehensive risk management process, including those related to environmental protection and resource conservation, human resources, quality assurance, procurement, engineering projects, research and development, information systems, etc. In order to manage these environmental, social and governance risks, we have established and improved various management systems, management methods or management regulations. The identification, assessment and management of major climate-related risks will be described in "5.2 Responding to Climate Change" in ESG report.

3.2 Information release and brand management

We attach great importance to conveying our corporate dynamics, cultural values and corporate strategies to the public through standardized information release and brand management processes, so as to shape the Group's good corporate image and brand reputation. In 2025, under the integrated "education-healthcare-wellness" strategic ecosystem, the Group experienced a number of important milestones in various fields, including but not limited to the launch of city-level smart elderly care platforms in Shenyang and Dalian, our becoming a global strategic senior partner of WorldSkills, the construction of rehabilitation hospitals and apartments in health science and technology on schedule, and the Group's reaching important cooperation with various parties. The above information was transmitted to the public in a timely manner through external media and the Company's self-media.

During the Reporting Period, in accordance with the governance requirements of the Group, we further updated the News Information Release Management System to clarify the rules for news information release and effectively manage the release of strategic news, major business news, and daily news on group-level and business-level platforms, so as to ensure precise communication and convey an enterprising and innovative corporate demeanor to the general public, thus highlighting our brand value and social responsibility as an industry leader. We improved and issued the Self-Media Platform Operation and Management System to ensure orderly management and operation of these platforms; revised and issued the Media Public Opinion Management System to once again clarify the public opinion preventing, monitoring and handling mechanisms and processes; we released the Management System of Major Events to systematically record important publicity files in the development process of the enterprise, and promoted the continuous improvement of brand influence and marketing effectiveness.

Through the above standardized information release and brand management, the Group not only conveys the latest developments and achievements to all sectors of society but also communicates its profound understanding and active practices regarding key issues such as social responsibility, environmental protection, and corporate governance. Through continuous information transparency and value transmission, the Group further enhances public trust, promotes good interactions with stakeholders, and jointly drives social development.

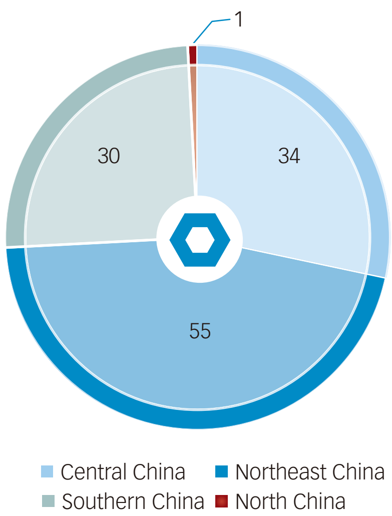
3.3 Supply chain management

In order to ensure the quality of procurement projects, we have formulated a series of procurement and supply chain management related systems, such as the Procurement Management System, the Supplier Library Management Measures and the Supplier Qualification Review Rules. The Group has set up a recruitment and procurement office, which is responsible for the procurement management of the whole Group. The office is responsible for strictly controlling the procurement process and selecting appropriate procurement methods, including public bidding, invitation bidding, competitive negotiation, single source procurement, inquiry procurement, online platform procurement, etc.; we have established a unified supplier library and set up a threshold for supplier entry. Any shortlisted suppliers for non-single source procurement projects will be selected or collected by the office in the supplier library. In terms of any non-single source procurement project, we set up an evaluation committee, composed of project representatives, financial representatives, legal representatives, technical experts, etc. The whole process of procurement meeting is recorded by audio and video to ensure the fairness and justice of the evaluation. In addition, when signing a contract with any supplier, we attach the "Integrity Cooperation Agreement" or "Social Responsibility Commitment", which clearly stipulates that both parties should be honest and self-disciplined in cooperation, and provide suppliers with reporting channels; on the premise of ensuring the quality of services and products provided, suppliers are required to commit to complying with laws and regulations and meet our requirements in terms of environmental and social responsibility. We also stipulate in the Code of Conduct for Employees that employees participating in procurement activities must comply with relevant national laws and regulations, maintain integrity and self-discipline. If an employee violates any regulations, it will be punished by the Group accordingly, and if there is any violation of the law, the employee will be handed over to the corresponding national authorities for handling.

In addition, we advocate green procurement, actively apply new energy-saving products, strictly implement the government energy-saving catalogue procurement, give priority to the selection of energy-saving products and energy-saving materials, eliminate high-energy-consuming equipment and products that are explicitly prohibited by the state, and systematically eliminate and transform seriously aged and overdue equipment to strive to reduce energy consumption.

During the Reporting Period, we organized a comprehensive update and classification of suppliers, and a total of 714 suppliers in the warehouse passed the qualification review, including 120 major suppliers with a cooperation amount of more than RMB200,000 during the Reporting Period. They provide procurement of electronic equipment, furniture, electrical appliances and other materials, as well as repair and maintenance engineering, property, security, greening, consulting and other services. The regional distribution of suppliers is as follows:

Distribution of Suppliers



3.4 Customer privacy protection

We attach great importance to information security and the protection of the privacy of employees, students, customers, patients and other stakeholders, and strictly abide by relevant laws and regulations on information security and privacy protection, such as the Cyber Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, the Data Security Law of the People's Republic of China, the Cryptography Law of the People's Republic of China, the Administrative Measures for Cyber Security of Medical and Health Institutions, and the Basic Requirements for the Protection of Information System Security Level. At the same time, the Group has established a comprehensive, scientific and effective system and technical guarantee for information security and privacy protection, and formulated the Information Security Management System of Neutech Group to carry out comprehensive information security and privacy security management. We assign different access permissions to job responsibilities and follow the principle of minimum permissions to ensure that only authorized personnel have access to the required data.

On an annual basis, the Group will arrange for each affiliated entity to conduct an audit of the information security management system, identify information security risks in a timely manner, and formulate relevant response and disposal measures. Organizing network security teams to conduct penetration tests from time to time to evaluate the quality of network security and information security management. In addition, our network has basically achieved real-name access to all network users' terminals.

For collected customers privacy data, based on the principles of legality, legitimacy, clear purpose and necessity, we strictly implement classified storage, storage and access rights, use restrictions, retention periods and active deletion mechanisms. In addition, we have carried out security identification for information assets, and adopted mandatory storage and access control over information assets marked with security identification. The confidentiality system requires regular inspection of storage and access control authorization to ensure the implementation of the principle of minimum authority.

3.5 Intellectual property management

The Group has formulated the Intellectual Property Management System, which has established a systematic and standardized intellectual property management system comprehensively covering the application, maintenance and operation of patents, software copyrights, work copyrights and various qualifications and honors. According to the Intellectual Property Management System, the intellectual property rights of employees' work creation achievements are enjoyed by the Group, and any application and transfer of intellectual property rights are subject to prescribed approval procedures; in addition, employees are obliged to keep confidential technical secrets or commercial secrets for which they have not yet applied for intellectual property rights, and they are also prohibited from infringing other people's intellectual property rights in the process of scientific research and creation. If there is any infringement, they shall bear corresponding legal responsibilities. The Group and some subsidiaries have passed ISO9001 quality management system certification and intellectual property management system certification to ensure that the intellectual property work meets national standards and industry norms. In terms of management mechanism, the Group has clarified the process of ownership, registration, archiving and renewal of intellectual property rights, which are in the charge of special departments for overall declaration and maintenance, so as to ensure the clear, traceable and effective use of intellectual property assets.

During the Reporting Period, we continued to achieve positive results in intellectual property rights, and registered more than ten new software copyrights throughout the year, including "Neusoft Intelligent Education AI Capability Platform V1.0" and other important projects with technological innovation and business support capabilities, which further enriched the Group's technological product system and core technology assets. In addition, we continued to promote the application of patented technologies in teaching products and platforms, which strengthened the synergy between intellectual property rights and business development.

As of December 31, 2025, we have accumulated 28 authorized patents (mainly invention patents), 180 software copyrights and 2 work copyrights, forming a layout of technological intellectual property rights with educational informatization, artificial intelligence, medical image processing and big data analysis as the core, providing strong support for the innovation of our technological products and digital services.

3.6 Audit supervision management

By following the principles of resolving both apparent and fundamental issues, comprehensive management, combining punishment with prevention and emphasis on prevention, the Group formulated the Anti-Fraud System according to the relevant provisions of the Company Law, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, and the Prevention of Bribery Ordinance, to strengthen training and supervision, and build an incorruptible working atmosphere, guide all employees of the Group to act in accordance with the law and regulations, conduct fair competition and be honest and trustworthy.

In terms of employee recruitment, we conduct background checks on individuals who are being considered for engagement or promotion to key positions, covering aspects such as education background, work experience, and integrity records, with a strong emphasis on assessing personal character and past experiences; at the same time, the Group gradually signs a commitment letter of integrity and self-discipline with employees to prevent fraud from the source. In terms of code of conduct, the Group formulates the Employee Code of Conduct and the Regulations on the Management of Employee Conflicts of Interest, and clarifies the fundamental behavioral standards that employees must adhere to, as well as the policies governing the acceptance of benefits, declaration and management of conflicts of interest, and acceptance of hospitality in handling relevant affairs. In terms of business cooperation, the Group conducts qualification reviews of potential suppliers or agents, and only accepts those who pass the review process; and the Group concludes integrity and anti-corruption cooperation agreements with its partners to establish honest and clean business relationships and maintain a fair and just trading environment. In terms of financial monitoring, the Group establishes clear approval authorities, reasonably designs the division of financial responsibilities, thoroughly conducts verification of transactions and payment requests, and regularly prepares financial transaction reports and exception reports to promptly prevent risks of financial fraud. In terms of supervision and accountability, business leaders oversee the operations within their jurisdiction, inspect or spot-check work processes and related transactions to ensure compliance with corporate policies and procedures; and they give guidance on business ethics and integrity to subordinates, report any discovered instances of corruption or violations through appropriate channels, and continuously follow up on their resolution.

Through official websites, clean cooperation agreements signed with partners, address books and other forms, we make public channels such as reporting telephone numbers, email addresses, correspondence addresses, principals' mailboxes and WeChat official accounts, and actively connect with external supervision platforms such as the provincial online petition information system, the 12345 hotline for transfer of the platform of the Department of Education, the online administration platform of colleges and universities, the petition management system of the Department of Education, and the transfer of complaints to governments at all levels to ensure that all kinds of reporting and feedback channels are smooth and effective. In terms of prevention and supervision, we actively conduct research and investigations to understand the characteristics and patterns of improper trading practices and commercial bribery, and then develop targeted and specific countermeasures and measures. It implements various methods such as education and publicity, system improvement, and reporting supervision to effectively prevent typical, incipient and trending issues. It identifies key areas and processes in the Group's business that may be prone to fraud, and then conducts key audits. And it also conducts irregular follow-ups with suppliers, customers, etc., to understand whether its relevant employees have committed any acts of corruption during cooperation. In terms of handling fraud incidents, the Group's Audit and Supervision Department accepts and conducts investigations into reports according to the Reporting and Supervision Management Measures, and discloses the results of fraud incident investigations in a timely manner, so that all employees fully understand the harmfulness of fraudulent behavior and take it as a warning. In addition, in terms of policies relating to the prevention, supervision and handling of bribery and corruption, we have added confidentiality commitments and feedback on real-name reports and specific content standards of reporting materials.

The Company provides diverse anti-fraud publicity and training to ensure that Directors and employees receive education on laws, regulations, and professional ethics. During the Reporting Period, all Directors studied training materials such as the Corporate Governance Guide for Boards and Directors and the Elements of Establishing a Corporate Integrity Culture published by the Stock Exchange, gaining a comprehensive understanding and knowledge of Directors' duties and related governance requirements. In addition, in light of the key points of the Company's anti-fraud policy, as well as anti-fraud policy regulations and industry trends, a total of seven training sessions on anti-corruption and anti-fraud regulations were conducted for the Group's employees during the Reporting Period. These sessions aimed to help employees gain a deeper understanding of relevant anti-fraud regulations and governance measures, thereby enhancing their compliance awareness.

During the Reporting Period, the Group had no lawsuits involving corruption, bribery, extortion, fraud or other violations of laws and regulations.

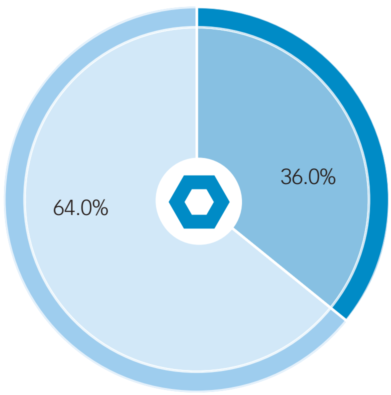
4. TALENT-ORIENTED

4.1 Building a Diverse Talent Pipeline

The Group adheres to a talent-first approach and upholds the talent philosophy of "respecting and encouraging employees' value creation to achieve mutual growth for both individuals and the organisation," committing to attracting and nurturing outstanding talents for inclusive development. To accelerate the building of a high-calibre talent team, we continuously optimise our human resources planning in alignment with the Group's strategy. Focusing on the goal of developing a talent team with coordinated improvements in scale, quality, and structure, we further strengthen the talent management mechanism that supports the enhancement of organisational capabilities and business performance.

During the Reporting Period, the ratio of male to female employees in the Group was 36% to 64%.

Gender Ratio of Full-Time Employees



4.1.1 Faculty Team Development

In terms of faculty team development, in 2025 the Group has defined "a high-level faculty team that is professionally cutting-edge, dual-qualified in both academic and practical competencies, and open and diverse" as the new positioning for faculty development, to better meet the needs of educational development in the new era. By improving management systems related to faculty position management, faculty workload calculation and assessment, faculty teaching quality development and evaluation, and faculty exchanges, and by leveraging innovative mechanisms as an engine, we accelerate the enhancement of the teaching, research, and innovation practice levels and quality of the faculty team. Concurrently, by actively broadening talent acquisition channels, we strengthen the introduction of talents who are high-level, from disciplines with acute talent shortages, and with industry experience and overseas backgrounds. We also conduct diversified training and provide industrial practice opportunities, driving the optimisation of the faculty team structure through the dual engines of introduction and empowerment. We are also committed to advancing the construction of teacher ethics and conduct. Through pre-service teacher ethics education, special training on teacher ethics and conduct, educational experience sharing sessions, and online learning, we reinforce the professional ethical standards of the faculty team. We persistently carry out the annual assessment of teacher ethics for faculty and staff, strictly implementing a "one-vote veto" system regarding teacher ethics and conduct in teacher management processes such as performance appraisal, professional title evaluation, position appointment, and annual awards selection. This effectively promotes the normalization and long-term construction of teachers' ethics, guiding teachers to implement the fundamental task of moral cultivation.

4.1.2 Medical and Elderly Care Team Development

In terms of medical and elderly care team development, we implement a talent pool initiative, focusing on introducing talents with diverse professional backgrounds and skills. Through rational job allocation, we ensure that health professionals from different specialised fields work collaboratively, enhancing the quality and innovation capability of medical services. Concurrently, through the establishment of a standardised system framework and the introduction of digital and intelligent office platforms, we improve comprehensive diagnosis and treatment capabilities and operational efficiency. We encourage the exchange of diverse cultures and the collision of ideas, strengthen cross-departmental and cross-disciplinary training and communication, stimulate employees' work enthusiasm and creativity, and enhance the team's adaptability and problem-solving skills, continuously improving the ability of medical and nursing staff to address complex medical challenges.

4.1.3 Technology R&D Team Development

In terms of R&D team development, we focus on the development and integration of emerging and cutting-edge technologies, actively building a diverse and high-calibre scientific research team. By introducing high-level talents and forming dedicated R&D teams and interdisciplinary research teams, we steadfastly advance the "education + technology + medical and elderly care" R&D strategy to construct the Group's core competitiveness. Concurrently, the Group places emphasis on creating a conducive research environment, providing policy and institutional support, R&D funding support, and regular scientific research training support. We encourage R&D personnel to actively participate in industry exchanges and cooperation to maintain the team's vitality and competitiveness, offering researchers a broad space for innovation.

4.2 PROTECTION OF EMPLOYEES' RIGHTS AND INTERESTS

We place great emphasis on protecting employee rights and interests. By implementing a robust position system, clearing promotion pathways, strengthening performance management, optimising the salary structure, and enhancing the correlation of incentives, we drive the continuous growth of our talent. We strictly adhere to relevant laws and regulations, such as the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Regulations of the State Council on Working Hours for Employees, the Measures for National Holidays and Memorial Days, and the Regulations on Paid Annual Leave for Employees, so as to safeguard employees' rights and interests through multiple measures. We have established a set of comprehensive employment management systems and formulated a series of employment management system documents, including the Employee Handbook, the Recruitment Management System, the Salary Management System, the Performance Management System, and the Employee Code of Conduct, to regulate all aspects of employment management including employee recruitment, salary and benefits, performance management, promotion, working hours, holidays and dismissal. Through the Time Management System, employees follow a standard working hour system of 8 hours per day and 40 hours per week, and are granted leave applications based on actual situations. For certain positions in hospitals and nursing homes that require flexible working hours due to work needs, the Measures for the Approval of Implementing Irregular Working Hour System and Comprehensive Calculation Working Hour System by Enterprises are followed to implement irregular working hour system or comprehensive calculation working hour system.

The Employee Handbook stipulates that the Group strictly prohibits any discrimination based on gender, ethnicity, race, religious belief, nationality, age and other factors in recruitment, salaries and benefits, training, promotion and dismissal, and respects multicultural and religious beliefs. Our recruitment process follows the principle of openness and fairness. Through multiple channels such as internal recruitment and external recruitment, we select suitable talents who meet the requirements by the position in terms of the character, knowledge, experience and capability.

To promote continuous improvement in employee work efficiency and make reasonable evaluations of employee performance, we have formulated the Performance Management System and established a performance management system based on key performance indicators. We follow the principles of openness, fairness, and impartiality, and take the actual performance of the evaluated individuals as the basis for evaluation. The results of performance evaluations are applied to aspects such as employee reward distribution, salary management, position management, and talent cultivation, so as to incentivize employees to improve their work performance.

The Group concludes labour contracts with employees on the basis of legality, fairness, equality, voluntariness and mutual agreement, and specifies the terms of employment in the Labour Contract. When recruiting employees, we neither collect deposits nor guarantees, nor withhold identity certificates, documents or other statutory proof files. It strictly complies with the Prohibition of Child Labour, clearly stipulating that forced labour must not occur during employment, and supports victims in reporting and testifying, protecting their identity and safety. Should any case of forced labour be discovered, the Group will provide necessary assistance and support to the affected individual and will seriously hold accountable and penalise the responsible parties. As of now, there have been no instances of child labour or forced labour. In accordance with the Recruitment Management System, we strictly review and verify the applicants' identity cards, academic certificates, and the Job Application Form and other materials. If an employee provides false information, we are entitled to immediately terminate the labour contract with him/her. We hope that employees can develop together with the Group. If an employee submits a resignation, we will arrange a resignation interview to understand his/her thoughts and needs, and will attempt to retain any outstanding talent.

We have formulated the Employee Code of Conduct, which clearly defines the behaviours and culture advocated by the Group in areas such as office conduct, operations, safety, and media, as well as the definition, handling measures, and procedures for violations and disciplinary offences. This is designed to guide employees in establishing a professional conduct mindset, continuously enhancing their personal professional competence, and correctly fulfilling their responsibilities. Meanwhile, with a view to promoting and guaranteeing the harmonious and healthy development of employee relations, the Group advocates active and effective communication skills as well as reasonable and correct appeal methods, and offers employees appeal channels to ensure fairness and accuracy in handling violations.

In addition, regarding communication between employees and the Group's management, we advocate a candid, open, and democratic communication style and provide multiple communication channels. Firstly, employees can participate in democratic management and oversight through the employee representative conferences, exercising their rights to democratic management. They can also communicate their questions, opinions, and suggestions on an equal footing with leaders at all levels through various means such as forums, opinion surveys, interviews, telephone calls, and emails. At the same time, employees can stay informed about the Company's development and matters pertaining to their vital interests through internal platforms, documents, and relevant meetings. Through the above methods, we ensure that executives can listen to employees' voices and that employees can understand the organisation's direction.

4.3 EMPLOYEE BENEFITS

We understand that compensation and benefits serve as the driving force, incentive and reward for employees to create value for the Group. The Group optimises the remuneration mechanism to provide employees with competitive remuneration. In addition to the basic salary, we have performance bonuses granted based on their performance and special bonuses for achieving significant results or winning great reputation for the Company, in order to encourage employees' outstanding performance. In addition, welfare is an important part of the Group's overall compensation system. The welfare system of the Group is based on the national basic social security system and is constantly innovated and improved through combining with the actual situation of the Company, aiming at providing rich and complete welfare protection for the employees.

In order to enhance the convenience of employees' work and life, and to effectively achieve a balance between their work and life needs, in addition to providing the employees with five social insurances and housing fund and statutory holidays prescribed by the state, the Group has also set up supplementary benefit schemes, including supplementary commercial insurance, body checkup, wedding allowance, fertility allowance, funeral condolence payment, birthday benefits, holiday benefits, etc., to convey employees care and blessings of the Group. The Group is also committed to ensuring the health and safety of employees. All of our employees are entitled to free physical examinations. In addition, we also provide additional favourable physical examinations packages for the employees' families, putting our care into practice for the employees and their families. We also employ relevant experts to conduct physical and mental health lectures, guiding employees to establish correct health concept, to improve the physical and psychological "immunity" of employees.

The Group not only cares about the work needs of employees, but also regularly organises and carries out various employee activities, trying to promote the work-life balance among employees, enrich their daily lives, and promote the sustainable development of the Group. During the Reporting Period, we carried out a variety of cultural activities covering multiple areas such as festival celebrations, public welfare activities, fitness sports, and handicrafts, aiming at combining corporate culture with employee interests, deepening mutual understanding and cooperation among employees, enhancing team cohesion, centripetal force and sense of belonging, continuously promoting the construction of a distinctive corporate culture, fostering consensus on development, system, environment and behaviour, as well as achieving cultural resonance among all employees with first-class cultural construction as the driving force.

4.4 TALENT DEVELOPMENT

The Group places great emphasis on talent development. By leveraging diversified training channels, we comprehensively empower employees' professional capabilities and competence, providing solid talent support for the Group's sustainable development. We are committed to providing each employee with an open career development platform and opportunities. "We provide our employees with opportunities for career development, not just a job" is the Group's commitment to employees. We encourage employees to actively participate in professional skills training. We support the continuous development of employees through centralised training, corporate training, academic lectures, special seminars and broadening of channels for educational qualification improvement to reinforce the construction of a first-class talent team. We provide employees with diversified and customized trainings which are suitable for their needs, such as start-up education and training for new employees, general competency training for all employees, leadership development training for managers, coaching by internal mentors, development plans for key staff, succession plans for key positions, etc.

During the Reporting Period, we organised and conducted training activities in multiple areas covering teaching and research, innovation and entrepreneurship, cutting-edge technologies, ESG, integrity and anti-corruption, office skills, professional qualities, orientation education, and leadership, through internal specialized training, external expert lectures, external exchange programs, and online courses. A total of over 530 training activities were conducted, with 3,600 employees participating in such trainings. The average training hours for full-time regular employees reached 35.2 hours. As a result, the basic qualities, professional skills, and management abilities of these participating employees have been improved both theoretically and practically.

4.5 SAFETY AND SECURITY MEASURES

4.5.1 Food Safety

Ensuring food safety is a long-term endeavour that requires adherence to laws and regulations as the guiding principle and a robust management system as the foundation. In canteen management, we implement whole-chain control "from farm to table." Through strict prevention at the source, rigorous management of processes, and stringent control of risks, we earnestly safeguard food safety and build a healthier and safer catering environment.

We strictly comply with the requirements of laws and regulations such as the Food Safety Law of the People's Republic of China, the Administrative Measures for Food Safety Supervision in Catering Services, and Measures for the Administration of Food Safety and Hygiene in Catering Services. We have also formulated a series of management systems and emergency plans to ensure food safety, such as the Ingredient Traceability System and the Food Testing System. To safeguard the safety and hygiene of food ingredients, we strictly adhere to specifications in managing food supply, acceptance inspection, processing, sample retention, kitchen waste disposal, personnel training, and the management of professional ethics and job responsibilities. We clearly define the persons responsible for canteen food safety and the respective responsible units, implement food safety responsibilities and fulfil supervision and management duties in accordance with the law, conducting daily inspections, weekly controls, and monthly management reviews, and have established emergency plans and reporting systems for various types of incidents. We strictly carry out routine inspections, investigations, and spot checks on food service operators and require them to complete food safety training and maintain records. Canteen staff must hold valid health certificates and undergo daily morning checks (e.g., temperature checks, hand injuries). Cleaning of operation areas and dining areas is conducted daily. We regularly carry out "four pest elimination" work, maintain the normal operation of ventilation facilities, and regularly organise staff to study food safety laws, regulations, and operational skills, strengthening risk awareness through case studies and on-site demonstrations. Food safety information (such as ingredient sources and test results) is disclosed to diners to accept public supervision. For canteen kitchen waste, we engage a third-party cleaning company for daily removal and transportation.

4.5.2 Safety of Workplace

We have formulated a series of systems to ensure a safe environment for office, teaching, and medical activities, such as the Safety Management Measures for Building Facilities, Fire Safety Management Measures, Property Management System, Laboratory Safety System, and Safety Management System for Post-medical Security Departments. These systems protect the safety of various facilities, equipment, and key locations in multiple aspects, strengthen environmental management and security management within the premises, and establish multiple emergency response plans. During the Reporting Period, we revised the Visitor Reception Management System, detailing the handling procedures for various types of visitors, including those with appointments, without appointments, and irrational individuals, thereby maintaining good order in the office areas. We also revised the Neusoft Healthcare Logistics Support Department Safety Management System, exercising control through aspects such as safety inspections, and coordinating with all medical staff to conduct simulation drills. Through these drills, we enhanced the understanding of emergencies, clarified the work responsibilities of employees in various institutions when responding to emergency situations, and ensured that patients and their own safety can be protected when medical institutions encounter emergencies.

We organised a series of safety knowledge training sessions to enhance employees' safety awareness and emergency response capabilities. Adhering to the principle of "learning through practice and preparing through drills," we normalised various safety activities such as fire safety drills, first aid skills training, and surprise inspections. In 2025, a total of 20 training sessions and drills were organised, with 300 participants, effectively enhancing the safety awareness and emergency response capabilities of all employees. Through these drills, the average fire emergency response time for all employees was reduced to 3 minutes, and the pass rate for standardised fire extinguisher operation increased to 98%.

During the Reporting Period, in order to implement the guidelines of the Liaoning Province Safe Hospital Construction Work Conference jointly issued by the Liaoning Provincial Health Commission and the Liaoning Provincial Public Security Department, and to effectively enhance the hospital's ability to respond to sudden security incidents, the security section, in collaboration with the police post, conducted an anti-riot drill in a comprehensive department consultation room of the hospital. The drill aimed to test the efficiency and speed of the joint response mechanism through practical scenario simulation.

5 GREEN DEVELOPMENT

5.1 Continuing to Advance Green and Low-Carbon Operations

The Group strictly adheres to relevant environmental laws and regulations, including the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Waste, and the Energy Conservation Law of the People's Republic of China, and integrates the concept of green and low-carbon sustainable development into its development strategy. In this regard, it formulates scientific and reasonable energy conservation and emission reduction targets, and establishes a comprehensive environmental management system.

The business operations under our "education-medical-elderly care" integrated model mainly impact the environment and natural resources through electricity consumption, domestic water use, material usage, disposal of domestic and medical wastes, and vehicle use. We have taken multiple effective schemes and measures to conserve energy and water, such as using OA, BIP, and other information platforms to achieve paperless office work, setting up waste recycling points, reducing the frequency of using disposable tableware and cups, and recommending the procurement of environmentally friendly materials, thus reducing exhaust gas and greenhouse gas emissions, and lowering wastes.

During the Reporting Period, the Group continued to implement low-carbon management in the areas of energy management, water resource management, and waste and resources management:

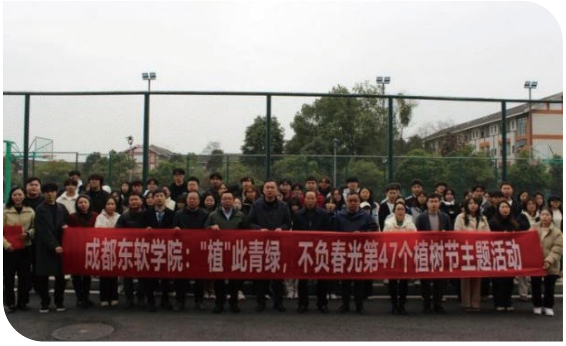
Energy management
Air-conditioning system • Adopt water-cooled air-conditioning system; • Set the minimum indoor air-conditioning temperature to 22 degrees Celsius in summer; • Place the UV protection heat-insulating film onto the windows to reduce heat energy absorption; • Set standby times for energy-consuming equipment to control inefficient energy usage; • During the cooling season, the cold source equipment room adjusts the operation mode of units at any time based on daily temperature variations to achieve optimal energy-saving results.
Lighting system • Install the latitude and longitude timer to control the street light switching time more accurately; • Use energy-saving lamps at the roads, squares and green belts and other public areas, to implement green lighting when feasible. • Plan the timing and quantity of indoor and outdoor lighting deployment, with property management arranging dedicated personnel to conduct inspections within various buildings, ensuring normal lighting needs are met while reducing unnecessary energy consumption from lighting.
Electronic office equipment • Strengthen the inspection of electronic equipment, turn off electronic devices in time during non-working hours, check and fix problems in time to increase the service life of the equipment. • Control the use of non-essential electrical appliances such as electric heaters to reduce unnecessary energy consumption.

Water resource management
• Construct an intermediate water treatment station to treat and reuse domestic sewage; • Check water consumption monthly, inspect underground water pipes regularly, check the water meter and other equipment daily to monitor for abnormal water consumption. This helps to prevent and avoid water leakage and other waste of water resources; • Using professional leak detection technology, find out the leakage point and deal with the leakage situation in time; • Daily inspection of the area for constant water flow, and control the flow of water from the faucet; • Post water conservation signs in each area to remind water conservation; • Enhance the capability to detect and address leakage and spillage issues in concealed pipeline networks to curb water resource wastage; • Strengthen two key areas of effort, intensifying publicity to enhance water conservation awareness, and standardizing water usage practices to reinforce water conservation management.

Waste and resources management
• Non-hazardous waste, such as food waste and domestic waste, will be collected by qualified units for treatment after waste separation; • Hazardous waste, such as wasted electronic products, pathological waste and pharmaceutical waste, will be regularly collected and disposed of by qualified units; • Promote and implement waste separation, recycling, and reduce the use of disposable and non-recyclable products; • Adopt teaching, office and medical automation systems, submit and access the documents, medical records and other materials through the online system if possible, and promote paperless environment; • Photocopying, printing and other paper are managed by designated personnel which is strictly controlled, and daily documents are printed on both sides; • Improve resource utilization rate, achieve recycling, reduce resource waste, and reduce environmental pollution caused by waste; • Optimize waste treatment processes to achieve standardized collection, safe transportation and reasonable treatment of waste; • Enhance waste sorting awareness and strengthen environmental awareness.

During the Reporting Period, the Group did not commit any violations of laws or regulations related to exhaust gas and greenhouse gas emissions, pollutant discharge into water and land, or disposal of hazardous and non-hazardous wastes.

During the Reporting Period, the Youth League Committee of Dalian University, a subsidiary of the Group, in conjunction with the Young Volunteers Association, organized and carried out the "Green Youth Action, Environmental Protection Together" World Environment Day promotional activity, attracting nearly 400 students to participate. Through methods such as physical displays, hands-on practice, and interactive presentations, the activity vividly conveyed concepts including low-carbon living, resource recycling, and ecological protection, guiding students to actively practice ecological civilization and contribute their youthful strength to building a beautiful China. The Youth League Committee of Chengdu University, a subsidiary of the Group, carried out Tree Planting Day activities with the theme "Plant this Green, Live up to the Spring", adopting the format of "practice + science popularization" to convey environmental protection concepts. A total of more than 300 teachers and students participated, joining hands to plant over a hundred saplings, adding new greenery to the campus through practical actions; in addition, the university organized fun interactions such as plant guessing games and waste sorting, attracting nearly 200 students to participate in Q&A interactions, effectively expanding the reach of environmental protection concepts.



5.2 ACTIVELY RESPONDING TO CLIMATE CHANGE

The Group discloses climate-related information in accordance with the relevant requirements of the Stock Exchange's "Code" and continuously improves the Group's capabilities in identifying, assessing and managing climate risks, so as to respond to future climate change more effectively.

Governance:

The Board of Directors of the Company is the highest governance body for supervising climate-related risks and opportunities, responsible for formulating climate-related strategies and conducting daily supervision and overall management of climate-related issues through the ESG Committee. Climate risks have been incorporated into the Group's comprehensive risk management system. The ESG Committee regularly conducts climate risk identification, assessment and reports on response progress across the Group, monitors the achievement of climate-related goals, analyzes deviations and urges rectification, and reports to the Board of Directors annually on climate-related risks, opportunities, strategy implementation and goal completion; and assists in the overall planning and cross-departmental coordination of climate-related work, thereby ensuring the smooth implementation of climate actions in each business segment. Management incorporates climate-related risk and opportunity assessments when formulating the Group's development strategy, major investments and mergers and acquisitions, and major project construction, ensuring that climate-related issues are effectively integrated into daily operations and decision-making. The Company arranges professional training on climate change risks, low-carbon transformation, ESG management and other aspects for Board members, ESG Committee members and relevant working personnel every year, to enhance their professional capabilities in climate risk identification, scenario analysis and target management.

Strategy and Risk Management:

The Group has incorporated climate-related risks into its comprehensive risk management system and regularly conducts identification and assessment of climate-related risks. Based on past experience (such as the frequency and actual impact of extreme weather in the Group's main operating cities over the past period), the climate risks that may impact the Group's business operations mainly include:

Climate Physical Risks: Extreme weather events such as heavy rain, floods, and typhoons may cause damage to campus buildings, pipeline networks, water and power supply facilities, and disrupt transportation, thereby affecting the safety of teachers, students and patients, the normal operation of medical treatment and care equipment, and the transportation and guarantee of daily and medical supplies.

Climate Transition Risks: In terms of policy and regulatory risks, supervision over energy consumption, carbon emissions, medical waste and sewage treatment is becoming stricter; in terms of technological risks, technologies related to green buildings and energy systems are continuously improving; in terms of market risks, energy prices may fluctuate. The above may lead to an increase in the Group's operating costs.

In response to the above risks, the Group has adopted a series of measures to proactively and effectively address them, mainly including:

1) Closely monitor meteorological information and promptly issue warnings and risk alerts, formulate emergency plans for various extreme weather changes, such as the "Emergency Response Plan for Natural Disaster-type Emergencies", "Emergency Response Plan for Sudden Storms", "Emergency Response Plan for Windy Weather", and "Emergency Response Plan for Snowy Weather", and establish a multi-level flood and wind prevention work plan to enhance the ability to withstand climate disaster risks.

2) Implement relevant management measures to mitigate risks, such as: purchasing insurance to compensate for property losses caused by disasters; installing waterproof baffles, renovating and reinforcing building exterior walls to avoid and reduce direct losses caused by extreme weather and ensure personal safety; constructing backup power supply systems to ensure the stable operation of important medical facilities and reduce the risk of operational interruption.

3) Closely monitor relevant national laws, regulations and regulatory requirements, strictly carry out project construction and waste disposal in accordance with environmental protection requirements, and implement planned upgrades and renovations of energy consumption systems and facilities to reduce energy consumption.

In terms of climate-related opportunities, the Group's main business model is to provide services and technological products in the fields of education and wellness. As the level of informatization and intelligent management in the education and wellness industries continues to improve, green campuses and green wellness have received increasing attention and advocacy, which creates development opportunities for the promotion and application of the Group's related technological products in these two fields.

Based on the Group's business model and past operating experience, the existence of climate-related risks and climate opportunities is long-term; the impact of related climate risks and climate opportunities on the Group's assets and business activities is limited and will not have any material impact on the Group's financial position, financial performance and cash flow.

Looking ahead, we will continue to fulfill our corporate responsibilities in climate governance, relying on our existing professional capabilities, comprehensive capabilities and resource allocation, to continuously deepen and improve our climate scenario analysis work. We will closely track climate risks and potential opportunities related to our business operations, and when necessary, re-conduct systematic climate-related risk and opportunity assessments, continuously optimize response strategies, and enhance environmental management level and the overall resilience of the enterprise in the context of climate change.

Targets and Goals:

Greenhouse Gas Emissions: The Group has calculated its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol issued by the World Resources Institute and the World Business Council for Sustainable Development, and ISO14064-1 as defined by the International Organisation for Standardisation. The Group's greenhouse gas emissions mainly come from the use of electricity and the use of vehicles. During the Reporting Period, please refer to Appendix I: KPI Data Table for our greenhouse gas emissions (Scope 1 and 2). At the current stage, we will commence preliminary identification work on Scope 3 with relevant departments, aiming to clarify the emission categories material to the Group's business, which will serve as the basis for subsequent external disclosure.

Climate-related Targets: We are committed to reducing the environmental impact of our operational activities, and will continue to maintain or further reduce greenhouse gas emissions while maintaining a similar scale of operations. The Group has adopted various low-carbon operation measures; for details, please refer to the energy management related content in "**5.1 Continuing to Promote Green and Low-Carbon Operations**". We also encourage employees to use online meetings and conference calls instead of unnecessary business trips, and promote the use of public transportation to reduce greenhouse gas emissions.

In accordance with the requirements of Part D of Appendix C2 of the "Code", the Group makes climate-related disclosures on a "comply or explain" basis. During the Reporting Period, we prioritized focusing on establishing a governance structure and using qualitative information as the main form of disclosure. For certain aspects, we are actively advancing capacity building, and the data foundation is still being improved. We have planned clear improvement directions and pathways, and will continuously improve the data foundation and measurement methods. The overall disclosure level will be enhanced year by year as data coverage and methodologies mature, ensuring that information is traceable, comparable, and continuously improved.

5.3 SUSTAINABLE DEVELOPMENT TARGETS

We deeply understand that environmental protection is a corporate social responsibility and integrate the concept of green and low-carbon sustainable development into its development strategy. In this regard, it formulates scientific and reasonable environmental management targets, reducing the environmental impact of operational activities. While maintaining a similar scale of operations, we will continue to maintain or further reduce greenhouse gas emissions through measures such as reducing vehicle use, lowering per capita electricity consumption, reducing per capita water consumption, improving waste recycling and utilization rates, and increasing tree planting.

During the Reporting Period, we formulated specific plans for greenhouse gas emissions, electricity consumption, water consumption, and waste discharge. By advocating for non-essential printing and the use of digital office systems, we effectively reduced paper consumption; the number of trees maintained increased; the increase in total greenhouse gas emissions, water and electricity consumption and per capita intensity was mainly due to i) the consolidation of Neusoft HealthCare into the Group's financial statements for 5 more months compared to 2024, and the increase in business volume at hospitals and nursing homes, leading to increased water and electricity consumption by large medical equipment and daily facilities; and ii) due to weather reasons, Dalian University extended the daily power supply time during the summer, resulting in increased electricity consumption, which in turn led to an increase in total greenhouse gas emissions. In the future, the Group will more actively promote and formulate various environmental protection plans and explore opportunities for emission reduction, such as saving water and electricity and gradually reducing per capita consumption, so as to achieve the sustainable development targets of corporate environmental protection. In 2026, we will study the plan to replace lighting fixtures with smart lighting tubes in the Group's underground parking lots. Currently, lighting sampling tests are being conducted in localized areas of the basement. If the tests prove that replacing with smart lighting tubes can achieve energy savings, we will study the implementation of a full-scale replacement.

During the Reporting Period, we organized Group-wide ESG training, engaging a third-party professional ESG institution to conduct the training. There were over 70 participants (both offline and online), covering substantially all employees involved in ESG work. The training content encompassed interpretation of the latest regulations, methods for accurate data collection, submission of effective materials and highlight materials, improving report quality, and case studies and comparative analysis of excellent ESG reports.

During the Reporting Period, our ESG sustainable development achievements received recognition from external institutions. The Group was awarded an AA rating in the 2025 Wind ESG Rating, ranking first in comprehensive score among a total of 78 companies in the Wind Comprehensive Consumer Services sector.

6 CONTRIBUTE TO THE COMMUNITY

While adhering to laws and regulations and operating with integrity, the Group is also committed to advancing public welfare undertakings and actively assuming social responsibilities, continuously giving back to the society through practical actions. The Group consistently organizes a series of public welfare activities, including but not limited to hosting competitions, targeted poverty alleviation in rural areas, volunteer activities for university students, and free medical consultations by medical experts in communities, continuously contributing the strength of Neusoft Ruixin to the society.

During the Reporting Period, the Group's direct and indirect community investment and charitable contributions amounted to RMB6.0119 million, with 908 employee participants.

During the Reporting Period, the Group became the first Global Advanced Partner of WorldSkills in China. It will fully leverage the social responsibility of Chinese enterprises, deeply empower education technology with the integrated education-healthcare-wellness strategy, and join hands with global partners to help bridge the skills gap between different countries and regions, provide more young people with opportunities for skills upgrading, and jointly cultivate versatile highly-skilled talents who can adapt to and lead the digital future. We will provide hardware and software related technical support for four skills competitions at the WorldSkills Competition 2026, Software Application Development (formerly Business Software Solutions), Software Testing, Digital Interactive Media Design, and Retail. This is not only an important milestone in the development history of Neusoft Ruixin, but also fully reflects the remarkable achievements made in China's skilled talent cultivation under the guidance of policies such as the Ministry of Human Resources and Social Security's "Implementation Plan for the 'Skills China Action'"and the "Opinions on Strengthening the Construction of a Highly-Skilled Talent Force in the New Era" issued by the General Office of the CPC Central Committee and the General Office of the State Council, as well as the broad international recognition and respect for the improvement of China's skills level.

During the Reporting Period, as a co-organizer, the Group led the "Automotive Intelligent Connected System Solutions" event under the "Belt and Road Initiative & BRICS Skills Development and Technological Innovation Competition", transforming cutting-edge technologies such as "software-defined vehicles" into competition standards. By continuously supporting activities such as the BRICS Vocational Skills Competition, we effectively promoted international exchanges in the field of digital skills. Based on the above practices, the Group systematically integrated enterprise-level technology platforms, real-world project cases, and expert resources into the entire talent cultivation chain, effectively promoting the precise alignment between the education supply side and the industrial demand side, and successfully constructing a closed-loop value system for industry-education integration that is oriented by industrial demand, facilitated by competitions, and centered on the continuous transformation of resources. This is not only a strategic demonstration of the Group's fulfillment of social responsibilities, but also highlights our corporate commitment to empowering the enhancement of national digital competitiveness through talent cultivation.

During the Reporting Period, Dalian University organized 350 teacher and student volunteers to participate in the service of the 35th Dalian Marathon. Service points were set up at critical sections after the 28-kilometer mark of the full marathon, with service lasting nearly 8 hours, providing safety assurance and cheering support for the runners, fully demonstrating the dedication, responsibility, and high spirits and positive attitude of Neusoft youth. The university received thanks from the event organizing committee and was awarded the title of "Outstanding Volunteer Group".

During the Reporting Period, Neusoft Feng Huang College continued to carry out the "Community Lecture Hall for Senior Citizens" project, delivering a total of 45 courses to 4 sub-districts and 20 communities throughout the year, reaching 1,031 members of the public. The course content covered areas such as health and wellness, music and arts, and digital skills, fully responding to the diverse learning needs of community residents and receiving widespread acclaim. In addition, Neusoft Feng Huang College also held 1-2 public welfare lectures and handicraft salon activities each month, such as scented candle making, intangible cultural heritage paper-cutting experiences, and traditional Chinese medicine health lectures. These activities were open to the public free of charge, aiming to enhance the physical and mental health and cultural fulfillment of middle-aged and elderly groups.

Ruikang Stomatological Hospital, a subsidiary of the Group, extensively carried out diverse forms of public welfare education and free clinic activities. During the Reporting Period, the hospital provided cumulative public welfare oral health assessment services to over 5,600 community residents and corporate employees. Among these, it actively collaborated with 1 Party branch and 45 communities to co-build medical and health service stations, routinely conducting over 80 sessions of oral health education and free check-up services. It also went into 4 public primary schools to carry out themed activities in the "Tooth Protection Classroom", bringing oral health knowledge into the campus and providing professional oral health public welfare assessments to over 1,600 students. It was approved as a designated medical institution for the Dalian Municipal Government's free pit and fissure sealing project, completing pit and fissure sealing for over 1,700 teeth for school-age children throughout the year.

During the Reporting Period, the Shengqing Wellness Platform under the Group's elderly care technology segment, in collaboration with Aier Eye Hospital, Shangu Tang Traditional Chinese Medicine, Renai Dental and other organizations, completed the "Health Guardian, Warmth in Action" community free clinic series. The activity lasted one and a half months, cumulatively entering multiple communities to conduct 32 free clinic sessions, providing the elderly with free basic health check-ups, consultations on common diseases, medication guidance and personalized health advice, allowing the elderly to enjoy attentive medical care right at their doorstep. In addition, under the guidance of the Shenyang Municipal Civil Affairs Bureau, the Shengqing Wellness Platform, in conjunction with Beijing Yingke (Shenyang) Law Firm, carried out the "Digital Assistance for the Elderly, Smart Enjoyment of Life" digital literacy and skills training activity for the silver-aged population. The activity helped the elderly cross the "digital divide", enabling them to easily master digital skills and enjoy the infinite convenience and fun brought by smart living. This not only made their lives richer and more colorful, but also allowed them to feel the care and respect of society in the process of keeping pace with the times, truly realizing the beautiful vision of learning and enjoying in old age. At the same time, the Shengqing Wellness Platform specially invited professional lawyers from Yingke Law Firm to act as anti-fraud propaganda lecturers, popularizing anti-fraud knowledge for the middle-aged and elderly population.

During the Reporting Period, the "AI Empowering Elderly Care Institutions" public welfare open course, jointly organized by the Dalian Intelligent Wellness Platform under the Group's elderly care technology segment and the Dalian Association for the Elderly Welfare, was successfully held. A total of over 60 participants, including heads and key publicity personnel from more than 30 elderly care service institutions in Dalian, attended the training to jointly explore the practical application of AI technology in the publicity and operation of elderly care institutions.

APPENDIX I: KPI DATA TABLE

Environmental Aspect[1]	Unit	FY2025
Air Emission of Vehicles[2]		
Nitrogen Oxides (NO_x)	kilogram (kg)	185.66
Sulphur Oxides (SO_x)	kilogram (kg)	0.35
Particulate Matter (PM)	kilogram (kg)	17.55
Greenhouse Gas Emission[3]		
Direct greenhouse gas emissions (Scope 1)[4]	tonnes carbon dioxide equivalent (CO_2-e)	212.06
Indirect greenhouse gas emissions (Scope 2)[5]	tonnes carbon dioxide equivalent (CO_2-e)	33,777.49
Greenhouse gas emissions in total (Scopes 1 and 2)[6]	tonnes carbon dioxide equivalent (CO_2-e)	33,850.45
Intensity of Greenhouse Gas Emission		
Intensity of greenhouse gas emissions (Scopes 1 and 2)	tonnes carbon dioxide equivalent (CO_2-e)/metre square (m^2)	0.03
Intensity of greenhouse gas emissions (Scopes 1 and 2)	tonnes carbon dioxide equivalent (CO_2-e)/person*	0.54
Hazardous Waste		
Hazardous waste produced[7]	tonnes	22.74
Intensity of hazardous waste produced	tonnes/person^	0.01

1 The environmental aspect collection scope covered the Group's headquarters, Dalian University, Chengdu University, Guangdong University, Neuedu Technology, Neusoft HealthCare, and Neusoft Ruixin Health Technology; Neusoft Ruixin Health Technology is a subsidiary established by the Group in September 2024 to develop elderly care technology business, and formally commenced business promotion and operations in 2025.

2 The air emissions from the vehicles owned by the Group were calculated in reference to "How to Prepare an ESG Report – Appendix 2: Reporting guidance on Environmental KPIs" of Hong Kong Stock Exchange

3 The greenhouse gas emissions for Scope 1 and Scope 2 of the Group were calculated in reference to "How to Prepare an ESG Report – Appendix 2: Reporting guidance on Environmental KPIs" of Hong Kong Stock Exchange

4 Scope 1: direct greenhouse gas emissions produced by the sources owned and controlled by the Group

5 Scope 2: greenhouse gas emissions indirectly induced by the external electricity purchased by the Group

6 Greenhouse gas removals have been calculated for new tree planting (139.10 tonnes carbon dioxide equivalent (CO_2-e))

7 Including computers, batteries, waste ink cartridges, waste toner cartridges and other hazardous wastes

Environmental Aspect[1]	Unit	FY2025[2]
Non-hazardous Waste		
Non-hazardous waste produced	tonnes	16,173.51
Intensity of non-hazardous waste produced	tonnes/person*	0.26
Paper consumption		
Paper consumption	kilogram (kg)	26,250.31
Intensity of paper consumption	kilogram (kg)/person*	0.42
Electricity consumption		
Total electricity consumption	kilowatt hour (kWh)	63,659,039.76
Intensity of total electricity consumption	kilowatt hour (kWh)/metre square (m^2)	51.06
Intensity of total electricity consumption	kilowatt hour (kWh)/person*	1,077.89
Vehicle fuel consumption		
Gasoline	litre	18,009.00
Diesel	litre	5,433.17
Water consumption		
Total water consumption	tonnes	1,970,550.17
Intensity of total water consumption	tonnes/metre square (m^2)	1.58
Intensity of total water consumption	tonnes/person*	31.20
Reclaimed water consumption	tonnes	50,755.00

* Calculated in accordance with the number of employees and students under the environmental data collection scope, as of 31 December 2025

^ Calculated in accordance with the number of employees under the environmental data collection scope, as of 31 December 2025

Social Aspect[9]	Unit	FY 2025
Total workforce[10]	number of people	4,081
Total Workforce (by Gender)		
Female employees	number of people	2,595
Male employees	number of people	1,486
Total Workforce (by Employee Category)		
Short-term contract/part-time employees	number of people	1,120
Full-time general employees	number of people	3,751
Full-time middle management	number of people	301
Full-time senior management[11]	number of people	29
Total Workforce (by Age Group)		
Employees aged below 30 years old	number of people	1,283
Employees aged between 30-50 years old	number of people	2,572
Employees aged above 50 years old	number of people	226
Total Workforce (by Geographical Region)		
Employees in Northern China	number of people	12
Employees in Northeastern China	number of people	2,009
Employees in Eastern China	number of people	22
Employees in Central China	number of people	1,195
Employees in Northwestern China	number of people	1
Employees in Southern China	number of people	838
Employees in other regions	number of people	4

9 Social aspect collection scope covered the Group entirely

10 Employees include only regular employees and do not include short-term contract employees and part-time employees trained

11 Full-time senior management includes senior managers appointed by the administrations of the three universities operated by the Group and by the board of the three universities

Social Aspect[9]	Unit	FY 2025
Turnover Rate		
Total turnover rate of work force	%	12.87%
Turnover Rate of Work Force[12] (by Gender)		
Female employees	%	11.16%
Male employees	%	15.71%
Turnover Rate of Work Force[12] (by Age Group)		
Employees aged below 30 years old	%	13.66%
Employees aged between 30-50 years old	%	12.49%
Employees aged above 50 years old	%	12.74%
Turnover Rate of Work Force[12] (by Geographical region)		
Employees in Northern China	%	40.00%
Employees in Northeastern China	%	13.85%
Employees in Eastern China	%	33.33%
Employees in Central China	%	13.15%
Employees in Northwestern China	%	0.00%
Employees in Southern China	%	8.71%
Employees in other regions (including Hong Kong, Macao and Taiwan)	%	0.00%
Occupational Health and Safety		
Number of work-related fatalities occurred in 2023	Number of person	0
Number of work-related fatalities occurred in 2024	Number of person	1
Number of work-related fatalities occurred in 2025	Number of person	0
Rate of work-related fatalities in 2023	%	0.00%
Rate of work-related fatalities in 2024	%	0.03%
Rate of work-related fatalities in 2025	%	0.00%
Lost days due to work injury	days	199

12 Turnover rate for the specific category = number of employees turnover for the specific category ÷ (number of employees turnover for the specific category+ number of employees in the specific category in the end of the year) × 100%

Social Aspect[9]	Unit	FY 2025
Development and Training		
Number of Employees Trained[13] (by gender)		
Female employees	number of people	2,409
Male employees	number of people	1,191
Number of Employees Trained		
Full-time general employees	number of people	3,283
Full-time middle management	number of people	295
Full-time senior management	number of people	22
Average Training Hours Completed Per Employee[14] (by Gender)		
Female employees	hour	36.5
Male employees	hour	30.2
Average Training Hours Completed Per Employee (by Employee Category)		
Full-time general employees	hour	35.2
Full-time middle management	hour	23.6
Full-time senior management	hour	16.7
Anti-corruption		
Number of concluded legal cases regarding corrupt practices brought against the Group or employees	number of cases	0

13 Employees here include only regular employees and do not include short-term contract employees and part-time employees trained

14 Average training hours completed per employee for the specific category = training hours of employees trained for the specific category ÷ number of employees in the specific category, where employees include only regular employees and do not include short-term contract employees and part-time employees trained

APPENDIX II: INDEX OF THE ESG REPORTING CODE

Index Content			Relevant Chapter
A. Environmental			
A1 Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	5 Green Development
	A1.1	The types of emissions and respective emission data.	Appendix I: KPI Data Table
	A1.2	Direct (Scope 1) greenhouse gas emissions and indirect greenhouse gas emissions from energy (Scope 2) in total and, where appropriate, Intensity.	Appendix I: KPI Data Table
	A1.3	Total hazardous waste produced and Intensity.	Appendix I: KPI Data Table
	A1.4	Total non-hazardous waste produced and Intensity.	Appendix I: KPI Data Table
	A1.5	Description of the established targets to mitigate emissions and the procedures for achieving such targets.	5 Green Development
	A1.6	Description of how hazardous and non-hazardous wastes are handled and description of the established targets to mitigate wastes and the procedures for achieving such targets.	Appendix I: KPI Data Table 5 Green Development

Index Content			Relevant Chapter
A2 Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	5 Green Development
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and Intensity.	Appendix I: KPI Data Table
	A2.2	Water consumption in total and Intensity.	Appendix I: KPI Data Table
	A2.3	Description of energy use efficiency targets and the procedures for achieving such targets.	5 Green Development
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency targets and the procedures for achieving such targets.	5 Green Development The source of water of the Group is the municipal water supply, there is no issue in sourcing water.
	A2.5	Total packaging material used for finished products and the volume per unit produced.	Not applicable, as the business of the Group does not involve packaging material.
A3 The Environmental and environment and natural resources.	General Disclosure	Policies on minimising the issuer's significant impact on the Natural Resources	5 Green Development
	A3.1	Description of the significant impacts of business activities on the environment and natural resources and the actions taken to manage them.	5 Green Development

Index Content			Relevant Chapter
B Social			
B1 Employment	General Disclosure	Information on: (a) the policies and; (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	4 Talent-oriented
	B1.1	Total workforce by gender, employment type, age group and geographical region.	Appendix I: KPI Data Table
	B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix I: KPI Data Table
B2 Health and Safety	General Disclosure	Information on: (a) the policies and; (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	4.2 Protection of Employees' Rights and Interests 4.5 Safety and Security Measures
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix I: KPI Data Table
	B2.1	Lost days due to work injury.	Appendix I: KPI Data Table
	B2.1	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	4.5 Safety and Security Measures

Index Content			Relevant Chapter
B3 Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	4.4 Talent Cultivation Appendix I: KPI Data Table
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix I: KPI Data Table
	B3.2	The average training hours completed per employee by gender and employee category.	Appendix I: KPI Data Table
B4 Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	4 Talent-oriented
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	4 Talent-oriented
	B4.2	Description of steps taken to eliminate such practices when discovered.	4 Talent-oriented
B5 Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	3.3 Supply Chain Management
	B5.1	Number of suppliers by geographical region.	3.3 Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	3.3 Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	3.3 Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	3.3 Supply Chain Management

Index Content			Relevant Chapter
B6 Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	2 Leading Quality 3.2 Information Release and Brand Management
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	2 Leading Quality
	B6.2	Number of products and service related complaints received and how they are dealt with.	2 Leading Quality
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	3.5 Intellectual Property Management
	B6.4	Description of quality assurance process and recall procedures.	2 Leading Quality
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	3.4 Customer Privacy Protection
B7 Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to prevention of bribery, extortion, fraud and money laundering.	3.6 Audit Supervision Management
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Appendix I: KPI Data Table
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	3.6 Audit Supervision Management
	B7.3	Description of anti-corruption training provided to directors and staff.	3.6 Audit Supervision Management
B8 Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	6 Contribute to the Community
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	6 Contribute to the Community
	B8.2	Resources contributed to the focus area.	6 Contribute to the Community

<table>
<tr><th colspan="3">Index Content</th><th>Relevant Chapter</th></tr>
<tr><td colspan="4">Part D: Climate-related Disclosures</td></tr>
<tr><td>(I) Governance</td><td>19.</td><td>An issuer shall disclose information about:

(a) The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities.

(b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.</td><td>5.2 Proactively Respond to Climate Change</td></tr>
<tr><td>(II) Strategy</td><td>20.</td><td>Climate-related Risks and Opportunities

An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term.</td><td>5.2 Proactively Respond to Climate Change</td></tr>
<tr><td></td><td>21.</td><td>Business Model and Value Chain

An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain.</td><td>5.2 Proactively Respond to Climate Change

Determining the Scope of the Value Chain-adopting reasonable data relief</td></tr>
</table>

Index Content			Relevant Chapter
	22.	**Strategy and Decision-making** An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose: (a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation.	5.2 Proactively Respond to Climate Change
	23.	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	5.2 Proactively Respond to Climate Change
	24.	**Financial Position, Financial Performance and Cash Flows** **Current financial effect** An issuer shall disclose qualitative and quantitative information about: (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and (b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	5.2 Proactively Respond to Climate Change Financial Impact Relief – We will further assess the financial impact of climate-related risks and opportunities in the future.

Index Content			Relevant Chapter
	25.	**Anticipated financial effect** An issuer shall disclose qualitative and quantitative information about: (a) how the issuer expects its financial performance to change over the short, medium and long term, taking into account its strategy for managing climate-related risks and opportunities, and considering the following; (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	5.2 Proactively Respond to Climate Change Capacity Relief and Financial Impact Relief – We will further assess the financial impact of climate-related risks and opportunities in the future.
	26.	**Climate Resilience** An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range.	5.2 Proactively Respond to Climate Change Reasonable Information Relief – We currently do not disclose any climate scenario analysis, but will explore its feasibility in the future.

Index Content			Relevant Chapter
(III) Risk management	27.	An issuer shall disclose information about: (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks; (b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	5.2 Proactively Respond to Climate Change
(IV) Metrics and targets	28.	**Greenhouse Gas Emissions** An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO_2 equivalent, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.	5.2 Proactively Respond to Climate Change Appendix I: KPI Data Table Reasonable Information Relief – In the future, we will continue to collect more comprehensive data to gradually expand and improve the disclosure coverage of each sub-category of Scope 3 that has a significant impact on the Group's business.

Index Content		Relevant Chapter
29.	An issuer shall: (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; (b) disclose the approach it uses to measure its greenhouse gas emissions; (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to understand those emissions; and (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	5.2 Proactively Respond to Climate Change Appendix I: KPI Data Table Reasonable Information Relief – In the future, we will continue to collect more comprehensive data to gradually expand and improve the disclosure coverage of each sub-category of Scope 3 that has a significant impact on the Group's business.

Index Content			Relevant Chapter
	30.	**Climate-related Transition Risks** An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Reasonable Information Relief – We will enhance the methodologies and processes for assessing the financial impact of climate-related risks and opportunities in future reports.
	31.	**Climate-related Physical Risks** An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	
	32.	**Climate-related Opportunities** An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	
	33.	**Capital Deployment** An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	The Group has identified climate-related risks and will further identify relevant data to enhance disclosure.

Index Content			Relevant Chapter
	34.	**Internal Carbon Prices** An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	Negative Statement – The Group currently does not apply internal carbon pricing in its decision-making, but will explore the feasibility of implementation in the future.
	35.	**Remuneration** An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	Negative Statement – We currently do not incorporate climate-related factors into senior management's remuneration, and will explore the possibility of doing so in the future.
	36.	**Industry-based Metrics** An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry.	Reasonable Information Relief – We currently do not disclose any industry-based metrics, but will explore their feasibility in the future.

Index Content		Relevant Chapter
37.	**Climate-related Targets** An issuer shall disclose (a) the quantitative and qualitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals, and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets.	5.2 Proactively Respond to Climate Change
38.	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target.	5.2 Proactively Respond to Climate Change
39.	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	5.2 Proactively Respond to Climate Change
40.	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39.	5.2 Proactively Respond to Climate Change
41.	**Applicability of Cross-industry Metrics and Industry-based Metrics** In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of (i) cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	Reasonable Information Relief – We currently do not disclose any cross-industry metrics or industry-based metrics, but will explore their feasibility in the future.

DIRECTORS' REPORT

The Board is pleased to present this Report and the audited consolidated financial statements of the Group for the year ended 31 December 2025.

1 GLOBAL OFFERING

The Company was incorporated in the Cayman Islands on 20 August 2018 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The Shares of the Company were listed on the Main Board of the Stock Exchange on 29 September 2020.

2 PRINCIPAL BUSINESSES

The Company is an investment holding company. The Group has established a diversified business system within China, including: (i) formal higher education services; (ii) education technology and services; (iii) elderly care technology and services; (iv) medical services; and (v) industry management and services. Activities and particulars of the subsidiaries of the Company are set out in note 1 to the consolidated financial statements.

3 BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2025, comprising an analysis of the Group's performance during the year using financial key performance indicators, particulars of important events affecting the Group during the year and an indication of future developments of the Group, are set out in the sections headed "Chairperson's Statement", "Management Discussion and Analysis" in this Report. The review and discussion form part of this Directors' Report.

4 ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group recognises the importance of environmental protection for pursuing long-term sustainable development. We establish various internal energy conservation and emission reduction systems, and promote energy conservation and emission reduction measures, including setting directional targets for energy efficiency, water efficiency, waste reduction and greenhouse gas emissions. We advocate paperless office, and disseminate environmental protection messages to the staff, and actively organise and participate in various types of environmentally friendly activities. The Group is committed to improving environmental sustainability and closely monitoring performance. The Group is always strictly complying with applicable laws and regulations of the places where it operates business, such as the Environmental Protection Law of the People's Republic of China. Such policies have been supported and effectively implemented by staff.

For the year ended 31 December 2025, the Group was not subject to any fines or other penalties for breaching any environmental protection regulations. For details, please refer to the section headed "Environmental, Social and Governance Report" of this Report.

5 PRINCIPAL RISKS AND UNCERTAINTIES

Principal risks and uncertainties the Group faces include:

- our education business performance and results of operations depend on our ability to maintain and raise tuition and boarding fee levels, and our capacity to expand student enrollment and increase the number of cooperating universities;

- Our elderly care technology and service business is in its early stages, and factors such as whether the smart elderly care platform can be deployed in more cities, rapidly capture market share, and increase user numbers and transaction volumes will all have an impact on our performance.

- a significant portion of our healthcare business revenue comes from National Medical Insurance (國家醫療保險) payments, thus changes in National Medical Insurance policies will impact the performance of our healthcare business;

- our business relies heavily on our brand and reputation, and any damage to our reputation would materially and adversely affect our business;

- we are subject to uncertainties brought by the PRC Laws and regulations and policies relating to private education and private healthcare;

- Our various businesses face intense competition, which could lead to adverse pricing pressure, reduced operating margins, loss of market share, departures of qualified employees and increased capital expenditures; and

- risks relating to our Structured Contracts, please refer to the section headed "Risk Factors – Risks Relating to our Contractual Arrangements" in the Prospectus of the Group and the related contents in the "the New Contractual Arrangements – Risks relating to the New Contractual Arrangements" in the Announcement of the Company dated 26 March 2024 in Relation to the Acquisition of Neusoft Healthcare.

The above is not an exhaustive list. Investors are advised to make their own judgment or consult their own investment advisers before making any investment in the Shares.

6 STRUCTURED CONTRACTS

1) Main Contents and Regulatory Framework of Structured Contracts

Contractual Arrangements A (Education Business and Publishing Business)

Overview

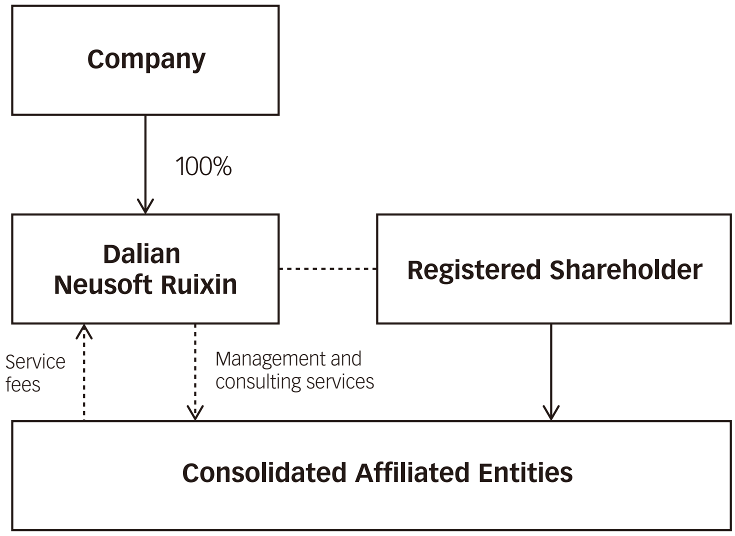
The Group (a) operates private higher education businesses (through our universities) ("**Education Business**"); and (b) publishes audio-visual products and electronic publications, and provides internet publishing service (through Neusoft Electronic Press) ("**Publishing Business**"), in China (collectively, the "**Relevant Business**").

PRC Laws regulate foreign ownership in the Relevant Business by (a) restricting foreign ownership in the Education Business; and (b) prohibiting foreign ownership in the Publishing Business. As such, the Group operates Relevant Business through the Consolidated Affiliated Entities. To comply with PRC Laws and maintain effective control over our Relevant Business, we entered into Contractual Arrangements A, under which Dalian Neusoft Ruixin acquired effective control over the financial and operational policies of the Consolidated Affiliated Entities and became entitled to all of the economic benefits derived from their operations.

Accordingly, we do not directly own equity interest, or sponsor interest, in our Consolidated Affiliated Entities. Our three universities and Neusoft Electronic Press are ultimately majority owned by our Registered Shareholder, Neusoft Holdings (also a Controlling Shareholder), through Dalian Development.

The Consolidated Affiliated Entities under the Contractual Arrangements A include following entities: (a) Dalian Neusoft Software Park Industry Development Co., Ltd.; (b) Dalian Neusoft University of Information; (c) Dalian Neusoft Electronic Press Co., Ltd.; (d) Chengdu Neusoft Information Technology Development Co., Ltd.; (e) Chengdu Neusoft University; (f) Foshan Nanhai Neusoft Information Technology Development Co., Ltd.; (g) Neusoft Institute Guangdong; and (h) Dalian Duaidi HR Services Co., Ltd. Details of the Consolidated Affiliated Entities are set out in the note 1 to the consolidated financial statements.

The following simplified diagram illustrates the flow of economic benefits from our Consolidated Affiliated Entities to the Group under the Contractual Arrangements A:



Notes:

(1) "⟶" denotes direct legal and beneficial ownership in: (a) the equity interests of Dalian Development and other entities in the Consolidated Affiliated Entities; and (b) the sponsor interests in our universities.

(2) "---->" denotes the Contractual Arrangements A.

(3) "-----" denotes control by Dalian Neusoft Ruixin over the Registered Shareholder and Consolidated Affiliated Entities under the Contractual Arrangements A through: (a) powers of attorney to exercise all of the Registered Shareholder's rights in Dalian Development and the Consolidated Affiliated Entities; (b) exclusive options to acquire all or part of the Registered Shareholder's equity interest in Dalian Development and sponsor interests in our universities; and (c) equity pledge over the Registered Shareholder's equity interest in Dalian Development.

Summary of material terms of Contractual Arrangements A

A summary of each of the specific agreements in force that comprise the Contractual Arrangements A is set out below. For further details of these agreements, please refer to the section headed "Contractual Arrangements – Summary of the Material Terms of Our Contractual Arrangements" in the Prospectus.

a. Exclusive Management Consultancy and Business Cooperation Agreement A

Under the exclusive management consultancy and business cooperation agreement dated 21 June 2019, entered into between (i) Dalian Neusoft Ruixin; (ii) our Consolidated Affiliated Entities; and (iii) the Registered Shareholder of Dalian Development (the "**Exclusive Management Consultancy and Business Cooperation Agreement A**"), Dalian Neusoft Ruixin has the exclusive right, or the right to designate a third party, to provide each of our Consolidated Affiliated Entities with corporate management consulting services, educational management consulting services, intellectual property licensing, technical support and business support services.

Without the prior written consent of Dalian Neusoft Ruixin, none of our Consolidated Affiliated Entities may accept from, or establish any cooperation with, a third party in relation to any services covered by the Exclusive Management Consultancy and Business Cooperation Agreement A. Dalian Neusoft Ruixin owns all intellectual property rights arising out of the performance of this agreement.

In exchange, our Consolidated Affiliated Entities agree to pay the entirety of their total income (net of costs, expenses, taxes and payments required by the relevant laws and regulations to be reserved or withheld) to Dalian Neusoft Ruixin as the service fee.

Under the Exclusive Management Consultancy and Business Cooperation Agreement A, without prior written approval from Dalian Neusoft Ruixin, our Consolidated Affiliated Entities shall not enter into any transaction (except for those transactions entered into in the ordinary course of business) that may affect its assets, obligations, rights or operations, including but not limited to: (i) the provision of any security or guarantee in favour of a third party or the creation of any encumbrances in relation to its assets or interest, except to secure the performance of its own obligations; (ii) the entry into of any loan or debt obligations in favour of a third party; and (iii) in relation to a third party, the disposal, acquisition or otherwise dealing of any assets (including but not limited to intellectual properties) with a value higher than RMB500,000.

In addition, under the Exclusive Management Consultancy and Business Cooperation Agreement A, without the prior written consent of Dalian Neusoft Ruixin, none of our Consolidated Affiliated Entities may change or remove the members of its board of directors or replace any member of its senior management. Dalian Neusoft Ruixin also has the right to appoint the directors, general managers, financial controllers and other senior managers of our Consolidated Affiliated Entities. Dalian Neusoft Ruixin has absolute control over the distribution of dividends or any other amounts to the shareholders of our Consolidated Affiliated Entities as our Consolidated Affiliated Entities and their shareholders have undertaken not to make any distribution without Dalian Neusoft Ruixin's prior written consent.

b. Exclusive Call Option Agreement

Under the exclusive call option agreement dated 21 June 2019, entered into between (i) Dalian Neusoft Ruixin; (ii) the Registered Shareholder of Dalian Development; and (iii) Dalian Development and our universities (the "**Exclusive Call Option Agreement**"), the Registered Shareholder unconditionally and irrevocably agreed to grant Dalian Neusoft Ruixin an exclusive option to purchase all or part of the equity interest in Dalian Development and/or sponsor interests in our universities, respectively, held by the Registered Shareholder (including any additional sponsor interests in our universities obtained by the Registered Shareholder in the future) for the minimum amount of consideration permitted by applicable PRC Laws, under circumstances in which Dalian Neusoft Ruixin or its designated third party is permitted under PRC Laws to acquire all or part of the equity interests of Dalian Development and our universities.

Where the purchase price is required by PRC Laws to be an amount other than nil consideration, the Registered Shareholder undertakes to return the amount of purchase price they have received to Dalian Neusoft Ruixin or its designated third party. We have the sole discretion to decide when to exercise the option, and whether to exercise the option in part or in full. The key factor for us to decide whether to exercise the option is whether the Foreign Investment Restrictions in relation to the Education Business will be removed in the future, the likelihood of which we were not in a position to know or comment on as at the Latest Practicable Date

To prevent the flow of our Consolidated Affiliated Entities' value and assets to their respective registered shareholders, pursuant to the Exclusive Call Option Agreement, none of the assets of Dalian Development or our universities are to be transferred or otherwise disposed of without the written consent of Dalian Neusoft Ruixin. In addition, under the Exclusive Call Option Agreement, no transfer of, or encumbrance over, the sponsor interests and/or equity interests, as the case may be, in Dalian Development or our universities is permitted without Dalian Neusoft Ruixin's prior written consent.

Any distribution of profit or dividend from Dalian Development and our universities must be immediately transferred or paid (subject to the relevant tax payment being made under applicable laws and regulations) to Dalian Neusoft Ruixin (or its designated party). If Dalian Neusoft Ruixin exercises its option, all or any part of the equity interests or sponsor interests (as the case may be) in Dalian Development and our universities would be transferred to Dalian Neusoft Ruixin and the benefits of ownership in the equity interests or sponsor interests (as the case may be) would flow to Dalian Neusoft Ruixin and our Shareholders.

c. Equity Pledge Agreement A

Each of our universities is a private non-enterprise entity (民辦非企業單位). Under PRC Laws, entities or individuals who establish a private non-enterprise entity are generally referred to as "sponsors" rather than "owners" or "shareholders", and the economic substance of "sponsor interest" with respect to a private non-enterprise entity is substantially similar to that of "ownership" from a legal, regulatory and tax perspective. Under PRC Laws, our School Sponsors' sponsor interests in our universities are not capable of being pledged as security in favour of Dalian Neusoft Ruixin. Our PRC Legal Adviser has advised us that any pledge of sponsor interests would not be registrable or enforceable under PRC Laws.

Accordingly, we have entered into an equity pledge arrangement in relation to the equity interest in Dalian Development held by its Registered Shareholder. Under the equity pledge agreement dated 21 June 2019, entered into by and between (i) Dalian Neusoft Ruixin; (ii) the Registered Shareholder of Dalian Development; and (iii) Dalian Development (the "**Equity Pledge Agreement A**"), the Registered Shareholder unconditionally and irrevocably pledged all of the equity interests in Dalian Development in favour of Dalian Neusoft Ruixin in order to guarantee the performance of the obligations of the Registered Shareholder, Dalian Development, the School Sponsors and our universities under the Contractual Arrangements A. Under the Equity Pledge Agreement A, the Registered Shareholder has agreed that, without the prior written consent of Dalian Neusoft Ruixin, it would not transfer or dispose of the pledged equity interests or create or allow a third party to create any encumbrance on the pledged equity interests that would prejudice Dalian Neusoft Ruixin's interest.

The pledge in respect of Dalian Development takes effect upon completion of registration with the relevant administration for industry and commerce and will remain valid until: (i) the satisfaction of all contractual obligations by the Registered Shareholder, Dalian Development, the School Sponsors and our universities under the Exclusive Management Consultancy and Business Cooperation Agreement A, Exclusive Call Option Agreement and the Powers of Attorney A (as defined below), or (ii) the nullification or termination of the Exclusive Management Consultancy and Business Cooperation Agreement A, the Exclusive Call Option Agreement and the Powers of Attorney A, whichever is later.

The Equity Pledge Agreement A has been duly registered with the relevant PRC legal authority pursuant to PRC Laws.

Documents supporting the structural integrity and stability of our main agreements

a. Powers of Attorney A

The Registered Shareholder of Dalian Development, the School Sponsors and Dalian University have each executed an irrevocable power of attorney dated 21 June 2019 (each a "**Power of Attorney A**", and collectively, the "**Powers of Attorney A**") granting Dalian Neusoft Ruixin (or a person designated by Dalian Neusoft Ruixin, including our Directors and their successors and any liquidators substituting our Directors, but excluding anyone who may give rise to a conflict of interest), as its attorney, with authorisation to vote on all matters that require our Consolidated Affiliated Entities' shareholders' or school sponsors' approval and on which the respective grantor is entitled to vote, including the right to appoint directors and vote on the director's behalf on the boards of our universities.

To prevent the Powers of Attorney A from giving rise to a conflict of interest, each of the School Sponsors and Dalian University, under their respective Powers of Attorney A, irrevocably undertook that:

(a) the authorisations granted under the Powers of Attorney A have not and would not lead to any conflict of interest between Dalian Neusoft Ruixin (or its parent companies) and our Consolidated Affiliated Entities; and

(b) if the entity or any direct or indirect shareholder of the entity or their delegated representatives concurrently serve as the Director or senior management of the Company, the authorisations granted under the Powers of Attorney A shall be exercised in a manner in favour of the Company.

Through the Powers of Attorney A, Dalian Neusoft Ruixin has effectively acquired control over the Consolidated Affiliated Entities through shareholder or school sponsors' votes, which allows Dalian Neusoft Ruixin to control, the composition of the board of directors for our Consolidated Affiliated Entities. As advised by our PRC Legal Adviser, the Powers of Attorney A are valid, legal and binding on the parties under PRC Laws.

b. *Undertaking Letters*

To support the stability and continued validity and enforceability of our Contractual Arrangements A, and in particular the Equity Pledge Agreement A, Dalian Neusoft Ruixin received irrevocable undertakings (承諾函) on 21 June 2019 and 8 October 2019 (collectively, the "**Undertaking Letters**") from (a) each of the following shareholders of Neusoft Holdings (the Registered Shareholders): Dalian Kang Ruidao, Dalian Siwei, LIU Ming, Alpine China, Northeastern University Group, PICC Life, PICC Health, Yida Holdings; and (b) the following shareholders and/or controlling persons of the shareholders of Neusoft Holdings: Dr. J. Liu, the general partner of Dalian Kang Ruidao, Alpine Electronics, Baidu Online Network Technology (Beijing) Co., Ltd. and the three individual shareholders of Yida Holdings. Pursuant to the Undertaking Letters, the undertaking shareholders would not (or procure that respective shareholder of the Registered Shareholder not to, as the case may be) enter into an arrangement (including pledge, sale, disposal or creation of other third-party rights) in respect of the equity interests held by them (or that respective shareholder) in the Registered Shareholder that may reduce either the effectiveness of the Registered Shareholder's equity pledge to Dalian Neusoft Ruixin under the Contractual Arrangements A or the stability of the Contractual Arrangements A, unless: (i) they, except for PICC Life and PICC Health, have obtained Dalian Neusoft Ruixin's consent; and (ii) the counterparties or beneficiaries of the proposed arrangement have executed similar written undertaking(s) to the effect that they will not affect the performance of our Contractual Arrangements A.

The main purpose of the Undertaking Letters is to further support the stability of the operation of the Contractual Arrangements A. It is envisioned that the Undertaking Letters would achieve this purpose through, among others:

(a) preventing the undertaking shareholders from entering into any arrangement involving their respective direct or indirect interests in the Registered Shareholder that would adversely affect the first priority pledge granted by the Registered Shareholder to Dalian Neusoft Ruixin under the Equity Pledge Agreement A;

(b) requiring the undertaking shareholders to refrain from taking any action that would harm the operation of the Contractual Arrangements A (and the VIE Structure that it underpins); and

(c) ensuring that the undertaking shareholders are aware of, and directly support, the Registered Shareholder's entry into, and obligations under, the Contractual Arrangements A; and that any new person that proposes to obtain an interest in the Registered Shareholder would, before acquiring such interest, give similar undertakings to Dalian Neusoft Ruixin to maintain the stability of the Contractual Arrangements A (and the VIE Structure that it underpins).

The Registered Shareholder is a corporate legal entity. It has separate legal personality and is legally bound by, and is required to perform under, the terms of the Contractual Arrangements A. Notwithstanding the fact that the Registered Shareholder, being a corporate legal entity, is under substantively the same obligations, and legal responsibility, to perform under the Contractual Arrangements A, as those that would be imposed on a natural person in the position of the Registered Shareholder, the following factors, among others, provide further protection in maintaining the operation and effectiveness of our Contractual Arrangements A:

(a) the Undertaking Letters given by the undertaking shareholders ensure that the ultimate controlling entities or natural persons behind the Registered Shareholder are supportive of, and would not undermine the stability of, or jeopardise the Registered Shareholder's performance under, the Contractual Arrangements A;

(b) although the undertaking shareholders may enter into arrangements that may directly or indirectly concern interests in the Registered Shareholder, as advised by our PRC Legal Adviser, under PRC Laws, these arrangements (which include any change in the shareholders of the Registered Shareholder) would not affect the validity of the Contractual Arrangements A or its legally binding effect upon the Registered Shareholder; and

(c) the undertaking shareholders (or their associates, as defined in the Listing Rules) are also our Shareholders or shareholders of Dalian Neusoft Ruixin; and therefore, each has a vested interest in ensuring that the parties to the Contractual Arrangements A (including both the domestic and foreign parties) perform their obligations under the Contractual Arrangements A and that the VIE Structure effectively ensures that control over our Consolidated Affiliated Entities vests in the Company (through Dalian Neusoft Ruixin) and allows the economic interests of our Consolidated Affiliated Entities to flow through to Dalian Neusoft Ruixin and that the financials of our Consolidated Affiliated Entities are able to be consolidated into the accounts of the Company.

c. Spousal Undertakings A

Each of the spouses of Dr. J. Liu, LIU Ming, and the three ultimate beneficial owners of Yida Holdings, being all the individual ultimate beneficial owners that control the shareholders of the Registered Shareholder, has given an irrevocable spousal undertaking (collectively, the "**Spousal Undertakings A**") to our Group that:

(i) he/she has full knowledge of Dalian Neusoft Ruixin and has consented to the entry into of the Contractual Arrangements A by Dalian Neusoft Ruixin, the Registered Shareholder and Dalian Development;

(ii) he/she undertakes to execute all necessary documents and take all necessary acts to safeguard the performance of the Contractual Arrangements A and to give effect to the aims and purpose of the Contractual Arrangements A, and confirms and agrees to all documents executed and acts taken in relation thereto;

(iii) any undertaking, confirmation, consent and authorisation under the Spousal Undertakings A would not be revoked, prejudiced, invalidated or otherwise adversely affected by any increase, decrease, consolidation or other similar events in respect of the shares in the Registered Shareholder held by its shareholders; and

(iv) any undertaking, confirmation, consent and authorisation under the Spousal Undertakings A will not be revoked, prejudiced, invalidated or otherwise adversely affected by the spouse's death, loss of or restriction on legal capacity, or by divorce or other similar events.

Regulatory framework

a. Higher education business

Foreign control restriction

Pursuant to the Special Administrative Measures for Access of Foreign Investment (Negative List) (《外商投資准入特別管理措施（負面清單）》) ("**Negative List**"), the provision of higher education in China falls within the "restricted" category of foreign investment activities. In particular, this means: (a) the catalogue explicitly restricts foreign-invested higher education institutions to Sino-foreign cooperation ventures ("**Sino-foreign Schools**"), meaning that foreign investors (such as our Company, "**foreign party**") may only operate higher education institutions in China by cooperating with PRC incorporated entities ("**domestic party**") that comply with the Sino-foreign Regulation (defined below); and even in such circumstances; and (b) the domestic party must play a dominant role in the Sino-foreign School ("**Foreign Control Restriction**"), meaning that (i) the schools' principals or chief executives must be PRC nationals; and (ii) the domestic party's representatives must account for no less than half of the total members of the board of directors, the executive council or the joint administration committee of the Sino-foreign School (collectively, the "**governing body**"), as the case may be, depending on the governing structure adopted by the Sino-foreign School.

Qualification requirements

Even if a Sino-foreign cooperation meets the Foreign Control Restriction, pursuant to the Regulation on Operating Sino-foreign Cooperative Schools of the PRC (中華人民共和國中外合作辦學條例), promulgated by the Stated Council in 2003 and amended on 18 July 2013 and 2 March 2019 (the "**Sino-foreign Regulation**") and further interpreted by its implementation measures, the foreign party in a Sino-foreign School must be a foreign education institution capable of providing quality education outside of China (the "**Qualification Requirements**").

Foreign ownership restriction

Pursuant to the Implementation Opinions of the MOE on Encouraging and Guiding the Entry of Private Capital into the Fields of Education and Promoting the Healthy Development of Private Education (關於鼓勵和引導民間資金進入教育領域促進民辦教育健康發展的實施意見), promulgated by the MOE on 18 June 2012, the foreign portion of the total investment in a Sino-foreign School should be below 50% (the "**Foreign Ownership Restriction**").

Sino-foreign schools in Liaoning, Guangdong, and Sichuan provinces

With the assistance of our PRC Legal Adviser, we consulted the International Cooperation and Exchange Office (國際交流合作處) and the Development Planning Office (發展規劃處) of the Educational Department of Liaoning Province on 22 May 2019, the Policy and Regulation Office (政策法規處) and the Cooperation and Exchange Office (交流合作處) of the Department of Education of Guangdong Province on 5 March 2019, the Development Planning Office (發展規劃處) of the Education Department of Sichuan Province on 17 June 2019, and the International Cooperation and Exchange Office of the Education Department of Sichuan Province on 12 June 2019. Based on such consultations, we were given to understand that:

(a) the Foreign Control Restriction, the Qualification Requirements and the Foreign Ownership Restriction apply to Sino-foreign Schools engaging in higher education in Liaoning, Guangdong, and Sichuan provinces;

(b) no implementing measures or specific guidance regarding the Qualification Requirements had been promulgated pursuant to the Regulation on Sino-foreign Cooperation in Operating Schools of the PRC in Liaoning, Guangdong, or Sichuan provinces;

(c) no Sino-foreign School providing higher education, the domestic party of which is a private educational institution, had ever been approved in Liaoning, Guangdong, or Sichuan provinces;

(d) it is not practicable to convert our universities into Sino-foreign Schools; and

(e) the execution and performance of the Contractual Arrangements A do not require any prior filing or approval.

Our PRC Legal Adviser is of the view that each of the International Cooperation and Exchange Office and the Development Planning Office of the Educational Department of Liaoning Province, the Policy and Regulation Office and the Cooperation and Exchange Office of the Department of Education of Guangdong Province, the Development Planning Office and the International Cooperation and Exchange Office of the Education Department of Sichuan Province is competent to provide the above confirmation, since the International Cooperation and Exchange Office of the Educational Department of Liaoning Province, the Cooperation and Exchange Office of the Department of Education of Guangdong Province, and International Cooperation and Exchange Office of the Education Department of Sichuan Province are the responsible departments in their respective provinces to accept and perform a preliminary or final review of the applications for establishing Sino-foreign schools providing higher education, and the Development Planning Office of the Education Department of Sichuan Province and the Educational Department of Liaoning Province and the Policy and Regulation Office of the Department of Education of Guangdong Province are the responsible departments in their provinces to oversee the private higher education institutions in their respective provinces.

Based on the consultations above, our PRC Legal Adviser has advised us that, as of the Latest Practicable Date, there are no applicable PRC Laws providing clear guidance or interpretation on the Qualification Requirements, particularly considering that no implementation measures or specific guidance are available for the relevant provinces in which our three universities are located.

Based on the foregoing, the Directors consider that it is not practicable for us to seek to apply to reorganise any of our universities as a Sino-foreign School.

b. Publishing business

Pursuant to the Negative List, foreign investment in the publication of audio-visual products and electronic publications and in the provision of internet publishing services is prohibited.

Based on (a) the fact that PRC Laws restrict foreign ownership in the Education Business (through the Foreign Control Restriction and the Foreign Ownership Restriction), and following consultations with the competent government authorities in Liaoning, Guangdong, and Sichuan provinces, the understanding that we are not able to presently meet the Qualification Requirements (due to, among other reasons, there being no implementing measures or specific guidance on the Qualification Requirements in Liaoning, Guangdong, and Sichuan provinces, and there is no applicable PRC Laws providing clear guidance or interpretation on the Qualification Requirements); and (b) foreign investment is prohibited in our Publishing Business, our PRC Legal Adviser has advised us that it is not possible to convert our three universities into sino-foreign schools, nor is it possible for Dalian Neusoft Ruixin to directly hold any equity interest in Neusoft Electronic Press. Accordingly, our PRC Legal Adviser is of the view that our Contractual Arrangements A, which cover our Education Business and our Publishing Business, are narrowly tailored.

c. Foreign investment law

On 15 March 2019, the 2nd session of the 13th National People's Congress enacted the Foreign Investment Law of the People's Republic of China (the "**FIL**"), which replaced the Law on Sino-Foreign Equity Joint Ventures, the Law on Sino-Foreign Contractual Joint Ventures and the Law on Foreign-Capital Enterprises, and became the legal foundation for foreign investment law in China. The FIL stipulates three major forms of foreign investment, but does not explicitly stipulate Contractual Arrangements A as a form of foreign investment.

Conducting operations through Contractual Arrangements A has been adopted by many PRC-based companies, and has been adopted by the Company in the form of our Contractual Arrangements A to establish control over our Consolidated Affiliated Entities by Dalian Neusoft Ruixin, and through which we operate our Relevant Business in China. If the then laws, administrative regulations and provisions of the State Council do not incorporate Contractual Arrangements A as a form of foreign investment, our Contractual Arrangements A as a whole, and each of the agreements comprising our Contractual Arrangements A, will not be materially affected and will continue to be legal, valid and binding on the parties.

Notwithstanding this, the FIL stipulates that foreign investment includes "investment by foreign investors through such other methods under laws, administrative regulations or provisions prescribed by the State Council". There is the possibility that future laws, administrative regulations or provisions prescribed by the State Council may regard Contractual Arrangements A as a form of foreign investment, at which time it will be uncertain whether our Contractual Arrangements A would be deemed in violation of foreign investment laws and regulations and how our Contractual Arrangements A would then be handled by relevant PRC authorities. Therefore, there is no guarantee that our Contractual Arrangements A, and the business of our Consolidated Affiliated Entities, will not be materially and adversely affected in the future due to changes in PRC Laws.

Plan to comply with the qualification requirements

We have implemented the following plan that represents our commitment and our meaningful endeavours to satisfy the Qualification Requirements (and should the criteria to be met by a foreign party under the Qualification Requirements be further clarified) (the two collaborations below, collectively the "**Cooperations**"):

(a) on 28 May 2019, Neutech HK entered into a memorandum of understanding with the University of Aizu ("**Aizu**"), a university in Japan accredited by the Ministry of Education, Culture, Sports, Science and Technology, Japan, pursuant to which we and Aizu agreed to cooperate in international higher education, including, in particular:

(i) information exchange concerning higher education, scientific research, and related activities;

(ii) provision of books, publications and documents, including curricula for higher education and scientific research;

(iii) mutual exchange of faculty and researchers;

(iv) joint research activities by faculty members or researches, and cooperation in applying and promoting national or international projects;

(v) mutual visits and/or exchange of students; and

(vi) establishing overseas bases in China and Japan, respectively,

pursuant to the memorandum of understanding with Aizu, the Group has established the AizuNeusoft Innovation Hub and the Contact Office of our Company on Aizu's campus, as part of the Group's efforts to establish overseas bases in Japan and to facilitate information and resource exchange with Aizu. The Group completed the update of the memorandum of understanding with Aizu during the Reporting Period.

(b) on 18 June 2019, Neutech HK entered into a memorandum of understanding with IT Innovation Ltd. (IT 創新股份有限公司) ("**IT Innovation**"), pursuant to which IT Innovation agreed to provide consulting services to Neutech HK for the provision of higher-education in Japan, on the following areas subject to further agreement:

(i) professional knowledge on education and training;

(ii) our cooperation and collaboration with and/or acquisition of Japanese colleges and universities specialising in IT education; and

(iii) exchange and secondments for teacher and personnel.

(c) the Group continues communicating and negotiating with certain experienced and reputable overseas education services providers on potential collaboration opportunities, including expanding the Group's school network abroad. In 2025, we continued our collaboration with over 10 Japanese universities, including Kokushikan University, Ritsumeikan University, on initiatives such as international student recruitment, student visits, and student exchange practice groups. During the Reporting Period, we received a total of 78 Japanese long- and short-term international students from partner institutions, and dispatched 122 Chinese students to Japan for long- and short-term study and exchange programmes. In addition, we have further signed cooperation agreements or reached cooperation intentions with Japanese institutions such as Toyo University, Nagoya Institute of Technology, and Kyoto Tachibana University, laying a solid foundation for deeper collaboration in the future. During the reporting period, our management team made multiple visits to Japan, calling on various Japanese universities including Kawasaki University of Medical Welfare, Kyorin University, and Okayama University of Science, as well as Japanese companies like Sompo Care Inc. These visits facilitated in-depth exchanges on the concepts and practices of industry-academia interaction and integration of industry and education, exploring possibilities for further cooperation in areas such as joint curriculum development and collaborative scientific research. Meanwhile, we dispatched 7 faculty members to Japan for teaching and research purposes. Through a three-month intensive program, they systematically studied Japan's sophisticated systems and best practices in geriatric care talent training and wellness technology services.

(d) we envisage operating a higher-education institution in Japan, solely or in cooperation with our partners. The implementing scheme is to be determined, however, we plan to establish a company in Japan with an initial investment of USD150,000, which will serve as the vehicle through which the Group will perform preparatory work and as the entity to operate and manage the Japanese higher-education institution that we will sponsor in the future. We have engaged an agent to assist us with better understanding and navigating the business environment in Japan and we are preparing relevant documents in relation to establishing a subsidiary in Japan. The establishment of our Japanese subsidiary has not been completed since such relevant documents has expired due to a long suspension on the establishment under the impact of various factors. We are now in process of preparing new submission documents via the agent and expect to commence operations in the education sector in Japan as soon as all applicable regulatory approvals have been obtained, all preparatory work has been completed, and when the Directors believe it is in the best interests of the Group to do so.

(e) it is intended that Neutech HK will serve as a platform to:

(i) negotiate and execute contracts for international business cooperation; and

(ii) invest in education businesses overseas as and when appropriate.

Based on the steps taken above, our PRC Legal Adviser is of the view that:

(a) there are no applicable PRC Laws providing clear guidance or interpretation on the Qualification Requirements, in particular, what specific criteria must be met by the foreign party (such as the level of experience in overseas educational industry) so as to fulfil the Qualification Requirements;

(b) notwithstanding the foregoing in (a) above, the higher-education institution to be established by us in Japan or another overseas higher-education institution that we may establish in the future, which will provide university level education service, shall meet the basic requirements under the Sino-foreign Regulation;

(c) if the higher-education institution to be established by us in Japan, or any other overseas higher education institution that we may establish in the future, successfully commences operation and gains sufficient level of experience, it is likely that we can fulfil the Qualification Requirements and will be able to own, control and operate our existing universities in the PRC wholly or partly through such overseas higher-education institution, subject to compliance with any other legal restrictions including the Foreign Ownership Restriction and the Foreign Control Restriction and approval from the relevant education authorities in the PRC, and

in light of the steps taken by us highlighted above, the limited experience that we had in operating overseas education institutions as of the Latest Practicable Date and the lack of clear guidance or interpretation on the Qualification Requirements issued by the relevant competent authorities, our PRC Legal Adviser is of the view that we have taken all reasonable steps towards fulfilling the Qualification Requirements under the current circumstances.

We undertake to the Stock Exchange that we will:

(a) under the guidance of our PRC Legal Adviser, continue to keep ourselves updated on all relevant regulatory developments and guidance relating to the Qualification Requirements; and

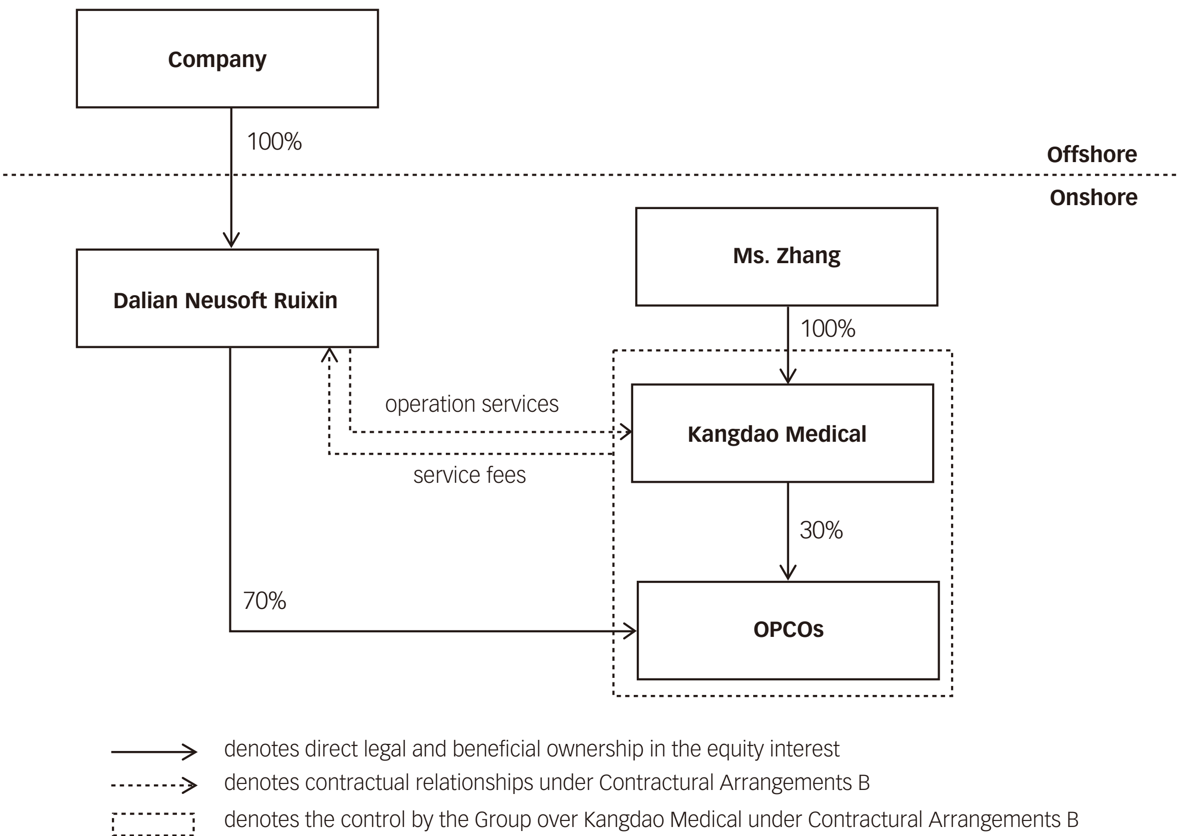
(b) provide periodic updates in our annual and interim reports to inform our Shareholders of the actions undertaken towards meeting the Qualification Requirements.

Contractual Arrangements B (Medical Business)

Overview

In response to the opportunities and challenges posed by the "aging" society in China, the Group entered the elderly education sector in 2024 and simultaneously expanded into the elderly medical service field. This strategic move will help us to unlock a second growth curve beyond our existing business, serving as an additional revenue stream contributing to our overall business development and growth. Operation of "medical institution" falls within the "restricted category" for foreign investment under the PRC laws. Further, according to the Interim Administrative Measures on Sino-Foreign Equity Medical Institutions and Sino-Foreign Cooperative Medical Institutions (《中外合資、合作醫療機構管理暫行辦法》), foreign investors are not allowed to hold more than 70% equity interest in a "medical institution". On 26 March 2024, Dalian Neusoft Ruixin, a wholly-owned subsidiary of our Company (as the purchaser), entered into a share transfer agreement with Neusoft Holdings (as the vendor) and Neusoft Healthcare, in relating to the acquisition of all equities of Neusoft Healthcare. Ruikang Cardiovascular Hospital and Ruikang Stomatological Hospital, subsidiaries of Neusoft Healthcare are principally engaged in the provision of medical services and are considered as "medical institutions", are therefore subject to the Foreign Ownership Restriction. In order to control the OPCOs to prevent leakages of equity and values to the minority shareholders of the OPCOs and to obtain 30% economic benefits of the OPCOs to be attributable to Kangdao Medical, Dalian Neusoft Ruixin, Kangdao Medical and Ms. ZHANG Hong ("**Ms. Zhang**") entered into the Contractual Arrangements B on 31 May 2024. For details please refer to the section headed "the New Contractual Arrangements" in the announcement of the Company dated 26 March 2024 and the section headed "Directors' Report – Connected Transactions – The Acquisition of Neusoft Healthcare".

The following simplified diagram illustrates the flow of economic benefits from the VIE Target Companies to the Group under the Contractual Arrangements B:



Summary of material terms of Contractual Arrangements B

The principal terms of the Contractual Arrangements B are summarized as follows:

a. ***Exclusive Management Consultancy and Business Cooperation Agreement B***

Dalian Neusoft Ruixin, Kangdao Medical and Ms. Zhang will enter into the exclusive management consultancy and business cooperation agreement (the "**Exclusive Management Consultancy and Business Cooperation Agreement B**") on 31 May 2024, pursuant to which Dalian Neusoft Ruixin has the exclusive right to provide, or the right to designate a third party to provide Kangdao Medical and its subsidiaries with corporate management consulting services, intellectual property licensing services as well as technical and business support services. Such services include:

(i) the provision of advisory services and recommendations on corporate management, medical healthcare (excluding medical diagnosis), asset and business operation, debt disposal, material contracts (including negotiations, execution and performance of the same), mergers and acquisitions, the development, maintenance and research services on computer system, software and products, employee management training, technology development, transfer and consulting services, public relation services, market survey, research and consulting services, market development and planning services, human resources and internal informatization management, network development, upgrade and ordinary maintenance services, sales of propriety products, licensing software, trademark, domain name and knowhow and/or the use of related intellectual property rights; and

(ii) other additional services as the parties may mutually agree from time to time.

Without Dalian Neusoft Ruixin's prior written consent, Kangdao Medical and its subsidiaries shall not accept from, or establish any cooperation with, a third party in relation to any services covered by the Exclusive Management Consultancy and Business Cooperation Agreement B. Dalian Neusoft Ruixin owns all intellectual property rights arising out of the performance of the Exclusive Management Consultancy and Business Cooperation Agreement B.

In exchange, Kangdao Medical agrees to pay the entirety of their total income (net of costs, expenses, taxes and payments required by the relevant laws and regulations to be reserved or withheld except the enterprise income tax) to Dalian Neusoft Ruixin as the service fee.

Under the Exclusive Management Consultancy and Business Cooperation Agreement B, without prior written approval from Dalian Neusoft Ruixin, Kangdao Medical and its subsidiaries shall not enter into any transaction (save as those transactions entered into in the ordinary course of business) that may affect its assets, obligations, rights or operation, including but not limited to (i) the provision of any security or guarantee in favour of any third party with a value higher than RMB30 million in respect of the debt obligations of Kangdao Medical and its subsidiaries; (ii) the provision of any security or guarantee in favour of any third party not arising from the debt obligations of Kangdao Medical and its subsidiaries; (iii) the entry into of any loan or debt obligations in favour of any third party; and (iv) in relation to any third party the disposal, acquisition or otherwise dealing of any assets (including but not limited to intellectual properties) with a value higher than RMB500,000.

In addition, under the Exclusive Management Consultancy and Business Cooperation Agreement B, without prior written consent of Dalian Neusoft Ruixin, neither Kangdao Medical nor any of its subsidiaries can change or remove the members of its board of directors who are appointed by Dalian Neusoft Ruixin in accordance with its articles of association. Dalian Neusoft Ruixin also has the right to appoint the directors, general managers, financial controllers and other senior managers of Kangdao Medical and its subsidiaries. Dalian Neusoft Ruixin has absolute control over the distribution of dividends or any other amounts to the shareholders of Kangdao Medical as Kangdao Medical and its shareholder have undertaken not to make any distribution without Dalian Neusoft Ruixin's prior written consent.

b. Exclusive Call Option Agreement

Dalian Neusoft Ruixin, Kangdao Medical and Ms. Zhang will enter into the exclusive call option agreement (the "**Exclusive Call Option Agreement**") on 31 May 2024, pursuant to which Ms. Zhang unconditionally and irrevocably agrees to grant Dalian Neusoft Ruixin an exclusive option to purchase all or part of the equity interest in Kangdao Medical held by Ms. Zhang, as the case may be, for the minimum amount of consideration permitted by applicable PRC laws, under circumstances in which Dalian Neusoft Ruixin or its designated third party is permitted under PRC laws to acquire all or part of the equity interest in Kangdao Medical.

Where the purchase price is required by relevant PRC laws to be an amount other than nil consideration, Ms. Zhang undertakes to return the amount of purchase price it has received to Dalian Neusoft Ruixin or any of its designated third party.

To prevent the flow of the assets and value of Kangdao Medical to its shareholders, pursuant to the Exclusive Call Option Agreement, none of the assets of Kangdao Medical are to be transferred or otherwise disposed of without the prior written consent of Dalian Neusoft Ruixin. In addition, under the Exclusive Call Option Agreement, no transfer of, or encumbrance over, the equity interest in Kangdao Medical is permitted without Dalian Neusoft Ruixin's prior written consent.

In the event that Ms. Zhang receives any profit distribution or dividend from Kangdao Medical, Ms. Zhang shall immediately pay such amount (subject to the relevant tax payment being made under the relevant laws and regulations) to Dalian Neusoft Ruixin. If Dalian Neusoft Ruixin exercises this option, all or any part of the equity interest in Kangdao Medical acquired would be transferred to Dalian Neusoft Ruixin and the benefits of equity ownership would flow to Dalian Neusoft Ruixin and its shareholders.

c. Equity Pledge Agreement B

Dalian Neusoft Ruixin, Kangdao Medical and Ms. Zhang will enter into the equity pledge agreement (the "**Equity Pledge Agreement B**") on 31 May 2024, pursuant to which Ms. Zhang unconditionally and irrevocably agrees to pledge all of the equity interest in Kangdao Medical in favor of Dalian Neusoft Ruixin in order to guarantee the performance of obligations of Kangdao Medical and Ms. Zhang under the Contractual Arrangements B.

The pledge in respect of Kangdao Medical takes effect upon completion of registration with the relevant administration for market regulation and shall remain valid until (i) the satisfaction of all contractual obligations of Kangdao Medical and Ms. Zhang in full under the Contractual Arrangements B, or (ii) the nullification or termination of the Contractual Arrangements B, whichever is later.

Kangdao Medical and Ms. Zhang have registered the pledge contemplated under the Equity Pledge Agreement B with the relevant administration for market regulation pursuant to the PRC laws.

To further enhance the Group's control over Kangdao Medical, the Company has taken measures to ensure that the register of shareholders of Kangdao Medical and share certificate of Ms. Zhang are properly secured, within full control of Dalian Neusoft Ruixin, and cannot be used by Kangdao Medical except for the registration and change of registration procedure necessary for the operation of Kangdao Medical.

d. Power of Attorney B

Ms. Zhang will execute a power of attorney (the "**Power of Attorney B**") on 31 May 2024, pursuant to which Ms. Zhang irrevocably appoints Dalian Neusoft Ruixin (or any person designated by Dalian Neusoft Ruixin, provided that this person does not have a conflict of interest with Dalian Neusoft Ruixin or its parent companies) as its exclusive agent and attorney to act on its behalf on all matters concerning Kangdao Medical and to exercise all of its rights as a registered shareholder of Kangdao Medical. These rights include: (i) the right to exercise all the shareholder's rights, including but not limited to the signing of minutes, sale and transfer of any or all of the equity interest in Kangdao Medical; (ii) the right to file documents with the relevant regulatory authorities; and (iii) the right to nominate and appoint the directors of Kangdao Medical.

Further, pursuant to the Power of Attorney B and to ensure that it does not give rise to a conflict of interest, Ms. Zhang irrevocably undertakes that:

(i) the authorizations under the Power of Attorney B will not lead to any potential conflict of interests between Dalian Neusoft Ruixin and Ms. Zhang; and

(ii) if any conflict of interest occurs during the performance of the Contractual Arrangements B, Dalian Neusoft Ruixin's interest shall take priority.

Through the Power of Attorney B, the Company and Dalian Neusoft Ruixin can exercise effective control over Kangdao Medical through shareholder votes, which allows the Company and Dalian Neusoft Ruixin to control the composition of the board of directors of Kangdao Medical.

e. Loan Agreement

Dalian Neusoft Ruixin, Kangdao Medical and Ms. Zhang will enter into a loan agreement (the "**Loan Agreement**") on 31 May 2024, pursuant to which Dalian Neusoft Ruixin will provide an interest-free loan with an amount not exceeding RMB26,571,428 to Kangdao Medical, which can be drawn under several tranches, will be used for the capital contribution to be made by Kangdao Medical under the Capital Contribution Agreements.

Pursuant to the Loan Agreement, upon repayment of the loan, Ms. Zhang shall transfer her equity interest in Kangdao Medical to Dalian Neusoft Ruixin or its designated third party at a consideration equivalent to the amount of the loan being repaid. The term of the loan commences from the drawdown date of the loan and expires on (i) the expiration date of the operation period of Dalian Neusoft Ruixin; or (ii) the expiration date of the operation period of Kangdao Medical, whichever is earlier. The term of the loan may be extended with the consent of all parties. The loan must be repaid immediately under certain circumstances, including, among others, 30 days after receiving a written notice from Dalian Neusoft Ruixin requesting repayment of part or all of the loan.

f. Spouse Undertakings B

The spouse of Ms. Zhang will sign a letter of undertaking (the "**Spouse Undertaking B**") in respect of the Contractual Arrangements B to the effect, among others, that:

(i) he has full knowledge of Dalian Neusoft Ruixin, and has consented to the entry into of the Contractual Arrangements B by Dalian Neusoft Ruixin, Ms. Zhang and Kangdao Medical;

(ii) he will enter into all necessary documents and take all necessary actions to ensure the due performance of Contractual Arrangements B as amended from time to time; and

(iii) he unconditionally and irrevocably waives any right or benefits on such equity interest and assets in accordance with applicable laws and confirms that he will not have any claim on such equity interest and assets; and he has not and does not intend to participate in the operation and management or other voting matters of Kangdao Medical.

g. Other key terms of the Contractual Arrangements B

Dispute resolution

In the event of any dispute with respect to the interpretation or performance of the provisions, each of the Contractual Arrangements B stipulates: (i) that the parties shall negotiate in good faith to resolve the dispute, and (ii) in the event the parties fail to reach an agreement on the resolution of the dispute, any party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with the then effective arbitration rules. The seat of arbitration is Beijing. The arbitration award shall be final and binding on all parties.

The dispute resolution clause of each of the Contractual Arrangements B also provides that, subject to the relevant laws of the PRC, (i) the arbitrator may award remedies over the shares or assets of Kangdao Medical, injunctive relief (e.g., for the conduct of business or to compel the transfer of assets) or order the winding up of Kangdao Medical, and (ii) the courts of Hong Kong, the Cayman Islands (being the place of incorporation of the Company), the PRC (being the place of incorporation of Kangdao Medical) and the place where the principal assets of the Company or Kangdao Medical are located, have the power to grant interim remedies in support of the arbitration pending formation of the arbitral tribunal or in appropriate cases.

However, the PRC Legal Advisors have advised that the tribunal has no power to grant such injunctive relief, nor will it be able to order the winding up of Kangdao Medical pursuant to current PRC laws. In addition, interim remedies or enforcement orders granted by overseas courts such as those of Hong Kong and the Cayman Islands may not be recognizable or enforceable under the current PRC laws.

As a result of the above, if Kangdao Medical or Ms. Zhang breach any of the Contractual Arrangements B, the Company may not be able to obtain sufficient remedies in a timely manner, and its ability to exert effective control over Kangdao Medical and conduct business could be materially and adversely affected.

Succession

Pursuant to the Contractual Arrangements B, the provisions set out in the Contractual Arrangements B are also binding on any successor(s) of Ms. Zhang, and any successor(s) of Ms. Zhang shall assume any and all rights and obligations of Ms. Zhang under the Contractual Arrangements B as a result of her death, loss of civil capacity, bankruptcy, divorce, or under any other circumstance which would affect her exercise of equity interest in Kangdao Medical and shall cooperate with the signing parties to the Contractual Arrangements B to make all necessary arrangements so as to ensure that the successor(s) will not interrupt the operation of the Contractual Arrangements B.

Conflicts of interests

Ms. Zhang has given its irrevocable undertaking in the Power of Attorney B to address potential conflicts of interests that may arise in connection with the Contractual Arrangements B. For further details, please refer to section headed "Power of Attorney" in the announcement of the Company date 26 March 2024 of Connected Transaction in Relation to the Acquisition of Neusoft Healthcare.

Loss sharing

Under relevant PRC laws and regulations, neither the Company nor Dalian Neusoft Ruixin is legally required to share the losses of, or provide financial support to, Kangdao Medical. Further, Kangdao Medical is a limited liability company and shall be solely liable for its own debts and losses with assets owned by it.

Nevertheless, Dalian Neusoft Ruixin intends to provide continuous assistance to Kangdao Medical in obtaining financial support when deemed necessary. In addition, given that the Group conducts certain business operations through Kangdao Medical, whose subsidiaries hold relevant PRC operational licenses and approvals, and its financial position and results of operations will consolidate into the Group's financial statements under applicable accounting principles, the Company's business, financial position and results of operations would be adversely affected if Kangdao Medical suffers losses.

However, the provisions in the agreements underlying the Contractual Arrangements B are tailored to limit, to the greatest extent possible, the potential adverse effect on Dalian Neusoft Ruixin and the Company as a result of any loss suffered by Kangdao Medical, for instance:

(i) under the Exclusive Call Option Agreement, the assets of Kangdao Medical are not to be transferred or otherwise disposed of without the prior written consent of Dalian Neusoft Ruixin;

(ii) under the Exclusive Call Option Agreement, no transfer of, or encumbrance over, the equity interest in Kangdao Medical is permitted without Dalian Neusoft Ruixin's prior written consent;

(iii) under the Exclusive Management Consultancy and Business Cooperation Agreement B and Power of Attorney B, (i) without prior written consent of Dalian Neusoft Ruixin, neither Kangdao Medical nor any of its subsidiaries can change or remove the members of its board of directors who are appointed by Dalian Neusoft Ruixin in accordance with its articles of association; (ii) Dalian Neusoft Ruixin has the right to appoint the directors, general managers, financial controllers and other senior managers of Kangdao Medical and its subsidiaries; (iii) Dalian Neusoft Ruixin has absolute control over the distribution of dividends or any other amounts to the shareholders of Kangdao Medical; and (iv) without the prior written approval of Dalian Neusoft Ruixin, Kangdao Medical and its subsidiaries shall not enter into, among other things, an acquisition, disposal or dealings in any assets (including but not limited to intellectual properties), with a third party, that has a value higher than RMB500,000.

Liquidation

Pursuant to the Exclusive Management Consultancy and Business Cooperation Agreement B and the Exclusive Call Option Agreement, a committee designated by Dalian Neusoft Ruixin will be appointed as the liquidation committee upon the winding-up of Kangdao Medical to manage its assets. In the event of a liquidation or dissolution, all of the remaining assets and residual interests of Kangdao Medical will be transferred to Dalian Neusoft Ruixin to the maximum extent permissible under PRC Laws.

Insurance

The Company does not maintain an insurance policy to cover the risks relating to the Contractual Arrangements B.

Regulatory framework

As advised by the PRC Legal Advisors, operation of "medical institution" falls within the "restricted category" for foreign investment under the PRC laws. Further, according to the Interim Administrative Measures on Sino-Foreign Equity Medical Institutions and Sino-Foreign Cooperative Medical Institutions (《中外合資、合作醫療機構管理暫行辦法》), foreign investors are not allowed to hold more than 70% equity interest in a "medical institution".

The PRC Legal Advisors also conducted verbal consultations with the Health Commission of Dalian (大連市衛生健康委員會) ("**Dalian Health Commission**") and the Department of Commerce of Liaoning Province (遼寧省商務廳) ("**Liaoning MOFCOM**"). The officer in the Administrative Approval Office of Dalian Health Commission (大連市衛生健康委員會行政審批辦公室) verbally confirmed that, (i) foreign investors are not allowed to hold more than 70% equity interest in a medical institution; and (ii) the proposed adoption of the Contractual Arrangements B does not require any approval from relevant health administrations. The officer in the Foreign Investment Administrative Office of Liaoning MOFCOM (遼寧省商務廳外國投資管理處) verbally confirmed that indirectly foreign-owned enterprises are subject to the same foreign investment restrictions as applicable to directly foreign-owned enterprises. The PRC Legal Advisors are of the view that the Dalian Health Commission and Liaoning MOFCOM are the competent authority and the two officers consulted are competent to represent the Dalian Health Commission and Liaoning MOFCOM, respectively, to give such confirmations in respect of foreign investments and based on such confirmations, foreign investors are not allowed to hold, either directly or indirectly, more than 70% equity interest in a medical institution.

As advised by the PRC Legal Advisors, Ruikang Cardiovascular Hospital and the Ruikang Stomatological Hospital are principally engaged in the provision of medical services and are considered as "medical institutions", are therefore subject to the Foreign Ownership Restriction. In order to control the OPCOs to prevent leakages of equity and values to the minority shareholders of the OPCOs and to obtain 30% economic benefits of the OPCOs to be attributable to Kangdao Medical, Dalian Neusoft Ruixin, Kangdao Medical and Ms. Zhang entered into the Contractual Arrangements B on 31 May 2024.

Legality of the Contractual Arrangements B

The PRC Legal Advisors of the Company, following completion of reasonable due diligence steps, are of the following legal opinion:

(a) each of Dalian Neusoft Ruixin and Kangdao Medical is a duly incorporated and validly existing company, and their respective establishment is valid, effective and complies with the relevant PRC laws and regulations; Ms. Zhang is a natural person with full civil and legal capacity;

(b) the parties to each of the Contractual Arrangements B are entitled to execute the agreements and perform their respective obligations thereunder;

(c) none of the Contractual Arrangements B violates any provisions of the articles of association of each of Dalian Neusoft Ruixin or Kangdao Medical;

(d) pursuant to Articles 146, 153 and 154 of the PRC Civil Code, a contract is void if the civil juristic act: (i) is performed by a person and another person based on a false expression of intent; (ii) is in violation of the mandatory provisions of laws or administrative regulations, unless such mandatory provisions do not lead to invalidity of such a civil juristic act; (iii) offends the public order or good morals; or (iv) is conducted through malicious collusion between a person who performs the act and a counterparty thereof and thus harms the lawful rights and interests of another person. The execution and performance of the Contractual Arrangements B does not fall within any of the circumstances under which a contract may become null and void pursuant to the PRC Civil Code;

(e) the parties to each of the Contractual Arrangements B are not required to obtain any approvals or authorizations from the PRC governmental authorities, except that:

  (i) the exercise of the option by Dalian Neusoft Ruixin or its designee of its rights under the Exclusive Call Option Agreement to acquire all or part of the equity interest in Kangdao Medical is subject to the approvals of and/or registration with the PRC regulatory authorities;

  (ii) any share pledge contemplated under the Equity Pledge Agreement B is subject to the registration with local administration bureau for market regulation; and

  (iii) the arbitration awards/interim remedies provided under the dispute resolution provision of the Contractual Arrangements B shall be recognized by PRC courts before compulsory enforcement; and

(f) each of the Contractual Arrangements B is valid, legal and binding under PRC laws, except for the following provisions regarding dispute resolution and the liquidation committee:

  (i) the Contractual Arrangements B provide that any dispute shall be submitted to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with the then effective arbitration rules. The seat of arbitration is Beijing. They also provide that the arbitrator may award interim remedies over the shares or assets of Kangdao Medical or injunctive relief (e.g. for the conduct of business or to compel the transfer of assets) or order the winding-up of Kangdao Medical; and the courts of Hong Kong, the Cayman Islands (being the place of incorporation of the Company), the PRC (being the place of incorporation of Kangdao Medical) and the place where the principal assets of the Company or Kangdao Medical are located, have the power to grant interim remedies in support of the arbitration pending formation of the arbitral tribunal or in appropriate cases. However, the PRC Legal Advisors have advised that interim remedies or enforcement orders granted by overseas courts such as those of Hong Kong and the Cayman Islands may not be recognizable or enforceable in the PRC; and

  (ii) the Contractual Arrangements B provide that a committee designated by Dalian Neusoft Ruixin will be appointed as the liquidation committee upon the winding-up of Kangdao Medical to manage its assets. However, in the event of a liquidation or dissolution, these provisions may not be enforceable under PRC Laws.

However, the PRC Legal Advisors also advised that the interpretation and application of current and future PRC laws and regulations are subject to changes from time to time. Accordingly, there can be no assurance that the PRC regulatory authorities will not in the future take a view that is contrary to or otherwise different from the above opinion of the PRC Legal Advisors.

Listing Rules implications

Kangdao Medical is 100% owned by Ms. Zhang. As of the date of this Report, Ms. Zhang serves as a director and the chief financial officer of Neusoft Holdings. To the best of the knowledge, information and belief of the Directors, after making all reasonable enquiries, Ms. Zhang is not a connected person of the Company and is an Independent Third Party as of the date of this Report. Therefore, transactions under Contractual Arrangements B do not constitute any connected transactions or continuing connected transactions of the Company.

2) Business activities under the Structured Contracts and their significant financial contributions to the Group

In 2025, revenue under the Contractual Arrangements A was approximately RMB1,708.4 million, accounting for approximately 83.8% of the total revenue of the Group (2024: approximately RMB1,724.8 million). As of 31 December 2025, the total assets under the Contractual Arrangements A were approximately RMB6,586.4 million, accounting for approximately 87.2% of the total asset of the Group (2024: approximately RMB6,356.9 million).

In 2025, revenue under the Contractual Arrangements B was approximately RMB23.1 million, accounting for approximately 1.1% of the total revenue of the Group (2024: approximately RMB16.2 million). As of 31 December 2025, the total assets under the Contractual Arrangements B were approximately RMB7.3 million, accounting for approximately 0.1% of the total asset of the Group (2024: approximately RMB5.1 million).

3) Unwinding of the structured contracts

As of the date of this Report, there has not been any unwinding of any structured contracts, nor has there been any failure to unwind any structured contracts when the restrictions that led to the adoption of the structured contracts are removed. For details related to the unwinding of the structured contracts, please refer to the sections headed "Contractual Arrangements – Circumstances under which we will unwind our Contractual Arrangements with respect to our Education Business" and "Contractual Arrangements – Circumstances under which we will unwind our Contractual Arrangements with respect to the Relevant Business" in the Prospectus of the Company and the announcement of the Company dated 26 March 2024.

4) Risks relating to the Structured Contracts

For risks related to the Contractual Arrangements A, please refer to the section headed "Risk Factors – Risks relating to Our Contractual Arrangements" in the Prospectus of the Company. For risks related to the Contractual Arrangements B, please refer to the section headed "the New Contractual Arrangements – 6. Risks relating to the New Contractual Arrangements" of the announcement of the Company dated 26 March 2024.

The management of the Company has been working closely with our external lawyers and advisers on monitoring the regulatory environment and development of relevant laws and regulations to reduce the risk associated with Structured Contracts.

5) Major changes relating to the Structured Contracts

For the year ended 31 December 2025, there were no major changes in the Structured Contracts and/or the adoption of the Structured Contracts.

6) Compliance with our Structured Contracts

We have adopted the following measures to ensure the Group's effective implementation, operation of, and compliance with, our Structured Contracts:

(i) we will submit any major issues arising from implementing or complying with our Structured Contracts to our Board for discussion and review;

(ii) the Board will review the overall performance of, and compliance with, our Structured Contracts at least annually;

(iii) the Company will disclose the overall performance of, and compliance with, our Structured Contracts in the annual reports; and

(iv) the Company will engage legal advisers and other professional advisers (if necessary) to assist the Board with reviewing the implementation of our Structured Contracts, and to deal with specific issues or matters arising out of our Structured Contracts.

7) Confirmation from independent non-executive Directors and the Auditor

The independent non-executive Directors have reviewed the structured contracts and confirmed that (i) all transactions in relation to the Structured Contracts during the year ended 31 December 2025 were entered into and conducted pursuant to the relevant provisions thereunder; (ii) no dividends have been paid by the Consolidated Affiliated Entities or OPCOs to their respective holders of equity which are not otherwise subsequently assigned or transferred to the Group; and (iii) no new structured contracts other than Contractual Arrangements B entered into or renewed between the Group and our Consolidated Affiliated Entities or OPCOs during the year ended 31 December 2025.

The auditor of the Company has confirmed in a letter to the Board that, with respect to the aforesaid transactions entered into in the year ended 31 December 2025, nothing has come to their attention that causes the auditor to believe that dividends or other distributions have been made by Consolidated Affiliated entities to the holders of equity interest of Consolidated Affiliated Entities which were not otherwise subsequently assigned or transferred to the Group.

Save as disclosed in this section, as of the date of this Report the Group has no other structured contracts.

7 CONNECTED TRANSACTION

1) The Acquisition of Xikang Yunshe and Capital Contribution to Xikang Yunshe

Background, reasons and details of the transaction

Since its strategic transformation in 2024, the Group has evolved from a singular education service provider to a pioneer in a integrated ecosystem of "Education, Healthcare and Wellness". This shift marks the Group's stride toward a broader and more diversified business layout. Xikang Yunshe is principally engaged in the operation and management of hotels, owning five wellness hotels. These hotels have served as important cooperative bases for the Mind Tour Class of the Group's elderly education business, enriching the course offerings of the Group's elderly education services and fostering the development of its elderly education business, thereby forming one of the distinctive features of the Group's elderly education business. Therefore, on 20 May 2025 (**the Transaction Date**), (i) Dalian Neusoft Ruixin, a wholly-owned subsidiary of the Company (**as the Purchaser**), entered into a share transfer agreement with Xikang Cloud Hospital Holdings Inc. (**as the Vendor**) and Xikang Yunshe, pursuant to which Dalian Neusoft Ruixin has conditionally agreed to purchase, and Xikang Cloud Hospital Holdings Inc. has conditionally agreed to sell approximately 4.2255% of the total paid-up capital of Xikang Yunshe as of 20 May 2025 at a total consideration of RMB30 million; and (ii) Dalian Neusoft Ruixin entered into a capital contribution agreement with Xikang Yunshe, pursuant to which Dalian Neusoft Ruixin has conditionally agreed to make capital contribution, by way of cash, to Xikang Yunshe in the amount of RMB45 million (**the Capital Contribution**). In addition, Xikang Yunshe will convert RMB4,136,047 of its capital reserve into registered capital, and the newly increased registered capital will be fully allocated to Dalian Neusoft Ruixin (**the Conversion of Capital Reserve**).

As of 30 June 2025, the Acquisition of Xikang Yunshe, the Capital Contribution and the Conversion of Capital Reserve have all completed, upon which, Dalian Neusoft Ruixin holds 9.9341% equity interest in Xikang Yunshe (along with its subsidiaries). As a result, Xikang Yunshe is not a subsidiary of the Company and the financial results of Xikang Yunshe (along with its subsidiaries) will not be consolidated into the financial statements of the Group.

The Directors (including all independent non-executive Directors) are of the view that although the Acquisition of Xikang Yunshe is not in the ordinary and usual course of the business of the Group, the terms thereunder are fair and reasonable, on normal or better commercial terms and in the interests of the Company and the Shareholders as a whole.

Further details relating to the Acquisition of Xikang Yunshe are set out in the announcements of the Company dated 20 May 2025 and 30 June 2025.

Connected relationships

Neusoft Holdings is a Controlling Shareholder of the Company, holding approximately 39.29% of the total issued Shares of the Company as of the Transaction Date. Therefore, Neusoft Holdings is a "controller" of the Company within the meaning of Rule 14A.28 of the Listing Rules. In addition, as Neusoft Holdings held approximately 55.9176% equity interest in Xikang Yunshe as of the Transaction Date, Neusoft Holdings is a substantial shareholder of Xikang Yunshe. Accordingly, the Acquisition and the Capital Contribution constitute connected transactions of the Company under Rule 14A.28(1) of the Listing Rules.

8 CONTINUING CONNECTED TRANSACTIONS

1) Neusoft Holdings Property Framework Agreement

Background and details of the transactions

On 11 September 2020, the Company (for itself and on behalf of the other members of the Group) and Neusoft Holdings (for itself and on behalf of the other members of Neusoft Holdings Group) entered into a framework agreement ("**Former Neusoft Holdings Framework Agreement**"), including the property leasing and management transactions underneath. The Former Neusoft Holdings Framework Agreement expired on 31 December 2022.

On 27 December 2022, the Company (for itself and on behalf of the other members of the Group) and Neusoft Holdings (for itself and on behalf of the other members of Neusoft Holdings Group) entered into a property framework agreement (the "**Neusoft Holdings Property Framework Agreement**"), renewing the property leasing and management transactions under the Former Neusoft Holdings Framework Agreement, pursuant to which the Group will lease out certain properties and offer property management services in relation to such properties to Neusoft Holdings Group. The terms of the Neusoft Holdings Property Framework Agreement are entered into after arm's length negotiations on normal or better commercial terms, and effective for the period from 1 January 2023 to 31 December 2025 (both dates inclusive). Further details relating to the Neusoft Holdings Property Framework Agreement are set out in the announcement of the Company dated 27 December 2022.

Neusoft Holdings Property Framework Agreement expired on 31 December 2025, and the two parties didn't enter into a new property framework agreement.

Connected relationships

Neusoft Holdings is a Controlling Shareholder of the Company. Therefore, according to Chapter 14A of the Listing Rules, Neusoft Holdings and its subsidiaries are connected persons of the Company, and the transaction under the Neusoft Holdings Property Framework Agreement constitutes a continuing connected transaction of the Company.

Pricing policies

Pursuant to the Neusoft Holdings Property Framework Agreement, the rental amount of the property leasing and management transactions thereunder will be agreed upon periodically, generally on an annual basis, between the parties with reference to historical rates of similar properties within the location, prevailing market rental rates, and facilities or fittings within the property. The total amount of rental may comprise (i) a base rental amount, (ii) certain taxes, (iii) service fees, (iv) utility fees (charged per unit used), (v) seasonal adjustments, (vi) internet and other communication and network services, and (vii) deposit. The property management fees shall be determined by the parties after arm's length negotiations, taking into account the utilities cost and the costs of operating and maintaining the public facilities charged by the relevant independent third parties, and with reference to market conditions, the gross floor area leased and the services provided. The property management fees may include, but without limitation, (i) public sharing expenses, (ii) electricity charges, (iii) water charges, (iv) heating charges, and (v) other entrusted service fees (to be charged based on the actual conditions).

Annual transaction cap and historical amount

For the year ended 31 December 2025, the annual cap for the transaction under the Neusoft Holdings Property Framework Agreement was RMB2.4 million, and the actual revenue of the Group under the Neusoft Holdings Property Framework Agreement was approximately RMB0.4 million.

2) Dr. J. Liu Property Framework Agreement

Background and details of the transactions

On 11 September 2020, the Company (for itself and on behalf of the other members of the Group) and Dr. J. Liu (on behalf of the entities controlled by him) entered into a property framework agreement ("**Former Dr. J. Liu Property Framework Agreement**"). The Former Dr. J. Liu Framework Agreement expired on 31 December 2022.

On 27 December 2022, the Company (for itself and on behalf of the other members of the Group) and Dr. J.Liu (on behalf of the entities controlled by him) entered into a property framework agreement (the "**Dr. J. Liu Property Framework Agreement**"), renewing the transactions under the Former Dr. J. Liu Property Framework Agreement, pursuant to which the Group will lease out certain properties and offer property management services in relation to such properties to entities controlled by Dr. J. Liu (excluding Neusoft Holdings Group and the Group). The terms of the Dr. J. Liu Property Framework Agreement are entered into after arm's length negotiations on normal or better commercial terms, and effective for the period from 1 January 2023 to 31 December 2025 (both dates inclusive). Further details relating to Dr. J. Liu Property Framework Agreement are set out in the announcement of the Company dated 27 December 2022.

Dr. J. Liu Property Framework Agreement expired on 31 December 2025, and the two parties didn't enter into a new property framework agreement.

Connected relationships

Dr. J. Liu is a Controlling Shareholder of the Company. Therefore, according to Chapter 14A of the Listing Rules, Dr. J. Liu and the entities controlled by him (excluding the Group) are connected persons of the Company, and the transaction under the Dr. J. Liu Property Framework Agreement constitutes a continuing connected transaction of the Company.

Pricing policies

Pursuant to the Dr. J. Liu Property Framework Agreement, the rental amount of the property leasing and management transactions thereunder will be agreed upon periodically, generally on an annual basis, between the parties with reference to historical rates of similar properties within the location, prevailing market rental rates, and facilities or fittings within the property. The total amount of rental may comprise (i) a base rental amount, (ii) certain taxes, (iii) service fees, (iv) utility fees (charged per unit used), (v) seasonal adjustments, (vi) internet and other communication and network services, and (vii) deposit. The property management fees shall be determined by the parties after arm's length negotiations, taking into account the utilities cost and the costs of operating and maintaining the public facilities charged by the relevant independent third parties, and with reference to market conditions, the gross floor area leased and the services provided. The property management fees may include, but without limitation, (i) public sharing expenses, (ii) electricity charges, (iii) water charges, (iv) heating charges, and (v) other entrusted service fees (to be charged based on the actual conditions).

Annual transaction cap and historical amount

For the year ended 31 December 2025, the annual cap for the transaction under the Dr. J. Liu Property Framework Agreement was RMB2.5 million, and the actual revenue of the Group under the Dr. J. Liu Property Framework Agreement was approximately RMB1.0 million.

3) Contractual Arrangements A (Education Business and Publishing Business)

Background and details of the transactions

The Group operates Education Business and Publishing Business through Consolidated Affiliated Entities. To comply with PRC Laws and maintain effective control over our Relevant Business, Dalian Neusoft Ruixin, a wholly-owned subsidiary of the Company, the Consolidated Affiliated Entities and Neusoft Holdings entered into Contractual Arrangements A, under which Dalian Neusoft Ruixin acquired effective control over the financial and operational policies of the Consolidated Affiliated Entities and became entitled to all of the economic benefits derived from their operations. For details of Contractual Arrangements A, please refer to the section headed "Directors' Report – Structured Contracts – Contractual Arrangements A (Education Business and Publishing Business)" in this Report.

Connected relationships

Neusoft Holding is a Controlling Shareholder of the Company. Therefore, pursuant to Chapter 14A of the Listing Rules, Neusoft Holdings is a connected person of the Company, and the transactions under the Contractual Arrangements A constitute continuing connected transactions of the Company.

Exemption from the stock exchange

The Stock Exchange has granted the Company an exemption from strict compliance with the requirements relating to the connected transactions under Chapter 14A of the Listing Rules in respect of the Contractual Arrangements A. For details, please refer to the section headed "Connected Transactions – Contractual Arrangements" in the Prospectus of the Company.

Confirmation from independent non-executive Directors

The independent non-executive Directors have reviewed and confirmed the continuing connected transactions set out above are:

(i) in the ordinary and usual course of business of the Group;

(ii) on normal commercial terms or better; and

(iii) entered into in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

Confirmation from the auditor

The auditor of the Company has confirmed in a letter to the Board that, with respect to the aforesaid continuing connected transactions entered into in the year ended 31 December 2025:

(i) nothing has come to their attention that causes the auditor to believe that the disclosed continuing connected transactions have not been approved by the Board of the Company;

(ii) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes the auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;

(iii) nothing has come to their attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and

(iv) nothing has come to their attention that causes the auditor to believe that the continuing connected transactions as disclosed above have exceed the annual cap as set by the Company.

9 RELATED PARTIES TRANSACTIONS

Except for those disclosed in the sections headed "Connected Transactions" and "Continuing Connected Transactions" above in Directors' Report in this Report (all of which are connected transactions under Chapter 14A of the Listing Rules) and connected transactions that are fully-exempt pursuant to Chapter 14A of the Listing Rules, other related party transactions entered into by the Group for the year ended 31 December 2025 as set out in note 37 to the consolidated financial statements do not fall under connected transactions or continuing connected transactions in accordance with Chapter 14A of the Listing Rules.

The Company confirmed that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules during the year ended 31 December 2025.

10 SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in note 1 to the consolidated financial statements.

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

None of the Company or any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined in the Listing Rules)) during the year ended 31 December 2025. The Company did not hold any treasury shares (as defined in the Listing Rules) as of 31 December 2025.

12 SHARE CAPITAL AND ISSUED SHARES

As of 31 December 2025, the Company's authorised share capital of HK$380,000 became divided into 1,900,000,000 Shares at par value of HK$0.0002 each. As of 31 December 2025, 646,219,735 shares were in issue and fully paid.

13 USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING OF THE COMPANY

The Shares of the Company have been listed on the Main Board of the Stock Exchange on 29 September 2020. The net proceeds from the Initial Public Offering ("**IPO**") are approximately HK$924.2 million (equals to approximately RMB777.5 million), which are intended to be used for the purposes set out in the Prospectus.

On 8 June 2021, the Board resolved to reallocate part of the unutilised IPO proceeds of approximately RMB59.9 million (approximately 8% of the IPO proceeds) originally intended to be used for the acquisition of other schools to repay commercial loans of the Group. For details please refer to the announcement relating to the change in use of proceeds from the IPO of the Company dated 8 June 2021.

On 8 March 2024, the Board has resolved to reallocate the unutilised IPO Proceeds of approximately RMB100.0 million (representing approximately 12.9% of the IPO proceeds) originally intended to be used for the acquisition of other schools, of which approximately RMB93.4 million to repay commercial loans, and approximately RMB6.6 million to supplement working capital. For related details please refer to the announcement of the Company dated 8 March 2024.

As of 31 December 2025, the Company had fully utilized the proceeds from the IPO as set out below:

	% of net proceeds	Further revised net proceeds from the IPO *RMB million*	Amount utilised during the year ended 31 December 2025 *RMB million*	Amount utilised as at 31 December 2025 *RMB million*	Amount unutilised as at 31 December 2025 *RMB million*
Upgrading our existing school facilities and expanding our campus	51.4%	399.6	–	399.6	–
Repay commercial loans	37.5%	291.4	18.0	291.4	–
Supplement working capital	11.1%	86.5	–	86.5	–
Total	**100%**	**777.5**	**18.0**	**777.5**	**–**

14 ISSUED BONDS

For the year ended 31 December 2025, the Company did not issue or maintain any bonds.

15 DIRECTORS

As of 31 December 2025 and as of the date of this Report, the Directors of the Company are as follows:

Chairperson and Non-executive Director

Dr. LIU Jiren

Executive Director

Dr. WEN Tao

Non-executive Directors (aside from our Chairperson)

Mr. RONG Xinjie
Dr. ZHANG Xia
Dr. ZHANG Yinghui
Mr. SUN Yinhuan

Independent Non-executive Directors

Dr. LIU Shulian
Dr. QU Daokui
Dr. WANG Weiping

Every Director shall retire from office once every three years and for this purpose, at each annual general meeting one-third (1/3) of the Directors for the time being, or, if their number is not a multiple of three (3), then the number nearest to but not less than one-third (1/3) shall retire from office by rotation. The Directors to retire in every year will be those who have been the longest in office since their last election and so that as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. Subject to the Articles of Association, a retiring Director shall be eligible for re-election at the annual general meeting at which he retires. For avoidance of doubt, each Director shall retire at least once every three (3) years. Therefore, in accordance with Article 108 of the Articles, Dr. LIU Shulian, Mr. RONG Xinjie and Dr. ZHANG Yinghui shall retire from office as Directors at the annual general meeting and, being eligible, offer themselves for re-election at the meeting.

16 BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Company are set out in the section headed "Directors and Senior Management" on pages 40 to 51 of this Report.

17 CHANGES IN DIRECTORS' OR CHIEF EXECUTIVE'S INFORMATION

Save as disclosed above and in this annual report, there have been no other changes in the information of Directors and chief executive of the Company required to be disclosed pursuant to Rule 13.51(2)(a) to (e) and (g) of the Listing Rules since the publication of the 2025 interim report up to the date of this Report.

18 DIRECTORS' SERVICE CONTRACTS AND APPOINTMENT LETTERS

The executive Director has renewed a service contract with the Company with effect for a term of three years commencing from 25 May 2024 or until the third annual general meeting of the Company since 25 May 2024 (whichever is earlier), which shall be automatically renewed for successive periods of three years (subject to re-election as and when required under the Articles of Association), until terminated in accordance with the terms thereof or by either party giving to the other not less than three months' prior notice in writing.

Each of our non-executive Directors and each of our independent non-executive Directors have entered into an appointment letter with the Company. All of them, except for Dr. ZHANG Xia, hold office for a term of three years commencing from 25 May 2024 or until the third annual general meeting of the Company since 25 May 2024, whichever is earlier and subject to re-election as and when required under the Articles of Association. The appointment letters will be with effect until terminated in accordance with the terms thereof or by either party giving to the other not less than one month's prior notice in writing. Dr. ZHANG Xia holds office for a term of three years commencing from 27 May 2025 or until the third annual general meeting of the Company since 27 May 2025, whichever is earlier and subject to re-election as and when required under the Articles of Association. The appointment letters will be with effect until terminated in accordance with the terms thereof or by either party giving to the other not less than one month's prior notice in writing. Under the respective appointment letters, each of the independent non-executive Directors is entitled to a fixed Director's fee, and non-executive Director may receive fixed salary and/or discretionary bonus in connection with the performance of his duties, the amount of which (if any) shall be determined by the Board. The appointment of the Directors is subject to the provisions of retirement and rotation of Directors under the Articles of Association.

Save as disclosed above, none of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company, which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

19 DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this Report, at no time for the year ended 31 December 2025 was the Company or 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 their spouses or children under the age of 18 were granted any right to subscribe for the share capital or debentures of the Company or any other body corporate, or had exercised any such right.

20 INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE ISSUER OR ITS ASSOCIATED CORPORATIONS

As at 31 December 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), that fall 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 that he/she is taken or deemed to have under such provisions of the SFO), or that have been recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or that will be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, are set out below:

Interest in the Company

Name of Director	Nature of interest	Number of Shares held	Approximate percentage of interest in the Company[3]
LIU Jiren[1]	Interest in a controlled corporation	408,586,000	63.23%
SUN Yinhuan[2]	Founder of a discretionary trust	65,010,000	10.06%

Notes:

(1) Dr. LIU Jiren: (a) wholly-owns Kang Ruidao First, which holds all of the voting rights of Kang Ruidao; and (b) has more than one-third ultimate control over Dongkong First and Dongkong Second through a series of intermediary entities. Under the SFO, Dr. LIU Jiren is deemed to be interested in the full amount of equity interests held by each of Kang Ruidao, Dongkong First and Dongkong Second in the Company.

(2) Deluxe Trust was established by Mr. SUN Yinhuan and is held by TMF (Cayman) Ltd. as trustee, which indirectly owns 99% of Deluxe Glorious Limited, which in turn owns 40% of Century Bliss. Under the SFO, Mr. SUN Yinhuan, as the founder of Deluxe Trust, is deemed to be interested in the entire equity interest in the Company held by Century Bliss.

(3) This percentage represents the total number of Shares held by each Director or the chief executive as at 31 December 2025 divided by the total number of issued Shares of the Company as at 31 December 2025 (646,219,735 Shares).

Interest in associated corporations

Dalian Development

Name of Director	Name of associated corporations	Nature of interest	Number of Shares held	Approximate percentage of interest in the associated corporations
Liu Jiren[1]	Dalian Development	Nominee shareholder whose shareholder rights are subject to the Contractual Arrangements[1]	359,000,000	100%
WEN Tao[2]	Dalian Ruixin Cloud Technology Co., Ltd.	Beneficial interest	1,600,000	16%

Notes:

(1) Dr. LIU Jiren has more than one-third ultimate control in Neusoft Holdings, which is the sole registered shareholder of Dalian Development. Under the SFO, Dr. LIU Jiren is deemed to be interested in the full amount of interest held by Neusoft Holdings in Dalian Development which is subject to the Contractual Arrangements A.

(2) To develop the business of the smart elderly care platform, Dalian Ruixin Cloud Technology Co., Ltd. was incorporated in March 2025. As of 31 December 2025, 50% equity interest of Dalian Ruixin Cloud Technology Co., Ltd. was held by Dalian Neusoft Ruixin (a wholly-owned subsidiary of the Company), and 16% equity interest held by Dr. Wen Tao (Director and CEO of the Company), 34% equity interest held by Mr. Wang Xinghui (vice president of the Company).

Save as disclosed above, as at 31 December 2025, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), that were recorded in the register required to be kept pursuant to Section 352 of the SFO, or that will be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

21 INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES

As at 31 December 2025, as far as the Directors are aware, the following persons (not being the Directors or chief executive of the Company) have or are taken or deemed to have interests and short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations, that fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or that are recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as follows:

Interests in the Company

Shareholders	Capacity/Nature of interest	Number of Shares held	Approximate percentage of interest in the Company(7)
Kang Ruidao(1)	Beneficial interest	154,689,000	23.94%
Kang Ruidao First(1)	Interest in a controlled corporation	154,689,000	23.94%
Dongkong First(2)(3)(4)	Beneficial interest	133,897,000	20.72%
Dongkong Second(2)(3)(4)	Beneficial interest	120,000,000	18.57%
Neusoft International(2)	Interest in a controlled corporation	253,897,000	39.29%
Neusoft Holdings(2)	Interest in a controlled corporation	253,897,000	39.29%
Century Bliss(5)	Beneficial interest	65,010,000	10.06%
Deluxe Glorious Limited(5)	Interest in a controlled corporation	65,010,000	10.06%
Deluxe Capital Limited(5)	Interest in a controlled corporation	65,010,000	10.06%
TMF (Cayman) Ltd.(5)	Trustee of a trust	65,010,000	10.06%
CHENG Huiyan(5)	Interest of spouse	65,010,000	10.06%
FIL Limited(6)	Interest in a controlled corporation	41,527,427	6.43%
Pandanus Partners L.P.(6)	Interest in a controlled corporation	41,527,427	6.43%
Pandanus Associates Inc.(6)	Interest in a controlled corporation	41,527,427	6.43%

Notes:

(1) Kang Ruidao First holds all of the voting shares of Kang Ruidao. Under the SFO, Kang Ruidao First is deemed to be interested in all the shares of the Company held by Kang Ruidao.

(2) Both Dongkong First and Dongkong Second are wholly-owned subsidiaries of Neusoft International, which is a wholly-owned subsidiary of Neusoft Holdings. Under the SFO, each of Neusoft International and Neusoft Holdings is deemed to be interested in the full aggregate amount of Shares held by Dongkong First and Dongkong Second in the Company.

(3) Under a supplemental trust loan agreement entered into between Neusoft Holdings and China Industrial International Trust Limited ("**CIIT**") dated 20 June 2019, Dongkong First and Dongkong Second granted securities over all of their Shares in favour of CIIT for the performance of Neusoft Holdings' obligations under its facility agreement with CIIT's affiliate. Neusoft International notified the Company that Dongkong First and Dongkong Second have pledged 127,465,000 Shares and 120,000,000 Shares which held of the Company respectively, to CIIT for the guarantee of the above loans. The Company was notified by Neusoft Holdings in February 2025 stating that Neusoft Holdings had completed the repayment of all principal debts corresponding to the above share pledge on 15 March 2024, and that the above share pledge has been released.

(4) The Company has been notified by Neusoft Holdings, as requested by the Dalian Branch of Industrial Bank Co., Ltd. ("**CIB**"), that Dong Kong First and Dong Kong Second separately entered into a maximum amount pledge contract for listed company stocks with the Lender on 6 March 2025, accordingly, Dong Kong First and Dong Kong Second, as the pledgers, pledged their respective 127,465,000 shares and 120,000,000 shares (collectively representing approximately 38.29% of the Company's total issued shares as of the date of this Report) of the Company to CIB as supplementary collateral for the loans of RMB325.5 million under the M&A loan contracts entered into on June 23, 2021, between the Lender and the Company's wholly-owned subsidiaries, namely Dalian Si Di Technology Development Co., Ltd., Dalian Xin Di Technology Development Co., Ltd., and Dalian Rui Di Technology Development Co., Ltd. (the "**Loans**"). Such Loans were obtained to supplement the payment of the consideration for the Group's acquisitions of an aggregate of 19.18% equity interest in Dalian Neusoft Ruixin Technology Group Ltd. (formerly known as Dalian Neusoft Ruixin Technology Development Co. Limited). For details, please refer to the announcement published by the Company on 6 March 2025. As of the date of this Report, the Loans has been repaid in full. Neusoft Holdings has completed the release of the share pledge over the above-mentioned shares on 10 April 2026.

(5) Century Bliss is controlled as to more than one-third by Deluxe Glorious Limited, which is controlled as to more than one-third by Deluxe Capital Limited, and Deluxe Capital Limited is a wholly-owned subsidiary of TMF (Cayman) Ltd., which is the trustee of the Deluxe Trust. Ms. CHENG Huiyan is the spouse of Mr. SUN Yinhuan (the founder of the Deluxe Trust). Accordingly, Ms. CHENG Huiyan, TMF (Cayman) Ltd., Deluxe Glorious Limited and Deluxe Capital Limited are deemed to be interested in all the Shares of the Company held by Century Bliss under the Securities and Futures Ordinance.

(6) FIL Limited is deemed to own the 41,527,427 Shares of the Company through a series of subsidiaries. FIL Limited is controlled as to more than one-third by Pandanus Partners L.P., which is 100% controlled by Pandanus Associates Inc. Accordingly, Pandanus Partners L.P. and Pandanus Associates Inc. are deemed to be interested in all the Shares of the Company held by FIL Limited through its controlled corporations under the Securities and Futures Ordinance.

(7) The percentage represents the total number of Shares held by each Shareholder as at 31 December 2025 divided by the total number of issued Shares of the Company as at 31 December 2025 (646,219,735 Shares).

Interests in the Group (excluding the Company)

Shareholder	Name of Group member	Capacity/ Nature of interest	Approximate percentage held by the substantial shareholder
Neusoft Holdings	Dalian Development	Interest of a Registered Shareholder	100%
Qinhuangdao Xingdong Technology Co., Ltd.(1)	Qinhuangdao Neusoft Venture School	Beneficial interest	10%
Guangdong Nanhai High-tech Industrial Investment Holding Co., Ltd.(2)	Guangdong Ruidao Gongchuang Technology Co., Ltd.	Beneficial interest	49%
Zhejiang Wanli University Asset Operation Co., Ltd.(3)	Ningbo Wanli Neusoft Digital Technology Co., Ltd.	Beneficial interest	49%
Dalian Wellness Industry Group Co., Ltd.(4)	Dalian Digital&Smart Wellness Industry Co., Ltd.	Beneficial interest	34%
Neusoft Group	Dalian Digital&Smart Wellness Industry Co., Ltd.	Beneficial interest	15%
Shenyang Venture Investment Management Group Co., Ltd.(5)	Shenyang Shengqing Wellness Industry Co., Ltd.	Beneficial interest	30%
Neusoft Group	Shenyang Shengqing Wellness Industry Co., Ltd.	Beneficial interest	15%
WEN Tao	Dalian Ruixin Cloud Technology Co., Ltd.	Beneficial interest	16%
WANG Xinghui	Dalian Ruixin Cloud Technology Co., Ltd.	Beneficial interest	34%

Notes:

(1) According to publicly available information, the Qinhuangdao campus of the Northeastern University (東北大學秦皇島分校) wholly owns Qinhuangdao Xingdong Technology Co., Ltd. (秦皇島興東科技有限公司), and is therefore deemed to own 10% of the voting rights in one of our subsidiaries.

(2) According to publicly available information, Foshan Nanhai District State-owned Asset Supervision and Administration Bureau (佛山市南海區國有資產監督管理局) wholly owns Guangdong Nanhai High-tech Industrial Investment Holding Co., Ltd. (廣東南海高新技術產業投資控股有限公司), and is therefore deemed to own more than 10% of the voting rights in one of our subsidiaries.

(3) According to publicly available information, Zhejiang Wanli University (浙江萬里學院) wholly owns Zhejiang Wanli University Asset Operation Co., Ltd. (浙江萬里學院資產經營有限公司), and is therefore deemed to own more than 10% of the voting rights in one of our subsidiaries.

(4) According to publicly available information, Dalian State-owned Capital Management and Operation Co., Ltd. (大連市國有資本管理運營有限公司) wholly owns Dalian Wellness Industry Group Co., Ltd. (大連康養產業集團有限公司), and is therefore deemed to own more than 10% of the voting rights in one of our subsidiaries.

(5) According to publicly available information, Shenyang Shengjing Financial Holding Investment Group Co., Ltd. (瀋陽盛京金控投資集團有限公司) owns 91.8% equity interest of Shenyang Venture Investment Management Group Co., Ltd. (瀋陽創業投資管理集團有限公司), and is therefore deemed to own more than 10% of the voting rights in one of our subsidiaries.

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 December 2025 (other than those owned by the Directors and chief executive of the Company) that fall to be disclosed to the Company pursuant to the Divisions 2 and 3 of Part XV of the SFO, or that have been recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

22 ANNUAL GENERAL MEETING

The forthcoming annual general meeting will be held on 28 May 2026. Notice of the annual general meeting will be published and issued to the Shareholders in due course.

23 CLOSURE OF REGISTER OF MEMBERS

Entitlement to attend and vote at the annual general meeting

For determining the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from Wednesday, 20 May 2026 to Thursday, 28 May 2026, both days inclusive, during which period no transfer of Shares can be registered. In order to be eligible to attend and vote at the annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Tuesday, 19 May 2026.

Entitlement to the proposed final dividend

For determining the Shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed from Wednesday, 2 September 2026 to Friday, 4 September 2026, both days inclusive, during which period no transfer of Shares can be registered. In order to establish entitlements to the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Tuesday, 1 September 2026.

24 DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Structured Contracts", "Connected Transactions", "Continuing Connected Transactions" and "Related Parties Transactions" of Directors' Report in this Report and the note 37 to the consolidated financial statements, none of the Director had an interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Group was a party during the year ended 31 December 2025 and up to the date of this Report.

25 CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as the section headed "Structured Contracts", "Connected Transactions", "Continuing Connected Transactions" and "Related Parties Transactions" of the Directors' Report in this Report and note 37 to the consolidated financial statements, no contract of significance was entered into between the Company or any of its subsidiaries and its Controlling Shareholder or any of its subsidiaries or for the provision of services to the Company or any of its subsidiaries by its Controlling Shareholder or any of its subsidiaries or no Controlling Shareholder had an interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Group was a party during the year ended 31 December 2025 and up to the date of this Report.

26 DIRECTORS' INTERESTS IN COMPETING BUSINESS

For the year ended 31 December 2025, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interest in a business that competed or was likely to compete, either directly or indirectly, with the business of the Group.

27 NON-COMPETITION UNDERTAKING

Our Controlling Shareholders, Dr. J. Liu and Neusoft Holdings (for itself and on behalf of the entities that it controls) have given the Company a non-competition undertaking, pursuant to which, each of the two Controlling Shareholders has undertaken that while they remain a Controlling Shareholder of the Company, whichever is earlier, he/it would not, and would procure their respective close associate not to, carry on, engage or participate in the business that competes or is likely to compete, directly or indirectly, with the business of the Group, which consists of (i) formal higher education services; (ii) education resources; and (iii) continuing education services (collectively the "**Restricted Business**") in China. The restrictions do not apply to (i) minority investments in any Restricted Businesses in which the Controlling Shareholders are merely passive investors; or (ii) opportunities in Restricted Businesses provided that we were given a priority option to participate in the opportunity and have decided not to take up the opportunity after a commercially reasonable period of time.

The Company has received a written confirmation from Dr. J. Liu and Neusoft Holdings in respect of their compliance with the aforementioned non-competition undertaking during the year ended 31 December 2025. In addition, Dr. J. Liu and Neusoft Holdings have also confirmed that for the year ended 31 December 2025, they have not carried out, engaged in or participated in healthcare and wellness business (including (a) healthcare services; and (b) wellness services) in China. The independent non-executive Directors have reviewed and are satisfied that each of the Controlling Shareholders have complied with the non-competition undertakings for the year ended 31 December 2025.

28 PERMITTED INDEMNITY PROVISIONS

Pursuant to the Articles of Association, the Directors of the Company, managing directors, alternate Directors, auditors, secretary and other officers shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses incurred by the execution of their duty, except such (if any) as they shall incur or sustain through their own fraud or dishonesty.

The Company has arranged appropriate liability insurance in respect of legal proceedings against the Directors.

29 LOAN AND GUARANTEE

Save as the section headed "Connected Transactions" of the Directors' Report in this Report and the note 37 to the consolidated financial statements, for the year ended 31 December 2025, the Group had not made any loan or provided any guarantee for loan, directly or indirectly, to the Directors of the Company, senior management, the Controlling Shareholders or their respective connected persons.

30 EQUITY-LINKED AGREEMENTS

For the year ended 31 December 2025 and up to the date of this Report, save as set out in the section headed "Share Incentive Schemes" in the Prospectus, neither the Company nor any of its subsidiaries had entered into (i) any agreement that will or may result in the Company issuing shares; or (ii) any agreement requiring the Company to enter into any agreement specified in (i).

31 MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole and any substantial part of the business of the Group was entered into or in existence for the year ended 31 December 2025.

32 RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 183 to 184 of this Report.

The Board has resolved to recommend the payment of a final dividend per share of 28.0 cents for the year ended 31 December 2025 to Shareholders whose names appear on the register of members of the Company on 4 September 2025. The final dividend is subject to the approval of the Shareholders at the annual general meeting to be held on 28 May 2026, and if approved, it will be paid in cash on or around 18 September 2026.

There is no arrangement that a Shareholder of the Company has waived or agreed to waive any dividend.

33 DIVIDEND POLICY

The Company has formulated a dividend policy, which specifies the principles and guidelines shall be followed when the Board plans to declare and pay dividends to Shareholders.

Any declaration and recommendation of dividends will be at the sole discretion of the Board, subject to Shareholders' approval and will depend on the future operations and earnings of the Group, capital requirements and surplus, general financial condition, contractual restrictions and other factors which our Directors consider relevant. Any declaration and payment as well as the amount of dividends will be subject to the Cayman Companies Law and the Articles of Association of the Company. The Shareholders in a general meeting may approve any declaration of dividends, which must not exceed the amount recommended by the Board. In either case, a dividend may only be declared and paid out of the profits and reserves of the Company that are lawfully available for distribution (including share premium), and in no circumstances may a dividend be paid if this would result in the Company being unable to pay its debts as they fall due in the ordinary course of business. Any future dividend payments to the Shareholders will also depend upon the availability of dividends received from the subsidiaries of the Company. Regulations in the PRC may restrict the ability of the Company's Chinese subsidiaries to pay dividends to the Company.

The dividend policy reflects the Board's current views on the Company's financial and cash flow position. The Board will review and reassess the dividend policy and its effectiveness from time to time.

34 FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities for the last five financial years is set out on page 292 of this Report.

35 PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association, or the laws of Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to its existing Shareholders.

36 TAXATION

The information on the taxation of the Company and the Group in 2025 is set out in note 12 to the consolidated financial statements.

37 TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief or exemption available to the Shareholders by reason of their holding of the Company's securities.

38 BORROWINGS

As at 31 December 2025, the Group had outstanding financial institution borrowings and interest accruals of approximately RMB3,286.0 million (2024: RMB3,107.7 million). Details of the borrowings are set out in note 27 to the consolidated financial statements.

39 DONATIONS

In 2025, no donations were made by the Group (2024: Nil).

40 EMPLOYEE AND REMUNERATION POLICY

As of 31 December 2025, the Group has 4,081 employees, and provides them with a competitive remuneration package, details of which are set out in the section of "Management Discussion and Analysis – Employee and Remuneration Policy" of this Report.

41 RETIREMENT BENEFITS SCHEME

The Group only has defined contribution pension schemes. The Group's employees in China participate in the defined contribution retirement scheme managed by local government, which is contributed to at a certain percentage of payroll costs determined by the relevant local government.

As at 31 December 2025, there were no forfeited contributions available (by employers on behalf of employees who leave the scheme prior to vesting fully in relevant contributions) which may be used to reduce the contributions payable in the future or to reduce the Group's existing level of contributions under the pension schemes, and there was no forfeited contribution used during the year ended 31 December 2025.

42 PRE-IPO SHARE INCENTIVE SCHEME

A Pre-IPO Share Incentive Scheme was adopted by the Board of the Company on 19 June 2019 and subsequently approved and ratified by the Shareholders on 24 June 2019. The purpose of the Scheme is to provide participants with the opportunity to acquire proprietary interests in the Company and to encourage them to work towards enhancing the value of our Company and our Shares for the benefit the Group and the Shareholders as a whole. The terms of the Pre-IPO Share Incentive Scheme are not subject to the Chapter 17 of the Listing Rules.

For the details of the Pre-IPO Share Incentive Scheme, please see the section headed the "Statutory and General Information – Share Incentive Schemes – Pre-IPO Share Incentive Scheme" under Appendix V of the Prospectus of the Company. On 31 August 2020, the Company granted options to 246 participants pursuant to the scheme, involving a total of 50,000,000 Shares, representing approximately 7.74% of the Company's total issued share as at 31 December 2025.

As of 31 December 2025, 33,135,452 options have been cancelled, and 4,727,616 options have lapsed, together with 3,388,535 options that have been exercised under the Pre-IPO Share Incentive Scheme.

43 POST-IPO SHARE INCENTIVE SCHEME

Summary

The Company conditionally adopted a share option scheme on 11 September 2020 with effect from the Listing Date. The share option scheme shall be valid for the period of ten years commencing on the Listing date. As of the date of this Report, the remaining period is about 4.7 years. The terms of the Post-IPO Share Incentive Scheme are governed by Chapter 17 of the Listing Rules. For the details of the Post-IPO Share Incentive Scheme, please see the section headed the "Statutory and General Information – Share Incentive Schemes – Post-IPO Share Incentive Scheme" under Appendix V of the Prospectus of the Company.

Since the adoption of the Share Option Scheme on 11 September 2020, no options have been granted, exercised, cancelled or lapsed in accordance with the Share Option Scheme and there were no outstanding options as at 31 December 2025. The following is a summary of the principal terms of the Post-IPO Share Incentive Scheme.

Purpose

The purpose of the Post-IPO Share Incentive Scheme is to provide participants with the opportunity to acquire proprietary interests in the Company and to encourage participants to work towards enhancing the value of the Company and our Shares for the benefit of us and our Shareholders as a whole. The Post-IPO Share Incentive Scheme is further intended to provide the Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to participants.

Eligibility

Those eligible to participate in the Post-IPO Share Incentive Scheme include, among others, any director or employee of the Group or an affiliate of the Group (including nominees and/or trustees of any employee benefit trust established for them) who the Board considers, in its sole discretion, to have contributed or will contribute to the Group.

Maximum number of Shares

The overall limit on the number of Shares that may be issued upon exercise of all options granted under the Post-IPO Share Incentive Scheme and any other schemes is 66,666,720, being no more than 10% of the Shares in issue on the date of the Shares commencing trading on the Stock Exchange ("**Post-IPO Mandate Limit**"), representing approximately 10.32% of the issued Shares of the Company as of the date of this Report. Options that have lapsed in accordance with the terms of the Post-IPO Share Option Scheme (or any other share option schemes of the Company) will not be counted for the purposes of calculating the Post-IPO Mandate Limit.

The overall limit on the number of Shares that may be issued upon exercise of all outstanding options granted and yet to be exercised under the Post-IPO Share Incentive Scheme and any options granted and yet to be exercised under any other share option schemes of our Company at any time (and to which the provisions of Chapter 17 of the Listing Rules are applicable) must not exceed 30% of the Shares in issue from time to time ("**Post-IPO Scheme Limit**"). No options may be granted if such options together with any other options granted under any schemes of our Company (or its subsidiaries) will result in the Post-IPO Share Incentive Scheme Limit being exceeded.

We may refresh the Post-IPO Mandate Limit at any time subject to prior approval of our Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time. However, the Post-IPO Mandate Limit as refreshed shall not exceed 10% of the Shares in issue as at the date of the aforesaid approval to refresh the Post-IPO Mandate Limit by our Shareholders in general meeting. Options previously granted under the Post-IPO Share Incentive Scheme or any other share option schemes of the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) (including those outstanding, cancelled or lapsed in accordance with its terms or exercised) will not be counted for the purpose of calculating the Post-IPO Share Option Scheme Mandate Limit as refreshed.

We may also seek separate approval of the Shareholders in general meeting for granting options beyond the Post-IPO Mandate Limit to participants specifically identified by the Company before the aforesaid Shareholders' meeting where such approval is sought.

Maximum entitlement of a grantee

Unless approved by the Shareholders, the total number of Shares issued and to be issued upon exercise of the options granted and to be granted under the Post-IPO Share Incentive Scheme and share options granted and to be granted under any other share option scheme(s) of the Company to each participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of Shares in issue ("**Individual Limit**"). Any further grant of options to a participant that would result in the aggregate number of Shares issued and to be issued upon exercise of all options granted and to be granted to that participant (including exercised, cancelled and outstanding options) in the 12-month period (up to and including the date of such further grant) exceeding the Individual Limit shall be subject to separate approval by our Shareholders (with the selected participant and his/her associates abstaining from voting in the general meeting).

Subscription price

The amount payable for each Share to be subscribed for under an option in the event of the option being exercised shall be determined by the Board in its absolute discretion and notified to the participant, but shall be no less than the higher of:

(a) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant;

(b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and

(c) the nominal value of a Share on the date of grant.

Grant of offer letter and notification of grant of options

An offer shall be made to a participant by a letter in duplicate, in such form as the Board may from time to time determine, requiring the selected participant to undertake to hold the option on the terms on which it is to be granted and to be bound by the provisions of the Post-IPO Rules.

An offer shall be deemed to have been accepted, and the option to which the offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter comprising acceptance of the offer duly signed by the selected participant with the number of Shares in respect of which the offer is accepted clearly stated therein, together with a remittance in favour of the Company of RMB1.00 by way of consideration for the grant thereof, is received by the Company within ten business days of the date of the offer letter. Such remittance shall not be refundable in any circumstances.

Any offer may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares or a multiple thereof. To the extent that the offer is not accepted within 20 business days from the date on which the letter containing the offer is delivered to that participant, it shall be deemed to have been irrevocably declined.

Time that it was vested and time for exercise of an option

An option may, subject to terms and conditions upon which such option is granted, be exercised in whole or in part by the grantee giving notice in writing to the Company in such form as the Board may from time to time determine, stating information including that the option is thereby exercised, the number of Shares in respect of which it is exercised, the period that it was vested and the period within which an option may be exercised.

44 PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group for the year ended 31 December 2025 are set out in note 15 to the consolidated financial statements.

45 RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Company for the year ended 31 December 2025 are set out in consolidated statement of changes in equity, of which, the reserves available for distribution to Shareholders as at 31 December 2025 are set out in consolidated statement of changes in equity.

46 AUDIT OF ANNUAL RESULTS

The Audit Committee has reviewed the Company's audited consolidated financial statements for the year ended 31 December 2025, and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made.

47 AUDITOR

EY has audited the consolidated financial statements of the Company for the year ended 31 December 2025.

A resolution will be proposed by the Company at the forthcoming annual general meeting to be held on 28 May 2026 to seek Shareholders' approval on the appointment of EY as the auditor of the Company until the conclusion of the next annual general meeting and to authorise the Board to fix their remuneration.

Reference is made to the announcements of the Company dated 23 October 2024 and 6 November 2024, in relation to change of auditor and appointment of auditor. PricewaterhouseCoopers has resigned as auditor of the Company with effect from 23 October 2024. EY has been appointed as the new auditor of the Company with effect from 6 November 2024 to fill the casual vacancy following the resignation of PricewaterhouseCoopers and to hold office until the conclusion of the next annual general meeting of the Company and, being eligible, offer themselves for reappointment.

Save as disclosed above, during the past 3 years ended 31 December 2025, the Company has not changed the auditor.

48 MAJOR CUSTOMERS AND SUPPLIERS

Our customers

Our customers primarily are our students. For our education resources and lifelong education services, our customers primarily include universities/colleges, vocational schools, companies, government agencies and the elderly population. For our healthcare and wellness business, our customers primarily are the public, particularly the elderly population.

In 2025, the goods and services provided by the Group to the five largest customers account for less than 30% of our revenue.

Our suppliers

Our suppliers primarily comprise landlords that lease properties to us for our school operations, construction companies for building campus facilities, property management service providers, electronic equipment providers, software developers, pharmaceuticals providers, medical supplies providers, and elderly assistance equipment providers.

In 2025, the goods and services purchased by the Group from the five largest suppliers accounted for less than 30% of our operating costs.

49 RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Group understands the importance of maintaining good relationships with employees, suppliers and customers to achieve its short- and long-term objectives. The Group maintains good relationships with employees, suppliers and customers. In the year ended 31 December 2025, the Group is committed to meeting the needs of students and parents by continuously providing better education services. At the same time, we are committed to meeting the public's needs in terms of medical treatment, elderly care, and wellness, especially those of the elderly population, by providing high-quality healthcare and wellness services. The Group has also been in constant communication with suppliers to achieve a shorter payment cycle and better payment terms. During the Reporting Period, there were no significant and serious disputes between the Group and its employees, suppliers and/or customers. For further details, please refer to the ESG Report of this Report.

50 PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, during the year ended 31 December 2025 and up to the date of this Report, at least 25% of the total issued shares of the Company are held by the public, which is in compliance with the public float requirements as stipulated in the Listing Rules.

51 CORPORATE GOVERNANCE

The Company recognises the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. Information on the corporate governance practices adopted by the Company is set out in the section headed "Corporate Governance Report" of this Report.

52 CONTINUING DISCLOSURE OBLICATIONS PURSUANT TO THE LISTING RULES

The Company has been notified by Neusoft Holdings that, as requested by the Dalian Branch of Industrial Bank Co., Ltd. (the "**Lender**"), its wholly-owned subsidiaries Dongkong First and DongKong Second separately entered into a Maximum Amount Pledge Contract for Listed Company Stocks (collectively, the "**Pledge Contracts**") with the Lender on 6 March 2025, pursuant to which, Dongkong First and Dongkong Second, as the pledgers, pledged their respective 127,465,000 Shares and 120,000,000 Shares (collectively representing approximately 38.29% of the Company's total issued Shares as of the date of this report) of the Company to the Lender (the "**Pledge**") as supplementary collateral for the loans of RMB325.5 million under the M&A Loan Contracts entered into between the Lender and the Company's wholly-owned subsidiaries, namely Dalian Sidi Technology Co., Ltd. (大連思迪科技有限公司), Dalian Xindi Technology Co., Ltd. (大連新迪科技有限公司), and Dalian Ruidi Technology Co., Ltd. (大連芮迪科技有限公司) on 23 June 2021 (the "**Loans**"). Such Loans were used as supplement for the payment of the consideration for the acquisition of an aggregate of 19.18% equity interest in Dalian Neusoft Ruixin Technology Group Ltd. (formerly known as Dalian Neusoft Ruixin Technology Development Co. Limited (大連東軟睿新科技發展有限公司)) by the Group. As at the date of this report, the loans had been fully repaid. As at the date of this report, Dongkong First and Dongkong Second collectively hold approximately 39.29% of the Company's total issued Shares. For details, please refer to the Company's announcements dated 19 November 2020, 25 February 2021, 10 May 2021, 1 June 2021 and 6 March 2025, respectively.

As the date of this report, the Pledge has been discharged.

Saved as disclosed in this Report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules as of 31 December 2025 and up to the date of this Report.

53 MATERIAL LEGAL PROCEEDINGS

The Group was not involved in any material legal proceedings for the year ended 31 December 2025.

54 COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

For the year ended 31 December 2025, the Group has complied with relevant laws and regulations that have a significant impact on the Group.

55 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Group did not have any material events during the period from 31 December 2025 and up to the date of this Report.

By order of the Board
Neutech Group Limited
Chairperson
Dr. LIU Jiren

Hong Kong, 26 March 2026

INDEPENDENT AUDITOR'S REPORT

Ernst & Young
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979 King's Road
Quarry Bay, Hong Kong

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To the shareholders of Neutech Group Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Neutech Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 183 to 291, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Hong Kong Institute of Certified Public Accountants' *Code of Ethics for Professional Accountants* (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

KEY AUDIT MATTERS (CONTINUED)

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of goodwill and brand with indefinite useful life	
As at 31 December 2025, the Group recognised goodwill and brand with indefinite useful life of RMB322,137,000 and RMB89,499,000, respectively. Management performs impairment review of goodwill and brand with indefinite useful life annually, or more frequently if events or changes in circumstances indicate that they might be impaired. The recoverable amounts of the cash-generating unit ("CGU") have been determined by management based on value-in-use calculations. The value-in-use calculations use the discounted cash flow forecast prepared by management which involves significant management judgements and estimates to determine the assumptions such as revenue growth rates, long – term growth rates and discount rates. Based on management's assessment, an impairment provision of RMB8,816,000 was recognised for the goodwill as at 31 December 2025. We focused on the impairment assessment of goodwill and brand with indefinite useful life because the estimation of recoverable amounts was subject to a high degree of judgement and estimation uncertainty. Relevant disclosures are included in notes 3, 17 and 18 to the consolidated financial statements.	Our audit procedures included, but not limited to, the following: • Obtaining an understanding of management's internal control and impairment assessment process for goodwill and brand with indefinite useful life; • Assessing management's identification of CGU and the allocation of assets and liabilities to each CGU with reference to the requirements of the prevailing accounting standards; • Involving our internal valuation specialists to assist us in evaluating the methodologies and valuation parameters including long-term growth rates and discount rates used by the management; • Comparing the actual performance during the year with the budgets of the prior year to assess the historical forecast; • Assessing the key assumptions by comparing them against the historical trend and industry index; • Performing sensitivity analysis on the major assumptions used in the forecast; and • Evaluating the adequacy of the Group's disclosures regarding the impairment testing of goodwill and brand in the consolidated financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wong Kwok Yin (practising certificate number: P05403).

Ernst & Young
Certified Public Accountants
Hong Kong
26 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000 (Restated)
REVENUE	5	**2,039,167**	2,070,006
Cost of sales		**(1,136,305)**	(1,075,121)
Gross profit		**902,862**	994,885
Selling expenses		**(44,685)**	(48,643)
Administrative expenses		**(194,897)**	(213,591)
Research and development expenses		**(26,135)**	(38,341)
Impairment losses on financial assets, net	8	**7,794**	(15,479)
Other income	5	**72,920**	86,734
Other expenses	6	**(38,500)**	(33,228)
Other (losses)/gains, net	7	**(11,665)**	211
Share of losses of an associate		**(2,165)**	–
Finance income		**10,459**	15,109
Finance expenses		**(124,528)**	(109,462)
Finance expenses, net	9	**(114,069)**	(94,353)
PROFIT BEFORE TAX	8	**551,460**	638,195
Income tax expense	12	**(148,400)**	(170,876)
PROFIT FOR THE YEAR		**403,060**	467,319
Attributable to:			
Owners of the Company		**404,799**	465,619
Non-controlling interests		**(1,739)**	1,700
		403,060	467,319
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	14		
Basic and diluted			
– For profit for the year (RMB)		**0.63**	0.72

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

Year ended 31 December 2025

	2025 RMB'000	2024 RMB'000 (Restated)
PROFIT FOR THE YEAR	**403,060**	467,319
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the Company's financial statements	**(602)**	(2,459)
Revaluation gains arising from transfer of property, plant and equipment and right-of-use assets to investment properties	**–**	61
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	**(602)**	(2,398)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	**(602)**	(2,398)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**402,458**	464,921
Attributable to:		
Owners of the Company	**404,197**	463,221
Non-controlling interests	**(1,739)**	1,700
	402,458	464,921

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	31 December 2025 RMB'000	31 December 2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	**3,776,663**	3,674,793
Investment properties		**12,500**	18,600
Right-of-use assets	16	**991,146**	875,417
Goodwill	17	**322,137**	330,953
Other intangible assets	18	**192,547**	204,637
Deferred tax assets	19	**81,806**	80,212
Investments in associates	20	**73,535**	–
Prepayments and other assets	21	**3,725**	5,270
Financial assets at fair value through profit or loss	22	**25,955**	22,500
Total non-current assets		**5,480,014**	5,212,382
CURRENT ASSETS			
Inventories		**8,080**	8,674
Trade receivables	23	**74,648**	67,588
Other receivables	24	**29,091**	38,314
Prepayments and other assets	21	**116,730**	103,999
Financial assets at fair value through profit or loss	22	**464,995**	226,443
Restricted cash	25	**28,996**	32,854
Cash and cash equivalents	25	**1,351,029**	1,664,799
Total current assets		**2,073,569**	2,142,671
Total assets		**7,553,583**	7,355,053
CURRENT LIABILITIES			
Trade and other payables	26	**469,975**	687,802
Interest-bearing bank and other borrowings	27	**692,931**	629,727
Lease liabilities	16	**8,551**	9,279
Contract liabilities	28	**1,026,329**	1,018,382
Current income tax liabilities		**65,305**	46,206
Deferred income	29	**23,444**	26,796
Total current liabilities		**2,286,535**	2,418,192

	Notes	**31 December 2025 RMB'000**	31 December 2024 RMB'000
NON-CURRENT LIABILITIES			
Trade and other payables	26	**675**	675
Interest-bearing bank and other borrowings	27	**2,586,722**	2,474,243
Deferred tax liabilities	19	**65,042**	89,338
Lease liabilities	16	**11,429**	23,242
Deferred income	29	**107,283**	35,411
Total non-current liabilities		**2,771,151**	2,622,909
Total liabilities		**5,057,686**	5,041,101
EQUITY			
Equity attributable to owners of the Company			
Share capital	30	**113**	113
Share premium		**2,214,602**	2,444,289
Reserves		**(1,895,909)**	(1,910,123)
Retained earnings		**2,161,074**	1,771,136
Non-controlling interests		**16,017**	8,537
Total equity		**2,495,897**	2,313,952
Total equity and liabilities		**7,553,583**	7,355,053

Dr. LIU Jiren	**Dr. WEN Tao**
Director	*Director*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Attributable to owners of the Company									
	Share capital RMB'000 (note 30)	Share premium RMB'000	Merger reserve RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000 (note 32)	Other reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2024	113	2,659,698	(1,756,337)	(374,483)	195,661	6,334	1,326,622	2,057,608	8,601	2,066,209
Profit for the year	–	–	–	–	–	–	465,619	465,619	1,700	467,319
Other comprehensive income/(loss) for the year:										
Exchange differences on translation of the Company's financial statements	–	–	–	–	–	(2,459)	–	(2,459)	–	(2,459)
Revaluation gains arising from transfer of property, plant and equipment and right-of-use assets to investment properties	–	–	–	–	–	61	–	61	–	61
Total comprehensive income for the year	–	–	–	–	–	(2,398)	465,619	463,221	1,700	464,921
Transfer from retained profits	–	–	–	–	21,105	–	(21,105)	–	–	–
Exercise of share options	–	10	–	(5)	–	–	–	5	–	5
Dividends distribution	–	(215,419)	–	–	–	–	–	(215,419)	(1,764)	(217,183)
At 31 December 2024	113	2,444,289	(1,756,337)*	(374,488)*	216,766*	3,936*	1,771,136	2,305,415	8,537	2,313,952

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

Year ended 31 December 2025

	Attributable to owners of the Company									
	Share capital RMB'000 (note 30)	Share premium RMB'000	Merger reserve RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000 (note 32)	Other reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2025	113	2,444,289	(1,756,337)	(374,488)	216,766	3,936	1,771,136	2,305,415	8,537	2,313,952
Profit for the year	–	–	–	–	–	–	404,799	404,799	(1,739)	403,060
Other comprehensive loss for the year:										
Exchange differences on translation of the Company's financial statements	–	–	–	–	–	(602)	–	(602)	–	(602)
Total comprehensive income for the year	–	–	–	–	–	(602)	404,799	404,197	(1,739)	402,458
Transfer from retained profits	–	–	–	–	15,764	–	(15,764)	–	–	–
Capital injection from non-controlling shareholders	–	–	–	–	–	–	–	–	9,800	9,800
Disposal of subsidiaries	–	–	–	(84)	(819)	–	903	–	(45)	(45)
Exercise of share options	–	88	–	(45)	–	–	–	43	–	43
Dividends distribution	–	(229,775)	–	–	–	–	–	(229,775)	(536)	(230,311)
At 31 December 2025	113	2,214,602	(1,756,337)*	(374,617)*	231,711*	3,334*	2,161,074	2,479,880	16,017	2,495,897

* These reserve accounts comprise the consolidated negative reserves of RMB1,895,909,000 (2024: negative reserves of RMB1,910,123,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	33	995,176	865,844
Income taxes paid		(155,191)	(163,489)
Net cash flows from operating activities		839,985	702,355
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		10,459	15,109
Acquisition of subsidiaries		–	(46,927)
Purchase of a shareholding in an associate		(75,700)	–
Purchase of items of property, plant and equipment		(395,872)	(244,381)
Proceeds from disposal of items of property, plant and equipment and other intangible assets		1,227	–
Purchase of land use right		(154,478)	(274,779)
Purchase of items of other intangible assets	18	(3,220)	(4,106)
Purchase of wealth management products		(380,000)	(330,000)
Proceeds from disposal of wealth management products		145,000	185,428
Purchases of equity investments designated at fair value through profit or loss		(9,000)	–
Decrease in restricted cash		8,508	36,691
Increase in restricted cash		(4,650)	(5,937)
Net cash flows used in investing activities		(857,726)	(668,902)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from exercise of share options		43	5
Capital injection from non-controlling shareholders		9,800	–
New bank and other loans		780,730	992,486
Repayments of bank and other loans		(629,914)	(688,524)
Loan from a related party		600,000	–
Repayment of loans to a related party		(696,547)	(8,000)
Repayment of loans to third parties		–	(15,640)
Principal portion of lease payments		(6,614)	(6,925)
Dividends paid		(228,914)	(216,072)
Dividends paid to non-controlling shareholders		–	(1,764)
Interest paid		(124,386)	(133,874)
Net cash flows used in financing activities		(295,802)	(78,308)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(313,543)	(44,855)
Cash and cash equivalents at beginning of year		1,664,799	1,708,427
Effect of foreign exchange rate changes, net		(227)	1,227
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,351,029	1,664,799

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Year ended 31 December 2025

	Note	**2025 RMB'000**	2024 RMB'000
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	25	**1,015,329**	1,452,830
Non-pledged time deposits with original maturity of less than three months when acquired	25	**335,700**	211,969
Cash and cash equivalents as stated in the consolidated statement of financial position and consolidated statement of cash flows			
CASH AND CASH EQUIVALENTS AS STATED IN THE STATEMENT OF CASH FLOWS		**1,351,029**	1,664,799

1. CORPORATE AND GROUP INFORMATION

Neutech Group Limited (the "Company") was incorporated in the Cayman Islands on 20 August 2018 as an exempted company with limited liability. The address of the Company's registered office is at the offices of 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands. On 4 December 2024, the Company held an extraordinary general meeting and passed a special resolution to change the English name of the Company from "Neusoft Education Technology Co. Limited" to "Neutech Group Limited".

In the opinion of the directors, the Company is an investment holding company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the provision of formal higher education services, education technology and services, medical services, elderly care technology and services, and campus life services in the Chinese mainland.

The Company has no ultimate holding company or ultimate controlling shareholder. Dalian Neusoft Holdings Co., Ltd. ("Neusoft Holdings"), which indirectly holds 39.30% equity interests of the Company, is considered a controlling shareholder of the Company as defined in the Hong Kong Listing Rules.

The regulations in the People's Republic of China (the "PRC") restrict schools with foreign ownership from providing private higher education businesses, publishing audio-visual products and electronic publications, and providing internet publishing services (collectively, the "Relevant Business"). In order to enable the Company to own and control the Relevant Business of the Group, the Company established a subsidiary, Dalian Neusoft Ruixin Technology Group Co., Ltd. ("Neusoft Ruixin"), which is a foreign owned enterprise established in the PRC, on 17 May 2019.

On 21 June 2019, Neusoft Ruixin entered into a series of contractual arrangements ("Contractual Arrangements") with Dalian Neusoft Software Park Industry Development Co., Ltd. ("Dalian Development"), Dalian Neusoft University of Information ("Dalian University"), Dalian Neusoft Electronic Press Co., Ltd. ("Neusoft Electronic Press"), Chengdu Neusoft Information Technology Development Co., Ltd. ("Chengdu Development"), Chengdu Neusoft University ("Chengdu University"), Foshan Nanhai Neusoft Information Technology Development Co., Ltd. ("Foshan Development"), Neusoft Institute Guangdong ("Guangdong University") (collectively the "Consolidated Affiliated Entities") and their equity holders, which enable the Company to effectively control and receive all the economic benefits of the business and operation of all Consolidated Affiliated Entities.

Under the PRC laws, the operation of medical institution established in the PRC falls within the restricted category, and foreign investors are not allowed to hold more than 70% equity interests in a medical institution. On 31 May 2024, Neusoft Ruixin entered into contractual arrangements with Dalian Kangdao Medical Management Co., Ltd. ("Dalian Kangdao") (Dalian Kangdao and the Consolidated Affiliated Entities mentioned in the previous paragraph are collectively also referred to as the "Consolidated Affiliated Entities") and its equity holder, which also enable the Company to effectively control and receive all the economic benefits of the business and operation of Dalian Kangdao.

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Type of legal entity	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
Neutech Group (BVI) Co. Limited	British Virgin Islands	Limited liability company	USD100	100	–	Investment holding
Neutech Group (HK) Co. Limited	Hong Kong	Limited liability company	HKD100	–	100	Investment holding
Dalian Ruidi Technology Co., Ltd. ("Dalian Ruidi")	PRC/Chinese mainland	Limited liability company	RMB350,000,000	–	100	Investment holding
Dalian Sidi Technology Co., Ltd. ("Dalian Sidi")	PRC/Chinese mainland	Limited liability company	RMB150,000,000	–	100	Investment holding
Dalian Xindi Technology Co., Ltd. ("Dalian Xindi")	PRC/Chinese mainland	Limited liability company	RMB350,000,000	–	100	Investment holding
Dalian Zhisheng Technology Co., Ltd.	PRC/Chinese mainland	Limited liability company	RMB350,000,000	–	100	Investment holding
Dalian Zhiyue Technology Co., Ltd.	PRC/Chinese mainland	Limited liability company	RMB150,000,000	–	100	Investment holding
Dalian Zhizhuo Technology Co., Ltd.	PRC/Chinese mainland	Limited liability company	RMB150,000,000	–	100	Investment holding
Neusoft Ruixin	PRC/Chinese mainland	Limited liability company	RMB10,000,000	–	100	Investment holding
Dalian Development*	PRC/Chinese mainland	Limited liability company	RMB359,000,000	–	100	Investment holding and estate management

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

Name	Place of incorporation/ registration and business	Type of legal entity	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
Chengdu Development*	PRC/Chinese mainland	Limited liability company	RMB195,800,000	–	100	Investment holding
Chengdu University*	PRC/Chinese mainland	Private non-enterprise entity	RMB230,663,174	–	100	Higher education
Dalian University*	PRC/Chinese mainland	Private non-enterprise entity	RMB350,190,000	–	100	Higher education
Neusoft Electronic Press*	PRC/Chinese mainland	Limited liability company	RMB5,000,000	–	100	Publishing
Foshan Development*	PRC/Chinese mainland	Limited liability company	RMB150,700,000	–	100	Investment holding
Guangdong University*	PRC/Chinese mainland	Private non-enterprise entity	RMB158,400,000	–	100	Higher education
Dalian DOIT Human Resource Services Co., Ltd.*	PRC/Chinese mainland	Limited liability company	RMB10,000,000	–	100	Investment holding
Dalian Kangdao*	PRC/Chinese mainland	Limited liability company	RMB10,000	–	100	Investment holding
Neusoft Healthcare Management Co., Ltd. ("Neusoft Healthcare")	PRC/Chinese mainland	Limited liability company	RMB100,000,000	–	100	Medical business management
Shanghai Ruikang Xietong Medical Services Co., Ltd.	PRC/Chinese mainland	Limited liability company	RMB71,428,571	–	100	Medical business management
Dalian Dongkong Ruikang Medical Management Co., Ltd. ("Dalian Dongkong")	PRC/Chinese mainland	Limited liability company	RMB20,000,000	–	100	Medical business management

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

Name	Place of incorporation/ registration and business	Type of legal entity	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Ruikang Home (Dalian) Elderly Care Co., Ltd. ("Ruikang Elderly Care")	PRC/Chinese mainland	Limited liability company	RMB2,000,000	–	100	Elderly care services
Dalian Ruikang Zhuomei Stomatological Hospital Co., Ltd. ("Zhuomei Stomatological Hospital")	PRC/Chinese mainland	Limited liability company	RMB6,000,000	–	100	Medical services
Dalian Ruikang Cardiovascular Hospital Management Co., Ltd.	PRC/Chinese mainland	Limited liability company	RMB17,142,857	–	100	Medical business management
Liaoning Ruikang Medical Management Services Co., Ltd. ("Liaoning Ruikang")	PRC/Chinese mainland	Limited liability company	RMB5,000,000	–	100	Sale of medical devices
Dalian Ruikang Cardiovascular Hospital ("Cardiovascular Hospital")	PRC/Chinese mainland	Private non-enterprise entity	RMB10,000,000	–	100	Medical services
Dalian Neusoft Ruixin Health Technology Co., Ltd.	PRC/Chinese mainland	Limited liability company	RMB10,000,000	–	100	Software development
Dalian Neusoft Technology Development Co., Ltd.	PRC/Chinese mainland	Limited liability company	RMB10,000,000	–	100	Investment holding
Foshan Neusoft Zhiyuan Technology Co., Ltd.	PRC/Chinese mainland	Limited liability company	RMB10,000,000	–	100	Software development
Chengdu Neusoft Zhiyuan Technology Co., Ltd.	PRC/Chinese mainland	Limited liability company	RMB10,000,000	–	100	Software development
Dalian High-Tech Zone Neusoft Training School Co., Ltd.	PRC/Chinese mainland	Limited liability company	RMB1,000,000	–	100	Training services

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

Name	Place of incorporation/ registration and business	Type of legal entity	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct	Percentage of equity attributable to the Company Indirect	Principal activities
Neusoft Education Technology Group Co. Limited	PRC/Chinese mainland	Limited liability company	RMB100,000,000	–	100	Investment holding
Nanjing Dongruan Ruidao Digital Technology Co., Ltd.	PRC/Chinese mainland	Limited liability company	RMB300,000	–	100	Software development
Huzhou Ruidao Digital Technology Co., Ltd.	PRC/Chinese mainland	Limited liability company	RMB5,000,000	–	100	Software development
Tianjin Neusoft Ruidao Education Information Technology Co., Ltd.	PRC/Chinese mainland	Limited liability company	RMB110,000,000	–	100	Training services
Zhengzhou Neusoft Ruidao Digital Technology Co., Ltd.	PRC/Chinese mainland	Limited liability company	RMB2,000,000	–	100	Training services
Ningbo Wanli Neusoft Digital Technology Co., Ltd.	PRC/Chinese mainland	Limited liability company	RMB3,000,000	–	51	Software development
Putian Neusoft Digital Technology Lab Co., Ltd.	PRC/Chinese mainland	Limited liability company	RMB5,000,000	–	100	Software development
Suzhou Neusoft Ruixiang Technology Co., Ltd.	PRC/Chinese mainland	Limited liability company	RMB10,000,000	–	100	Software development
Dalian Yunguan Information Technology Co., Ltd.	PRC/Chinese mainland	Limited liability company	RMB20,000,000	–	100	Software development
Chengdu Ruixiang Skill Training School Co., Ltd.	PRC/Chinese mainland	Limited liability company	RMB1,000,000	–	100	Training services
Guangzhou Neusoft Ruidao Education Information Technology Co., Ltd.	PRC/Chinese mainland	Limited liability company	RMB10,000,000	–	100	Training services

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

Name	Place of incorporation/ registration and business	Type of legal entity	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct	Percentage of equity attributable to the Company Indirect	Principal activities
Shenyang Dongruan Software Human Resource Training Center	PRC/Chinese mainland	Private non-enterprise entity	RMB300,000	–	100	Training services
Dalian Neusoft Software Talent Training Centre	PRC/Chinese mainland	Private non-enterprise entity	RMB1,000,000	–	100	Training services
Dalian Neusoft Ruichuang Technology Development Co., Ltd.	PRC/Chinese mainland	Limited liability company	RMB10,000,000	–	100	Software development
Shenyang Neusoft Ruidao Education Services Co., Ltd.	PRC/Chinese mainland	Limited liability company	RMB5,000,000	–	100	Training services
Qingdao Neusoft Ruidao Education Information Technology Co., Ltd.	PRC/Chinese mainland	Limited liability company	RMB2,000,000	–	100	Training services
Qingdao West Coast New Area Neusoft Ruidao Software Talent Training School	PRC/Chinese mainland	Private non-enterprise entity	RMB1,200,000	–	100	Training services
Qinhuangdao Neusoft Venture School	PRC/Chinese mainland	Private non-enterprise entity	RMB5,000,000	–	90	Training services
Guangdong Ruidao Gongchuang Technology Co., Ltd.	PRC/Chinese mainland	Limited liability company	RMB10,000,000	–	51	Software development
Shanghai Neusoft Ruixin Technology Co., Ltd.	PRC/Chinese mainland	Limited liability company	RMB1,000,000	–	100	Software development
Shanghai Ruixiang Information Technology Co., Ltd.	PRC/Chinese mainland	Limited liability company	RMB5,000,000	–	100	Software development

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

Name	Place of incorporation/ registration and business	Type of legal entity	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct	Percentage of equity attributable to the Company Indirect	Principal activities
Dalian Neusoft Industry Management Services Co., Ltd.	PRC/Chinese mainland	Limited liability company	RMB3,000,000	–	100	Property management
Chengdu Neusoft Ruixin Health Management Co., Ltd.	PRC/Chinese mainland	Limited liability company	RMB1,000,000	–	100	Investment holding
Dujiangyan Qingcheng Kangdao Traditional Chinese Medicine Clinic Co., Ltd.	PRC/Chinese mainland	Limited liability company	RMB2,000,000	–	100	Medical services
Chengdu Qingcheng Kangdao Hotel Management Co., Ltd.	PRC/Chinese mainland	Limited liability company	RMB500,000	–	100	Hotel services
Dalian Ruixin Medical Health Management Co., Ltd.**	PRC/Chinese mainland	Limited liability company	RMB1,000,000	–	100	Medical business management
Dalian Digital Health and Wellness Industry Co., Ltd.**	PRC/Chinese mainland	Limited liability company	RMB10,000,000	–	51	Elderly care technology services
Shenyang Shengqing Health and Wellness Industry Co., Ltd.**	PRC/Chinese mainland	Limited liability company	RMB10,000,000	–	51	Elderly care technology services
Foshan Nanhai Zhiyuan Education and Training Co., Ltd.**	PRC/Chinese mainland	Limited liability company	RMB1,000,000	–	100	Training services
Dujiangyan Zhiyuan Tutoring and Training School Co., Ltd.**	PRC/Chinese mainland	Limited liability company	RMB1,000,000	–	100	Training services
Foshan Dongruan Ruixin Industrial Operation Services Co., Ltd.**	PRC/Chinese mainland	Limited liability company	RMB1,000,000	–	100	Property management

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

Name	Place of incorporation/ registration and business	Type of legal entity	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
Chengdu Neusoft Ruixin Industrial Management Services Co., Ltd.**	PRC/Chinese mainland	Limited liability company	RMB1,000,000	–	100	Property management
Tianjin Neusoft Ruichuang Technology Business Incubator Co., Ltd.***	PRC/Chinese mainland	Limited liability company	RMB1,000,000	–	60	Software development
Guangzhou Neusoft Software Talent Vocational Training School***	PRC/Chinese mainland	Private non-enterprise entity	RMB1,000,000	–	100	Training services
Neusoft Ruidao (Weihai) Education Information Consulting Co., Ltd.***	PRC/Chinese mainland	Limited liability company	RMB5,000,000	–	100	Training services
Tianjin Port Free Trade Neusoft Ruidao Vocational Training School Co., Ltd.***	PRC/Chinese mainland	Limited liability company	RMB4,783,935	–	100	Training services

* These entities are controlled through Contractual Arrangements.

** These entities were newly established during the year.

*** These entities were deregistered during the year.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) as issued by the International Accounting Standards Board ("IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, wealth management products and unlisted fund investments which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

The Group has prepared the financial statements on a going concern basis. The Group recorded net current liabilities of RMB212,966,000 as at 31 December 2025, including contract liabilities of RMB1,026,329,000 as at 31 December 2025, which will mainly be settled by education services provided by the Group. In view of the net current liabilities position, the directors have given careful consideration to the future liquidity and performance of the Group and its available sources of finance when assessing whether the Group will have sufficient financial resources to continue as a going concern and meet its liabilities as and when they fall due in the foreseeable future.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2025. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2. ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies and disclosures

(a) Changes in presentation of the consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2025, certain items in the Group's consolidated statement of profit or loss and other comprehensive income have been reclassified due to the comprehensive strategic transformation and business segment changes of the Group. The amounts previously presented under other income are reclassified to revenue from campus life services, while the corresponding costs previously presented under other expenses have been reclassified to cost of sales. The management believes that such revised presentation of the consolidated statement of profit or loss and other comprehensive income better reflects the outcomes of the Group's strategic changes, which would facilitate users of the consolidated financial statements in gaining a better understanding of the financial performance of the Group. 2024 comparative figures have been restated to conform to the current year's presentation.

The following table shows the amounts of restatement relating to changes in the presentation of the consolidated statement of profit or loss and other comprehensive income:

Consolidated statement of profit or loss and other comprehensive income (extract)	Year ended 31 December 2024 As originally presented RMB'000	 Difference RMB'000	 Restated RMB'000
REVENUE	2,042,073	27,933	2,070,006
Cost of sales	(1,073,521)	(1,600)	(1,075,121)
Gross profit	968,552	26,333	994,885
Selling expenses	(48,643)	–	(48,643)
Administrative expenses	(213,591)	–	(213,591)
Research and development expenses	(38,341)	–	(38,341)
Impairment losses on financial assets	(15,479)	–	(15,479)
Other income	114,667	(27,933)	86,734
Other expenses	(34,828)	1,600	(33,228)
Other gains, net	211	–	211
Finance income	15,109	–	15,109
Finance expenses	(109,462)	–	(109,462)
Finance expenses, net	(94,353)	–	(94,353)
PROFIT BEFORE TAX	638,195	–	638,195
Income tax expense	(170,876)	–	(170,876)
PROFIT FOR THE YEAR	467,319	–	467,319

2. ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies and disclosures (continued)

(b) The Group has adopted amendments to IAS 21 Lack of Exchangeability for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

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 in and the functional currencies of overseas subsidiaries and associate for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the IASB has issued amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding IFRS Accounting Standards. These examples reflect existing requirements in the corresponding IFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions. The Group has considered the guidance in these illustrative examples, and the amendments did not have any impact on the Group's financial statements.

2.3 Issued but not yet effective IFRS accounting standards

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[2]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial instruments*[1]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[1]

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual/reporting periods beginning on or after 1 January 2027
3 No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Issued but not yet effective IFRS accounting standards (continued)

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss and other comprehensive income into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. IFRS 19 was amended in 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements.

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Issued but not yet effective IFRS accounting standards (continued)

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 *Financial Instruments: Disclosures:* The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Issued but not yet effective IFRS accounting standards (continued)

- IFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2.4 Material accounting policies

Investments in associates

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and other comprehensive income of associates is included in consolidated profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Investments in associates (continued)

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Business combinations and goodwill (continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Consolidated Affiliated Entities controlled through Contractual Arrangements

Neusoft Ruixin, a subsidiary of the Company, has entered into a series of Contractual Arrangements with Consolidated Affiliated Entities and their equity shareholders including Dalian Kang Ruidao Management Consulting Centre (Limited Partnership), Dalian Neusoft Siwei Technology Development Co., Ltd., ("Dalian Siwei"), Mr. Liu Ming, Alpine Electronics (China) Co., Ltd., Northeastern University Science & Technology Industry Group, Yida Holdings Co., Ltd. ("Yida Holdings"), PICC Life Insurance Co., Ltd., PICC Health Insurance Co., Ltd. and Mrs. Zhang Hong. The Contractual Arrangements enable Neusoft Ruixin 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, technical and business support services provided by Neusoft Ruixin. 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 enrolment supporting services; public relation services; market research and development services; management and marketing consulting and related services; system integration; product development and system maintenance and other additional services as the parties may mutually agree from time to time;

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Business combinations and goodwill (continued)

Consolidated Affiliated Entities controlled through Contractual Arrangements (continued)

- 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. Neusoft Ruixin 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 shareholders without prior consent of Neusoft Ruixin;

- obtain a pledge over the entire equity interest of the Consolidated Affiliated Entities from their equity shareholders to secure performance of the obligations of the Consolidated Affiliated Entities under the Contractual Agreements.

The Group does not have any equity interests in the Consolidated Affiliated Entities. However, as a result of the Contractual Agreements, the Group has rights to variable returns from its involvement with the Consolidated Affiliated Entities and has the ability to affect those returns through its power over the Consolidated Affiliated Entities and is considered to control the Consolidated Affiliated Entities. Accordingly, the Company regards the Consolidated Affiliated Entities as subsidiaries under IFRS Accounting Standards.

Nevertheless, the Contractual Agreements 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 Agreements with the Consolidated Affiliate Entities and their equity shareholders are in compliance with the relevant PRC laws and regulations and are legally enforceable.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Fair value measurement

The Group measures its investment properties and financial assets at fair value through profit or loss at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1	–	based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	–	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3	–	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets and non-current assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2% to 5%
Renovation	11.1% to 33.3%
Motor vehicles	12.5% to 20%
Medical equipment	12.5% to 20%
Electronic equipment	10% to 33.3%
Furniture and fixtures	10% to 20%
Others	20%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Investment properties

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" for owned property and/or accounts for such property in accordance with the policy stated under "Right-of-use assets" for property held as a right-of-use asset up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with IAS *16 Property, Plant and Equipment*.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Intangible assets (other than goodwill) (continued)

Customer relationship and brand

Customer relationship and brand are initially recognised and measured at fair value in business combinations not under common control. Customer relationship is amortised over its estimated useful lives over 10 years using the straight-line method which reflects the pattern in which the customer relationship's future economic benefits is expected to be consumed.

The brand arising from the acquisitions of Tianjin Ruidao has indefinite useful life and there is no foreseeable limit to the period over which it is expected to generate cash flows for the Group as it is expected that its value will not be reduced through usage and there are no legal or similar limits on the period for its use.

Medical licence

The medical licence acquired in a business combination is recognised at fair value at the acquisition date. The medical licence has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of the medical licence over the estimated useful life of 27.5 years.

Software

Software is initially recognised and measured at cost incurred to acquire and bring it into use. It is amortised on a straight-line basis over its estimated useful life of 4 to 10 years and recorded as amortisation within operating expenses in profit or loss.

Research and development costs

All research costs are charged to profit or loss as incurred.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	36 to 50 years
Properties	3 to 10 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Leases (continued)

Group as a lessee (continued)

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of properties and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

(d) Sale and leaseback arrangement

The Group entered into sale and leaseback agreements with leasing companies, under which the Group has the option to repurchase the equipment. As the lessee, the Group assesses and determines whether the assets transferred in the sale and leaseback arrangement constitute sales according to IFRS 15 *Revenue from Contracts with Customers*.

If the assets transferred in the sale and leaseback arrangement do not constitute sales, the Group will continue to recognise the assets transferred and the transaction should be accounted for as a secured borrowing equal to the transfer income.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Investments and other financial assets (continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in profit or loss when the right of payment has been established.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Impairment losses on financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Impairment losses on financial assets (continued)

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, interest-bearing bank and other borrowings and lease liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost

After initial recognition, trade and other payables, interest-bearing borrowings and lease liabilities are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out or a weighted average basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Income tax (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) Formal higher education services

Tuition and boarding fees are generally received prior to the commencement of each school year (which is typically around 9 months starting from September to June or July, excluding winter and summer holidays) and are initially recorded as contract liabilities. Tuition fees are recognised as revenue proportionately over the school year based on the school calendar, while the boarding fees are recognised as revenue over a 12-month period.

The balance of contract liabilities represents the portion of tuition and boarding fees received from students to which the Group will deliver the services within one year.

(b) Education resources

The revenue from offering a customised, fully-integrated major design solution or college establishment solution to customers is recognised when control of the education resources has been transferred, being the time when the education resources are accepted by the customers. Customers have full discretion over the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. The consideration of the education resources is either received from customers prior to the products delivered or after the control of the products transferred to the customers. The Group recorded the prepayment from customers as contract liabilities, while recorded the outstanding considerations as trade receivables with credit term of 180 days after the invoice date.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(c) *Continuing education services*

Continuing education services are provided to adult students who are not registered as full-time students under formal higher education programmes, as well as to government agencies, enterprises, targeted universities/colleges, and individual customers.

The tuition fees that are received from the adult students prior to the commencement of the academic programmes are recorded as contract liabilities and are recognised as revenue proportionately over the school calendar.

The continuing education services that are provided to government agencies, enterprises, targeted universities/colleges and individual customers are recognised as revenue over the contract period. The service fees are either received from these types of customers prior to the commencement of the contract, or after the services have been delivered by the Group. The advanced payments of the service fees are recorded as contract liabilities and are recognised as revenue over the contract period. The Group recorded the outstanding services fees as trade receivables in line with the transfer of the services to the customers. The Group normally provides a credit term of 180 days after the end of the contract period to its customers.

(d) *Medical services*

Medical services consist primarily of stomatology and cardiovascular medical services, and are recognised when the related services are rendered. The majority of customers of the Neusoft Healthcare and its subsidiaries ("Neusoft Healthcare Group") participate in government's social insurance schemes. In accordance with the Chinese mainland government's medical insurance policy, part of the consideration is borne and paid by the individual customers when services are rendered, and the remaining consideration is settled by governments' social insurance schemes. Neusoft Healthcare Group claims the consideration in relation to medical services provided by Zhuomei Stomatology Hospital and Cardiovascular Hospital with relevant government's social insurance schemes.

(e) *Elderly care technology and services*

Elderly care technology and services consist primarily of elderly care services, elderly care technology services centred on citywide smart elderly care platforms and elderly education services. Revenue is recognised separately according to the type of service. Revenue from elderly care services is recognised proportionately over the period during which the related services are rendered. Revenue from citywide smart elderly care platform services is recognised at a point in time when the Group has fulfilled its performance obligations. Revenue from elderly education services is recognised over the period during which the related services are rendered. The advanced payments of the service fees are recorded as contract liabilities and are recognised as revenue over the contract period, while outstanding considerations are recorded as trade receivables with a credit term of 180 days after the invoice date.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(f) Campus life services

Campus life services primarily involve leasing space resources on campus to high-quality brand merchants and providing them with services such as ingredient supply and property management, enabling them to provide high-quality campus life services for faculty and students by offering comprehensive supporting services including catering and retail. Revenue from rental services and property management services is recognised over time as the services are rendered. Revenue from ingredient supply services is recognised at a point in time when the Group has satisfied its performance obligations. The advanced payments in relation to campus life services are initially recorded as deferred income and are recognised over the period during which the services are provided to customers, while outstanding considerations are recorded as trade receivables with a credit term of 180 days after the invoice date.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred. Income from property management services is recognised in the accounting period in which the services are rendered.

Development of software system technology is recognised as other income in the consolidated statement of profit or loss. The service is provided to customers for scientific research, technical consultation, and system development. The revenue is recognised at a point in time when the customers accept the achievements and obtain the controls of the products.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Share-based payments

The Company operates certain share option schemes. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 31 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Other employee benefits

Pension schemes

The employees of the Group's subsidiaries which operate in the Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentages of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material accounting policies (continued)

Foreign currencies

These financial statements are presented in RMB. The functional currency of the Company is Hong Kong dollar. As the major revenues and assets of the Group are derived from operations in the Chinese mainland, RMB is chosen as the presentation currency to present the financial statements. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain subsidiaries incorporated outside the Chinese mainland are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of the Company and subsidiaries incorporated outside the Chinese mainland are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Contractual arrangements

The Group exercises control over the Consolidated Affiliated Entities and enjoys substantially all economic benefits of the Consolidated Affiliated Entities through the Contractual Arrangements.

The Group considers that it controls the Consolidated Affiliated Entities notwithstanding the fact that it does not hold direct equity interests in the Consolidated Affiliated Entities, as it has power over the financial and operating policies of the Consolidated Affiliated Entities and receives substantially all of the economic benefits from the business activities of the Consolidated Affiliated Entities through the contractual arrangements. Accordingly, the Consolidated Affiliated Entities have been accounted for as subsidiaries during the year.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has tax losses of RMB366,282,000 (2024: RMB335,962,000) carried forward. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward. Further details on deferred taxes are disclosed in note 19 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of goodwill and brand with an indefinite useful life

The Group determines whether goodwill and brand with an indefinite useful life are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill and brand with an indefinite useful life are allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill and brand with an indefinite useful life at 31 December 2025 was RMB322,137,000 (2024: RMB330,953,000) and RMB89,499,000 (2024: RMB89,499,000), respectively. Further details are given in note 17 and note 18.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 23 to the financial statements.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Fair value of unlisted fund investments

The unlisted fund investments have been valued based on a market-based valuation technique as detailed in note 39 to the financial statements. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 3. The fair value of the unlisted fund investments at 31 December 2025 was RMB25,955,000 (2024: RMB22,500,000). Further details are included in note 22 to the financial statements.

4. OPERATING SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by chief operating decision maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive Directors of the Group.

For the year ended 31 December 2024, for management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

(a) education services; and

(b) healthcare and wellness services.

During the year ended 31 December 2025, the Group continued its comprehensive strategic transformation, successfully establishing a diversified business system and building a new integrated ecosystem combining "Education, Healthcare and Wellness". The CODM reviewed the operating segments based on the new Group strategy. Accordingly, the operating segment information has been updated to conform to the strategy changes. As part of the strategic positioning of the Group, the industry management and services and elderly care technology and services were upgraded into independent segments. Comparative figures for the year ended 31 December 2024 were updated to conform to the segment presentation for the year ended 31 December 2025. The updated operating segments are as follows:

(a) education services;

(b) medical services;

(c) industry management and services; and

(d) elderly care technology and services

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

4. OPERATING SEGMENT INFORMATION (CONTINUED)

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

Year ended 31 December 2025	Education services RMB'000	Medical services RMB'000	Industry management and services RMB'000	Elderly care technology and services RMB'000	Total RMB'000
Segment revenue (note 5)					
Sales to external customers	1,909,798	83,303	36,769	9,297	2,039,167
Total segment revenue	1,909,798	83,303	36,769	9,297	2,039,167
Reconciliation:					
Elimination of intersegment sales					–
Total revenue					2,039,167
Segment results	679,180	(44,302)	43,473	(2,809)	675,542
Reconciliation:					
Interest income					10,459
Other losses, net					(11,665)
Finance costs (other than interest on lease liabilities)					(122,876)
Profit before tax					551,460

Year ended 31 December 2024	Education services RMB'000	Healthcare and wellness services RMB'000	Industry management and services RMB'000 (Restated)	Total RMB'000 (Restated)
Segment revenue (note 5)				
Sales to external customers	1,985,253	56,820	27,933	2,070,006
Total segment revenue	1,985,253	56,820	27,933	2,070,006
Reconciliation:				
Elimination of intersegment sales				–
Total revenue				2,070,006
Segment results	727,333	(42,861)	44,857	729,329
Reconciliation:				
Interest income				15,109
Other gains, net				211
Finance costs (other than interest on lease liabilities)				(106,454)
Profit before tax				638,195

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

During the year, the Group operated within one geographical location because all of its revenue was generated in the Chinese mainland and all of its non-current assets were located in the Chinese mainland. Accordingly, no further geographical information is presented.

Information about a major customer

There was no revenue from a single customer which accounted for 10% or more of the Group's revenue during the years ended 31 December 2025 and 2024.

5. REVENUE AND OTHER INCOME

An analysis of revenue is as follows:

	2025 RMB'000	2024 RMB'000 (Restated)
Types of services		
Formal higher education services:	**1,621,269**	1,625,566
Tuition fees	**1,495,094**	1,496,518
Boarding fees	**124,656**	126,459
Rental income from telecommunication devices	**1,519**	2,589
Education technology and services	**288,529**	359,687
Education resources	**184,649**	220,610
Continuing education services	**103,880**	139,077
Medical services	**83,303**	56,820
Campus life services	**36,769**	27,933
Elderly care technology and services	**9,297**	–
Total	**2,039,167**	2,070,006
Revenue from contracts with customers	**2,037,648**	2,067,417
Revenue from other sources		
Rental income from telecommunication devices	**1,519**	2,589
Total	**2,039,167**	2,070,006

5. REVENUE AND OTHER INCOME (CONTINUED)

Revenue from contracts with customers

(a) Disaggregated revenue information

For the year ended 31 December 2025

Segments	Education services RMB'000	Medical services RMB'000	Elderly care technology and services RMB'000	Campus life services RMB'000	Total RMB'000
Types of services					
Formal higher education services:	1,619,750	–	–	–	1,619,750
Tuition fees	1,495,094	–	–	–	1,495,094
Boarding fees	124,656	–	–	–	124,656
Education technology and services	288,529	–	–	–	288,529
Education resources	184,649	–	–	–	184,649
Continuing education services	103,880	–	–	–	103,880
Medical services	–	83,303	–	–	83,303
Elderly care technology and services	–	–	9,297	–	9,297
Campus life services	–	–	–	36,769	36,769
Total	1,908,279	83,303	9,297	36,769	2,037,648
Geographical market					
Chinese mainland	1,908,279	83,303	9,297	36,769	2,037,648
Timing of revenue recognition					
Services transferred at a point in time	93,126	29,817	170	3,121	126,234
Services transferred over time	1,815,153	53,486	9,127	33,648	1,911,414
Total	1,908,279	83,303	9,297	36,769	2,037,648

5. REVENUE AND OTHER INCOME (CONTINUED)

Revenue from contracts with customers (continued)

(a) Disaggregated revenue information (continued)

For the year ended 31 December 2024

Segments	Education services RMB'000	Healthcare and wellness services RMB'000	Campus life services RMB'000 (Restated)	Total RMB'000 (Restated)
Types of services				
Formal higher education services:	1,622,977	–	–	1,622,977
Tuition fees	1,496,518	–	–	1,496,518
Boarding fees	126,459	–	–	126,459
Education technology and services	359,687	–	–	359,687
Education resources	220,610	–	–	220,610
Continuing education services	139,077	–	–	139,077
Healthcare and wellness services	–	56,820	–	56,820
Campus life services	–	–	27,933	27,933
Total	1,982,664	56,820	27,933	2,067,417
Geographical market				
Chinese mainland	1,982,664	56,820	27,933	2,067,417
Timing of revenue recognition				
Services transferred at a point in time	139,958	27,222	–	167,180
Services transferred over time	1,842,706	29,598	27,933	1,900,237
Total	1,982,664	56,820	27,933	2,067,417

5. REVENUE AND OTHER INCOME (CONTINUED)

Revenue from contracts with customers (continued)

(a) Disaggregated revenue information (continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2025 RMB'000	2024 RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Formal higher education services	**953,754**	969,258
Tuition fees	**870,170**	884,453
Boarding fees	**83,584**	84,805
Education technology and services	**58,268**	94,608
Education resources	**18,366**	42,674
Continuing education services	**39,902**	51,934
Medical services	**5,604**	–
Total	**1,017,626**	1,063,866

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Formal higher education services

Tuition fees and boarding fees mainly represent income received from the provision of education and boarding services to the students, which were recognised over time as services are rendered.

Education resources

The performance obligation is satisfied over time or at the point in time as services are rendered.

Continuing education services

Continuing education service fees mainly represent income received from the provision of education services to the students, which are recognised over time as the services are rendered.

Medical services

The performance obligation is satisfied over time or at the point in time as services are rendered.

Elderly care technology and services

The performance obligation is satisfied over time or at the point in time as services are rendered.

5. REVENUE AND OTHER INCOME (CONTINUED)

Revenue from contracts with customers (continued)

(b) Performance obligations (continued)

Campus life services

Campus life services mainly represent income received from the provision of rental services, property management services and ingredient supply services related to campus life, which are recognised over time or at the point in time as services are rendered.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2025 **RMB'000**	2024 RMB'000
Amounts expected to be recognised as revenue:		
Within one year	**1,023,137**	1,018,382

An analysis of other income is as follows:

	2025 **RMB'000**	2024 RMB'000 (Restated)
Rental income and property service	**39,721**	48,853
Government grants and subsidies*	**14,716**	23,063
Development of software system technology	**10,096**	9,045
Others	**8,387**	5,773
Total	**72,920**	86,734

* The government grants and subsidies are related to the subsidies received from the local government for the purpose of compensating the operating expenses arising from providing education services. There are no unfulfilled conditions or contingencies relating to such recognised government grants.

6. OTHER EXPENSES

	2025 RMB'000	2024 RMB'000 (Restated)
Property maintenance and fire protection expenses	**10,643**	10,420
Development of software system technology expenses	**11,170**	9,702
Depreciation of property, plant and equipment	**4,445**	8,421
Utilities expenses	**601**	2,625
Amortisation of land use rights and other intangible assets	**612**	610
Others	**11,029**	1,450
Total	**38,500**	33,228

7. OTHER (LOSSES)/GAINS, NET

	2025 RMB'000	2024 RMB'000
Donation received	**1,460**	948
Write-back of payables	**377**	315
Impairment losses on goodwill	**(8,816)**	–
Loss on disposal of items of property, plant and equipment, net	**(2,192)**	(2,972)
Fair value (losses)/gains on financial assets at fair value through profit or loss, net	**(1,993)**	3,047
Loss on disposal of other intangible assets, net	**(457)**	–
Others	**(44)**	(1,127)
Total	**(11,665)**	211

8. PROFIT BEFORE TAX

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

	Notes	2025 RMB'000	2024 RMB'000
Cost of inventories sold		52,672	34,790
Depreciation of property, plant and equipment	15	200,683	177,515
Depreciation of right-of-use assets		27,907	27,198
Amortisation of other intangible assets	18	13,108	11,357
Lease payments not included in the measurement of lease liabilities	16	47,610	47,307
Auditor's remuneration		2,750	3,830
Employee benefit expense (including directors' and chief executive's remuneration):		762,382	747,040
Wages and salaries		607,879	590,755
Pension scheme contributions		68,092	67,645
Welfare and other expenses		86,411	88,640
Foreign exchange differences, net*	9	227	(1,227)
Impairment losses on financial assets, net:			
Impairment losses of trade receivables, net	23	(1,791)	11,596
Impairment losses of other receivables, net		(6,003)	3,883
Loss on disposal of property, plant and equipment, net**		2,192	2,972
Loss on disposal of other intangible assets, net**		457	–
Impairment loss on goodwill**	17	8,816	–
Fair value losses/(gains) on financial assets at fair value through profit or loss, net**		1,993	(3,047)

* This item is included in "Finance expenses" in the consolidated statement of profit or loss and other comprehensive income.

** These items are included in "Other gains/(losses), net" in the consolidated statement of profit or loss and other comprehensive income.

9. FINANCE INCOME AND EXPENSES

An analysis of finance income and expenses are as follows:

	Note	2025 RMB'000	2024 RMB'000
Finance income			
Interest income from deposits		10,459	14,303
Interest income from loans to a related party	37(b)	–	806
Total		10,459	15,109
Finance expenses			
Interest on bank and other borrowings		(125,358)	(129,809)
Interest on lease liabilities		(1,652)	(3,008)
Total interest expense on financial liabilities not at fair value through profit or loss		(127,010)	(132,817)
Less: Interest capitalised		3,591	22,629
Subtotal		(123,419)	(110,188)
Other charges		(882)	(501)
Foreign exchange differences, net		(227)	1,227
Total		(124,528)	(109,462)
Finance expenses, net		(114,069)	(94,353)

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1) (a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 RMB'000	2024 RMB'000
Fees	**495**	492
Other emoluments:		
Salaries and bonuses	**10,483**	8,509
Pension scheme contributions	**–**	96
Welfare and other expenses	**74**	70
Subtotal	**10,557**	8,675
Total	**11,052**	9,167

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2025 RMB'000	2024 RMB'000
LIU Shulian	**165**	164
QU Daokui	**165**	164
WANG Weiping	**165**	164
Total	**495**	492

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

(b) An executive director, non-executive directors and the chief executive

	Fees RMB'000	Salaries and bonuses RMB'000	Pension scheme contributions RMB'000	Welfare and other expenses RMB'000	Share-based compensation RMB'000	Total remuneration RMB'000
2025						
Executive director:						
WEN Tao*	–	4,533	–	36	–	4,569
Non-executive directors:						
ZHANG Yinghui	–	1,550	–	38	–	1,588
Liu Jiren	–	4,400	–	–	–	4,400
Total	–	10,483	–	74	–	10,557
2024						
Executive director:						
WEN Tao	–	5,089	70	35	–	5,194
Non-executive directors:						
ZHANG Yinghui	–	1,820	26	35	–	1,881
Liu Jiren	–	1,600	–	–	–	1,600
Total	–	8,509	96	70	–	8,675

* Mr. WEN Tao is also the chief executive of the Group.

The Company appointed nine directors on the board, who are LIU Jiren (Chairperson of the Board), WEN Tao (Executive Director), RONG Xinjie (Non-executive Director), ZHANG Xia (Non-executive Director), ZHANG Yinghui (Non-executive Director), SUN Yinhuan (Non-executive Director), LIU Shulian (Independent non-executive director), QU Daokui (Independent non-executive director), and WANG Weiping (Independent non-executive director). Among the directors, RONG Xinjie, ZHANG Xia and SUN Yinhuan received no pay from the Company. The emoluments of other directors of the Company are determined with reference to the economy, the prevailing market conditions, and the responsibilities undertaken and their performance.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year (2024: Nil) and no remuneration was paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two directors (2024: two directors), details of whose remuneration are set out in note 10 above. Details of the remuneration for the year of the remaining three (2024: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	2,533	2,194
Performance related bonuses	3,089	3,208
Pension scheme contributions	–	68
Welfare and other expenses	100	104
Total	5,722	5,574

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees 2025	2024
HKD2,000,001 – HKD2,500,000	2	1
HKD1,500,001 – HKD2,000,000	1	2
Total	3	3

During the year, none of the five highest paid individuals waived or agreed to waive any emoluments, and none of the five highest paid individuals received emoluments from the Group as inducement to join or upon joining the Group, or as compensation for loss of office.

12. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Cayman Islands profits 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 is accordingly exempted from Cayman Islands income tax.

British Virgin Islands profit tax

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

12. INCOME TAX EXPENSE (CONTINUED)

Hong Kong profit tax

The subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax. The first HKD2,000,000 (2024: HKD2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%).

No provision for Hong Kong profit tax was provided as there was no estimated assessable profit subject to Hong Kong profits tax during the years ended 2025 and 2024.

PRC corporate income tax ("CIT")

According to the Decision of the Standing Committee of the National People's Congress on Amending the Private Schools Promotion Law, which was promulgated on 7 November 2016 (the "2016 Decision"), and came into force on 1 September 2017, private schools are no longer being classified as either schools for which the school sponsors require reasonable returns or schools for which the school sponsors do not require reasonable returns. Instead, the school sponsors of a private school may choose for the school to be a for-profit private school or a non-profit private school, with the exception that schools providing nine-year compulsory education must be non-profit.

On 14 May 2021, the State Council released the *Implementation Rules for the Law for Promoting Private Education of the PRC* with an effective date of 1 September 2021 (the "2021 Implementation Rules"). The 2021 Implementation Rules are the detailed implementation rules of the Law for Promoting Private Education of the PRC. Pursuant to the 2016 Decision and the 2021 Implementation Rules, a private school may enjoy the preferential tax policies, which are not defined under the 2016 Decision nor the 2021 Implementation Rules, as stipulated by the related government authorities and a non-profit school may enjoy the same tax policies as enjoyed by a public school.

As at the date of approval of these financial statements, the Group's school in the Chinese mainland is in the process of classification registration and remains a private non-enterprise unit.

CIT is provided on assessable profits of entities established in the PRC. Pursuant to the PRC CIT Law and the respective regulations, except for certain subsidiaries which enjoy preferential tax rates ranging from 15% to 20%, other subsidiaries of the Group which operate in the Chinese mainland are subject to CIT at a rate of 25% on their respective taxable income.

12. INCOME TAX EXPENSE (CONTINUED)

PRC Withholding Tax ("WHT")

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to a 10% WHT. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the Chinese mainland and Hong Kong, the relevant withholding tax rate will be 5%. For the Group, the applicable withholding tax rate was 5% during 2025 (2024: 10%). As at 31 December 2025, accrual of RMB10,250,000 has been made by the Company based on the current plans of dividends distribution of its PRC subsidiaries.

	2025 RMB'000	2024 RMB'000
Current – Chinese mainland		
Charge for the year	**169,532**	154,371
Underprovision in prior years	**4,758**	1,802
Deferred (note 19)	**(25,890)**	14,703
Total	**148,400**	170,876

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled and operate to the tax expense at the effective tax rate is as follows:

	2025 RMB'000	2024 RMB'000
Profit before tax	**551,460**	638,195
Tax at the statutory tax rate	**137,865**	159,549
Lower tax rates for specific provinces or enacted by local authorities	**(25,876)**	(26,659)
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	**(4,236)**	23,395
Income not subject to tax	**(1,461)**	(2,173)
Expenses not deductible for tax	**1,765**	2,932
Tax losses and deductible temporary differences utilised from previous periods	**(3,503)**	(475)
Tax losses and deductible temporary differences not recognised	**41,526**	16,067
Super deduction for research and development expenses	**(2,438)**	(3,562)
Adjustments in respect of current tax of previous periods	**4,758**	1,802
Tax charge at the Group's effective rate	**148,400**	170,876

13. DIVIDEND

	2025 RMB'000	2024 RMB'000
Proposed final – HKD0.280 (2024: HKD0.388) per ordinary share	**163,430**	232,184

A final dividend of HKD0.388 per share for the year ended 31 December 2024, an aggregate amount of HKD250,731,000 (approximately equivalent to RMB229,775,000) was approved at the annual general meeting held on 30 May 2025 and paid to the shareholders of the Company.

A dividend in respect of the year ended 31 December 2025 of HKD0.280 per share has been proposed by the directors of the Company and is subject to the approval by the shareholders in the forthcoming annual general meeting to be held on 28 May 2026. Based on the total issued share capital of the Company as at 31 December 2025, the total final dividend to be paid by the Company amounts to approximately HKD180,942,000 (approximately equivalent to RMB163,430,000).

14. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 646,212,552 (2024: 646,205,135) outstanding during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2025 and 2024 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings per share amounts presented.

The calculation of basic and diluted earnings per share is based on:

	2025 RMB'000	2024 RMB'000
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	**404,799**	465,619

	Number of shares 2025	2024
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic and diluted earnings per share calculation	**646,212,552**	646,205,135

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Renovation RMB'000	Motor vehicles RMB'000	Medical equipment RMB'000	Electronic equipment RMB'000	Furniture and fixtures RMB'000	Others RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2025									
At 1 January 2025:									
Cost	4,201,507	94,956	6,586	49,807	371,929	223,619	36,581	107,656	5,092,641
Accumulated depreciation	(858,527)	(70,297)	(5,425)	(5,344)	(292,407)	(158,698)	(27,150)	–	(1,417,848)
Net carrying amount	3,342,980	24,659	1,161	44,463	79,522	64,921	9,431	107,656	3,674,793
At 1 January 2025, net of accumulated depreciation	3,342,980	24,659	1,161	44,463	79,522	64,921	9,431	107,656	3,674,793
Additions	–	3,126	383	637	27,354	5,985	10,675	251,210	299,370
Disposals	–	(592)	(28)	(1,540)	(206)	(21)	(93)	–	(2,480)
Depreciation provided during the year	(128,175)	(9,096)	(390)	(8,430)	(34,189)	(12,572)	(7,831)	–	(200,683)
Transfers	15,463	–	–	–	–	–	–	(15,463)	–
Transfer from investment properties	5,663	–	–	–	–	–	–	–	5,663
At 31 December 2025, net of accumulated depreciation	3,235,931	18,097	1,126	35,130	72,481	58,313	12,182	343,403	3,776,663
At 31 December 2025:									
Cost	4,222,633	95,638	6,419	47,830	394,548	228,823	46,296	343,403	5,385,590
Accumulated depreciation	(986,702)	(77,541)	(5,293)	(12,700)	(322,067)	(170,510)	(34,114)	–	(1,608,927)
Net carrying amount	3,235,931	18,097	1,126	35,130	72,481	58,313	12,182	343,403	3,776,663

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings RMB'000	Renovation RMB'000	Motor vehicles RMB'000	Medical equipment RMB'000	Electronic equipment RMB'000	Furniture and fixtures RMB'000	Others RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2024									
At 1 January 2024:									
Cost	3,326,337	90,548	6,434	–	340,461	208,746	32,079	593,169	4,597,774
Accumulated depreciation	(757,093)	(61,337)	(4,972)	–	(250,480)	(146,213)	(20,238)	–	(1,240,333)
Net carrying amount	2,569,244	29,211	1,462	–	89,981	62,533	11,841	593,169	3,357,441
At 1 January 2024, net of accumulated depreciation	2,569,244	29,211	1,462	–	89,981	62,533	11,841	593,169	3,357,441
Additions	23,695	4,597	–	636	36,178	12,264	3,943	128,047	209,360
Acquisition of subsidiaries	–	89	152	49,171	1,005	2,984	629	–	54,030
Disposals	(1,092)	(278)	–	–	(5,715)	(375)	(70)	–	(7,530)
Depreciation provided during the year	(101,434)	(8,960)	(453)	(5,344)	(41,927)	(12,485)	(6,912)	–	(177,515)
Transfers	613,560	–	–	–	–	–	–	(613,560)	–
Transfer to investment properties	(11,500)	–	–	–	–	–	–	–	(11,500)
Transfer from investment properties	250,507	–	–	–	–	–	–	–	250,507
At 31 December 2024, net of accumulated depreciation	3,342,980	24,659	1,161	44,463	79,522	64,921	9,431	107,656	3,674,793
At 31 December 2024:									
Cost	4,201,507	94,956	6,586	49,807	371,929	223,619	36,581	107,656	5,092,641
Accumulated depreciation	(858,527)	(70,297)	(5,425)	(5,344)	(292,407)	(158,698)	(27,150)	–	(1,417,848)
Net carrying amount	3,342,980	24,659	1,161	44,463	79,522	64,921	9,431	107,656	3,674,793

As at 31 December 2025, certain of the Group's medical equipment, electronic equipment and other property, plant and equipment with a net carrying amount of RMB38,979,000 (31 December 2024: RMB45,448,000) were mortgaged to secure other borrowings of RMB14,471,000 (31 December 2024: RMB37,363,000) (note 27).

16. LEASES

The Group as a lessee

The Group has lease contracts for land and properties used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 36 to 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of properties generally have lease terms between 3 and 10 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold land RMB'000	Properties RMB'000	Total RMB'000
As at 1 January 2024	574,849	35,494	610,343
Additions	274,779	2,722	277,501
Acquisition of subsidiaries	–	897	897
Transfer from investment properties	14,793	–	14,793
Transfer to investment properties	(919)	–	(919)
Depreciation charge	(18,438)	(8,760)	(27,198)
As at 31 December 2024 and 1 January 2025	**845,064**	**30,353**	**875,417**
Additions	**154,478**	**–**	**154,478**
Transfer from investment properties	**437**	**–**	**437**
Depreciation charge	**(26,188)**	**(7,148)**	**(33,336)**
Termination of lease contracts	**–**	**(5,850)**	**(5,850)**
As at 31 December 2025	**973,791**	**17,355**	**991,146**

16. LEASES (CONTINUED)

The Group as a lessee (continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January	32,521	35,827
New leases	–	2,722
Acquisition of subsidiaries	–	897
Accretion of interest recognised during the year	1,652	3,008
Termination of lease contracts	(5,927)	–
Payments	(8,266)	(9,933)
Carrying amount at 31 December	19,980	32,521
Analysed into:		
Current portion	8,551	9,279
Non-current portion	11,429	23,242

The maturity analysis of lease liabilities is disclosed in note 40 to the financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	1,652	3,008
Depreciation charge of right-of-use assets	33,336	27,198
Expense relating to short-term leases	47,610	47,307
Total amount recognised in profit or loss	82,598	77,513

(d) The total cash outflow for leases and future cash outflows relating to leases that have not yet commenced are disclosed in notes 33 and 40, respectively, to the financial statements.

16. LEASES (CONTINUED)

The Group as a lessor

The Group leases its investment properties in the Chinese mainland under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB46,566,000 (2024: RMB48,715,000).

At 31 December 2025, the undiscounted lease payments receivable by the Group in future periods under operating leases with its tenants are as follows:

	2025 RMB'000	2024 RMB'000
Within one year	**36,190**	26,267
After one year but within five years	**33,432**	24,644
After five years	**543**	1,612
Total	**70,165**	52,523

17. GOODWILL

	RMB'000
Cost at 1 January 2024, net of accumulated impairment	134,937
Acquisition of subsidiaries	196,016
Impairment during the year	–
Cost and net carrying amount at 31 December 2024	330,953
Cost at 1 January 2025, net of accumulated impairment	**330,953**
Impairment during the year	**(8,816)**
Cost and net carrying amount at 31 December 2025	**322,137**
At 31 December 2025:	
Cost	**330,953**
Accumulated impairment	**(8,816)**
Net carrying amount	**322,137**

17. GOODWILL (CONTINUED)

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units for impairment testing:

- Tianjin Ruidao education resources and continuing education services cash-generating unit ("Tianjin Ruidao cash-generating unit"); and
- Healthcare and wellness cash-generating unit.

The carrying amount of goodwill allocated to each of the cash-generating units is as follows:

	Tianjin Ruidao		Healthcare and wellness		Total	
	2025	2024	**2025**	2024	**2025**	2024
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Carrying amount of goodwill	**134,937**	134,937	**187,200**	196,016	**322,137**	330,953

Tianjin Ruidao cash-generating unit

The recoverable amount of the Tianjin Ruidao cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 15.51% (2024: 16.40%). The growth rate used to extrapolate the cash flows of the Tianjin Ruidao unit beyond the five-year period is 2.0% (2024: 2.0%), which approximates the long-term average growth rate of the relevant industry in the Chinese mainland.

17. GOODWILL (CONTINUED)

Impairment testing of goodwill (continued)

Healthcare and wellness cash-generating unit

The recoverable amount of the Healthcare and wellness cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 16.00% (2024: 17.30%) and cash flows beyond the five-year period are extrapolated using a growth rate of 2.0% (2024: 2.0%), which approximates the long-term average growth rate of the relevant industry in the Chinese mainland.

The carrying amount of the healthcare and wellness cash-generating unit was impaired by RMB8,816,000 (2024: Nil) during the year ended 31 December 2025. Consequently, the carrying amount of goodwill was written down by RMB8,816,000. The impairment loss recognised was included in "Other gains/(losses), net" in the consolidated statement of profit or loss and other comprehensive income. The recoverable amount of the cash-generating unit (including the property, plant and equipment, and right-of-use assets in the cash-generating unit) was RMB291,655,000 as at 31 December 2025. The impairment was attributable to the significant impact of policy regulations on the healthcare industry, such as medical insurance cost control and Diagnosis Related Groups payment reform, which resulted in revenue growth falling short of expectations at the two hospitals within the Group.

Assumptions were used in the value in use calculation of the Tianjin Ruidao and healthcare and wellness cash-generating units for 31 December 2025 and 31 December 2024. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Expected revenue growth rates – The expected revenue growth rates are based on the historical data and management's expectation on the future market.

Long-term growth rate – This is the weighted average growth rate used to extrapolate cash flows rate beyond the forecast period. The rates are consistent with forecasts included in industry reports.

Earnings Before Interest, Taxes, Depreciation and Amortization (% of revenue) – Based on past performance and management's expectations for the future.

Discount rates – The discount rates used are before tax and reflect specific risks relating to the relevant cash-generating units.

The values assigned to the key assumptions on market development of related services, industries and discount rates are consistent with historical experience of the Group and external information sources.

In the opinion of the directors of the Company, for the healthcare and wellness cash-generating unit, a reasonably possible change in the key assumptions of the cash flow projections would cause its carrying amount exceed its recoverable amount. If the expected revenue growth rates decreased by 1% in the forecast, the impairment loss would increase by RMB14,007,000 during the year ended 31 December 2025. If the long-term growth rate decreased by 1%, the impairment loss would increase by RMB203,000 during the year ended 31 December 2025. If the earnings before interest, taxes, depreciation and amortization (% of revenue) decreased by 1%, the impairment loss would increase by RMB5,868,000 during the year ended 31 December 2025. If the discount rates increased by 1%, the impairment loss would increase by RMB4,639,000 during the year ended 31 December 2025.

18. OTHER INTANGIBLE ASSETS

	Brand* RMB'000	Customer relationship RMB'000	Medical licence RMB'000	Software RMB'000	Total RMB'000
31 December 2025					
Cost at 1 January 2025, net of accumulated amortisation	89,499	34,567	58,233	22,338	204,637
Additions	–	–	–	3,220	3,220
Disposal	–	–	–	(2,202)	(2,202)
Amortisation provided during the year	–	(6,691)	(2,163)	(4,254)	(13,108)
At 31 December 2025	89,499	27,876	56,070	19,102	192,547
At 31 December 2025:					
Cost	89,499	66,907	59,495	51,286	267,187
Accumulated amortisation	–	(39,031)	(3,425)	(32,184)	(74,640)
Net carrying amount	89,499	27,876	56,070	19,102	192,547
31 December 2024					
At 1 January 2024:					
Cost	89,499	66,907	–	33,962	190,368
Accumulated amortisation	–	(25,649)	–	(25,773)	(51,422)
Net carrying amount	89,499	41,258	–	8,189	138,946
Cost at 1 January 2024, net of accumulated amortisation	89,499	41,258	–	8,189	138,946
Additions	–	–	–	4,106	4,106
Acquisition of subsidiaries	–	–	59,495	13,447	72,942
Amortisation provided during the year	–	(6,691)	(1,262)	(3,404)	(11,357)
At 31 December 2024	89,499	34,567	58,233	22,338	204,637
At 31 December 2024 and at 1 January 2025:					
Cost	89,499	66,907	59,495	51,515	267,416
Accumulated amortisation	–	(32,340)	(1,262)	(29,177)	(62,779)
Net carrying amount	89,499	34,567	58,233	22,338	204,637

* The brand with an indefinite useful life arose from the acquisition of Tianjin Ruidao. The brand and the goodwill generated from the acquisition of Tianjin Ruidao both related to Tianjin Ruidao cash-generating unit. The Group tests annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The details of key assumptions are disclosed in note 17.

19. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

	2025								
	Customer relationship RMB'000	Brand RMB'000	Medical licence RMB'000	Investment property RMB'000	Property, plant and equipment RMB'000	Financial assets measured at fair value RMB'000	Withholding tax on undistributed earnings RMB'000	Right-of-use assets RMB'000	Total RMB'000
Balance at 1 January 2025	8,218	22,374	14,558	6,615	2,078	1,899	32,000	6,198	93,940
Deferred tax (credited)/ charged to profit or loss during the year (note 12)	(1,247)	–	(541)	166	(1,070)	879	(21,750)	(774)	(24,337)
Gross deferred tax liabilities at 31 December 2025	6,971	22,374	14,017	6,781	1,008	2,778	10,250	5,424	69,603

Deferred tax assets

	2025							
	Financial assets measured at fair value RMB'000	Unrealised gain on intra-group transactions RMB'000	Asset impairment provision RMB'000	Depreciation and amortization RMB'000	Tax losses RMB'000	Lease liability RMB'000	Deferred income RMB'000	Total RMB'000
Balance at 1 January 2025	–	32,823	7,044	3,764	34,408	6,775	–	84,814
Deferred tax credited/(charged) to profit or loss during the year (note 12)	1,386	(1,135)	(1,032)	2,994	(10,411)	(749)	10,500	1,553
Gross deferred tax assets at 31 December 2025	1,386	31,688	6,012	6,758	23,997	6,026	10,500	86,367

19. DEFERRED TAX (CONTINUED)

Deferred tax liabilities

	2024								
	Customer relationship RMB'000	Brand RMB'000	Medical licence RMB'000	Investment property RMB'000	Property, plant and equipment RMB'000	Financial assets measured at fair value RMB'000	Withholding tax on undistributed earnings RMB'000	Right-of-use assets RMB'000	Total RMB'000
Balance at 1 January 2024	9,890	22,374	–	5,465	3,647	646	10,717	7,176	59,915
Acquisition of subsidiaries	–	–	14,807	–	–	–	–	–	14,807
Deferred tax (credited)/ charged to profit or loss during the year (note 12)	(1,672)	–	(249)	1,130	(1,569)	1,253	21,283	(978)	19,198
Deferred tax charged to other comprehensive income during the year	–	–	–	20	–	–	–	–	20
Gross deferred tax liabilities at 31 December 2024	8,218	22,374	14,558	6,615	2,078	1,899	32,000	6,198	93,940

Deferred tax assets

	2024					
	Unrealised gain on intra-group transactions RMB'000	Asset impairment provision RMB'000	Property, plant and equipment RMB'000	Tax losses RMB'000	Lease liability RMB'000	Total RMB'000
Balance at 1 January 2024	33,617	4,706	3,293	3,527	7,444	52,587
Acquisition of subsidiaries	–	–	–	27,732	–	27,732
Deferred tax credited/(charged) to profit or loss during the year (note 12)	(794)	2,338	471	3,149	(669)	4,495
Gross deferred tax assets at 31 December 2024	32,823	7,044	3,764	34,408	6,775	84,814

19. DEFERRED TAX (CONTINUED)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2025 RMB'000	2024 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	**81,806**	80,212
Net deferred tax liabilities recognised in the consolidated statement of financial position	**(65,042)**	(89,338)
	16,764	(9,126)

The Group has tax losses arising in the Chinese mainland of RMB547,286,000 (2024: RMB457,599,000) that will expire in one to five years for offsetting against future taxable profits. The Group has tax losses arising in Hong Kong of RMB26,887,000 (2024: RMB15,996,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Deferred tax assets have not been recognised in respect of the following items:

	2025 RMB'000	2024 RMB'000
Tax losses	**366,282**	335,962
Deductible temporary differences	**334**	177
	366,616	336,139

The Group is liable for withholding taxes on dividends distributed by those subsidiaries established in the Chinese mainland in respect of earnings generated from 1 January 2008. The applicable withholding tax rate was 5% during 2025 (2024: 10%) for the Group.

The aggregate amount of temporary differences associated with investments in subsidiaries in the Chinese mainland, for which deferred tax liabilities have not been recognised for withholding taxes that would be payable on the unremitted earnings of these subsidiaries, totalled approximately RMB1,313,705,000 at 31 December 2025 (2024: RMB1,140,327,000). In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

20. INVESTMENTS IN ASSOCIATES

	2025 RMB'000	2024 RMB'000
Share of net assets	73,535	–

On 20 May 2025, Neusoft Ruixin, a wholly-owned subsidiary of the Company, acquired 4.23% equity interest in Dalian Xikang Yunshe Kang Travel Investment Management Co., Ltd. ("Xikang Yunshe") from Xikang Healthcare Technology Co., Ltd. ("Xikang Healthcare") at a cash consideration of RMB30,000,000. On the same date, Neusoft Ruixin entered into a capital contribution agreement with Xikang Yunshe, pursuant to which Neusoft Ruixin agreed to make a capital contribution of RMB45,000,000, by way of cash, to Xikang Yunshe. In addition, Xikang Yunshe converted RMB4,136,047 of its capital reserve into registered capital, and the newly increased registered capital was fully allocated to Neusoft Ruixin. Upon the completion of all necessary registrations and filings with the authorities on 30 June 2025, Neusoft Ruixin held approximately 9.93% equity interest in Xikang Yunshe. The payments for the equity acquisition and capital contribution had been made as at 30 September 2025. The Group's investment in Xikang Yunshe is accounted for as an associate of the Group because the Group can exercise significant influence over Xikang Yunshe. The Group has one director on the board of directors of Xikang Yunshe and can exercise significant influence over certain significant financial and operating decisions in board meetings of the associate.

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2025 RMB'000	2024 RMB'000
Share of the associates' losses for the year	(2,165)	–
Share of the associates' total comprehensive loss	(2,165)	–
Aggregate carrying amount of the Group's investments in the associates	73,535	–

21. PREPAYMENTS AND OTHER ASSETS

	2025 RMB'000	2024 RMB'000
Prepayment for utilities	**6,648**	6,711
Prepayment for leases	**9,254**	7,687
Prepayment to others	**13,643**	20,030
Deductible VAT input	**86,694**	69,397
Others	**4,216**	5,444
Subtotal	**120,455**	109,269
Impairment allowance	**–**	–
Total	**120,455**	109,269
Analysed into:		
Non-current portion	**3,725**	5,270
Current portion	**116,730**	103,999

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 RMB'000	2024 RMB'000
Current assets		
Wealth management products	**464,995**	226,443
Non-current assets		
Unlisted fund investments (Note 36(a))	**25,955**	22,500

The Group invests in wealth management products which were issued by major banks in the Chinese mainland. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

23. TRADE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	**100,968**	95,699
Impairment	**(26,320)**	(28,111)
Net carrying amount	**74,648**	67,588

To manage the risk arising from trade receivables from third parties and related parties ("counterparties"), the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of its counterparties. The credit period granted to the customers is usually no more than 180 days and the credit quality of these customers is assessed, which takes into account the customers' financial position, past experience and other factors.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the transaction date, is as follows:

	2025 RMB'000	2024 RMB'000
Less than 6 months	**40,728**	36,930
6 months to 1 year	**22,573**	19,632
1 to 2 years	**10,677**	27,210
More than 2 years	**26,990**	11,927
Total	**100,968**	95,699

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	**28,111**	16,515
Impairment losses, net	**(1,791)**	11,596
At end of year	**26,320**	28,111

23. TRADE RECEIVABLES (CONTINUED)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2025

		Past due				
	Current	Less than 6 months	6 to 12 months	12 to 18 months	Over 18 months	Total
Expected credit loss rate	**0.01%-19.44%**	**18.35%-59.48%**	**31.52%-100.00%**	**100.00%**	**73.74%-100.00%**	
Gross carrying amount (RMB'000)	**75,829**	**1,098**	**2,348**	**66**	**21,627**	**100,968**
Expected credit losses (RMB'000)	**(5,162)**	**(581)**	**(1,376)**	**(66)**	**(19,135)**	**(26,320)**

As at 31 December 2024

		Past due				
	Current	Less than 6 months	6 to 12 months	12 to 18 months	Over 18 months	Total
Expected credit loss rate	0.64%-15.25%	19.99%-46.74%	31.60%-96.99%	58.87%-100.00%	91.17%-100.00%	
Gross carrying amount (RMB'000)	57,920	86	8,155	23,142	6,396	95,699
Expected credit losses (RMB'000)	(4,131)	(19)	(3,703)	(13,900)	(6,358)	(28,111)

24. OTHER RECEIVABLES

	Note	2025 RMB'000	2024 RMB'000
Amounts due from related parties	37(e)	**2,031**	7
Loan receivables from third parties		**–**	1,114
Advance to staff		**1,177**	1,899
Advance to third parties		**17,429**	23,779
Deposits		**4,755**	13,781
Others		**3,958**	2,838
Subtotal		**29,350**	43,418
Impairment allowance		**(259)**	(5,104)
Total		**29,091**	38,314

Where applicable, an impairment analysis is performed at each reporting date. As at 31 December 2025, the probability of default applied ranged from 1.52% to 1.66% (2024: 1.34% to 1.56%) and the loss given default was estimated to be 55.91% (2024: 66.60%). The loss rate is adjusted for forward-looking factors to reflect the current conditions and forecasts of future economic conditions as appropriate. The loss rate applied as at 31 December 2025 ranged from 0.88% to 0.95% (2024: 1.11% to 1.29%).

Other than the impaired other receivables, the financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2025 and 2024, the loss allowance was assessed to be minimal.

25. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	Note	2025 RMB'000	2024 RMB'000
Cash and bank balances		**1,380,025**	1,697,653
Including: Time deposits		**335,700**	211,969
Less: Restricted cash	(a)	**(28,996)**	(32,854)
Cash and cash equivalents		**1,351,029**	1,664,799

(a) As at 31 December 2024 and 2025, the Group had cash and bank balances of RMB25,241,000 and RMB18,879,000, respectively, which were frozen by the relevant PRC local authorities in connection with an on-going disputes with a supplier.

As at 31 December 2024 and 2025, the Group had cash and bank balances of RMB7,613,000 and RMB10,117,000, respectively, which were mainly frozen as a guarantee deposit.

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB1,327,370,000 (2024:RMB1,684,853,000). The RMB is not freely convertible into other currencies, however, under the Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying original periods of between one day to three months depending on the immediate cash requirements of the Group and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

26. TRADE AND OTHER PAYABLES

	Note	2025 RMB'000	2024 RMB'000
Trade and bills payables			
Trade payables		21,380	21,045
Bills payable		23,013	24,541
		44,393	45,586
Other payables			
Amounts due to related parties	37(e)	676	97,214
Miscellaneous expenses received from students		53,151	58,000
Salary and welfare payables		77,007	90,614
Deposits		30,114	29,425
Government subsidies payable to students		13,071	10,800
Payables for purchases of property, plant and equipment		198,750	304,420
Payables for administrative cost		15,109	15,036
Other tax payables		10,446	11,188
Interest payables		6,332	3,708
Others		21,601	22,486
		426,257	642,891
Total		470,650	688,477
Analysed into:			
Non-current portion		675	675
Current portion		469,975	687,802

The trade payables are non-interest-bearing and are normally settled on 180-day terms. An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Less than 6 months	44,393	45,586

27. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Notes	2025 Effective interest rate (%)	2025 Maturity	2025 RMB'000	2024 Effective interest rate (%)	2024 Maturity	2024 RMB'000
Current							
Bank loans – unsecured		**2.11%-3.30%**	**2026**	**203,115**	3.10%-4.60%	2025	330,081
Other loans – secured	(d)	**6.01%-6.32%**	**2026**	**12,947**	4.72%-6.67%	2025	36,135
Current portion of long term bank loans – secured	(b)	**3.50%-4.0%**	**2026**	**283,517**	3.60%-4.45%	2025	232,910
Current portion of long term bank loans – unsecured		**3.0%-3.75%**	**2026**	**192,953**	3.10%-4.55%	2025	30,269
Current portion of long term other loans – unsecured		**4.65%-6.52%**	**2026**	**399**	4.65%-6.52%	2025	332
Total – current				**692,931**			629,727
Non-current							
Bank loans – secured	(b)	**3.50%-4.0%**	**2031-2040**	**1,900,475**	3.60%-4.45%	2026-2037	1,862,392
Bank loans – unsecured		**3.0%-3.75%**	**2027-2038**	**678,520**	3.10%-4.60%	2026-2038	595,623
Other loans – secured	(d)	**6.01%-6.32%**	**2027**	**7,727**	6.01%-6.67%	2026-2027	16,228
Total – non-current				**2,586,722**			2,474,243
Total				**3,279,653**			3,103,970

All financial liabilities that are part of the supplier finance arrangements are included in interest-bearing bank and other borrowings in the consolidated statement of financial position and within the current portion of unsecured bank loans.

	2025 RMB'000	2024 RMB'000
Carrying amount of financial liabilities that are part of the supplier finance arrangements included in:		
Interest-bearing bank and other borrowings	**24,867**	–
Of which suppliers have received payments	**24,867**	–

27. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

	2025 RMB'000	2024 RMB'000
Analysed into:		
Bank loans repayable:		
Within one year or on demand	**679,585**	593,260
In the second year	**523,205**	399,994
In the third to fifth years, inclusive	**648,820**	743,490
Beyond five years	**1,406,970**	1,314,531
Subtotal	**3,258,580**	3,051,275
Other borrowings repayable:		
Within one year	**13,346**	36,467
In the second year	**7,727**	16,228
Subtotal	**21,073**	52,695
Total	**3,279,653**	3,103,970
Analysed into:		
Variable interest rate	**2,770,596**	2,392,792
Fixed interest rate	**509,057**	711,178
Total	**3,279,653**	3,103,970

Notes:

(a) The Group's overdraft facilities amounted to RMB4,387,660,000 (2024: RMB5,200,000,000), of which RMB2,990,041,000 (2024: RMB2,362,410,000) had been utilised as at the end of the reporting period.

(b) As at 31 December 2025, the loan balance of RMB264,060,000 (31 December 2024: RMB297,300,000) of Guangdong University was pledged by the collection rights of the tuition fees from 1 January 2022 to 31 December 2037 to the bank. Pursuant to the loan agreements, Guangdong University opened a bank account with the bank. If any events of default or events that could trigger the bank's doubts about on-time repayment ability occur, the bank has the right to freeze the deposits in the account. As at 31 December 2025, the balance in this bank account was RMB202,806,000 (2024: RMB413,397,000).

As at 31 December 2025, the loan balance of RMB9,777,000 (31 December 2024: Nil) of Guangdong University was pledged by the collection rights of the tuition fees and accommodation fees from 26 December 2025 to 25 December 2040 to the bank. Pursuant to the loan agreements, Guangdong University opened a bank account with the bank. If any events of default or events that could trigger the bank's doubts about on-time repayment ability occur, the bank has the right to freeze the deposits in the account. As at 31 December 2025, the balance in this bank account was nil (2024: Nil).

As at 31 December 2025, the loan balance of RMB316,337,000 (31 December 2024: RMB353,638,000) of Dalian University was pledged by the collection rights of the boarding fees from 26 April 2019 to 26 April 2034 to the bank. Pursuant to the loan agreement, Dalian University opened a bank account with the bank. If any events of default or events that could trigger the bank's doubts about on-time repayment ability occur, the bank has the right to freeze the deposits in the account. As at 31 December 2025, the balance in this bank account was RMB5,607,000 (2024: RMB44,000).

27. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

Notes: (continued)

(b) (continued)

As at 31 December 2025, the loan balance of RMB734,963,000 (31 December 2024: RMB739,200,000) of Dalian University was pledged by the collection rights of the tuition fees from 19 November 2020 to 18 November 2035 to the bank. The loan balance of RMB230,856,000 (31 December 2024: Nil) of Dalian University was pledged by the collection rights of the tuition fees and accommodation fees from 23 January 2025 to 22 January 2040 to the bank. Pursuant to the loan agreement, Dalian University opened a bank account with the bank. If any events of default or events that could trigger the bank's doubts about on-time repayment ability occur, the bank has the right to freeze the deposits in the account. As at 31 December 2025, the balance in this bank account was RMB57,563,000 (2024: RMB86,627,000).

As at 31 December 2025, the loan balance of RMB472,519,000 (31 December 2024: RMB440,084,000) of Chengdu University was pledged by the collection rights of the tuition fees from 21 April 2021 to 20 April 2036 to the bank.

As at 31 December 2025, the loan balances of RMB32,500,000, RMB48,500,000 and RMB26,500,000 (31 December 2024: RMB65,500,000, RMB97,500,000, RMB53,500,000) of Dalian Ruidi, Dalian Sidi and Dalian Xindi were pledged by 5.93%, 8.4% and 4.85% of equity interests of Neusoft Ruixin to the bank, respectively.

As at 31 December 2025, the loan balance of RMB47,980,000 (31 December 2024: RMB48,580,000) of Neusoft Ruixin was pledged by 100% equity interests of Neusoft Healthcare and 70% equity interests of Zhuomei Stomatological Hospital to the bank, respectively.

(c) As at 31 December 2025, Neusoft Holdings has guaranteed certain of the Group's bank loans up to RMB1,669,508,000 (31 December 2024: RMB1,970,327,000).

(d) As at 31 December 2025, the loan balance of RMB14,471,000 (31 December 2024: RMB37,363,000) of Liaoning Ruikang was mortgaged by certain medical equipment, electronic equipment and other property, plant and equipment of RMB38,979,000 (31 December 2024: RMB45,448,000) to a financial institution. The loan balance of RMB6,203,000 (31 December 2024: Nil) was pledged by 100% equity interests of Dalian Dongkong to a financial institution.

(e) As at 31 December 2025, Dalian University's bank loan of RMB46,000,000 with the maturity date of 13 January 2026 is subject to a covenant that requires its contingent liability-to-net asset ratio less than 20%. Dalian University considers there is no indication that it will have difficulties in complying with this covenant.

(f) All borrowings are denominated in RMB.

28. CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000
Advances received from customers		
Formal higher education services	961,224	953,754
Tuition fees	878,185	870,170
Boarding fees	83,039	83,584
Education technology and services	57,121	58,268
Education resources	22,934	18,366
Continuing education services	34,187	39,902
Medical services	2,639	5,604
Elderly care technology and services	2,153	–
Development of software system technology	3,192	756
Total	1,026,329	1,018,382

Contract liabilities mainly include tuition fees and boarding fees received in advance from students prior to the beginning of each school year, as well as the fees for education resources, continuing education services and elderly care technology and services received in advance from customers.

29. DEFERRED INCOME

	2025 RMB'000	2024 RMB'000
Government grants	114,517	48,273
Rental	16,210	13,934
Current portion	23,444	26,796
Non-current portion	107,283	35,411
Total	130,727	62,207

Deferred income includes grants related to income and grants related to assets. The grants related to income are the subsidies received from the government for the purpose of compensation for expenses arising from research activities and software developments. The grants related to assets mainly consist of subsidies received in connection with the construction projects. These grants related to assets are released to profit or loss over the expected useful lives of the relevant assets.

30. SHARE CAPITAL

Shares

	2025 RMB'000	2024 RMB'000
Issued and fully paid:		
646,219,735 (2024: 646,205,135) ordinary shares	113	113

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital RMB'000
At 1 January 2024	646,203,535	113
Share options exercised	1,600	–
At 31 December 2024 and 1 January 2025	646,205,135	113
Share options exercised (Note (a))	14,600	–
At 31 December 2025	646,219,735	113

Note:

(a) The subscription rights attaching to 14,600 share options were exercised at the subscription price of HKD3.11 per share, resulting in the issue of 14,600 shares for a total cash consideration, before expenses, of RMB43,000.

Share options

Details of the Company's share option scheme and the share options issued under the scheme are included in note 31 to the financial statements.

31. SHARE OPTION SCHEMES

The Company adopted a pre-IPO share incentive scheme approved by the board of directors on 19 June 2019. The pre-IPO share incentive scheme was subsequently amended and the amendment of which was approved by the authorised director on 10 June 2020 (the "pre-IPO Share Incentive Scheme"). Pursuant to the pre-IPO Share Incentive Scheme, the Company had granted pre-IPO options to 246 grantees on 31 August 2020, including directors, senior managers, connected persons who are not directors or senior managers, employees and supervisors of the Group, to subscribe for an aggregate of 50,000,000 shares, including 21,762,500 class A and 28,237,500 class B share options. Exercise period is 31 August 2020 to 31 August 2030.

On 11 September 2020, the board of directors of the Company conditionally adopted the principal terms of the post-IPO share incentive scheme (the "Post-IPO Share Incentive Scheme"). The purpose of the Post-IPO Share Incentive Scheme is to provide participants with the opportunity to acquire proprietary interests in the Company and to encourage and retain participants to make contributions to the long-term growth and profits of the Group. The total number of share options available for grant under the post-IPO Share Incentive Scheme was 66,666,720. As of 31 December 2025, no options have been granted or agreed to be granted pursuant to the post-IPO Share Incentive Scheme.

Share options granted to participants

The share options granted under Pre-IPO Share Incentive Scheme have different vesting terms.

All granted class A share options are vested on the listing date without any performance requirements.

The class B share options are performance-based share options with graded vesting terms, and vest in tranches from grant date over no more than 2 years, on condition that participants remain in service and performance conditions are satisfied. The performance goals are determined by the board of directors. For those share options, evaluations are made as of each reporting period to assess the likelihood of performance criteria being met. Share-based compensation expenses are then adjusted to reflect the revision of original estimates.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

31. SHARE OPTION SCHEMES (CONTINUED)

Share options granted to participants (continued)

The following share options were outstanding under the Scheme during the year:

	2025		2024	
	Weighted average exercise price HKD per share	Number of options	Weighted average exercise price HKD per share	Number of options
At 1 January	3.11	9,025,497	3.11	32,018,897
Granted during the year	3.11	–	3.11	–
Exercised during the year	3.11	(14,600)	3.11	(1,600)
Expired during the year	3.11	(262,500)	3.11	(22,991,800)
At 31 December	3.11	8,748,397	3.11	9,025,497

On 10 October 2023, cancellation of the Pre-IPO share options has been approved by the board of directors of the Company. 262,500 share options have been expired during the year ended 31 December 2025.

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

2025 Number of options	Exercise price HKD per share	Exercise period
8,748,397	3.11	31 August 2020 to 31 August 2030

2024 Number of options	Exercise price HKD per share	Exercise period
9,025,497	3.11	31 August 2020 to 31 August 2030

The weighted-average remaining contract life for outstanding share options was 4.67 years as of 31 December 2025 (2024: 5.67 years).

There were no expenses recognised in profit or loss for share options granted under the pre-IPO Share Incentive Scheme for the year ended 31 December 2025 (2024: Nil).

32. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

Statutory surplus reserves

(a) In accordance with the relevant laws and regulations in the PRC and Articles of Association of the companies incorporated in the PRC now comprising the Group (the "PRC Subsidiaries"), it is required to appropriate 10% of the annual statutory net profits of the PRC Subsidiaries, after offsetting any prior years' losses as determined under the PRC accounting standards, to the statutory reserve fund before distributing the net profit. When the balance of the statutory reserve fund reaches 50% of the registered capital of the PRC Subsidiaries, any further appropriation is at the discretion of owners. The statutory reserves fund can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to owners in proportion to their existing shareholding, provided that the remaining balance of the statutory reserve fund after such issue is not less than 25% of registered capital.

(b) According to the relevant PRC laws and regulations, since 1 September 2021, a for-profit private school is required to appropriate to the development fund of not less than 10% of its audited annual net income, while a non-profit private school is required to appropriate to the development fund of not less than 10% of the audited annual increase in non-restricted net assets. The development fund is for the construction or maintenance of the school, or procurement or upgrading of educational equipment.

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group reclassified trade payables of RMB24,867,000 (2024: Nil) to interest-bearing bank and other borrowings in respect of the supplier finance arrangements.

During the year ended 31 December 2024, the Group had non-cash additions to lease liabilities of RMB2,722,000 in respect of lease arrangements for plant and equipment.

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Cash generated from operations

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		551,460	638,195
Adjustments for:			
Loss on disposal of items of property, plant and equipment, net	7	2,192	2,972
Loss on disposal of other intangible assets, net	7	457	–
Depreciation of property, plant and equipment	15	200,683	177,515
Depreciation of right-of-use assets		27,907	27,198
Amortisation of other intangible assets	18	13,108	11,357
Finance expenses	9	123,646	108,961
Interest income	9	(10,459)	(15,109)
Fair value losses/(gains) on financial assets at fair value through profit or loss, net	7	1,993	(3,047)
Impairment losses on financial assets, net		(7,794)	15,479
Impairment losses on goodwill	7	8,816	–
Share of losses of an associate		2,165	–
		914,174	963,521
(Increase)/decrease in trade receivables		(5,269)	1,029
Decrease in other receivables		15,226	19,406
(Increase)/decrease in prepayments and other assets		(11,186)	9,969
Decrease in inventories		594	2,313
Increase/(decrease) in trade and other payables		5,170	(66,873)
Increase/(decrease) in deferred income		68,520	(10,589)
Increase/(decrease) in contract liabilities		7,947	(52,932)
Cash generated from operations		995,176	865,844
Income tax paid		(155,191)	(163,489)
Net cash flows from operating activities		839,985	702,355

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(c) Changes in liabilities arising from financing activities

2025

	Bank and other loans RMB'000	Borrowing from a related party RMB'000	Dividends payable RMB'000	Lease liabilities RMB'000
At 1 January 2025	3,103,970	96,629	–	32,521
Proceeds from borrowings	780,730	600,000	–	–
Repayments of borrowings	(629,914)	–	–	–
Repayments of borrowing to a related party	–	(696,629)	–	–
Lease principal elements paid	–	–	–	(6,614)
Interest paid	(122,734)	–	–	(1,652)
Dividends paid	–	–	(228,914)	–
Termination of lease contracts	–	–	–	(5,927)
Interest expense	122,734	–	–	1,652
Dividends declared	–	–	229,775	–
Foreign exchange adjustments	–	–	(861)	–
At 31 December 2025	3,254,786	–	–	19,980

2024

	Bank and other loans RMB'000	Borrowing from a related party RMB'000	Dividends payable RMB'000	Lease liabilities RMB'000
At 1 January 2024	2,724,904	–	–	35,827
Proceeds from borrowings	992,486	–	–	–
Repayments of borrowings	(688,524)	–	–	–
Repayments of borrowing to a related party	–	(8,000)	–	–
Repayments of borrowing to third parties	(15,640)	–	–	–
Lease principal elements paid	–	–	–	(6,925)
Interest paid	(127,266)	(3,600)	–	(3,008)
Dividends paid	–	–	(216,072)	–
New leases	–	–	–	2,722
Interest expense	127,266	2,733	–	3,008
Dividends declared	–	–	215,419	–
Foreign exchange adjustments	–	–	653	–
Acquisition of subsidiaries	90,744	105,496	–	897
At 31 December 2024	3,103,970	96,629	–	32,521

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(d) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025 **RMB'000**	2024 RMB'000
Within operating activities	**47,610**	47,307
Within financing activities	**8,266**	9,933
Total	**55,876**	57,240

34. CONTINGENT LIABILITIES

The Group did not have any significant contingencies items as at 31 December 2025 and 2024.

35. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's other borrowings are included in notes 15 and 27 to the financial statements.

36. COMMITMENTS

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

	2025 **RMB'000**	2024 RMB'000
Property, plant and equipment	**291,615**	276,041
Capital contributions to an investment fund (Note)	**58,500**	67,500
Total	**350,115**	343,541

Note:

On 15 June 2023, Shanghai Ruixiang, a wholly-owned subsidiary of the Company, as a limited partner entered into a partnership agreement with other two general partners and several limited partners (the "Limited Partnership Agreement") in relation to establishment and management of an investment fund, a limited partnership registered in the PRC, Liaoning Ruikang Private Investment Fund Partnership (Limited Partnership) ("Liaoning Ruikang Investment Fund") and will engage in investing in areas of medical health businesses including but not limited to innovative medical equipment, medical services and smart medical care.

36. COMMITMENTS (CONTINUED)

(a) The Group had the following contractual commitments at the end of the reporting period: (continued)

Pursuant to the Limited Partnership Agreement, the total capital contribution of the Investment Fund shall be RMB1,000.0 million, of which RMB90.0 million shall be contributed by Shanghai Ruixiang as a limited partner. The contribution shall be made by Shanghai Ruixiang in three instalments in cash and with the payment notice issued by the executive partner.

- The first instalment shall be approximately 25% of the total capital contribution, of which the capital contribution to be made by Shanghai Ruixiang shall be RMB22.5 million.
- The second instalment shall be approximately 40% of the total capital contribution, of which the capital contribution to be made by Shanghai Ruixiang shall be RMB36.0 million.
- The third instalment shall be approximately 35% of the total capital contribution, of which the capital contribution to be made by Shanghai Ruixiang shall be RMB31.5 million.

On 2 August 2023, Shanghai Ruixiang fully paid the first instalment of the contracted capital contribution of RMB22.5 million. On 30 June 2025, Shanghai Ruixiang partially paid the second instalment of the contractual capital contribution of RMB9 million. As at 31 December 2025, a balance of RMB27 million of the second instalment was unpaid, and the third instalment remained unpaid.

(b) The Group has various lease contracts that have not yet commenced as at 31 December 2025. The future lease payments for these non-cancellable lease contracts are RMB3,770,000 due within one year, RMB42,000 due in the second to fifth years, inclusive.

37. RELATED PARTY TRANSACTIONS

(a) Names and relationships with related parties:

Names of the related parties	Nature of relationship
Neusoft Holdings	Owner who has significant influence over the Company
Dalian Siwei	A company controlled by Liu Jiren
Shenyang Neusoft System Technology Co., Ltd. ("Neusoft System Technology")	A company controlled by Liu Jiren
Liaoning Neusoft Venture Capital Co., Ltd. ("Neusoft Venture Capital")	A company controlled by Neusoft Holdings
Neusoft Healthcare*	A company controlled by Neusoft Holdings
Cardiovascular Hospital*	A company controlled by Neusoft Holdings
Dalian Xikang Yunshe Hotel Management Co., Ltd. ("Dalian Xikang Yunshe Hotel Management")	A company controlled by Neusoft Holdings
Benxi Guanshanhu Xikang Yunshe Co., Ltd. ("Benxi Guanshanhu Xikang Yunshe")	A company controlled by Neusoft Holdings
Liaoning Ruikang*	A company controlled by Neusoft Holdings
Zhuomei Stomatology Hospital*	A company controlled by Neusoft Holdings
Liaoning Ruikang Investment Fund	A limited partnership controlled by Neusoft Holdings
Xikang Yunshe	An associate of the Company
Wen Tao	A director of the Company
Wang Xinghui	A key management person

* On 31 May 2024, Neusoft Ruixin, a wholly-owned subsidiary of the Company, acquired 100% equity interest of Neusoft Healthcare and its subsidiaries including Cardiovascular Hospital, Liaoning Ruikang and Zhuomei Stomatology Hospital. Following the completion of acquisition, Neusoft Healthcare Group became indirect owned subsidiaries of the Company and their financial results were consolidated into the consolidated financial statements of the Group since the acquisition day.

37. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties:

	Note	2025 RMB'000	2024 RMB'000
Receipt of entrustment services			
Neusoft Holdings	(i)	–	2,089
Provision of rental and property management services			
Dalian Siwei	(i)	994	1,110
Dalian Xikang Yunshe Hotel Management	(i)	355	–
Neusoft Venture Capital	(i)	55	250
Cardiovascular Hospital	(i)	–	5,813
Zhuomei Stomatology Hospital	(i)	–	2,298
Liaoning Ruikang	(i)	–	1
		1,404	9,472
Interest income from a related party			
Neusoft Healthcare		–	806

Note:

(i) Services were received and provided at prices mutually agreed between the Group and its related parties and were conducted in the normal course of business.

(c) Other transactions with related parties:

As at 31 December 2025, Neusoft Holdings has guaranteed certain of the Group's bank loans of RMB1,669,508,000 (31 December 2024: RMB1,970,327,000).

On 20 May 2025, Neusoft Ruixin, a wholly-owned subsidiary of the Company, acquired 4.23% equity interest in Xikang Yunshe from Xikang Healthcare at a cash consideration of RMB30,000,000. On the same date, Neusoft Ruixin entered into a capital contribution agreement with Xikang Yunshe, pursuant to which Neusoft Ruixin agreed to make a capital contribution of RMB45,000,000, by way of cash, to Xikang Yunshe. The payments for the equity acquisition and capital contribution had been made as at 31 December 2025.

(d) Commitment with a related party:

	Notes	2025 RMB'000	2024 RMB'000
Liaoning Ruikang Investment Fund	36	58,500	67,500

37. RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Outstanding balances with related parties:

	Note	2025 RMB'000	2024 RMB'000
Trade receivables due from related parties			
Xikang Yunshe		**63**	–
Other receivables due from related parties			
Wen Tao		**1,600**	–
Wang Xinghui		**400**	–
Dalian Xikang Yunshe Hotel Management		**23**	–
Neusoft Holdings		**8**	7
		2,031	7
Trade payables due to related parties			
Dalian Xikang Yunshe Hotel Management		**106**	–
Benxi Guanshanhu Xikang Yunshe		**12**	–
Xikang Yunshe		**11**	–
		129	–
Other payables due to related parties			
Dalian Siwei		**272**	272
Neusoft Holdings	(i)	**260**	96,889
Dalian Xikang Yunshe Hotel Management		**131**	–
Xikang Yunshe		**8**	–
Neusoft System Technology		**5**	5
Neusoft Venture Capital		**–**	48
		676	97,214
Amounts prepaid by related parties			
Dalian Siwei		**–**	252
Neusoft Venture Capital		**–**	44
		–	296
Prepayments to related parties			
Dalian Xikang Yunshe Hotel Management		**11**	–

Note:

(i) As at 31 December 2024, the Group had an outstanding balance of RMB96,629,000 due to Neusoft Holdings. This balance was unsecured and bore interest at rates ranging from 4.65% to 4.83% per annum. During the year, the Group repaid all the borrowings to Neusoft Holdings.

As at 31 December 2025, all the outstanding balances with related parties were non-interest bearing, unsecured and repayable on demand.

37. RELATED PARTY TRANSACTIONS (CONTINUED)

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

	2025 RMB'000	2024 RMB'000
Salaries and bonuses	21,534	16,613
Contributions to pension plans	–	246
Welfare and other expenses	281	273
Total compensation paid to key management personnel	21,815	17,132

Further details of directors' and the chief executive's emoluments are included in note 10 to the financial statements.

38. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2025

Financial assets

	Financial assets at fair value through profit or loss		
	Mandatorily designated as such RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Trade receivables	–	74,648	74,648
Other receivables	–	29,091	29,091
Financial assets at fair value through profit or loss	490,950	–	490,950
Restricted cash	–	28,996	28,996
Cash and cash equivalents	–	1,351,029	1,351,029
Total	490,950	1,483,764	1,974,714

38. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

2025 (continued)

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Financial liabilities included in trade and other payables	**383,197**
Interest-bearing bank and other borrowings	**3,279,653**
Lease liabilities	**19,980**
Total	**3,682,830**

2024

Financial assets

	Financial assets at fair value through profit or loss		
	Mandatorily designated as such RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Trade receivables	–	67,588	67,588
Other receivables	–	38,314	38,314
Financial assets at fair value through profit or loss	248,943	–	248,943
Restricted cash	–	32,854	32,854
Cash and cash equivalents	–	1,664,799	1,664,799
Total	248,943	1,803,555	2,052,498

38. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

2024 (continued)

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Financial liabilities included in trade and other payables	586,674
Interest-bearing bank and other borrowings	3,103,970
Lease liabilities	32,521
Total	3,723,165

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

	Carrying amounts		Fair values	
	2025 RMB'000	2024 RMB'000	**2025 RMB'000**	2024 RMB'000
Financial assets				
Financial assets at fair value through profit or loss	**490,950**	248,943	**490,950**	248,943
Financial liabilities				
Interest-bearing bank and other borrowings	**3,279,653**	3,103,970	**3,279,653**	3,103,970

Management has assessed that the fair values of cash and cash equivalents, restricted cash, trade receivables, other receivables and financial liabilities included in trade and other payables approximate to their carrying amounts largely due to the short term maturities of these instruments.

The finance department of the Group performs the valuation of level 3 financial instruments for financial reporting purposes. It manages the valuation exercise of the investments on a case by case basis. At least once a year, the finance department uses valuation techniques to determine the fair value of the Group's level 3 instruments and reports to senior management and the Directors of the Company.

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

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 fair values of bank wealth management products in financial assets at fair value through profit or loss have been estimated using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks. The fair value of unlisted fund investments in financial assets at fair value through profit or loss have been estimated using the market approach and equity allocation model. These valuation techniques are based on assumptions that are not supported by observable market prices or rates. The valuation requires the management to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as enterprise value to sales ("EV/Sales") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure.

The fair values of the interest-bearing bank and other 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 changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings as at 31 December 2025 were assessed to be insignificant.

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 31 December 2025

	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
Financial assets at fair value through profit or loss	–	464,995	25,955	490,950

39. 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)

As at 31 December 2024

	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
Financial assets at fair value through profit or loss	–	–	248,943	248,943

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

	2025 RMB'000	2024 RMB'000
Financial assets at fair value through profit or loss:		
At 1 January	**248,943**	98,724
Acquisition of subsidiaries	**–**	2,600
Purchases	**9,000**	330,000
Disposals	**(226,443)**	(185,428)
Fair value losses/(gains) recognised in profit or loss	**(5,545)**	3,047
At 31 December	**25,955**	248,943

The Group did not have any financial liabilities measured at fair value as at 31 December 2025 and 2024.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2024: Nil).

The carrying amounts of the Group's financial assets were either measured at fair value in the statement of financial positions or approximate to fair values as at 31 December 2025 and 2024.

39. 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)

Liabilities for which fair values are disclosed:

As at 31 December 2025

	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
Interest-bearing bank borrowings	–	**3,279,653**	–	**3,279,653**

As at 31 December 2024

	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
Interest-bearing bank borrowings	–	3,103,970	–	3,103,970

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank and other borrowings, cash and cash equivalents, restricted cash and financial assets at fair value through profit or loss. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank borrowings with a floating interest rate.

The following table demonstrates the sensitivity to a reasonably possible change in RMB interest rate, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings).

	Increase/ (decrease) in basis points	Increase/ (decrease) in profit before tax RMB'000
2025		
RMB	**50**	**(6,942)**
RMB	**(50)**	**6,942**
2024		
RMB	50	(5,502)
RMB	(50)	5,502

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade receivables*	–	–	–	100,968	100,968
Other receivables					
– Normal**	29,350	–	–	–	29,350
Restricted cash					
– Not yet past due	28,996	–	–	–	28,996
Cash and cash equivalents					
– Not yet past due	1,351,029	–	–	–	1,351,029
Total	1,409,375	–	–	100,968	1,510,343

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Maximum exposure and year-end staging (CONTINUED)

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade receivables*	–	–	–	95,699	95,699
Other receivables					
– Normal**	38,818	–	–	–	38,818
– Doubtful**	–	–	4,600	–	4,600
Restricted cash					
– Not yet past due	32,854	–	–	–	32,854
Cash and cash equivalents					
– Not yet past due	1,664,799	–	–	–	1,664,799
Total	1,736,471	–	4,600	95,699	1,836,770

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 23 to the financial statements.

** The credit quality of other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 23 to the financial statements.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different sectors and industries.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	2025				
	Less than 1 year RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Lease liabilities	9,270	7,876	3,950	–	21,096
Interest-bearing bank and other borrowings	791,390	615,137	851,223	1,581,212	3,838,962
Financial liabilities included in trade and other payables	383,197	–	–	–	383,197
Total	1,183,857	623,013	855,173	1,581,212	4,243,255

	2024				
	Less than 1 year RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Lease liabilities	10,615	9,336	13,083	1,986	35,020
Interest-bearing bank and other borrowings	750,613	510,995	957,732	1,515,772	3,735,112
Financial liabilities included in trade and other payables	587,021	–	–	–	587,021
Total	1,348,249	520,331	970,815	1,517,758	4,357,153

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may balance its overall capital structure through raising new debts as well as redemption of the existing debt. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 31 December 2024.

The Group monitors capital using a liability-to-asset ratio which is total liabilities divided by total assets. The liability-to-asset ratio as at the end of the reporting period was as follows:

	2025 **RMB'000**	2024 RMB'000
Total assets	**7,553,583**	7,355,053
Total liabilities	**5,057,686**	5,041,101
Liability-to-asset ratio	**66.96%**	68.54%

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	3	5
Investments in subsidiaries	2,230,694	2,287,059
Total non-current assets	2,230,697	2,287,064
CURRENT ASSETS		
Other receivables	191,355	437,976
Cash and cash equivalents	8,192	4,176
Total current assets	199,547	442,152
CURRENT LIABILITIES		
Trade and other payables	21,348	21,940
Total current liabilities	21,348	21,940
NET CURRENT ASSETS	178,199	420,212
TOTAL ASSETS LESS CURRENT LIABILITIES	2,408,896	2,707,276
Net assets	2,408,896	2,707,276
EQUITY		
Share capital	113	113
Reserves (note)	2,408,783	2,707,163
Total equity	2,408,896	2,707,276

Dr. LIU Jiren	**Dr. WEN Tao**
Director	*Director*

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note:

A summary of the Company's reserves is as follows:

	Share premium RMB'000	Capital reserve RMB'000	Other reserve RMB'000	Retained profits/ (accumulated loss) RMB'000	Total RMB'000
Balance at 1 January 2024	2,659,698	122,996	81,168	5,933	2,869,795
Loss for the year	–	–	–	(6,293)	(6,293)
Exercise of share options	10	(5)	–	–	5
Exchange differences on translation of the Company's financial statements	–	–	59,075	–	59,075
Dividends distribution	(215,419)	–	–	–	(215,419)
At 31 December 2024 and 1 January 2025	**2,444,289**	**122,991**	**140,243**	**(360)**	**2,707,163**
Loss for the year	**–**	**–**	**–**	**(5,315)**	**(5,315)**
Exercise of share options	**88**	**(45)**	**–**	**–**	**43**
Exchange differences on translation of the Company's financial statements	**–**	**–**	**(63,331)**	**–**	**(63,331)**
Dividends distribution	**(229,777)**	**–**	**–**	**–**	**(229,777)**
At 31 December 2025	**2,214,600**	**122,946**	**76,912**	**(5,675)**	**2,408,783**

42. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 26 March 2026.

FINANCIAL SUMMARY

RESULTS OF OPERATIONS

	For the year ended 31 December				
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000 (Restated)	**2025** **RMB'000**
Revenue	1,363,126	1,548,382	1,806,073	2,070,006	**2,039,167**
Cost of revenue	(771,696)	(881,643)	(940,997)	(1,075,121)	**(1,136,305)**
Gross profit	591,430	666,739	865,076	994,885	**902,862**
Profit before tax	378,825	517,535	577,781	638,195	**551,460**
Profit for the year	301,220	385,416	429,641	467,319	**403,060**
Profit for the year attributable to owners of the Company	284,222	385,393	429,540	465,619	**404,799**
Adjusted net profit *(note i)*	328,132	380,608	428,713	466,092	**407,389**
Adjusted net profit attributable to owners of the Company	309,320	380,585	428,612	464,392	**409,128**

Note i: Adjusted net profit is derived from the profit for the year after deducting the effects of listing expenses, share-based compensation expenses, net exchange losses/(gains) and net fair value losses/(gains) on unlisted fund investments.

FINANCIAL RATIOS

	For the year ended 31 December				
	2021	2022	2023	2024 (Restated)	**2025**
Gross profit margin	43.4%	43.1%	47.9%	48.1%	**44.3%**
Net profit margin	22.1%	24.9%	23.8%	22.6%	**19.8%**
Adjusted net profit margin	24.1%	24.6%	23.7%	22.5%	**20.0%**

ASSETS AND LIABILITIES

	As at 31 December				
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	**2025** **RMB'000**
Non-current assets	3,907,026	4,211,383	4,625,741	5,212,382	**5,480,014**
Current assets	1,495,039	1,782,237	2,065,491	2,142,671	**2,073,569**
Current liabilities	1,849,728	2,007,438	2,446,630	2,418,192	**2,286,535**
Net current assets (liabilities)	(354,689)	(225,201)	(381,139)	(275,521)	**(212,966)**
Total assets less current liabilities	3,552,337	3,986,182	4,244,602	4,936,861	**5,267,048**
Non-current liabilities	2,045,438	2,250,430	2,178,393	2,622,909	**2,771,151**
Total equity	1,506,899	1,735,752	2,066,209	2,313,952	**2,495,897**
Total equity and non-current liabilities	3,552,337	3,986,182	4,244,602	4,936,861	**5,267,048**

EXTRACTED MAJOR ITEMS

	As at 31 December				
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	**2025** **RMB'000**
Property, plant and equipment	2,684,499	2,935,493	3,357,441	3,674,793	**3,776,663**
Cash and cash equivalents	1,228,478	1,183,811	1,708,427	1,664,799	**1,351,029**
Contract liabilities	769,183	989,341	1,067,911	1,018,382	**1,026,329**
Interest-bearing bank and other borrowings	2,167,169	2,386,255	2,724,904	3,103,970	**3,279,653**

FINANCIAL RATIOS

	As at 31 December				
	2021	2022	2023	2024	**2025**
Asset to liability ratio	72.1%	71.0%	69.1%	68.5%	**67.0%**
Gearing ratio *(Note ii)*	147.1%	139.9%	133.6%	139.7%	**132.2%**

Note ii: As at the end of the relevant financial year, gearing ratio equals total indebtedness (the sum of interest-bearing bank loans, other borrowing and lease liabilities) divided by total equity as at the end of the year.

CASH FLOWS

	For the year ended 31 December				
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	**2025** **RMB'000**
Net cash from operating activities	721,682	797,236	735,904	702,355	**839,985**

DEFINITIONS

"%"	per cent
"Acquisition of Neusoft Healthcare"	the acquisition of all the equity interests of Neusoft Healthcare by the Company from Neusoft Holdings pursuant to the share transfer agreement dated 26 March 2024
"Adjusted Net Profit"	a non-IFRS measure that eliminates the effect of certain non-recurring items from our profit for the year. See "Financial Information – Non-IFRS Measure" of the Prospectus of the Company
"affiliate"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"Articles of Association"	the third amended and restated articles of association of the Company adopted and effective on 4 December 2024, as amended from time to time
"Audit Committee"	the audit committee of the Board
"Board"	the board of directors of the Company
"BVI"	British Virgin Islands
"Century Bliss"	Century Bliss International Limited, a company incorporated under the laws of the BVI with limited liability and a Shareholder as of 31 December 2024
"CG Code"	The Corporate Governance Code as set in Appendix C1 of the Listing Rules
"Chengdu Development"	Chengdu Neusoft Information Technology Development Co., Ltd. (成都)
"Chengdu University"	Chengdu Neusoft University (成都東軟學院), established in 2003, and one of the higher education schools operated by the Group
"China" or the "PRC"	the People's Republic of China, and for the purposes of this Report only, except where the context requires otherwise, excluding Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan
"Companies Ordinance"	Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company", "our Company", or the "Company"	Neutech Group Limited (東軟睿新科技集團有限公司) (formerly Known as Neusoft Education Technology Co. Limited (東軟教育科技有限公司)), an exempted company with limited liability incorporated under the laws of the Cayman Islands on 20 August 2018

"Controlling Shareholder(s)" — has the meaning ascribed to it under the Listing Rules, and unless the context otherwise requires, to the persons listed in the section headed "Relationship with our Controlling Shareholders" of the Prospectus of the Company, namely Dr. J. Liu and Neusoft Holdings (together with Neusoft Holdings' wholly-owned subsidiaries Neusoft International, Dongkong First and Dongkong Second)

"connected person(s)" — has the meaning ascribed to it under the Listing Rules

"connected transaction(s)" — has the meaning ascribed to it under the Listing Rules

"Consolidated Affiliated Entity" or "Consolidated Affiliated Entities" — entities controlled by the Company through the Contractual Arrangements A and considered as our subsidiaries

"Contractual Arrangements A" — the contractual arrangements entered into by our Group as described in the section headed "Contractual Arrangements" of the Prospectus of the Company

"Contractual Arrangements B" — a series of contractual arrangements entered into by our Group as described in the section headed "The New Contractual Arrangements" of the announcement of the Company dated 26 March 2024 of connected transaction in relation to the acquisition of Neusoft Healthcare

"Controlling Shareholder(s)" — has the meaning ascribed to it under the Listing Rules, and unless the context otherwise requires, to the persons listed in the section headed "Relationship with our Controlling Shareholders" of the Prospectus of the Company, namely Dr. J. Liu and Neusoft Holdings (together with Neusoft Holdings' wholly-owned subsidiaries Neusoft International, Dongkong First and Dongkong Second)

"Dalian Development" — Dalian Neusoft Software Park Industry Development Co., Ltd. (大連東軟軟件園產業發展有限公司), a company incorporated under PRC Laws on 10 July 2002

"Dalian DOIT" — Dalian DOIT Human Resource Service Co., Ltd. (大連都愛迪人力資源服務有限公司), a company incorporated under PRC Laws on 19 November 2020

"Dalian Kang Ruidao" — Dalian Kang Ruidao Management Consulting Centre (Limited Partnership) (大連康睿道管理諮詢中心(有限合夥))

"Dalian Neusoft Ruixin" — Dalian Neusoft Ruixin Technology Group Co. Limited (大連東軟睿新科技集團有限公司) (Previously Dalian Neusoft Ruixin Technology Development Co. Limited (大連東軟睿新科技發展有限公司)), a company incorporated under PRC Laws on 17 May 2019 and a wholly-owned subsidiary of the Company as of the date of this Report

"Dalian Siwei"	Dalian Neusoft Siwei Technology Development Co., Ltd. (大連東軟思維科技發展有限公司)
"Dalian Technology"	Dalian Neusoft Technology Development Co., Ltd. (大連東軟科技發展有限公司), a company incorporated under PRC Laws on 10 October 2013 and a wholly-owned subsidiary of the Company
"Dalian University"	Dalian Neusoft University of Information (大連東軟信息學院), established in 2004, and one of the higher education schools operated by the Group
"Dalian Yunguan"	Dalian Yunguan Information Technology Co., Ltd. (大連雲觀信息技術有限公司), a company incorporated under PRC Laws on 19 February 2013 and a wholly-owned subsidiary of the Company
"Director(s)"	the director(s) of the Company
"Dongkong First"	Dongkong Education First Investment Inc. (東控教育第一投資有限公司), a company incorporated under the laws of the BVI and a Controlling Shareholder
"Dongkong Second"	Dongkong Education Second Investment Inc. (東控教育第二投資有限公司), a company incorporated under the laws of the BVI and a Controlling Shareholder
"Dr. J. Liu" or "Chairperson"	LIU Jiren (劉積仁), the Chairperson, Director and a core founding member of the Group
"Dr. Qu"	QU Daokui (曲道奎), our Director
"Dr. S. Liu"	LIU Shulian (劉淑蓮), our Director
"Dr. Wen"	WEN Tao (溫濤), our Director
"Foshan Development"	Foshan Nanhai Neusoft Information Technology Development Co., Ltd. (佛山市南海東軟信息技術發展有限公司), the majority school sponsor for Neusoft Institute Guangdong, and a company incorporated under PRC Laws on 8 January 2002 and a wholly-owned subsidiary of our Dalian Development
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group", "we", "us", or "our"	The Company and its subsidiaries (including our consolidated affiliated entities) from time to time or
"Guangdong University"	Neusoft Institute Guangdong (廣東東軟學院), established in 2003, and one of the higher education schools operated by the Group

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong dollars" or "HK dollars" or "HK$"	the current lawful currency of Hong Kong
"Hong Kong Share Registrar"	Tricor Investor Services Limited
"IFRS"	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
"Independent Third Party" or "Independent Third Parties"	any entity or person who is not a connected person of our company within the meaning ascribed to it under the Listing Rules
"Industrial Service Company"	Dalian Neusoft Industry Management Services Co., Ltd. (大連東軟產業管理服務有限公司), a company incorporated under PRC Laws on 14 August 2018 and a wholly-owned subsidiary of the Company
"Kang Ruidao"	Kang Ruidao International Investment Inc. (康睿道國際投資有限公司), a company incorporated under the laws of the BVI and a substantial shareholder
"Kangdao Medical"	Dalian Kangdao Medical Management Co., Ltd. (大連康道醫療管理有限公司), a company incorporated under PRC laws on 6 February 2024 and is wholly owned by Ms. ZHANG Hong as of the date of this Report
"Laws"	means all laws, statutes, legislation, ordinances, rules, regulations, guidelines, opinions, notices, circulars, directives, requests, orders, judgments, decrees, interpretations or rulings of any Governmental Authority (including the Stock Exchange and the SFC) of all relevant jurisdictions
"LIFECARES"	our unique elderly education concept, which covers the needs of the elderly in learning, life, health, social interaction, and other aspects from nine dimensions, namely, Learning joyful, Individual renewal, Fitness and well-being, Eating healthily, Community connection, Arts workshop, Rehabilitation, Entertainment activities, Scenic journey. LIFECARES is an acronym for these nine English phrases
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
"MIIT"	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部) (formerly known as Ministry of Information Industry)

"Ministry of Education" or "MOE"	Ministry of Education of the People's Republic of China (中華人民共和國教育部)
"Mr. Rong"	RONG Xinjie (榮新節), our Director
"Mr. Sun"	SUN Yinhuan (孫蔭環), our Director
"Neusoft Corporation"	Neusoft Corporation (東軟集團股份有限公司), a company incorporated under PRC Laws on 17 June 1991, which is listed on the Shanghai Stock Exchange (stock code: 600718) on 18 June 1996
"Neusoft Education Technology "	Neusoft Education Technology Group Co. Limited (Previously Dalian Neusoft Education Technology Group Co. Limited (大連東軟教育科技集團有限公司, formerly known as 東軟教育科技(大連)有限公司)), a company incorporated under PRC Laws on 3 August 2018 and a wholly-owned subsidiary of the Company
"Neusoft Electronic Press"	Dalian Neusoft Electronic Press Co., Ltd. (大連東軟電子出版社有限公司), a company incorporated under PRC Laws on 21 April 2005 and a wholly-owned subsidiary of Dalian University
"Neusoft Healthcare"	Neusoft Healthcare Management Co., Ltd. (東軟健康醫療管理有限公司), a company incorporated under PRC laws on 21 April 2020 and a wholly-owned subsidiary of the Company as of the date of this Report
"Neusoft Healthcare Group"	Neusoft Healthcare and its subsidiaries
"Neusoft Holdings"	Dalian Neusoft Holdings Co., Ltd. (大連東軟控股有限公司), a company incorporated under PRC laws on 15 November 2011 and a controlling Shareholder
"Neusoft Ruixin Health Technology"	Dalian Neusoft Ruixin Health Technology Co., Ltd.(大連東軟睿新健康科技有限公司)，a company incorporated under PRC Laws on 2 September 2024 and a wholly-owned subsidiary of the Company
"Neutech BVI"	Neutech Group (BVI) Co. Limited (東軟睿新科技集團(英屬維京群島)有限公司) (formerly known as Neusoft Education Technology (BVI) Co. Limited (東軟教育科技(英屬維京群島)有限公司)), a company incorporated under the laws of the BVI on 6 September 2018 and a wholly-owned subsidiary of our Company
"Neutech HK"	Neutech Group (HK) Co. Limited (東軟睿新科技集團(香港)有限公司) (formerly known as Neusoft Education Technology (HK) Co. Limited (東軟教育科技(香港)有限公司)), a company incorporated under Hong Kong laws on 26 September 2018
"Nomination Committee"	the nomination committee of the Board

"OPCOs"	Cardiovascular Management, Shanghai Xietong, Ruikang Cardiovascular Hospital and Ruikang Stomatological Hospital
"Post-IPO Share Incentive Scheme"	the share option scheme of the Company as approved by the Board on 11 September 2020 and detailed in "Statutory and general information – Share Incentive Schemes – Post-IPO Share Incentive Scheme" in Appendix V to the Prospectus of the Company dated 17 September 2020
"Pre-IPO Share Incentive Scheme"	the share option scheme of the Company as approved by the Board on 19 June 2019, as amended from time to time, and detailed in "Statutory and general information – Share Incentive Schemes – Pre-IPO Share Incentive Scheme" in Appendix V of the Prospectus of the Company dated 17 September 2020
"Principal Share Registrar"	Ogier Global (Cayman) Limited
"Prospectus"	the prospectus of the Company dated 17 September 2020
"Registered Shareholder" or "Neusoft Holdings"	Dalian Neusoft Holdings Co., Ltd. (大連東軟控股有限公司), a company incorporated under PRC Laws on 15 November 2011, a Controlling Shareholder and the registered shareholder of Dalian Development
"Reporting Period"	the year ended 31 December 2025
"RMB"or "Renminbi"	Renminbi, the current lawful currency of China
"Ruikang Cardiovascular Hospital"	Dalian Ruikang Cardiovascular Hospital (大連睿康心血管病醫院), a private non-enterprise organization and specialized cardiovascular hospital incorporated under the PRC laws on 31 December 2021 and a subsidiary of the Company as of the date of this Report
"Ruikang Stomatological Hospital"	Dalian Ruikang Zhuomei Stomatological Hospital Co., Ltd. (大連睿康卓美口腔醫院有限公司), a company incorporated under the PRC laws on 30 November 2022, a specialized stomatological hospital and a subsidiary of the Company as of the date of this Report
"School Sponsor(s)"	our Dalian Development, Chengdu Development, Foshan Development, Neusoft Holdings and Yida Group, or any one of them
"Securities and Futures Ordinance" or "SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of the Company, currently with a par value of HK$0.0002 each

"Shareholder(s)"	holders of our Shares or any one or more of the holders
"Structured Contracts"	Contractual Arrangements A and Contractual Arrangements B
"subsidiary" or "subsidiaries"	has the meaning ascribed to it in the Listing Rules
"substantial shareholder"	has the meaning ascribed to it in the Listing Rules
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Xikang Yunshe"	Dalian Xikang Yunshe Kang Travel Investment Management Co., Ltd.* (大連熙康雲舍康旅投資管理有限公司), a company incorporated under PRC laws on 8 December 2016. As of the date of this Report, the Group holds a 9.9341% equity interest
"Yida Group"	Yida Group Co., Ltd. (億達集團有限公司), a company incorporated under PRC Laws
"Yida Holdings"	Yida Holdings Co., Ltd. (億達控股有限公司), a company incorporated under PRC Laws

Unless otherwise expressly stated or the context otherwise requires, all data in this Report is as of the date of this Report. The English names of the PRC entities, PRC Laws and the PRC governmental authorities referred to in this Report are translations from their Chinese names and are for identification purposes only. If there are any inconsistencies, the Chinese names shall prevail. Certain amounts and percentage figures included in this Report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

Neutech

東軟睿新科技集团有限公司

Neutech Group Limited

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BOOST DIGITAL INTELLIGENT LIFESTYLES WITH INNOVATIVE EDUCATION