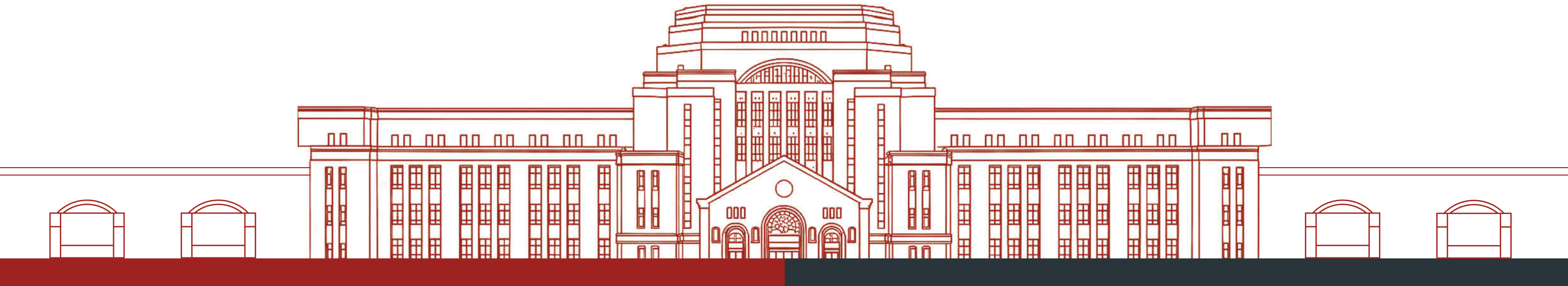
SHANGHAI GENCH EDUCATION GROUP LIMITED

上海建橋教育集團有限公司

2026 INTERIM REPORT

Stock code:1525

(Incorporated in the Cayman Islands with limited liability)



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Zhao Donghui (趙東輝) *(Chairman)*
Mr. Ding Zheyin (丁哲寅)

Non-executive Directors

Mr. Fang Xiaoge (方曉戈)
Mr. Ye Qionghai (葉瓊海)
Ms. Zhao Jiaqiao (趙佳俏)

Independent Non-executive Directors

Mr. Chen Baizhu (陳百助)
Mr. Hu Rongen (胡戎恩)
Ms. Liu Tao (劉濤)

AUDIT COMMITTEE

Ms. Liu Tao (劉濤) *(Chairlady)*
Mr. Hu Rongen (胡戎恩)
Mr. Chen Baizhu (陳百助)

REMUNERATION COMMITTEE

Mr. Hu Rongen (胡戎恩) *(Chairman)*
Mr. Ding Zheyin (丁哲寅)
Ms. Liu Tao (劉濤)

NOMINATION COMMITTEE

Mr. Zhao Donghui (趙東輝) *(Chairman)*
Mr. Hu Rongen (胡戎恩)
Mr. Chen Baizhu (陳百助)
Ms. Liu Tao (劉濤)

COMPANY SECRETARY

Ms. Zhang Zhimo (張芷陌)

AUTHORISED REPRESENTATIVES

Mr. Ding Zheyin (丁哲寅)
Ms. Zhang Zhimo (張芷陌)

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Morgan, Lewis & Bockius

AUDITORS

Ernst & Young
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Registered Public Interest Entity Auditor
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PRINCIPAL BANKS

Agricultural Bank of China
(Shanghai Pilot Free Trade Zone New Area Branch)
China Construction Bank
(Shanghai Pilot Free Trade Zone New Area Branch)

COMPANY WEBSITE

http://www.genchedugroup.com

STOCK CODE

1525

FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
REVENUE	**569,181**	534,054
Cost of sales	**(214,904)**	(216,850)
GROSS PROFIT	**354,277**	317,204
Other income and gains	**16,038**	17,007
Selling and distribution expenses	**(1,841)**	(1,182)
Administrative expenses	**(125,137)**	(104,473)
Impairment losses on financial assets	**(2,232)**	(2,751)
Other expenses	**(30)**	(442)
Finance costs	**(4,040)**	(13,029)
PROFIT BEFORE TAX	**237,035**	212,334
Income tax expense	**(58,419)**	(50,273)
PROFIT FOR THE PERIOD	**178,616**	162,061

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OPERATIONAL UPDATE

Our University

Our University is an application-oriented university which focuses on undergraduate education. As of 30 June 2026, our University offered 42 undergraduate majors and 10 junior college majors covering seven disciplines including economics, management, literature, engineering, art, science and pedagogy. Our University has 1 major with national characteristics, 1 Ministry of Education (MOE) comprehensive pilot reform undergraduate major, 15 first-class undergraduate majors in Shanghai, as well as 3 majors with Shanghai characteristics.

The schooling quality of our University ranked in the forefront of peer universities, which has accumulated a solid brand reputation. In January 2026, CUAA.net (中國校友會網) announced the 2026 CUAA University Rankings, which showed that our University continued to rank third among the CUAA category I private universities in China for five consecutive years. Over 26 years of operation, our University has been consecutively awarded "Shanghai Civilized Unit (上海市文明單位)" for nine times over 18 years since 2004, won the honorary title of "Shanghai Garden Unit (上海市花園單位)" from 2015 to 2020 and awarded the "National Model Unit of Civilization (全國文明單位)" for the first time in 2015 (the first private university in Shanghai), and successfully passed the re-examination three times in 2017, 2020 and 2025, retaining the honorary title of the "National Model Unit of Civilization (全國文明單位)". Our University passed the ISO9001 quality management system certified by Shanghai Audit Centre of Quality System in 2018, and successfully renewed it in 2021 and 2024, and also passed the MOE undergraduate teaching quality assessment (教育部本科教學工作審核評估) twice in November 2019 and April 2025. In February 2022, our University has been approved by the MOE as an "Innovation and Development Centre for Ideological and Political Work in Higher Education Institutions (教育部高校思想政治工作創新發展中心)", and in the same month, our University was selected as "Shanghai Safe and Civilized Campus for 2019-2020 school year (2019-2020學年度上海市安全文明校園)", and was once again selected as "Shanghai Safe and Civilized Campus for 2021-2022 School Year (2021-2022學年上海市安全文明校園)" in March 2024. In April 2024, our University was among the first batch of universities in the PRC to be granted reputable title of "Lei Feng Spirit College Demonstration Education Base (雷鋒精神高校示範教育基地)", and in September of the same year, our University received the "Award for Outstanding Contribution to Promoting Lei Feng Spirit in the New Era (新時代傳播雷鋒精神貢獻獎)". In February and March 2025, our University was successively recognized as an "Outstanding Unit in Information Disclosure Work among Shanghai Higher Education Institutions for 2023-2024 (2023-2024年度上海高校信息公開工作優秀單位)" and an "Outstanding Unit in Petition Work within the Shanghai Education System for 2024 (2024年度上海市教育系統信訪工作優秀單位)".

DUAL SUPPORT FROM LINGANG SPECIAL AREA POLICY AND VOCATIONAL EDUCATION POLICY

(I) Strategic emerging industries in Lingang shape a new development pattern of industry-education integration

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

In December 2025, the Management Committee of Lingang New Area and the Shanghai Municipal Science and Technology Commission issued the "Shanghai Lingang Science and Technology Innovation City Construction Plan (《上海市「臨港科創城」建設方案》)", which aims to build Lingang into a world-class science and technology innovation city. The Plan emphasises the need to "give full play to the abundant university-based scientific and technological innovation resources in Lingang" and proposes the specific tasks such as deepening the integration of industry and education, supporting universities in building specialised industrial parks alone or with partners, and gathering talents for innovation and entrepreneurship. These initiatives provide the Group with access and strategic opportunities to directly participate in regional innovation development and secure targeted policy support and resources, thereby further converting its regional advantages into distinctive development strengths and brand value.

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

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

In February 2026, the Ministry of Education issued the "Opinions of the Ministry of Education on Deepening the Reform of Key Elements in Vocational Education and Teaching (《教育部關於深化職業教育教學關鍵要素改革的意見》)" (the "Opinions"), aiming to deepen the reform of key elements in vocational education and teaching, systematically restructure the underlying logic of education and teaching, and promote university-enterprise cooperation in running schools, cultivating talents, facilitating employment, and pursuing collaborative development, and has also put forward five major tasks: dynamically adjusting program offerings, scientifically designing course combinations, optimizing the presentation formats of teaching materials, refining teacher competency lists, and building industry-education integrated internship and training bases. The Opinions focus on the key links of industry-education integration and require local education departments in their work to adhere to the demand-driven approach, tailoring education, guiding education, reforming education and promoting education based on industrial needs; adhere to cluster-based advancement, promoting collaboration among universities, cooperation among enterprises, and linkage between universities and enterprises, and fully implementing a cluster-based training program for highly skilled talents; adhere to coordinated reform, advancing reforms across all elements, throughout the whole process, and in a systematic manner in accordance with industrial links, production processes, and occupational logic; and adhere to standards-oriented guidance, determining education and teaching standards in line with industrial standards, enterprise standards, and job standards.

In June 2026, the State Council issued the "Education Development Plan for the Fifteenth Five-Year Plan Period (《教育發展「十五五」規劃》)" (the "Plan"), systematically deploying the forward-looking allocation of educational resources, the strengthening of regional educational layouts, and the optimization of talent cultivation structures, so as to adapt to changes in the school-age population, support major national strategies, and serve the development of the modern industrial system. The Plan proposes launching the "Dual Excellence (雙優)" construction of high-level application-oriented undergraduate universities, with the goals of achieving excellence in educational capacity and outstanding services to regional economic and social development, supporting the establishment of a number of high-level application-oriented undergraduate universities, creating highlands for applied basic research, technological innovation, and applied innovative talent cultivation, leading and driving application-oriented undergraduate universities to focus on cultivating high-quality and distinctive disciplinary specialty clusters around key industrial chains, and improving their adaptability to regional economic and social development, precision in serving industries and sectors, and social recognition of innovative outcomes; as well as accelerating the "New Double High (新雙高)" construction of vocational education, with the goals of achieving high-level educational capacity and high-quality industry-education integration, expediting the building of a modern vocational education system, and vigorously cultivating master craftsmen, skilled artisans, and highly skilled talents.

The continuous policy support and encouragement have provided strong backing for the high-quality development of industry-education integration and vocational education. Our University will continue to deepen educational and teaching reforms, constantly improve the quality of education and talent cultivation, and spare no effort to cultivate high-quality application-oriented talents by aligning with national policies, seizing the favorable momentum, and adhering to the industry-education integration strategy.

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

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

Our University's major rankings have remained among the top of application-oriented universities and colleges across the country and our program development is closely aligned with market needs. In April 2026, according to "2026 First-class Majors Ranking (Application-oriented) in China" published by CUAA.net (中國校友會網), 29 majors of our University ranked among top 10 in China, and 34 majors ranked among top 20 in China, among which 16 majors including gemstone and material technology, journalism, automobile service engineering, and international business ranked first in the country. The advertising, Japanese major and tourism management major of our University have passed the professional certification of the Yangtze River Delta New Liberal Arts Education Professional Certification Alliance (長三角新文科教育專業認證聯盟). In the 2026/27 school year, our University has introduced two undergraduate majors, namely the Artificial Intelligence and the Electronic Packaging Technology, which has further optimized our program structure, and enhanced the alignment of talent cultivation with national strategies and regional development. On 12 June 2026, our University officially launched the first batch of 11 outstanding majors, closely aligned them with national strategies and the key industrial directions of the Lingang New Area, focused on fields such as integrated circuits, high-end manufacturing, artificial intelligence, big health, modern commerce and trade, and cultural and creative media, fully integrated real enterprise projects, production scenarios, and industry standards into talent cultivation, and created a new model for applied talent cultivation through deep industry-education integration.

(II) Strengthening the faculty capacity and consolidating the core pillar of talent cultivation

By consistently implementing the "Empowering the University through Talents (人才強校)" strategy, following the approach of balancing quantity and structure, giving equal emphasis to recruitment and cultivation, promoting both theoretical competence and practical ability, and focusing on the introduction of high-level talents and industry professionals, the cultivation of backbone faculty, and the development of young teachers, our University has basically built a well-structured and high-quality teaching staff, providing a solid guarantee for applied talent cultivation. As of 30 September 2025, among the full-time teachers of our University, the master degree or higher accounted for 86.4%, the doctoral degree accounted for 28.8%, the senior title accounted for 38.6%, and the double-position accounted for 47.8%. Each year, our University evaluates and selects exemplary role models such as "Lei Feng Award", "Qingyun Prize", "Good Teachers in My Heart", "Five-Star Instructors" and "Outstanding Major Tutors", thereby encouraging teachers to dedicate themselves wholeheartedly to teaching and nurturing students. Meanwhile, grounded in its positioning as an application-oriented university, our University vigorously promotes professional teachers to practice in enterprises, organizes thematic workshops on industry-education integration, and enhances teachers' awareness and competence in industry-education integration. Our University is one of the first 20 pilot universities designated by the Ministry of Education for the "Leading Workstation (領航工作站)" program for faculty nationwide, and is also the research base for ideological and political work among teachers in private universities in Shanghai.

(III) Deepening the construction of course content and empowering the upgrade of teaching quality

By adhering to its talent cultivation goals and focusing on substantive curriculum development, our University has established a three-tier course development system at the school, municipal, and national levels, and strengthened both practical teaching and quality-oriented education. In January 2025, 12 of our courses were selected as Shanghai first class undergraduate courses, the number of approved courses showed a year-on-year increase of 50%, reaching a historic new high. In July 2025, 26 of our courses were approved as Shanghai higher education municipal level key courses, the number of approved courses ranked the 7th place among higher education institutions in Shanghai, and thus we became the only private university in the top 10. The courses cover various types including "AI+courses", "industry-education integration courses", "courses in areas with critical talent shortages" and "experimental, practical training, and hands-on courses", among which, "AI+ courses" accounted for 50%, "industry-education integration courses" accounted for 31%, showing our teaching innovation embracing educational innovation and applied talent cultivation in the intelligent era. In 2025, the "Fundamentals of Gemstone Geology and Crystallography" course of the College of Jewelry was selected as a "Online/Offline Hybrid First-Class Course", achieving a breakthrough for our University in the construction of national first-class courses. In May 2026, the "Fundamentals of Intelligent Manufacturing Equipment" course of the College of Mechanical and Electronic Engineering was included in the national case collection of "Excellent Intelligent Manufacturing Courses (智能製造優秀課程)".

(IV) Upgrading teaching facilities and building a distinctive smart campus

The Group continues to deepen the upgrading and renovation of teaching and research instruments and equipment as well as teaching laboratories, and is committed to building a modern and intelligent teaching environment. In terms of hardware, we have deployed smart classrooms integrated with high-definition cameras, intelligent audio devices and high-speed networks to meet the needs of diversified teaching scenarios. In terms of software, based on the OBE (Outcome-Based Education) concept, we have built a smart teaching system covering the entire process of talent cultivation, curriculum teaching and quality monitoring, and independently developed an office automation (OA) workflow system, significantly improving the management efficiency. Furthermore, the Group has actively explored the deep integration of AI and education, embedded technologies such as AI, 5G, and VR (virtual reality) into the teaching process by focusing on curriculum and classroom teaching reform, and initiated the construction of a DeepSeek-based large model for vertical-domain educational applications, thereby creating three intelligent agents for services, management, and teaching, with the aim of providing personalised support services for teachers and students, achieving intelligent and refined campus management, and establishing an efficient and convenient new ecosystem for the smart campus.

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

Focusing on the general requirements of "five-pronged education stratagem (五育並舉)" and "three comprehensive education (三全育人)", our University continues to deepen the talent cultivation system of "core qualities, competence-based, outcome-oriented and continuous improvement (核心素養+能力本位+成果導向+持續改進)" to cultivate professionals in various fields who are well-rounded in morality, intelligence, physical health, aesthetics, and labor, with solid cultural foundation and professional ethics, and effectively fulfills the fundamental task of fostering virtue and nurturing talents. Our University also attaches great importance to the high-quality employment of students. In recent years, the employment rate of our graduates has always been stabling at 99% and above. As of 31 August 2025, the employment rate of year 2025 graduates of our University reached 99.4% (where employment in Yangtze River Delta accounted for 77.5%, and employment in Shanghai accounted for 59.2%), the college-entrance rate reached 5.8% and the rate of studying abroad reached 5.3%, and 94 students studied abroad at top 50 universities/colleges in QS World University Rankings, 123 students studied abroad at top 100 universities/colleges in QS World University Rankings. In May 2024, our University was awarded the honorary title of "Advanced Institution in Promoting Employment of Shanghai Municipality (上海市促進就業先進集體)", and in December of the same year, our University was awarded the honorary title of "Best Service University for High-Quality Employment in 2024 (2024年度高質量就業最佳服務高校)".

(VI) Enhancing international cooperation and building a global exchange network

To grasp the international talents opportunity of Lingang, our University deepens the reform of international school running mechanism and system, collectively drives international exchange and cooperation, increases international partners level and project level, drives the internationalization of teachers and academic programs, and fully improves students' international vision and global qualities. We work deeply with Vaughn College of Aeronautics and Technology, The Kyoto College of Graduate Studies for Informatics, Teesside University, among others, in junior college to master's program, undergraduate to master's program, dual bachelor's program and other programs. Among them, the undergraduate programme in Mechanical Design, Manufacturing and Automation offered in cooperation with Vaughn College of Aeronautics and Technology (USA) is a Sino-foreign cooperative education programme approved by the Ministry of Education. In 2025, our University contracted with 11 overseas famous universities/colleges in Germany, United Kingdom, New Zealand, Thailand and other countries, to expand our teachers and students' overseas exchange channels, and further expand our international circle. Our University is the first private university in Shanghai that has obtained the qualification to recruit international students, and also one of those eligible for the Shanghai Municipal Government Scholarship for Foreign Students, thereby attracting international students from many countries around the world and forming an international student education system that combines long-term and short-term programmes.

(VII) Improving the lifelong education system and strengthening the supply of continuing education

Relying on the advantageous specialty features and high-quality teaching resources of the University's full-time higher education, and based in Lingang, our University adheres to the concept of lifelong education. With the Shanghai "Dual-system" Pilot Base for Continuing Education of Employees in Higher Education Institutions (Incubation) (上海市「雙元制」職工繼續教育高校試點基地(培育)) as a platform, our University has built an integrated, multi-field and cross-age lifelong education system for knowledge updating and ability enhancement, covering adult higher education, vocational skills training, and youth science and innovation education. By integrating quality educational resources both on and off campus, our University provides learners of different ages and backgrounds with personalised learning pathways and development opportunities. As of 30 June 2026, the number of in-service students enrolled in our University's adult continuing education programmes amounted to 3,316. In terms of non-academic vocational education, the Group actively responds to the vocational education "1+X" certificate system to deepen vocational qualification training and enhance students' occupational skills. As of 30 June 2026, our University has provided a total of over 400 types of vocational skill certificate training.

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

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

In 2024, our University established a major strategy toward its transformation into an industry-education integration university. By closely aligning with the regional industrial layout, and tailoring education, academia, research, and innovation based on industrial needs, we have developed an industry-education integration model centered around "one core, two wings, three integrations, and four scenarios (一體兩翼三融四境)", and implemented a tripartite operational model integrating "academic schools + industrial colleges + corporate entities (二級學院+產業學院+實體公司)", striving to achieve the synergistic development of "industry, academia, research, and innovation (產、學、研、創)" as an integrated whole. We expect to preliminarily complete the transformation of an industry-education integration university by 2030 and fully accomplish it by 2035, thereby enriching the distinctive features of an applied university with the unique characteristics of an industry-education integration university, and building our University as a nationally recognized top-tier private university.

As of 30 June 2026, our University has successively launched seven key industry-education integration projects covering the College of Mechanical and Electronic Engineering, the College of Journalism and Communications, the Business College, the College of Art Design and the College of Jewelry. In August 2025, the Lingang Jewelry Art Center opened by the side of Dishui Lake, integrating multiple functions such as public exhibitions, entrepreneurship incubation, science popularization education, appraisal and design, and fashion consumption, and representing another innovative practice of our University's industry-education integration. In November 2025, the national-level platform, the "Integrated Circuit Packaging and Testing Industry-Talent Collaborative Innovation Center" and the Lingang Industry-Education Integration Practice Base, was established in our University, marking a new stage in the tripartite collaboration among government, universities and enterprises in integrated circuit talent cultivation and industrial coordination. In January 2026, our University joined the "China-ASEAN Industry-Education Integration Community for the Digital Economy and Management Sector (中國—東盟數字經濟與管理行業產教融合共同體)", further empowering a new ecosystem for cross-border talent cultivation. In April 2026, the "Hydrogen Ark (氫源方舟)" green energy project, collaboratively developed by the Business College and the College of Mechanical and Electronic Engineering, won the gold award in the 2026 Mainland and Hong Kong-Macao Digital Economy Innovation and Entrepreneurship Competition, and served as a powerful testament to our University's industry-education integration and collaborative talent cultivation outcomes in innovation and entrepreneurship practice. As of 30 June 2026, our University has established Medical Engineering Industrial College, the Live Streaming Economy Industrial College, and Big Data Industrial College, and is actively preparing to establish the Integrated Circuit Industrial College and the Intelligent Manufacturing Industrial College, with the goal of creating a distinctive educational framework that features multi-track collaboration among industrial colleges and comprehensive industry-education integration.

FUTURE OUTLOOK AND BUSINESS STRATEGY

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

Building on our existing strengths and adhering to the path of high-quality development

In the 2026/27 school year, the minimum tuition fee for new students of undergraduate program is RMB42,000 per year, and the tuition fee for new students of junior college program is RMB23,000 per year. Meanwhile, the boarding fees in respect of our smart dormitory buildings for the freshmen remain at RMB7,800 per year. The year 2026 marks the first year of the "15th Five-Year Plan". Standing at this new historical starting point, we will continue to adhere to the educational philosophy of "student-oriented, teaching-centred, undergraduate-focused (育人為本，教學為本，本科為本)" and the work ideology of "quality as the core, teaching as the centre, students as the base, teachers as the principal (品質核心，教學中心，學生本位，教師主體)" to deepen the reform of talent cultivation models, optimise the structural layout of disciplines and programs, promote curriculum reform toward digital and intelligent transformation, explore AI-enabled education and teaching, strengthen faculty development, ensure the teaching quality, stimulate the vitality of scientific research and innovation, fully serve students' growth and development, thus promoting the high-quality development of our undertakings.

Capitalizing on policy benefits in the Lingang New Area and advancing the integration of industry, education and city

Lingang is a dual special zone under the superposition of two national strategies: Pudong Pioneer Area and Lingang New Area, carrying an important national strategic mission. As a pilot field for the "Leading Area for Socialist Modernization (社會主義現代化建設引領區)", Lingang focuses on the innovation and development of key technological links in the field of "Filling the Domestic Gaps" and emerging industries, which will create a special economic functional zone with more international market influence and competitiveness. Leveraging on the regional advantages brought by the rapid clustering of advanced manufacturing industries, Lingang will enjoy abundant opportunities for exploring industry-education integration.

Looking forward, the Group will fully capitalize on this historic opportunity by proactively aligning with the national strategy of promoting the high-quality development of vocational education and with Lingang's regional initiative of becoming a "Global Hub of Power (全球動力之城)". We will intensify our efforts in integration, internationalization and digitalization strategy, deepen the construction of modern vocational education system, and cultivate more high-quality technical and skilled talents. Meanwhile, the Group will keep abreast of the latest policies and development trends of industry-education integration, deeply align industry needs with educational and teaching rules, promote the deep integration of teaching scenarios and production practices, accelerate the transformation to an industry-education integration university, and strive to build our University into a first-class private university in China with more unique features and international standing and a long-distance runner for the high-quality development of higher education in China.

FINANCIAL REVIEW

Revenue

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

For the six months ended 30 June 2026, the Group's revenue was approximately RMB569.2 million, representing an increase of approximately RMB35.1 million, or 6.6%, as compared with the corresponding period of last year, which was mainly due to (i) the increase in the revenue derived from tuition fees and boarding fees by approximately RMB28.4 million, or 5.4%. Such an increase was mainly due to the growth in average tuition and boarding fees per student during the Reporting Period, and (ii) the increase in revenue from education related and training services and other services by approximately RMB6.7 million, or 67.2% during the Reporting Period.

Cost of Sales

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

For the six months ended 30 June 2026, the Group's cost of sales amounted to approximately RMB214.9 million, which remained stable compared with the last year.

Gross Profit and Gross Profit Margin

The Group's gross profit represents our revenue less cost of sales. The Group's gross profit increased by approximately RMB37.1 million, or 11.7%, from approximately RMB317.2 million for the six months ended 30 June 2025 to approximately RMB354.3 million for the six months ended 30 June 2026.

The Group's gross profit margin represents the Group's gross profit as a percentage of its revenue. For the six months ended 30 June 2026, the Group achieved a gross margin of 62.2% up by 2.8 percentage points as compared to corresponding period of last year. The increase was mainly attributable to revenue growth from tuition fees and boarding fees, as such growth was driven by higher average tuition and boarding fees.

Other Income and Gains

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

The Group's other income and gains decreased by RMB1.0 million, or 5.7%, from RMB17.0 million for the six months ended 30 June 2025 to RMB16.0 million for the six months ended 30 June 2026, which was mainly due to the combined effects of (i) the increase in government grants amounting to RMB1.7 million, (ii) the decrease of other interest income from financial assets at fair value through profit or loss amounting to approximately RMB2.3 million and (iii) the decrease of bank interest income amounting to RMB0.5 million during the Reporting Period.

Selling and Distribution Expenses

The Group's selling and distribution expenses primarily consist of expenses incurred for relevant advertising of our University, labour costs, the cost of promotional brochures, transportation expenses, telecommunication expenses, business entertainment expenses and other expenses.

The Group's selling and distribution expenses increased by approximately RMB0.6 million, or 55.8%, from approximately RMB1.2 million for the six months ended 30 June 2025 to approximately RMB1.8 million for the six months ended 30 June 2026, which was mainly due to the increase of labour costs and travelling expenses for strengthening the enrolment promotion during the Reporting Period.

Administrative Expenses

The Group's administrative expenses consisted of salary expenses for administrative staff, logistic expenses, depreciation of vehicle and equipment for administrative purposes, professional service expenses, travel expenses, entertainment expenses, office expenses, and others.

The Group's administrative expenses increased by RMB20.6 million, or 19.8%, from RMB104.5 million for the six months ended 30 June 2025 to RMB125.1 million for the six months ended 30 June 2026, which was primarily due to (i) the increase in logistic expenses by approximately RMB23.4 million, or 142.8%, from approximately RMB16.4 million for the six months ended 30 June 2025 to approximately RMB39.8 million for the six months ended 30 June 2026, mainly as a result of the Group's upgrading and renovation of existing campus premises,(ii) the increase in office expenses and professional service expenses amounting to approximately RMB4.1 million during the Reporting Period, and (iii) the decrease in salary expenses by approximately RMB7.4 million, or 9.8%, as the Group adopted staff cost-control measures.

Finance Cost

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

Finance costs decreased by RMB9.0 million, or 69.0%, from RMB13.0 million for the six months ended 30 June 2025 to RMB4.0 million for the six months ended 30 June 2026, which was primarily due to the scale of interest-bearing borrowings of our Group decreased from approximately RMB827.3 million as at 30 June 2025 to RMB276.7 million as at 30 June 2026 as the result of early repayment of most of long-term interest-bearing bank borrowings during the fourth quarter of 2025.

Profit Before Tax

For the six months ended 30 June 2026, the Group recorded a profit before tax of approximately RMB237.0 million, representing the increase of approximately RMB24.7 million from approximately RMB212.3 million for the corresponding period of prior year.

Income Tax Expense

For the six months ended 30 June 2026, the Group's income tax expense was approximately RMB58.4 million, which was mainly due to the increase of the profit before tax during the Reporting Period.

Liquidity and Capital Resources

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

Treasury Policy

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

Property, Plant and Equipment

As at 30 June 2026, the Group's property, plant and equipment amounted to approximately RMB2,352.9 million, representing an decrease of approximately RMB45.5 million, or 1.9%, as compared to the balance as at 31 December 2025, which was primarily due to limited asset additions insufficient to offset depreciation charges, as no new campus building construction works were carried out at existing campuses during the Reporting Period.

Cash and Cash Balances and Time Deposits

As at 30 June 2026, the Group's cash and cash balances and time deposits were approximately RMB167.4 million, representing a decrease of approximately RMB224.6 million, or 57.3%, as compared to the balance as at 31 December 2025. The decrease was mainly as the effect of seasonality as our University typically receives most of our tuition fees and boarding fees from students in the second half of the year while our University still needs to pay staff salaries, utility expenses and the capital expenditure in the first half of the year to support its operation.

Bank Borrowings

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

We primarily borrowed loans from banks and financial institutions to supplement our working capital and finance our capital expenditure. Our bank borrowings amounting an aggregate of approximately RMB276.7 million as at 30 June 2026 (31 December 2025: approximately RMB280.4 million) were all denominated in Renminbi. As at 30 June 2026, our bank borrowings bore effective interest rate was 2.84% per annum.The following table sets forth the maturity profile of the interest-bearing bank and other borrowings as of the dates indicated:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Analysed into:		
Repayable within one year	**23,650**	30,000
Repayable in the second year	**27,650**	26,500
Repayable in the third to fifth year, inclusive	**176,243**	169,793
Repayable beyond five years	**49,122**	54,122
	253,015	250,415
	276,665	280,415

Capital Expenditure

Capital expenditures during the Reporting Period primarily related to the procurement of teaching facilities and equipment and the maintenance and upgrading existing school premises for the University. For the six months ended 30 June 2026, the Group's capital expenditures were RMB44.5 million.

Contractual Commitments

The Group had no contractual commitment as at 30 June 2026 and 31 December 2025.

Contingent Liabilities

As at 30 June 2026, the Group did not have any significant contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened.

Gearing Ratio

As at 30 June 2026, the gearing ratio of the Group was 0.1, which remains stable compared with the gearing ratio for the same period of prior year.

Foreign Exchange Risk Management

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

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

There were no significant investments held as at 30 June 2026, nor other material acquisitions and disposals of subsidiaries and associated companies. Save as disclosed in this interim report, as at 30 June 2026, our Group did not have any immediate plans for material investments and capital assets.

Pledge of Assets

As at 30 June 2026, the balance of secured bank borrowings of the Group was RMB276.7 million, of which RMB107.8 million was secured by the Group's rights over tuition fees and boarding fees, and the other was secured by the charging right of the talent center in the phase four of the campus construction.

Employees and Remuneration Policy

As at 30 June 2026, our Group had 1,850 full-time employees (30 June 2025: 1,896 employees), the remuneration policy and package of the Group's employees are periodically reviewed in accordance with industry practice and result performance of the Group. The Group provides external and internal training programs to its employees. The Group participates in various employee social security plans for its employees that are administered by local governments, including housing, pension, medical insurance, occupational injury insurance, maternity insurance and unemployment insurance. The total remuneration cost incurred by the Group for the six months ended 30 June 2026 was RMB193.4 million (30 June 2025: RMB191.8 million).

OTHER INFORMATION

EVENTS AFTER THE REPORTING PERIOD

On 31 August 2026, the Board has resolved to recommend the payment of an interim dividend of HK$0.04 per ordinary share for the six months ended 30 June 2026 to the shareholders whose names appear on the register of members of the Company on Friday, 9 October 2026.

INTERIM DIVIDEND

On 31 August 2026, the Board has resolved the payment of an interim dividend of HK$0.04 per ordinary share of the Company for the six months ended 30 June 2026 (for the six months ended 30 June 2025: HK$0.10 per ordinary share). The 2026 Interim Dividend is intended to be paid out of the share premium of the Company.

The 2026 Interim Dividend will be payable on or around Friday, 23 October 2026 to the shareholders whose names appear on the register of members of the Company on Friday, 9 October 2026.

CLOSURE OF THE REGISTER OF MEMBERS

For determining the entitlement of the shareholders of the Company to receive the 2026 Interim Dividend, the register of members of the Company will be closed on Friday, 9 October 2026, during which period no transfer of Shares will be registered. The record date for entitlement to the 2026 Interim Dividend is Friday, 9 October 2026. In order to be qualified for the entitlement to receive the 2026 Interim Dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Thursday, 8 October 2026.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any other listed securities of the Company (including treasury shares as defined in the Listing Rules) during the six months ended 30 June 2026. As at 30 June 2026, the Company did not hold any treasury shares (as defined in the Listing Rules).

Separately, during the six months ended 30 June 2026, no Shares were purchased by the trustee of the Share Award Scheme pursuant to the terms of the trust deed of the Share Award Scheme.

COMPLIANCE WITH THE CG CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability. The Company has adopted the code provisions under the CG Code as its own code of corporate governance. The Company has complied with all applicable code provisions under the CG Code during the six months ended 30 June 2026. The Board will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries of all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code during the six months ended 30 June 2026.

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

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Audit Committee has reviewed the accounting principles and practices adopted by the Group. The Audit Committee, together with the Board, have reviewed the Group's unaudited interim condensed consolidated financial statements for the six months ended 30 June 2026. The Audit Committee is of the opinion that such financial statements comply with the applicable accounting standards, the Listing Rules and all other applicable legal requirements.

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

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

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

As at 30 June 2026, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix C3 to the Listing Rules were as follows:

I. Interest in Shares or underlying Shares of the Company

Name	Capacity/Nature of interest	Number of Shares	Long/short Position	Approximately Percentage of Shareholding in our Company(4)
Mr. Zhao Donghui	Interest in a controlled corporation(1)	100,000,000	Long position	24.10%
	Person having a security interest in shares(1)(2)	11,778,000	Long position	2.84%
Mr. Ye Qionghai	Beneficial owner	4,728,000	Long position	1.14%
Mr. Zhou Tianming	Interest in a controlled corporation(3)	10,808,000	Long position	2.60%

Notes:

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

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

Name of controlled corporation	Name of controlling person	% control	Direct interest (Y/N)	Long/Short position	Number of Shares
Ai Xin Limited	Mr. Zhao Donghui	100.00	Y	Long position	41,778,000
Changjiu Industrial Group Co., Ltd.	Mr. Zhao Donghui	90.00	N	Long position	70,000,000
Shanghai Jiuhao Enterprise Management Consulting Co., Ltd.	Changjiu Industrial Group Co., Ltd.	100.00	N	Long position	70,000,000
Hangzhou Changqi Enterprise Management Consulting Partnership (Limited Partnership)	Shanghai Jiuhao Enterprise Management Consulting Co., Ltd.	0.01	N	Long position	70,000,000
Hangzhou Changqi Enterprise Management Consulting Partnership (Limited Partnership)	Changjiu Industrial Group Co., Ltd.	99.99	N	Long position	70,000,000
Fwin Limited	Hangzhou Changqi Enterprise Management Consulting Partnership (Limited Partnership)	100.00	Y	Long position	70,000,000

(2) As at 30 June 2026, eight shareholders of our Company have pledged a total of 11,778,000 Shares (excluding voting rights and rights to receive income) to Ai Xin Limited. For details of the pledge, please refer to the announcement of our Company dated 11 June 2021.

(3) Mr. Zhou Tianming, the chief executive officer of the Company, is the sole shareholder and the sole director of Kai Tuo Limited and he is therefore deemed to be interested in the 10,808,000 Shares held by Kai Tuo Limited.

(4) The approximately percentage of shareholding in our Company is calculated based on the total number of 415,000,000 shares in issue as at 30 June 2026.

II. Interest in shares of associated corporation of the Company

Name	Name of associated corporation	Capacity/ Nature of interest	Amount of registered share capital (RMB)	Approximate percentage of shareholding
Mr. Zhao Donghui	Jian Qiao Group	Beneficial owner	17,500,000	10.00%
Mr. Zhou Tianming	Jian Qiao Group	Beneficial owner	8,750,000	5.00%

Save as disclosed above, as at 30 June 2026, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

OTHER INFORMATION

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

As at 30 June 2026, to the best knowledge of the Directors, the following persons (other than being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name	Capacity/ Nature of interest	Number of Shares	Long/short Position	Approximately Percentage of Shareholding in our Company(3)
Ai Xin Limited	Beneficial owner(1)	30,000,000	Long position	7.23%
	Person having a security interest in shares(2)	11,778,000	Long position	2.84%
Fwin Limited	Beneficial owner(1)	70,000,000	Long position	16.87%
Hangzhou Changqi Enterprise Management Consulting Partnership (Limited Partnership)	Interest in a controlled corporation(1)	70,000,000	Long position	16.87%
Shanghai Jiuhao Enterprise Management Consulting Co., Ltd.	Interest in a controlled corporation(1)	70,000,000	Long position	16.87%
Changjiu Industrial Group Co., Ltd.	Interest in a controlled corporation(1)	70,000,000	Long position	16.87%
Everone (Hong Kong) Company Limited	Beneficial owner	25,880,000	Long position	6.24%

Notes:

(1) Further information is set out in note (1) on pages 21 and 22 of this interim report.

(2) As at 30 June 2026, eight shareholders of the Company pledged a total of 11,778,000 Shares to Ai Xin Limited. For details of the pledge, please refer to the announcement of the Company dated 11 June 2021.

(3) The approximately percentage of shareholding in our Company is calculated based on the total number of 415,000,000 shares in issue as at 30 June 2026.

Save as disclosed above, as at 30 June 2026, the Directors and the chief executive of the Company were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

SHARE AWARD SCHEME

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

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

Pursuant to the Chapter 17 of the Listing Rules as amended on 1 January 2023, the Company may continue to make grants to directors and employees of the Group under the Share Award Scheme (i) to award existing shares, and (ii) to award new shares using general mandate until the second AGM after 1 January 2023. As at 30 June 2026, the Company has yet to amend the terms of the existing Share Award Scheme.

During the Reporting Period, the Board did not grant, lapse or cancel any awards. During the Reporting Period, no Shares were purchased by the trustee of the Share Award Scheme pursuant to the terms of the trust deed of the Share Award Scheme.

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

SHARE OPTION SCHEME

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

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

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

OTHER INFORMATION

CONTRACTUAL ARRANGEMENTS

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

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

LATEST REGULATORY DEVELOPMENT

There has been no significant update since the publication of the 2025 annual report. Please refer to the 2025 annual report for details of the regulatory updates.

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

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

APPRECIATION

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

On behalf of the Board
Shanghai Gench Education Group Limited
Zhao Donghui
Chairman

Shanghai, China, 31 August 2026

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

	Notes	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
		For the six months ended 30 June	
REVENUE	4	**569,181**	534,054
Cost of sales		**(214,904)**	(216,850)
GROSS PROFIT		**354,277**	317,204
Other income and gains		**16,038**	17,007
Selling and distribution expenses		**(1,841)**	(1,182)
Administrative expenses		**(125,137)**	(104,473)
Impairment losses on financial assets		**(2,232)**	(2,751)
Other expenses		**(30)**	(442)
Finance costs		**(4,040)**	(13,029)
PROFIT BEFORE TAX	5	**237,035**	212,334
Income tax expense	6	**(58,419)**	(50,273)
PROFIT FOR THE PERIOD		**178,616**	162,061
Attributable to:			
Owners of the parent		**178,616**	162,061
		RMB **(Unaudited)**	RMB (Unaudited)
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	8	**0.45**	0.41

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	**178,616**	162,061
OTHER COMPREHENSIVE INCOME		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Translation difference of the financial statements using different presentation currency	**(51)**	(197)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	**(51)**	(197)
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:		
Translation difference of the financial statements using different presentation currency	**(40)**	427
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods	**(40)**	427
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX	**(91)**	230
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**178,525**	162,291
Attributable to:		
Owners of the parent	**178,525**	162,291

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	**2,352,865**	2,398,389
Right-of-use assets		**567,735**	575,730
Other intangible assets		**7,334**	8,607
Investment in a joint venture		**25,650**	6,850
Long-term prepayments and other receivables		**2,557**	4,165
Debt investments at fair value through other comprehensive income		**196,968**	194,849
Equity investments designated at fair value through other comprehensive income		**—**	2,000
Deferred tax assets		**966**	1,055
Total non-current assets		**3,154,075**	3,191,645
CURRENT ASSETS			
Accounts receivable	10	**5,550**	9,039
Prepayments and other receivables		**7,792**	8,501
Financial assets at fair value through profit or loss		**20,021**	55,034
Cash and cash balances and time deposits		**167,429**	392,078
Total current assets		**200,792**	464,652
CURRENT LIABILITIES			
Other payables and accruals		**223,587**	272,158
Interest-bearing bank borrowings		**23,650**	30,000
Lease liabilities		**—**	877
Contract liabilities		**124,448**	551,344
Tax payable		**54,578**	47,564
Deferred income		**9,662**	4,299
Total current liabilities		**435,925**	906,242
NET CURRENT LIABILITIES		**(235,133)**	(441,590)
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,918,942**	2,750,055
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		**253,015**	250,415
Lease liabilities		**881**	909
Deferred income		**4,816**	2,224
Deferred tax liabilities		**10,665**	11,675
Total non-current liabilities		**269,377**	265,223
NET ASSETS		**2,649,565**	2,484,832
EQUITY			
Equity attributable to owners of the parent			
Issued capital	11	**3,677**	3,677
Reserves		**2,645,888**	2,481,155
TOTAL EQUITY		**2,649,565**	2,484,832

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

For the six months ended 30 June 2026

	Attributable to owners of the parent							
	Issued capital RMB'000 Note 11	Share premium* RMB'000	Treasury shares* RMB'000 Note 12	Capital reserve* RMB'000	Statutory surplus reserves* RMB'000	Exchange fluctuation reserve* RMB'000	Retained profits* RMB'000	Total equity RMB'000
As at 1 January 2026 (audited)	3,677	202,747	(84,504)	184,787	283,564	1,069	1,893,492	2,484,832
Profit for the period	—	—	—	—	—	—	178,616	178,616
Other comprehensive loss for the period:								
Exchange differences on translation of the financial statements	—	—	—	—	—	(91)	—	(91)
Total comprehensive income for the period	—	—	—	—	—	(91)	178,616	178,525
2025 final dividend declared	—	(13,792)	—	—	—	—	—	(13,792)
As at 30 June 2026 (unaudited)	3,677	188,955	(84,504)	184,787	283,564	978	2,072,108	2,649,565

* These reserve accounts comprise the consolidated reserves of RMB2,645,888,000 (31 December 2025: RMB2,481,155,000) in the consolidated statement of financial position as at 30 June 2026.

For the six months ended 30 June 2025

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Notes	For the six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**237,035**	212,334
Adjustments for:			
Finance costs		**4,040**	13,029
Interest income		**(466)**	(944)
Fair value gain on financial assets at fair value through profit or loss		**(21)**	(531)
Other interest income from financial assets at fair value through profit or loss		**(597)**	(2,907)
Other interest income from debt investments at fair value through other comprehensive income		**(2,119)**	(1,600)
Government grants released		**(6,258)**	(8,243)
Gain on disposal of items of property, plant and equipment		**—**	(602)
Provision for impairment of accounts receivable	5	**2,232**	2,653
Provision for impairment of other receivables	5	**—**	98
Depreciation of property, plant and equipment	5, 9	**59,784**	57,882
Amortisation of other intangible assets	5	**1,347**	1,135
Depreciation of right-of-use assets	5	**7,995**	7,990
		302,972	280,294
Receipt of government grants		**14,281**	7,928
Decrease/(increase) in prepayments and other receivables		**709**	(179)
Decrease in accounts receivable		**1,257**	3,736
Decrease in other payables and accruals		**(16,833)**	(39,359)
Decrease in contract liabilities		**(426,896)**	(403,517)
Decrease/(increase) in restricted cash		**18,120**	(8)
Cash used in operations		**(106,390)**	(151,105)
Interest received		**466**	944
Tax paid		**(52,326)**	(54,029)
Net cash flows used in operating activities		**(158,250)**	(204,190)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	**(44,469)**	(56,526)
Additions to right-of-use assets	**—**	(330)
Additions to other intangible assets	**(74)**	(1,631)
Proceeds from disposal of items of property, plant and equipment	**3**	639
Increase in other receivables	**—**	(1,020)
Payment for purchases of equity investments designated at fair value through other comprehensive income	**—**	(2,000)
Proceeds from disposal of equity investments designated at fair value through other comprehensive income	**2,000**	—
Investment in a joint venture	**(18,800)**	(7,500)
Payment for purchases of financial assets at fair value through profit or loss	**(69,000)**	(503,000)
Redemption of financial assets at fair value through profit or loss	**124,631**	834,075
Payment for purchases of debt investments at fair value through other comprehensive income	**—**	(60,269)
Receipt of government grants for property, plant and equipment	**19**	1,423
Net cash flows (used in)/generated from investing activities	**(5,690)**	203,861
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease payments including related interests	**(937)**	(878)
New interest-bearing bank borrowings	**—**	23,850
Repayment of interest-bearing bank borrowings	**(3,750)**	(26,501)
Dividends paid	**(13,792)**	(36,613)
Interest paid	**(4,019)**	(13,125)
Net cash flows used in financing activities	**(22,498)**	(53,267)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(186,438)**	(53,596)
Cash and cash equivalents at beginning of period	**350,164**	300,399
Effect of foreign exchange rate changes, net	**(91)**	230
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**163,635**	247,033
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**167,429**	255,410
Time deposits	**—**	30,000
Less: Time deposits with original maturity of more than three months when acquired	**—**	30,000
Restricted cash	**3,794**	8,377
CASH AND CASH EQUIVALENTS AS STATED IN THE INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	**163,635**	247,033

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 8 May 2018 as an exempted company with limited liability under the laws of the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY11111, Cayman Islands.

The Company is an investment holding company. During the period, the Company and its subsidiaries (collectively referred to as the "Group") were principally engaged in providing undergraduate education, junior college education, education related and training services in the Chinese mainland.

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

2.1 Basis of Preparation

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

2.2 Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to IFRS Accounting Standards — Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES — *continued*

2.2 Changes in Accounting Policies and Disclosures — *continued*

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

(a) Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments 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. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.

(b) 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. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(c) *Annual Improvements to IFRS Accounting Standards* — Volume 11 set out narrow scope amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding IFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

The Group principally provides undergraduate education, junior college education, education related and training services in the Chinese mainland.

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

Geographical information

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

Information about major customers

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

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Tuition fees	**478,844**	451,863
Boarding fees	**73,631**	72,202
Education related and training services	**14,468**	8,473
Other services	**2,238**	1,516
Total	**569,181**	534,054

4. REVENUE — *continued*

(i) Disaggregated revenue information

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Recognised over time		
Tuition fees	**478,844**	451,863
Boarding fees	**73,631**	72,202
Education related and training services	**11,858**	6,201
Other services	**2,238**	1,516
Subtotal	**566,571**	531,782
Recognised at a point in time		
Education related and training services	**2,610**	2,272
Total	**569,181**	534,054

(ii) Performance obligations

Tuition fees and boarding fees

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

Education related and training services

Revenues from the canteen management service, delivery service and training service are recognised over time because the customers simultaneously receive and consume the benefits provided by the Group. Revenues from the examination service and scientific research service are recognised at the point in time when the services are rendered.

5. PROFIT BEFORE TAX

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

	Note	For the six months ended 30 June **2026** **RMB'000** **(Unaudited)**	2025 RMB'000 (Unaudited)
Cost of services provided		**214,904**	216,850
Employee benefit expense* (including Directors' and chief executive's remuneration):			
Wages, salaries and other allowances		**156,346**	159,577
Pension scheme contributions and social welfare		**37,078**	32,266
Total		**193,424**	191,843
Depreciation of property, plant and equipment*	9	**59,784**	57,882
Depreciation of right-of-use assets*		**7,995**	7,990
Amortisation of other intangible assets*		**1,347**	1,135
Impairment of financial assets, net			
Impairment of accounts receivable, net		**2,232**	2,653
Impairment of other receivables, net		**—**	98

* The depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of other intangible assets and employee benefit expense of RMB59,221,000 (six months ended 30 June 2025: RMB57,319,000), RMB7,639,000 (six months ended 30 June 2025: RMB7,636,000), RMB1,073,000 (six months ended 30 June 2025: RMB871,000) and RMB125,162,000 (six months ended 30 June 2025: RMB116,460,000) for the six months ended 30 June 2026, respectively, are recorded in "Cost of sales" in profit or loss.

6. INCOME TAX

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

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

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

6. INCOME TAX — *continued*

All of the Group's subsidiaries operating in the Chinese mainland were subject to the corporate income tax ("CIT") rate of 25% during the period, except for Wangting Education Technology (Shanghai) Limited ("Gench WFOE"). In accordance with the requirements of the tax regulations in the Chinese mainland, Gench WFOE applied for the "High and New Technology Enterprise" qualification and obtained the certificate on 4 December 2020. The certificate was effective for three years from 1 January 2020. Gench WFOE re-applied "High and New Technology Enterprise" qualification and obtained the certification on 15 November 2023 which is effective for another three years from 15 November 2023. Gench WFOE is scheduled to reapply for HNTE certification, with the recertification review expected to be concluded in 2026.

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

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current	**59,340**	48,879
Deferred	**(921)**	1,394
Total tax charge for the period	**58,419**	50,273

7. DIVIDENDS

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Final declared and paid — HK$0.04 (six months ended 30 June 2025: HK$0.10) per ordinary share	**13,792**	36,613

A final dividend of HK$0.04 per share in respect of the year ended 31 December 2025 has been proposed by the Board and was approved by the shareholders at the annual general meeting of the Company on 8 May 2026. The Board has resolved to declare an interim dividend of HK$0.04 per share for the six months ended 30 June 2026 (six months ended 30 June 2025: HK$0.10).

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

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent of RMB178,616,000 (six months ended 30 June 2025: RMB162,061,000), and the weighted average number of ordinary shares of 394,500,000 (six months ended 30 June 2025: 394,500,000) outstanding during the period. The number of shares for the six months ended 30 June 2026 has been arrived at after eliminating the treasury shares.

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2026 and 2025.

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

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	**178,616**	162,061

	Number of shares	
	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares used in the basic and diluted earnings per share calculation	**394,500,000**	394,500,000

The calculations of the weighted average number of ordinary shares have taken into account the effect of treasury shares.

9. PROPERTY, PLANT AND EQUIPMENT

	30 June 2026
	RMB'000
	(Unaudited)
At 1 January 2026 (audited)	**2,398,389**
Additions	**14,263**
Disposals	**(3)**
Depreciation provided during the period	**(59,784)**
At 30 June 2026 (unaudited)	**2,352,865**

As at 30 June 2026, the original cost of the Group's property, plant and equipment of RMB237,473,000 (31 December 2025: RMB237,387,000) was netted off by the government grants received.

10. ACCOUNTS RECEIVABLE

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

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Accounts receivable:		
Within 1 year	**4,488**	7,350
1 to 2 years	**908**	1,285
2 to 3 years	**154**	359
Over 3 years	**—**	45
Total	**5,550**	9,039

11. SHARE CAPITAL

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Number of ordinary shares		
Authorised:		
Ordinary shares of HK$0.01 each	**500,000,000**	500,000,000
Issued and fully paid:		
Ordinary shares of HK$0.01 each	**415,000,000**	415,000,000

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Authorised:		
Ordinary shares of HK$0.01 each	**4,462**	4,462
Issued and fully paid:		
Ordinary shares of HK$0.01 each	**3,677**	3,677

12. SHARE AWARD SCHEME

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

Subject to any early termination as may be determined by the Board pursuant to rules of the Share Award Scheme (the "Scheme Rules"), the Share Award Scheme shall be valid and effective from 11 December 2020 for 10 years or the earlier of the date for the last batch of shares granted to the Eligible Participant has been vested with the shares transferred to the Eligible Participants or has lapsed.

The Share Award Scheme are subject to the administration of the Board in accordance with the Scheme Rules and the terms of the trust deed (the "Trust Deed") which was entered into between the Company as settlor and the trustee on 11 December 2020.

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

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

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

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

12. SHARE AWARD SCHEME — *continued*

A summary of movements in the Company's treasury share is as follows.

	Number of treasury shares	Total RMB'000
At 31 December 2025 and 1 January 2026 (audited)	20,500,000	84,504
Purchased and withheld	—	—
At 30 June 2026 (unaudited)	**20,500,000**	**84,504**

As at 30 June 2026, 20,500,000 of the Company's treasury shares* were held by a trustee and will be granted to the Eligible Participant under Share Award Scheme. Since 11 December 2020 and up to the date of approval of these financial statements, the Board neither granted, lapsed or cancelled any awards.

* The treasury shares held by the trustee for the benefit of grantees under the Share Award Scheme are not treasury shares as defined under the Listing Rules.

13. RELATED PARTY TRANSACTIONS

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

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Short-term employee benefits	**2,826**	3,321
Pension scheme contributions	**347**	343
Total compensation paid to key management personnel	**3,173**	3,664

14. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

	Carrying amounts		Fair values	
	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)	**30 June 2026 RMB'000 (Unaudited)**	31 December 2025 RMB'000 (Audited)
Financial assets				
Financial assets at fair value through profit or loss	**20,021**	55,034	**20,021**	55,034
Debt investments at fair value through other comprehensive income	**196,968**	194,849	**196,968**	194,849
Equity investments designated at fair value through other comprehensive income	**—**	2,000	**—**	2,000
Total	**216,989**	251,883	**216,989**	251,883

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

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

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

The fair values of unlisted equity investments designated at fair value through other comprehensive income have been estimated using recent transaction price.

Management has assessed that the fair values of interest-bearing bank borrowings of the Group approximate to their carrying amounts due to their floating interest rates.

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

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

Fair value hierarchy

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

Assets measured at fair value:

As at 30 June 2026

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Financial assets at fair value through profit or loss	—	20,021	—	20,021
Debt investments at fair value through other comprehensive income	—	196,968	—	196,968
Total	—	216,989	—	216,989

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	Total RMB'000 (Audited)
Financial assets at fair value through profit or loss	—	55,034	—	55,034
Debt investments at fair value through other comprehensive income	—	194,849	—	194,849
Equity investments designated at fair value through other comprehensive income	—	2,000	—	2,000
Total	—	251,883	—	251,883

15. EVENTS AFTER THE REPORTING PERIOD

On 31 August 2026, the Company has resolved to recommend the payment of an interim dividend of HK$0.04 per ordinary share for the six months ended 30 June 2026 to the shareholders whose names appear on the register of members of the Company on 9 October 2026.

16. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed financial information was approved and authorised for issue by the Board on 31 August 2026.

DEFINITION

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

"2016 Decision"	the Decision on Amending the Law for Promoting Private Education of the PRC (《關於修改〈中華人民共和國民辦教育促進法〉的決定》) approved by the Standing Committee of the National People's Congress on November 2016, which took effect on 1 September 2017
"affiliate(s)"	with respect to any specific person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"associate(s)"	has the meaning ascribed thereto in the Listing Rules
"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors of the Company
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"China" or "PRC"	for the purpose of this interim report, the People's Republic of China, other than the regions of Hong Kong, the Macau Special Administrative Region and Taiwan, China
"Company"	Shanghai Gench Education Group Limited
"Contractual Arrangements"	the framework of contractual arrangements adopted by the Company as described in the Prospectus and, where appropriate, include such minor updates as described in the announcements of the Company dated 20 January 2021, 24 June 2022, 6 January 2023, 9 June 2023 and 16 July 2024
"Director(s)"	the director(s) of the Company
"Group", "we" or "us"	the Company, its subsidiaries and New PRC Affiliated Entities from time to time, or, where the context so requires in respect of the period before the Company became the holding company of our present subsidiaries, the entities which carried on the business of the present Group at the relevant time
"HK$" or "Hong Kong dollar(s)"	Hong Kong dollars respectively, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Jian Qiao Group"	Shanghai Jian Qiao (Group) Limited* (上海建橋(集團)有限公司), a limited liability company established under the laws of the PRC on 7 November 2000, which is owned by the New Registered Shareholders. It is an affiliated entity of the Company
"Jian Qiao Investment"	Shanghai Jian Qiao Investment and Development Limited* (上海建橋投資發展有限公司), a limited liability company established under the laws of the PRC on 3 August 1999, which is wholly owned by Jian Qiao Group. It is an affiliated entity of the Company
"Jian Qiao University Company"	Shanghai Jian Qiao University Co., Ltd.* (上海建橋學院有限責任公司), a limited liability company established under the laws of the PRC on 28 September 2020, of which the equity interest is owned as to 90% by Jian Qiao Group and as to 10% by Jian Qiao Investment. It is an affiliated entity of the Company
"Listing"	the listing of our Shares on the Main Board of the Stock Exchange
"Listing Date"	16 January 2020, since which our Shares have been listed on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
"Model Code"	the Model code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"New Registered Shareholder(s)"	shareholder(s) of Jian Qiao Group, namely, Mr. Zhou Xingzeng, Mr. Zheng Xiangzhan, Mr. Zhao Donghui, Mr. Shi Yinjie, Mr. Jin Yinkuan, Mr. Chen Shengfang, Mr. Chen Zhiyong, Mr. Zhou Tianming, Mr. Bao Jianmin, Mr. Wang Hualin, Mr. Wang Chengguang, Mr. Chen Minghai, Mr. Chen Shengcai, Ms. Huang Chunlan and Mr. Zheng Juxing
"Nomination Committee"	the nomination committee of the Company
"New PRC Affiliated Entities"	collectively, Jian Qiao University Company and the School Holders, each an affiliated entity of the Company
"PRC Legal Advisors"	Commerce & Finance Law Offices, our legal advisors as to the laws of the PRC
"Prospectus"	the prospectus of the Company dated 31 December 2019

"Remuneration Committee"	the remuneration committee of the Company
"Reporting Period"	the six months ended 30 June 2026
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"School Holders"	the shareholders of Jian Qiao University Company, namely, Jian Qiao Group and Jian Qiao Investment
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and supplemented from time to time
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Share Award Scheme"	the share award scheme adopted by the Company on 11 December 2020
"Share Option Scheme"	the share option scheme adopted by the Company on 19 December 2019
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules. For the avoidance of doubt, the subsidiaries of the Company include the School Holders and our University
"Substantial Shareholders"	has the meaning ascribed to it under the Listing Rules
"University", "our University", or "Shanghai Jian Qiao University"	a university in the PRC operated as a private non-enterprise unit under the name of "Shanghai Jian Qiao University" (上海建橋學院) from 28 June 2000 to 9 August 2021 and as a limited liability company under the name of "Shanghai Jian Qiao University Co., Ltd."* (上海建橋學院有限責任公司) since 10 August 2021, with the short name of "Shanghai Jian Qiao University" (上海建橋學院) in the relevant private school operating permit
"Yangtze River Delta"	comprises Jiangsu, Zhejiang, Anhui and Shanghai in the PRC
"%"	Percent

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