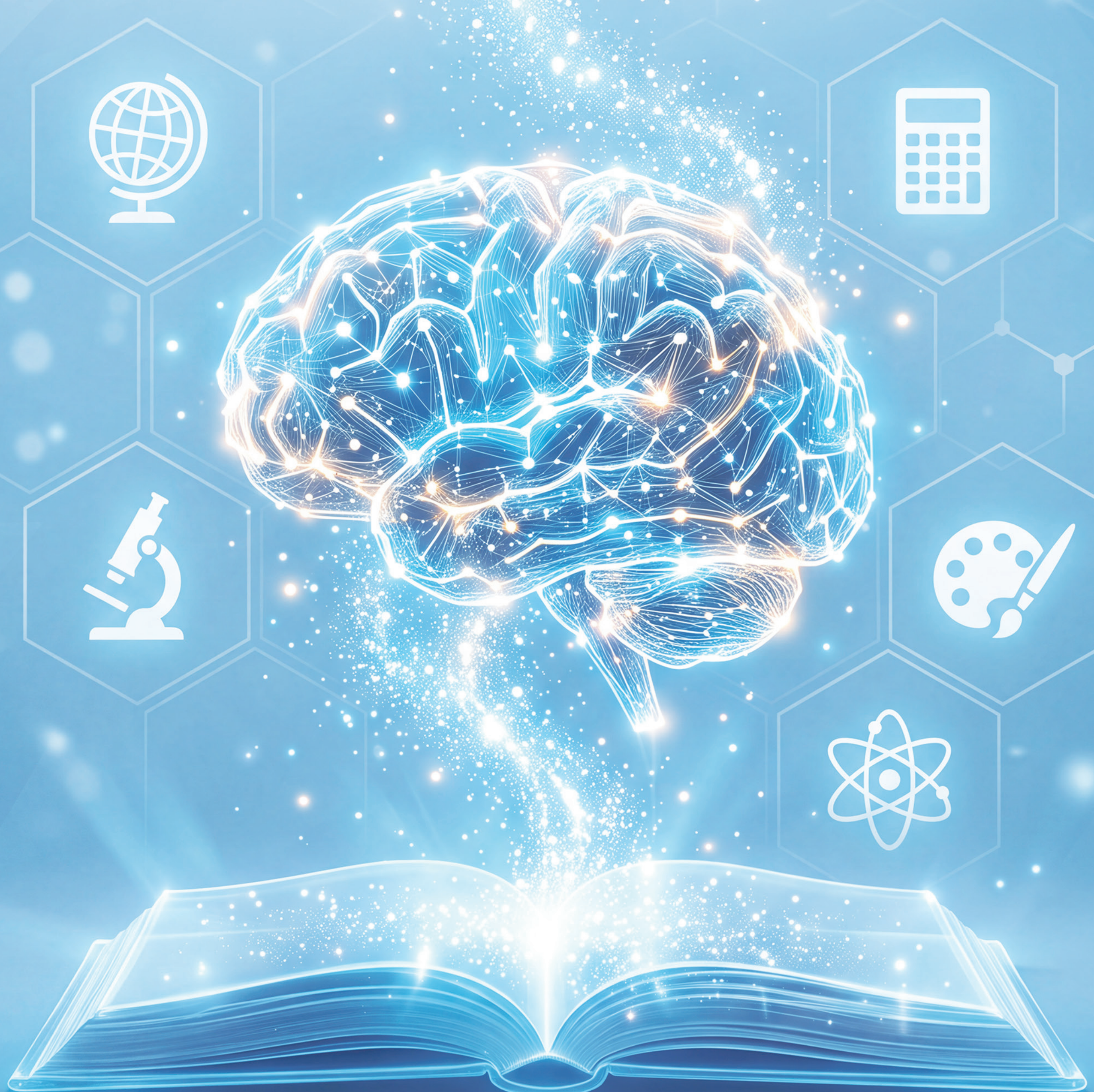
粉筆有限公司

Fenbi Ltd.

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2469



2026
Interim Report

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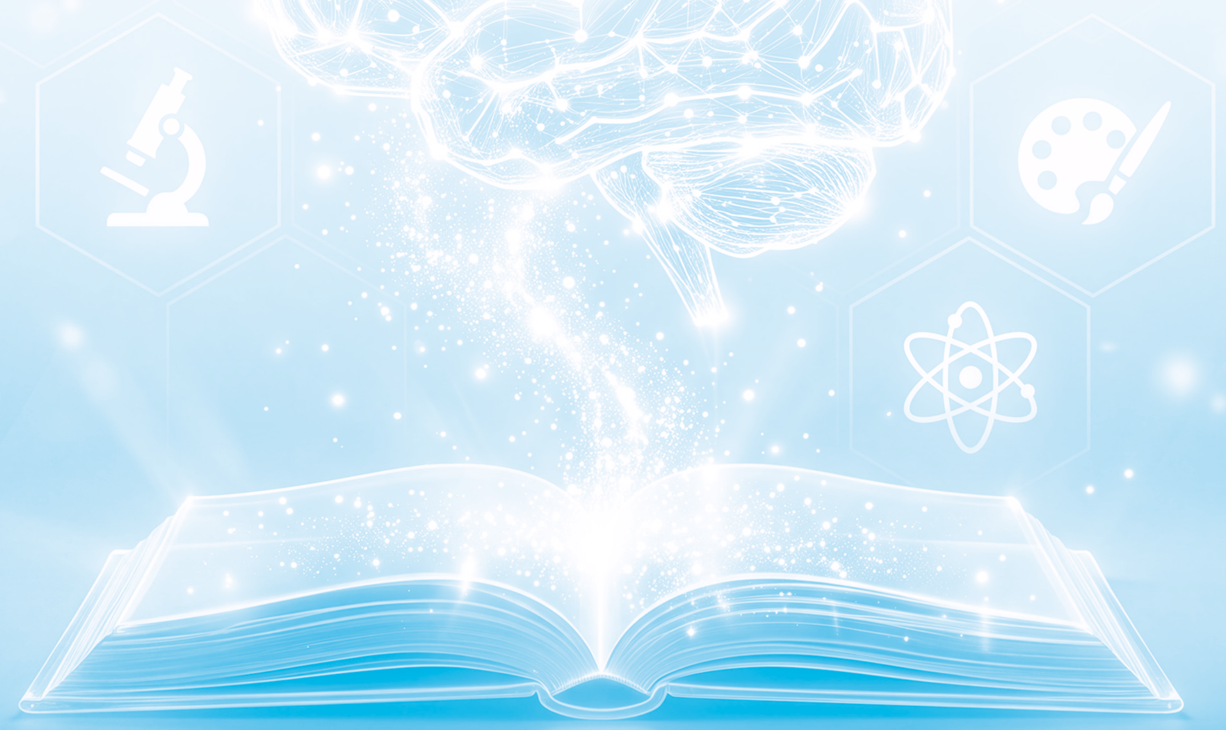

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Ms. SHENG Haiyan *(Chairlady and Chief Executive Officer)* *(appointed on July 8, 2026)*
Mr. LUO Chengxing *(appointed on September 4, 2026)*
Mr. ZHOU Xiang *(appointed on September 4, 2026)*
Mr. ZHANG Xiaolong *(Chairman and Chief Executive Officer)* *(resigned on July 8, 2026)*
Mr. WEI Liang *(resigned on April 1, 2026)*

Non-executive Directors

Mr. WU Zhenggao *(appointed on January 9, 2026)*
Mr. WEI Liang *(appointed on August 21, 2026)*

Independent Non-executive Directors

Mr. QIU Dongxiao Larry
Mr. YUEN Kai Yiu Kelvin
Ms. YUAN Jia

AUDIT COMMITTEE

Mr. YUEN Kai Yiu Kelvin *(Chairman)*
Mr. QIU Dongxiao Larry
Ms. YUAN Jia

REMUNERATION COMMITTEE

Mr. QIU Dongxiao Larry *(Chairman)*
Ms. SHENG Haiyan *(appointed on July 8, 2026)*
Mr. YUEN Kai Yiu Kelvin
Ms. YUAN Jia
Mr. WEI Liang *(resigned on April 1, 2026)*
Mr. ZHANG Xiaolong *(resigned on July 8, 2026)*

NOMINATION COMMITTEE

Ms. SHENG Haiyan *(Chairlady) (appointed on July 8, 2026)*
Mr. QIU Dongxiao Larry
Mr. YUEN Kai Yiu Kelvin
Ms. YUAN Jia
Mr. WEI Liang *(resigned on April 1, 2026)*
Mr. ZHANG Xiaolong *(Chairman) (resigned on July 8, 2026)*

JOINT COMPANY SECRETARIES

Ms. WANG Tao
Ms. LEUNG Hoi Yan

AUTHORIZED REPRESENTATIVES

Ms. SHENG Haiyan *(appointed on July 8, 2026)*
Mr. ZHANG Xiaolong *(appointed on April 2, 2026, resigned on July 8, 2026)*
Mr. WEI Liang *(resigned on April 1, 2026)*
Ms. WANG Tao

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants and
Registered Public Interest Entity Auditor
22/F, Prince's Building, Central
Hong Kong

REGISTERED OFFICE

190 Elgin Avenue
George Town
Grand Cayman KY1-9008
Cayman Islands

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Walkers Corporate Limited
190 Elgin Avenue
George Town
Grand Cayman KY1-9008
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East, Wan Chai
Hong Kong

CORPORATE HEADQUARTERS

1–6/F, Building 103, No. 10 Courtyard
Jiuxianqiao North Road
Chaoyang District
Beijing, PRC

PRINCIPAL BANKS

China Merchants Bank, Beijing Branch
The Hongkong and Shanghai Banking Corporation Limited HK Office CVC Branch
China CITIC Bank, Beijing Branch

HONG KONG LEGAL ADVISER

Han Kun Law Offices LLP
Rooms 4301-10, 43/F, Gloucester Tower
The Landmark, 15 Queen's Road Central
Hong Kong

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

46/F, Hopewell Centre
183 Queen's Road East, Wan Chai
Hong Kong

WEBSITE

www.fenbi.com

STOCK CODE

2469

Results Highlights

Financial Results

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue	**1,248,320**	1,491,952
Gross profit	**522,172**	805,748
Net (loss)/profit for the period	**(183,544)**	226,651
Adjusted net (loss)/profit (non-IFRS measure) *Note*	**(158,392)**	271,459

Note: We define adjusted net (loss)/profit (non-IFRS measure) as profit/(loss) for the period adjusted by share-based payments.

Operating Information

	As of/for the six months ended June 30, 2026	As of/for the year ended December 31, 2025	As of/for the six months ended June 30, 2025
Employees	**5,963**	7,005	7,053
Full-time instructors	**2,154**	2,870	2,784
Other staff	**3,809**	4,135	4,269
Average monthly active users	**8.5 million**	9.1 million	9.3 million

BUSINESS OVERVIEW

We are a non-formal vocational education and training ("**VET**") service provider in China, dedicated to making high-quality non-formal VET services accessible through technology and innovation. As a leading career test preparation service provider in China, we provide a comprehensive suite of recruitment and qualification examination tutoring courses for adult students pursuing careers in government-sponsored institutions and a number of professions and industries. We help college graduates excel in the competitive selection process administered by governmental institutions, and help professionals obtain the relevant qualifications. Most importantly, we help our students advance their personal development and fulfill their own potentials. Leveraging our high-quality tutoring services, comprehensive course offerings and student-centric teaching philosophy, we have successfully established "Fenbi" amid the most recognized brands in China's career test preparation industry.

We have followed an integrated approach to develop a comprehensive portfolio of career test preparation products and services that generate significant synergies. We deliver our tutoring services through omni-channels. Leveraging our online business strengths and the capability to integrate offline teaching resources, we have developed an advanced portfolio of course offerings:

- ***Online learning products.*** Online learning products include membership packages and challenge exercises. We offer members access to exam notes and tutorial videos for explaining exercises, news updates, hot topics, exercise sets, and course materials on the Fenbi online platform. The monthly price for membership packages of major subjects is generally between RMB20 and RMB70, based on the benefits and duration of the membership. The challenge exercises are generally priced between RMB99 and RMB598. Our system recommends different sets of exercises to students based on their areas of improvement and suitable difficulty level, which they can "pass through" one by one as they progress in the learning process. Students who achieve the target score within a prescribed period will be granted a partial or full refund of the purchase price. During the six months ended June 30, 2026, revenue generated from the online learning products amounted to approximately RMB40.3 million.

- ***Large-class tutoring courses.*** Large-class tutoring courses are fully online live tutoring courses, mainly comprising systematic courses. They feature high-caliber instructors and well-designed curricula, and provide systematic knowledge explanations and relevant exercises to empower students throughout their examination preparation process. Our online large-class tutoring courses typically have over 1,000 students, with teaching durations ranging from 30 to 90 days, and are generally priced between RMB300 and RMB1,280 per course. Last year, we launched the industry's first innovative AI-empowered Exam Drilling System Class (AI 刷題系統班). Based on Fenbi's self-developed domain-specific large model, the course can accurately diagnose each student's learning status, assess each student's learning outcomes, provide personalized course plans and review plans, dynamically adjust learning paths, and provide heuristic Q&A support. Adopting a dual-teacher model of "Distinguished Teachers + AI Digital Humans (名師+AI數字人)", the course enables personalized and efficient examination preparation for more students. The new AI-empowered learning model overcomes the limitations of traditional teaching, under which students could only learn passively and follow routines. The new model allows students to conduct targeted revision based on their individual weaknesses. Each AI course student benefits from AI-driven personalized analysis, significantly enhancing learning efficiency. During the six months ended June 30, 2026, revenue generated from the large-class tutoring courses amounted to approximately RMB201.8 million, of which the AI-empowered Exam Drilling System Class contributed RMB42.2 million, becoming a core growth highlight of the large-class tutoring courses.

- ***Small-class tutoring sessions.*** Small-class tutoring sessions are primarily conducted online or through an integrated online and offline teaching model. Our written test classes for major subjects typically have 30 to 60 students, with tutoring durations ranging from 30 to 120 days. The written test classes for public-sector recruitment examinations are generally priced over RMB7,000 per course. Our interview test classes for major subjects typically have 8 to 12 students, with tutoring durations ranging from 5 to 15 days. The interview test classes for public-sector recruitment examinations are generally priced over RMB8,000 per course. Our small-class tutoring sessions offer personalized tutoring services for students, utilizing the internet to effectively manage the quality of our teaching staff and their teaching performance, ensuring consistent teaching results across different classes and thereby gradually achieving brand recognition for our course products. Leveraging our proprietary technology and extensive learning behavior data, our online learning system tracks students' learning paths and provides real-time feedback on their weaknesses, significantly enhancing the teaching efficiency of teachers, and providing each student with personalized and targeted holistic learning solutions based on the continuously accumulated relevant data. During the six months ended June 30, 2026, revenue generated from the above small-class tutoring sessions amounted to approximately RMB813.3 million.

- ***Other tutoring courses.*** Other tutoring courses include special tutoring courses and promotional courses. Last year, we launched innovative AI-specific courses, including AI interview evaluation for state-owned enterprise recruitment and AI interview evaluation for teacher certification. Leveraging multimodal technology and a sample dataset of over 400,000 users, these courses provide multi-dimensional intelligent scoring and visualized feedback, effectively addressing the timeliness and standardization challenges of manual evaluation. To date, revenue generated from other tutoring courses during the six months ended June 30, 2026 amounted to approximately RMB13.2 million, effectively expanding our technology service scenarios.

We operate a scalable business benefiting from our solid online presence, in-depth empowerment by self-developed AI technologies and the significant synergies achieved through an innovative online-merge-offline model. We are the first internet-born recruitment examination tutoring service provider that integrated offline resources and achieved economies of scale in omni-channels to create unique competitive advantages.

OUTLOOK

Looking ahead, we are keenly aware that the external environment facing the recruitment examination tutoring industry is becoming increasingly complex. The number of positions available through certain public-sector recruitment examinations has declined. Students are becoming more cautious in their decisions in spending, while the number of industry participants and product offerings continues to increase. These changes have placed greater pressure on student enrolment, our pricing and operations, and market competition may remain intense in the near future. We will neither shy away from difficulties nor underestimate the challenges, and will carry out our work in a more pragmatic and prudent manner.

As more participants enter the career test preparation market, competition will inevitably intensify. However, this also reflects sustained demand for high-quality vocational education services. We believe that healthy and constructive competition helps drive continuous improvements in course quality, service standards and operational efficiency across the industry, ultimately benefiting students. We respect every peer that is committed to delivering quality products and services, are willing to learn, improve and progress through competition, and hope to work with more industry participants to promote a more regulated, transparent and high-quality market.

Regardless of changes in the external environment and competitive landscape, students' demand for high-quality teaching services and positive learning outcomes will remain unchanged. For Fenbi, our foremost priority still lies in teaching research, instruction and services. We will continue to adhere to our student-centric approach and, while maintaining reasonable pricing of our products, improve course quality and service experience, maintain the stability of our core teaching research, teaching staff and service teams, and strive to attract and cultivate outstanding talents. We will neither pursue short-term achievement nor trade product quality for product growth.

In response to a more challenging operating environment, we will direct our limited resources to the most important products and services, further optimize our organizational structure, costs and expenses, and day-to-day operations, and improve decision-making and execution efficiency. In our online learning products business, we will continue to improve product experience and user engagement. For offline and small-class tutoring sessions, we will continue to leverage the synergies among online traffic, high-quality teaching staff and offline teaching settings, improve student enrollment conversion, class operations and teaching staff utilization, and strive to provide students with a more stable and consistent learning experience.

Technology remains an important tool for enhancing teaching and service efficiency. Based on students' actual needs, we will continue to upgrade AI-empowered Exam Drilling System Class, AI interview evaluation and other related features, and explore appropriate applications of AI in learning planning, exercises, Q&A sessions and provision of feedback. To us, AI is not a product concept independent of teaching, but a tool for improving courses and services. Technology must always serve content, teachers and students. We will place greater emphasis on actual learning outcomes, user experience and cost-effectiveness, so that these functions can genuinely help students improve learning efficiency.

The road ahead will not be easy, but Fenbi's development has itself been achieved step by step amid recurring difficulties and competition. We will remain patient and enterprising, confront pressure relating to revenue, costs and efficiency, and continue to deliver every product, class and service with care. We believe that, by remaining grounded in high-quality content, consistent teaching and meticulous services, and by continuously learning and improving through competition, we will be able to better serve our students, steadily enhance our operating quality, and promote the healthy and sustainable development of our Company.

FINANCIAL REVIEW

Revenue

Our revenue decreased by 16.3% from RMB1,492.0 million for the six months ended June 30, 2025 to RMB1,248.3 million for the six months ended June 30, 2026. The following table sets forth a breakdown of our revenue, both in absolute amounts and as a percentage of total revenue, by business line for the periods indicated.

	Six months ended June 30,			
	2026		2025	
	RMB'000	**%**	RMB'000	%
	(Unaudited)		(Unaudited)	
Tutoring services	**1,068,625**	**85.6**	1,294,914	86.8
Sales of books and others	**179,695**	**14.4**	197,038	13.2
Total	**1,248,320**	**100.0**	1,491,952	100.0

- *Tutoring services*. Our revenue generated from tutoring services decreased by 17.5% from RMB1,294.9 million for the six months ended June 30, 2025 to RMB1,068.6 million for the six months ended June 30, 2026, primarily due to declining number of positions available through China's civil service exams, and intensifying competition in the relevant training industry.

- *Sales of books and others*. Revenue generated from sales of books and others was mainly related to (1) standalone sales activities in relation to our textbooks and learning materials through e-commerce platforms or to third-party book sellers, and (2) sales that accompany our tutoring services. Our revenue generated from sales of books and others decreased by 8.8% from RMB197.0 million for the six months ended June 30, 2025 to RMB179.7 million for the six months ended June 30, 2026, primarily due to intensifying market competition.

Cost of revenue

Our cost of revenue increased by 5.8% from RMB686.2 million for the six months ended June 30, 2025 to RMB726.1 million for the six months ended June 30, 2026 for the following reasons.

- *Tutoring services.* Our cost of revenue related to tutoring services increased by 8.6% from RMB552.4 million for the six months ended June 30, 2025 to RMB600.1 million for the six months ended June 30, 2026, primarily due to the severance payment to departing employees as a result of the Group's proactive optimization of personnel structure.

- *Sales of books and others.* Our cost of revenue related to sales of books and others decreased by 5.8% from RMB133.8 million for the six months ended June 30, 2025 to RMB126.0 million for the six months ended June 30, 2026, in line with the decrease in revenue generated from sales of books.

Gross profit and gross profit margin

Our gross profit decreased by 35.2% from RMB805.7 million for the six months ended June 30, 2025 to RMB522.2 million for the six months ended June 30, 2026, and the corresponding gross profit margin decreased from 54.0% to 41.8%. The following table sets forth a breakdown of our gross profit and gross profit margin by business line for the periods indicated.

	Six months ended June 30,			
	2026		2025	
	Gross profit	**Gross profit margin**	Gross profit	Gross profit margin
	RMB'000	**%**	RMB'000	%
	(Unaudited)		(Unaudited)	
Tutoring services	**468,502**	**43.8**	742,507	57.3
Sales of books and others	**53,670**	**29.9**	63,241	32.1
Total	**522,172**	**41.8**	805,748	54.0

- *Tutoring services.* Our gross profit margin for tutoring services decreased by 13.5 percentage points from 57.3% for the six months ended June 30, 2025 to 43.8% for the six months ended June 30, 2026, primarily due to the severance payment to departing employees as a result of the Group's proactive optimization of personnel structure.

- *Sales of books and others.* Our gross profit margin for sales of books and others decreased by 2.2 percentage points from 32.1% for the six months ended June 30, 2025 to 29.9% for the six months ended June 30, 2026, primarily because the revenue attributable to sales of books and others decreased, while the corresponding fixed cost of sales remained comparatively stable.

Administrative expenses

Our administrative expenses increased by 9.3% from RMB182.4 million for the six months ended June 30, 2025 to RMB199.3 million for the six months ended June 30, 2026, primarily due to the bonuses for administrative employees' performance.

Selling and marketing expenses

Our selling and marketing expenses increased by 18.1% from RMB306.3 million for the six months ended June 30, 2025 to RMB361.7 million for the six months ended June 30, 2026, primarily due to (1) the severance payment to departing employees as a result of the Group's proactive optimization of personnel structure, and (2) the increased investment of resources into the commercialization of our AI-related courses.

Research and development expenses

Our research and development expenses increased by 22.8% from RMB107.9 million for the six months ended June 30, 2025 to RMB132.4 million for the six months ended June 30, 2026, primarily due to the increased investment of resources in the development of AI-related courses.

Net impairment losses on financial assets

Our net impairment losses on financial assets decreased by 47.5% from RMB2.3 million for the six months ended June 30, 2025 to RMB1.2 million for the six months ended June 30, 2026, primarily due to a decrease in impairment losses on other receivables.

Other income

Our other income remained relatively stable at RMB8.5 million and RMB8.2 million for the six months ended June 30, 2025 and 2026, respectively.

Other (losses)/gains, net

We recorded other gains, net of RMB3.6 million for the six months ended June 30, 2025, as compared to other losses, net of RMB12.8 million for the six months ended June 30, 2026, primarily due to the investments in ETF products and listed securities.

Finance income, net

Our finance income, net decreased by 39.0% from RMB16.7 million for the six months ended June 30, 2025 to RMB10.2 million for the six months ended June 30, 2026, primarily because the decrease in our funds led to a corresponding decrease in the principal of term deposits, accompanied by a decline in the yield on such deposits compared with the corresponding period in 2025.

(Loss)/profit before income tax

As a result of the foregoing, we recorded loss before income tax of RMB167.6 million for the six months ended June 30, 2026, as compared to profit before income tax of RMB235.7 million for the six months ended June 30, 2025.

Income tax expense

Our income tax expense increased by 75.8% from RMB9.1 million for the six months ended June 30, 2025 to RMB15.9 million for the six months ended June 30, 2026, primarily due to a reversal of deferred income tax assets recognized for the losses carried forward from prior years partially offset by a decrease in the income taxes recorded in the six months ended June 30, 2026.

(Loss)/profit for the period

As a result of the foregoing, we recorded net loss of RMB183.5 million for the six months ended June 30, 2026, representing net loss margin of 14.7%, as compared to net profit of RMB226.7 million for the six months ended June 30, 2025, representing net profit margin of 15.2%.

Non-IFRS measure

To supplement our consolidated financial statements which are presented in accordance with IFRS, we also use adjusted net (loss)/profit as additional financial measures, which are not required by, or presented in accordance with IFRS. We define adjusted net (loss)/profit (non-IFRS measure) as profit/(loss) for the period adjusted by share-based payments. Share-based payments arise from granting options and restricted share units to employees. We exclude share-based payments as such expenses are non-cash in nature and do not result in cash outflows. We believe that the non-IFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain non-cash or non-recurring items that our management does not consider indicative of our operating performance.

The following table reconciles our adjusted net (loss)/profit for the period presented to the most directly comparable financial measure calculated and presented under IFRS.

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
(Loss)/Profit for the period	**(183,544)**	226,651
Add:		
Share-based payments	**25,152**	44,808
Adjusted net (loss)/profit (non-IFRS measure)	**(158,392)**	271,459

Financial assets at fair value through profit or loss

Our financial assets at fair value through profit or loss primarily consisted of our investments in wealth management products, ETF products and listed securities. Our financial assets at fair value through profit or loss increased from RMB132.1 million as of December 31, 2025 to RMB479.2 million as of June 30, 2026. The table below sets forth the details for the wealth management products, ETF products and listed securities as of June 30, 2026:

Name of financial institution/ counterparty	Name of the Product	Nature of the Product	Investment Period	Carrying amount as at June 30, 2026 RMB'000	% of the Group's total assets as at June 30, 2026	Credit Rating	Regulated Financial Institution
China CITIC Bank Beijing Xiaoying North Road Branch (中信銀行北京小營北路支行)	CITIC WM Anyingxiang Fixed Income Stable Profit 7-Day Holding Period No. 100 (信銀理財安盈象固收穩利七天持有期100號理財產品)	Non-guaranteed variable return	2025/4/22- (unredeemed)	10,194	0.6%	A-(S&P)	Yes
China CITIC Bank Beijing Wangjing Branch (中信銀行北京望京支行)	Anyingxiang Fixed Income Stable Profit Closed-End Period No. 756C (安盈象固收穩利封閉式756號C)	Non-guaranteed variable return	2026/1/22- 2026/7/22	1,009	0.1%	A-	Yes
United Overseas Bank Singapore Headquarters (大華銀行新加坡總行)	Bank of Communications (Tokyo) Issued Bonds (交行東京發行債券)	Non-guaranteed variable return	2025/10/28- 2026/9/4	4,053	0.2%	A-	Yes
United Overseas Bank Singapore Headquarters	Industrial and Commercial Bank of China (London) Issued Bonds (工行倫敦發行債券)	Non-guaranteed variable return	2025/10/31- 2026/10/30	16,112	0.9%	AA-	Yes
United Overseas Bank Singapore Headquarters	Bank of China (Hong Kong) Issued Bonds (中銀香港發行債券)	Non-guaranteed variable return	2025/11/12- 2026/11/4	20,790	1.1%	AA-	Yes
Bank Julius Baer & Co. Ltd. Hong Kong	BlackRock ICS US Dollar Liquidity Admin I-ACC	Non-guaranteed variable return	2026/4/29- (unredeemed)	81,448	4.4%	A-	Yes
Bank Julius Baer & Co. Ltd. Hong Kong	PICTET SICAV-PICTET SHORT-TERMMONEY MARKET USD SHS -R-CAF TALISATION	Non-guaranteed variable return	2026/5/11- (unredeemed)	68,437	3.8%	A-	Yes

Name of financial institution/ counterparty	Name of the Product	Nature of the Product	Investment Period	Carrying amount as at June 30, 2026 RMB'000	% of the Group's total assets as at June 30, 2026	Credit Rating	Regulated Financial Institution
Bank Julius Baer & Co. Ltd. Hong Kong	JP MORGAN LIQUIDITY FUNDS SICAV -USD STANDARD MONEY MARKET VNAVFUND SHS -A(ACC,) -CAPITALISATION	Non-guaranteed variable return	2026/5/11- (unredeemed)	68,411	3.7%	A-	Yes
Gulf Line Capital Advisors Limited	Participating Shares in Multi Strategy SP I of GL Capital International Fund SPC- Class E Shares	Non-guaranteed variable return	2026/1/12- (unredeemed)	35,581	1.9%	/	Yes
Gulf Line Capital Advisors Limited	Participating Shares in Multi Strategy SP I of GL Capital International Fund SPC- Class S2 Shares	Non-guaranteed variable return	2025/7/2- (unredeemed)	49,356	2.7%	/	Yes
METIS TECHBIO-P (劑泰科技－P)	METIS TECHBIO-P (劑泰科技－P)	Non-guaranteed variable return	2026/5/12- 2026/7/27	27	0.0%	/	Yes
Tradr ETFs	LITX – TRADR 2X LONG LITE DAILY ETF	Non-guaranteed variable return	2026/6/26- 2026/7/2	8,052	0.4%	/	Yes
Tradr ETFs	SNXX – TRADR 2X LONG SNDK DAILY ETF ("**Sandisk ETF**")	Non-guaranteed variable return	2026/6/26- 2026/7/7	30,685	1.7%	/	Yes
GraniteShares	MULL – GRANITESHARES 2X LONG MU DAILY ETF ("**Micron ETF**")	Non-guaranteed variable return	2026/6/12- 2026/7/7	85,056	4.6%	/	Yes
				479,211	**26.1%**		

To our best knowledge, each of the counterparties listed above is an independent third party.

We made acquisitions of wealth management products and structured deposits in order to preserve the time value of the cash reserves and to fund our business. Having noted that the financial returns from the transactions on wealth management products, structured deposits and short-term notes remained at a low level in recent years and the prosperity of the stock market particularly in AI technology related sectors, and in the context that the unsatisfactory operational results and continuing intense competition in the recruitment examination tutoring industry in the first half of 2026 had brought pressures to our management to put more emphasis on improving utilization efficiency of our Group's working capital, starting from May 2026, we also made investments in ETF products and/or listed securities of public companies in the AI technology related sectors on Chinese Mainland, Hong Kong and U.S. stock markets by utilizing the Group's own available fund during the six months ended June 30, 2026. As of the date of this report, our Group held listed securities of two public companies with an aggregate value of approximately US$5.4 million among its investments measured in FVTPL. Such listed securities were acquired from May to July 2026 and the Group will dispose of such listing securities subject to the market conditions. Save for the foregoing, our Group has no near-term intention of investment in other on-market trade of ETF products or listing securities.

During the Reporting Period, we had followed a set of stringent investment and treasury policies to manage our capital resources and mitigate potential risks involved. We would only use surplus fund to invest in financial products (including wealth management products and structured deposits), short-term notes, ETF products and listed securities. Before making acquisitions, we generally take into consideration a combination of factors, including risk exposure, liquidity, potential returns and whether such investments could diversity of the Company's investment portfolio to minimize risk exposure. Such investments typically consisted of a mix of low-risk products and high-risk products/securities issued by financial institutions and/or listed companies, and were redeemable on demand or within a short period after purchase.

Below is a summary of our internal control procedures in relation to the purchase and redemption of financial products, short-term notes, ETF products and listed securities:

(1) following the approval procedures for the purchase and redemption of financial products and short-term notes as outlined in the Fund Management Measures (資金管理辦法);

(2) assessing the financial products and short-term notes' respective terms, including among others, liquidity, risk and expected return by the Finance Department before submitting them to the chief financial officer for final decision;

(3) following the approval procedures for the purchase and disposal of ETF products and listed securities as outlined in the Securities Investment Management Guideline (證券投資管理指引) of the Company; and

(4) monitoring daily events which may have material impact to the invested ETF products and listed securities by the Investment Department, which reports such events to the executive Director for decision making.

Contract assets

Contract assets primarily represented our right to consideration in relation to our postpaid contractual classes that allow for postponed payment of a portion of the course fees only upon passing the relevant examinations. Our contract assets increased from RMB10.7 million as of December 31, 2025 to RMB54.0 million as of June 30, 2026, primarily due to the cyclical nature of the business that the interview test classes, constituting a higher portion of the postpaid contractual classes, are mostly sold in the first half of the year when the examinations are concentrated.

Other financial assets at amortized cost

Our other financial assets at amortized cost consisted of a short-term note issued by Wanhai Financial Holdings (HK) Limited ("**Wanhai**" or the "**Borrower**"), with guaranteed annual returns of 5.0% per annum for the Reporting Period. Our other financial assets at amortized cost decreased from RMB55.4 million as of December 31, 2025 to RMB47.3 million as of June 30, 2026.

We acquired the short-term note issued by Wanhai, a regulated financial institution and an independent third party, on May 30, 2026, and the investment period for such short-term note was expected to end on May 29, 2027. Historically, the annualized return of the short term notes issued by Wanhai ranged from 4.6% to 5% over the three years ended December 31, 2025 with no default record. The short-term note is unconditionally and irrevocably guaranteed as a primary obligation by Fortune Origin Securities Limited (the "**Guarantor**"). The Borrower and the Guarantor were both incorporated in Hong Kong.

The Company made significant acquisitions of short-term notes in order to improve the efficiency of the Company's idle fund. We would only make acquisitions after taking into consideration a combination of factors, such as liquidity needs, risk, and expected returns of such short-term notes. Please refer to the section headed "Financial Review – Financial Assets at Fair Value through Profit or Loss" in this report for details of the investment and treasury policies adopted by us, and the internal controls implemented over the relevant acquisitions in relation to the short-term note.

We apply the IFRS 9 general approach to measuring expected credit losses for other financial assets at amortized cost. Our Directors consider the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis during the relevant years. To assess whether there is a significant increase in credit risk, we compare the default risk in relation to the assets as at the reporting date with the default risk as at the date of initial recognition. The following indicators are taken into consideration, in particular:

- actual or expected significant adverse changes in business, financial economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;

- actual or expected significant changes in the operating results of the counterparty; and

- significant changes in the expected performance and behavior of the counterparty, including changes in the payment status of the counterparty.

As at the reporting date, we believed that the credit risk on the other financial asset ("**Subject Financial Asset**") had not increased significantly since its initial recognition based on the following credit risk analysis conducted by Asia-Pacific Consulting and Appraisal Limited (the "**Valuer**"), an independent valuer engaged by us:

- *No significant changes of the credit rating of the Borrower:* the Valuer compared the credit ratings of the Subject Financial Asset calculated with Wanhai's historical financial performance and Moody's rating methodology for securities industry, there were no significant changes of the industry rating & scoring table issued by Moody's and the implied credit rating of Wanhai as at the reporting date with that as at the date of initial recognition;

- *Stability of business and financial condition:* based on the recent financial information of the Borrower and Guarantor, no material adverse changes had occurred or were anticipated in their business, financial condition or operating performance; and

- *No history of default or delayed payment:* we had invested in (1) a note instrument issued by the same Borrower with the same Guarantor on August 23, 2023 with an interest rate of 4.6% and a duration of 7 months, all the principal and interest of which were repaid in full upon maturity, and (2) a short-term note issued by the same Borrower with the same Guarantor in May 2024 with an interest of 5.0% and a duration of 12 months, which was renewed in May 2025 with a duration of 12 months. In May 2026, we received the interest payment in relation to the Subject Financial Asset and entered into a supplemental agreement with the Borrower to extend the maturity by one year, with the new maturity date being May 29, 2027.

Based on the analysis above, we believed that there were no significantly increased credit risk of the Subject Financial Asset as of the reporting date, and measured the loss allowance for the Subject Financial Asset based on 12-month expected credit losses. The Valuer adopted probability-weighted default model by considering multiple forward-looking scenarios based on probability of default and loss given default corresponding to the credit rating of the Borrower (calculated by Moody's rating methodology as mentioned above), from Moody's annual default study. Based on the model, the loss allowance ratio of the Subject Financial Asset was calculated to be 1.73%.

Contract liabilities

Our contract liabilities primarily represented prepaid course fees we received from our students for our tutoring services, for which our performance obligation had not been satisfied. Our contract liabilities increased from RMB131.1 million as of December 31, 2025 to RMB267.2 million as of June 30, 2026, primarily due to the seasonal impact of the relevant examinations. As the tutoring services had not yet been delivered, the corresponding prepaid course fees were not recognized as revenue. It is expected that most contract liabilities will be recognized within one year.

Refund liabilities

Our refund liabilities represented primarily the courses fees which we do not expect to be entitled to, including primarily the portion of course fees of our contractual classes for which we expect withdrawals or no-pass refund requests, and to a much lesser extent, the portion of course fees of other non-contractual classes at withdrawal and our online learning products, mainly including the expected refund fees from the challenge exercise product. Our refund liabilities decreased from RMB137.6 million as of December 31, 2025 to RMB98.3 million as of June 30, 2026, primarily because (1) the adjustment to our business development strategy, which resulted in a decrease in the proportion of course fees of no-pass refund for contractual classes, and (2) we made most refunds following the release of exam results during the six months ended June 30, 2026.

Management Discussion and Analysis

Liquidity and capital resources

For the six months ended June 30, 2026, our primary use of cash is to fund the daily operations of our business. We financed our capital expenditures and working capital requirements primarily through cash generated from our operating activities.

We have continued to maintain a healthy and sound financial position and have followed a set of funding and treasury policies to manage our capital resources and mitigate potential risks involved. Our net current assets decreased from RMB934.3 million as of December 31, 2025 to RMB752.4 million as of June 30, 2026, primarily due to the net loss for the six months ended June 30, 2026.

Cash and cash equivalents

Our cash and cash equivalents primarily consisted of bank deposits on demand. Our cash and cash equivalents decreased from RMB869.1 million as of December 31, 2025 to RMB400.9 million as of June 30, 2026, which were mainly used for the investment into wealth management products, ETF products and listed securities during the six months ended June 30, 2026.

The following table sets forth our cash flows for the periods indicated.

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net cash generated from operating activities	**6,864**	213,278
Net cash used in investing activities	**(433,662)**	(155,108)
Net cash used in financing activities	**(25,957)**	(26,626)
Net (decrease)/increase in cash and cash equivalents	**(452,755)**	31,544
Cash and cash equivalents at beginning of the period	**869,141**	945,953
Exchange difference	**(15,438)**	(3,945)
Cash and cash equivalents at the end of the period	**400,948**	973,552

Exposure to exchange rate fluctuation

The functional currency of our subsidiaries in China is Renminbi, while the functional currency of our Company and subsidiaries outside China is U.S. dollar. Foreign exchange risk arises from the fluctuation in exchange where our monetary assets are denominated in currency other than functional currency. We recognized net foreign exchange losses of RMB0.7 million for the six months ended June 30, 2025, compared with net foreign exchange gains RMB0.8 million for the six months ended June 30, 2026.

In addition, we recorded exchange differences on translation of RMB4.2 million and RMB30.6 million as other comprehensive loss for the six months ended June 30, 2025 and 2026, primarily due to exchange rate fluctuations.

We have continued to closely track and manage our exposure to fluctuation in foreign exchange rates confronted by the majority of our deposits in foreign currencies. As of the date of this report, we do not have any foreign exchange derivative. Our management will continue to monitor the movement of the foreign currency rates and will take measures when necessary for the purpose of reducing our exposure to foreign currency exchange risk.

Capital expenditure

For the six months ended June 30, 2026, our total capital expenditure amounted to RMB7.7 million, as compared to RMB3.1 million for the six months ended June 30, 2025, which primarily consisted of purchases of property, plant and equipment. We funded our capital expenditure requirements primarily through cash generated from our operating activities for the six months ended June 30, 2026.

Capital commitments

As of June 30, 2026, we did not have any significant capital commitments (December 31, 2025: nil).

Contingent liabilities

As of June 30, 2026, we did not have any material contingent liability, guarantee or any litigation or claim of material importance, pending or threatened against any member of our Group.

Significant investments, material acquisitions and disposals

On April 29, 2026, the Group subscribed for BlackRock ICS US Dollar Liquidity Admin I-ACC offered ("**Julius Baer Wealth Management Product**") by Bank Julius Baer & Co. Ltd., Hong Kong Branch, an independent third party. The total fund used for acquisition of Julius Baer Wealth Management Product was US$31.9 million, which was equivalent to RMB218.7 million. On May 11, 2026, the Group redeemed such product in an amount of US$20.0 million, which was equivalent to RMB136.4 million. As of the date of this report, the aggregated outstanding principal amount of subscription of the Group's Julius Baer Wealth Management Product was RMB82.3 million.

From May 12, 2026 to June 30, 2026, the Group traded the ETF units of CSOP SK Hynix Daily (2x) Leveraged Product (stock code: 7709) ("**Hynix ETF**") on the Stock Exchange. The last dealing was made on June 30, 2026 and the Group has not held any Hynix ETF unit since then. The total fund utilized for acquisitions for Hynix ETF was HK$76.8 million, which was equivalent to RMB66.8 million, and the Company realized a total investment loss of HK$16.9 million, which was equivalent to RMB14.7 million.

From May 27, 2026 to July 7, 2026, the Group traded the ETF units of Micron ETF on the NASDAQ. The last dealing was made on July 7, 2026 and the Group has not held any Micron ETF unit since then. The total fund utilized for acquisitions for Micron ETF was US$13.4 million, which was equivalent to RMB91.3 million, and the Company realized a total investment loss of US$4.6 million, which was equivalent to RMB31.6 million.

From May 27, 2026 to July 7, 2026, the Group traded the ETF units of Sandisk ETF on the NASDAQ. The last dealing was made on July 7, 2026 and the Group has not held any Sandisk ETF unit since then. The total fund utilized for acquisitions for Sandisk ETF was US$8.7 million, which was equivalent to RMB59.4 million, and the Company realized a total investment loss of US$1.6 million, which was equivalent to RMB10.7 million.

Save for the above, we did not hold any significant investments, nor did we have any material acquisitions or disposals of subsidiaries and affiliated companies for the six months ended June 30, 2026.

Future plans for material investments and capital assets

Save as disclosed in the prospectus of the Company dated December 23, 2022 (the "**Prospectus**") and this report, we did not have other substantial future plans for material investments and capital assets.

Charge on Group's assets

As of June 30, 2026, we had no charges on our assets (December 31, 2025: nil).

Borrowings and gearing ratio

As of June 30, 2026, we did not have any outstanding bank loans or other borrowings. Accordingly, the gearing ratio as of June 30, 2026 (as calculated by total interest-bearing bank borrowings divided by total equity as of the period end) was not applicable (December 31, 2025: N/A).

Key financial indicators

The following table sets forth certain of our key financial ratios as of the dates and for the periods indicated.

	As of/for the six months ended June 30,	
	2026	2025
Profitability ratios		
Gross profit margin(1)	**41.8%**	54.0%
Net (loss)/profit margin(2)	**(14.7)%**	15.2%
Adjusted net (loss)/profit margin (non-IFRS measure)(3)	**(12.7)%**	18.2%
Liquidity ratios		
Current ratio(4)	**2.2**	2.9
Quick ratio(5)	**2.1**	2.8
Current asset turnover ratio(6)	**0.9**	1.0
Total asset turnover ratio(7)	**0.7**	0.8

(1) The calculation of gross profit margin is based on gross profit divided by revenue for the period indicated and multiplied by 100.0%.

(2) The calculation of net (loss)/profit margin is based on net (loss)/profit divided by revenue for the period indicated and multiplied by 100.0%.

(3) The calculation of adjusted net (loss)/profit margin, a non-IFRS measure, is based on adjusted net (loss)/profit divided by revenue for the period indicated and multiplied by 100.0%.

(4) The calculation of current ratio is based on current assets divided by current liabilities as of the period end.

(5) The calculation of quick ratio is based on current assets less inventories divided by current liabilities as of the period end.

(6) The calculation of current asset turnover ratio is based on revenue for the respective period divided by average current assets for the respective period. The calculation of average current assets is based on the average of the opening balance and period-end balance of total current assets for the respective period.

(7) The calculation of total asset turnover ratio is based on revenue for the respective period divided by average total assets for the respective period. The calculation of average total assets is based on the average of the opening balance and period-end balance of total assets for the respective period.

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

As of June 30, 2026, to the best knowledge of the Directors, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) 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 under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(A) Interest in the Company

Name of Director/ Chief Executive	Capacity/Nature of interest	Number of Shares held	Approximate percentage of interest(1)
Mr. ZHANG Xiaolong(2)(3)	Interest in controlled corporation	213,340,000 (L)	9.53%
	Interest held jointly with another person	80,515,000 (L)	3.60%
Mr. WEI Liang(2)(4)	Beneficial interest	7,350,000 (L)	0.33%
	Interest in controlled corporation	73,165,000 (L)	3.27%
	Interest held jointly with another person	213,340,000 (L)	9.53%

Notes:

The letter "L" denotes the person's long position in the Shares.

(1) The calculation is based on the total number of 2,239,538,030 Shares in issue as of June 30, 2026.

(2) Mr. ZHANG, Mr. WEI Liang, Mr. LI Yong and Mr. LI Xin entered into a concert party agreement (the "**Concert Party Agreement**") to acknowledge and confirm their acting-in-concert relationship in relation to the Company. Please refer to "History, Reorganization and Corporate Structure" and "Relationship with Our Controlling Shareholders – Our Controlling Shareholders" in the Prospectus for details. Under the SFO, Mr. ZHANG, Mr. WEI Liang, Mr. LI Yong and Mr. LI Xin were deemed to be interested in the Shares which each other has interest in. As Mr. LI Xin resigned as a non-executive Director on May 16, 2025 and entered into a supplemental agreement (the "**Supplemental Agreement**") to the Concert Party Agreement with Mr. ZHANG, Mr. WEI Liang and Mr. LI Yong, pursuant to which, Mr. LI Xin had withdrawn from the Concert Party Agreement and was no longer obliged to act in concert with Mr. ZHANG, Mr. WEI Liang and Mr. LI Yong regarding the Concert Party Agreement. Please refer to the announcement of the Company dated May 16, 2025 for details of Mr. LI Xin's withdrawal. On August 21, 2026, Mr. ZHANG and Mr. WEI Liang entered into a termination agreement to the Concert Party Agreement dated September 6, 2021 and as amended on May 16, 2025 and May 15, 2026. Please refer to the announcement of the Company dated August 21, 2026 for details of the termination of the Concert Party Agreement.

Mr. WEI Liang resigned as an executive Director with effect from April 1, 2026. Upon his resignation as a Director, Mr. WEI Liang continued to serve as the president of the Company. On August 21, 2026, Mr. WEI Liang resigned as the president of the Company, and was appointed as a non-executive Director, with effect from the even date.

Mr. ZHANG resigned as an executive Director with effect from July 8, 2026.

(3) Mr. ZHANG is deemed to be interested in the entire interests held by Chalk Sky Ltd, which is owned as to (a) 99.998% by Sonata (BVI) Limited, which is in turn wholly owned by Ocorian Trust Company as the trustee for ZXL Family Trust with Mr. ZHANG as the settlor and protector, and (b) 0.002% by Chalk Star Ltd, which is wholly owned by Mr. ZHANG.

(4) Mr. WEI Liang is deemed to be interested in the entire interests held by Chalk World Ltd, which is owned as to (a) 99.998% by Creciendo (BVI) Limited, which is in turn wholly owned by Ocorian Trust Company as the trustee for WL Family Trust with Mr. WEI Liang as the settlor and protector, and (b) 0.002% by Chalk Wonder Ltd, which is wholly owned by Mr. WEI Liang.

(B) Interest in associated corporations of the Company

Name of Director/ Chief Executive	Name of Capacity/ Nature of interest	Name of associated corporation	Approximate percentage of interest
Mr. ZHANG Xiaolong[1]	Beneficial interest; interest in controlled corporation	Fenbi Bluesky	97.20%
Mr. WEI Liang	Beneficial interest	Fenbi Bluesky	2.50%

Note:

(1) Mr. ZHANG is the general partner of Beijing Fenbi Box and thus deemed to be interested in the entire interests held by Beijing Fenbi Box in Fenbi Bluesky, namely 5% of the equity interests in Fenbi Bluesky.

Save as disclosed above and to the best knowledge of the Directors, as of June 30, 2026, none of the Directors or chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be 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 which would be required to be recorded in the register to be kept by the Company pursuant to Section 352 of the SFO, or which would be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

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

As of June 30, 2026, to the best of knowledge of the Directors, the following persons, other than Directors 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 of Shareholder	Name of Capacity/ Nature of interest	Number of Shares held	Approximate percentage of interest[1]
Chalk Sky Ltd[2]	Beneficial interest	212,200,000 (L)	9.48%
Sonata (BVI) Limited[2]	Interest in controlled corporation	212,200,000 (L)	9.48%
Liang Ma Limited[3]	Beneficial interest	259,736,000 (L)	11.60%
Ocorian Trust Company[4]	Trustee	285,365,000 (L)	12.74%
Mr. HO Chi Sing[5]	Interest in controlled corporation	114,086,620 (L)	5.09%
Mr. LI Yong[6]	Interest in controlled corporation	259,736,000 (L)	11.60%
Ark Trust (Hong Kong) Limited[7]	Trustee	161,600,169 (L)	7.22%

Notes:

The letter "L" denotes the person's long position in the Shares.

(1) The calculation is based on the total number of 2,239,538,030 Shares in issue as of June 30, 2026.

(2) See note (3) under the section headed "Other Information – Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" in this interim report for more information.

(3) Liang Ma Limited is wholly-owned by Mr. LI Yong.

(4) See notes (3) and (4) under the section headed "Other Information – Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" in this interim report for more information.

(5) Mr. HO Chi Sing is deemed to be interest in (i) 47,831,111 Shares directly held by IDG-Accel China Growth Fund III L.P., (ii) 40,485,630 Shares directly held by Modish Century Limited, (iii) 17,003,990 Shares directly held by Even Classic Limited, (iv) 3,399,889 Share directly held by IDG-Accel China III Investors L.P., and (v) 5,366,000 Shares directly held by Spring Moment Limited. IDG-Accel China Growth Fund III L.P. is wholly owned by IDG-Accel China Growth Fund III Associates L.P.. Each of IDG-Accel China Growth Fund III Associates L.P. and IDG-Accel China III Investors L.P. is wholly owned by IDG-Accel China Growth Fund GP III Associates Ltd., which is ultimately controlled by Mr. HO Chi Sing and Mr. ZHOU Quan. Each of Modish Century Limited and Spring Moment Limited is wholly owned by IDG Breyer Capital Fund L.P., which is ultimately controlled by Mr. HO Chi Sing, Mr. ZHOU Quan and YANG Fei. Even Classic Limited is ultimately controlled by Mr. HO Chi Sing.

(6) As Mr. LI Yong entered into a supplemental agreement (the "**Second Supplemental Agreement**") to the Concert Party Agreement on May 15, 2026 with Mr. ZHANG and Mr. WEI Liang, pursuant to which, Mr. LI Yong has withdrawn from the Concert Party Agreement and was no longer obliged to act in concert with Mr. ZHANG and Mr. WEI Liang regarding the Concert Party Agreement. Please refer to the announcement of the Company dated May 15, 2026 for details of Mr. LI Yong's withdrawal from the Concert Party Agreement.

(7) Ark Trust (Hong Kong) Limited is deemed to be interested in (i) 49,829,980 Shares held by Fenbi Navigator Trust, and (ii) 111,770,189 Shares held by Fenbi Expedition Trust. Ark Trust (Hong Kong) Limited is the trustee of Fenbi Navigator Trust and Fenbi Expedition Trust.

Save as disclosed above and to the best knowledge of the Directors, as of June 30, 2026, the Directors and the chief executive of the Company are not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would be required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be required to be recorded in the register to be kept by the Company pursuant to Section 336 of the SFO.

SHARE INCENTIVE SCHEMES

Pre-IPO Share Option Scheme

The Pre-IPO Share Option Scheme was adopted by the Company on December 31, 2020. The terms of the Pre-IPO Share Option Scheme are not subject to the provisions of Chapter 17 of the Listing Rules. Summary of major terms of the Pre-IPO Share Option Scheme is as follows:

(i) Purposes

The purpose of the Pre-IPO Share Option Scheme is to provide a means through which the Group may attract able persons to enter and remain in the employ of the Group and to provide a means whereby employees, Directors and consultants of the Group can acquire and maintain share ownership, thereby strengthening their commitment to the welfare of the Group and promoting an identity of interest between Shareholders and these employees, Directors and consultants.

(ii) Eligible Participants

Persons eligible to participate in the Pre-IPO Share Option Scheme include (i) individual regularly employed by the Company, any parent, subsidiary or affiliate of the Company; (ii) Director of the Company, any parent, subsidiary or affiliate of the Company, (iii) consultant or advisor to the Company, any parent, subsidiary or affiliate of the Company, or (iv) exclusive teachers engaged by the Company, any parent, subsidiary or affiliate of the Company (the "**Participants**"). Subject to the provisions of the Pre-IPO Share Option Scheme, the Participants shall be determined by the Board or any person or committee designated by the Board (the "**Administrator**").

(iii) Maximum number of Shares

The maximum aggregate number of shares which may be issued for all the options pursuant to the Pre-IPO Share Option Scheme is 218,792,500 Shares.

After the Listing, no new options shall be granted, except that the outstanding options granted shall in all other respects remain in full force and effect.

(iv) Duration

The Pre-IPO Share Option Scheme shall be valid and effective for a period of ten (10) years commencing on the date of adoption (i.e., December 31, 2020); provided, however, that the administration of the Pre-IPO Share Option Scheme shall continue in effect until all matters relating to the options previously granted have been settled. As at the date of this report, the Pre-IPO Share Option Scheme had a remaining life of approximately four years and four months.

(v) Exercise of Options

No shares shall be issued pursuant to any exercise of an option until payment in full of the aggregate exercise price therefor is received by the Company. The options which have become exercisable may be exercised in whole or in part at any time when approved by the Administrator, accompanied by payment of the exercise price. The exercise price shall be payable in cash (including by certified check or wire transfer) or as determined by the Administrator, in its/his sole discretion, (i) by means of any cashless exercise procedure approved by the Administrator, (ii) any other form of consideration approved by the Administrator and permitted by applicable law or (iii) any combination of the foregoing.

Without limiting the foregoing, the Options may not be exercised until all registrations, consents, approvals, filings or waivers required under applicable laws, including the laws and regulations of the PRC, are duly obtained.

(vi) ***Vesting***

The options granted to each Participant shall vest and become exercisable such time or times and subject to such terms and conditions as shall be determined by the Administrator and reflected in the share option agreement; provided, however, that notwithstanding the vesting schedule in each share option agreement, the Administrator may in its sole discretion accelerate the exercisability of any option to the extent in compliance with the shareholders agreement of the Company (as amended and restated), which acceleration shall not affect the terms and conditions of any such option other than with respect to exercisability.

For more information on the Pre-IPO Share Option Scheme, please refer to "Statutory and General Information – D. Pre-IPO Share Option Scheme" in Appendix IV to the Prospectus.

The Company had not granted further share options under the Pre-IPO Share Option Scheme after the Listing. During the six months ended June 30, 2026, options representing 2,503,900 Shares were exercised and options representing 150,000 Shares were forfeited under the Pre-IPO Share Option Scheme. As of June 30, 2026, options representing 13,885,260 underlying Shares were outstanding under the Pre-IPO Share Option Scheme, representing approximately 0.6% of the total number of Shares in issue as of June 30, 2026.

Details of movements in the number of the outstanding options granted under the Pre-IPO Share Option Scheme are set out below.

Category/ Name of grantee	Date of grant	Exercise price	Outstanding as of January 1, 2026	Exercised during the Reporting Period	Forfeited during the Reporting Period	Outstanding as of June 30, 2026	Vesting period	Weighted average closing price of the Shares immediately before the dates on which the options were exercised
Grantees in aggregate(2)	November 5, 2020, December 10, 2020, December 23, 2020 and December 6, 2021	US$0.00001 per Share	3,010,000	–	–	3,010,000	Nil	Nil
	October 1, 2021	US$0.00001 per Share	–	–	–	–	2 years	Nil
	April 7, 2016, September 2, 2016 and January 1, 2017	US$0.00001 per Share	1,945,000	140,000	–	1,805,000	3 years	HK$2.08
	From January 1, 2017 to October 25, 2022(4)	US$0.00001 per Share	11,584,160	2,363,900	150,000	9,070,260	4 years	HK$1.20

Other Information

Notes:

(1) The exercise period of the options under the Pre-IPO Share Option Scheme commences from the vesting commencement date of the relevant options and ends tenth anniversary of the grant date, subject to the terms of the Pre-IPO Share Option Scheme and the share option agreement signed by the grantee. No consideration was paid by the grantees for the outstanding options granted under the Pre-IPO Share Option Scheme.

(2) None of the grantees is a Director, a chief executive, or a Substantial Shareholder of the Company, or an associate of any of them.

(3) Please refer to the announcement of the Company dated November 6, 2025 for details of the dates of grant.

2023 Restricted Share Unit Scheme

The 2023 Restricted Share Unit Scheme was adopted by the Company on June 14, 2023. The terms of the 2023 Restricted Share Unit Scheme are subject to the provisions of Chapter 17 of the Listing Rules. Summary of major terms of the 2023 Restricted Share Unit Scheme is as follows:

(i) Purposes

The purpose of the 2023 Restricted Share Unit Scheme are to: (i) recognise the contributions by certain selected participants with an opportunity to acquire a proprietary interest in the Company; (ii) encourage and retain such individuals for the continual operation and development of the Group; (iii) provide additional incentives for them to achieve performance goals; (iv) attract suitable personnel for further development of the Group; and (v) motivate the selected participants to maximize the value of the Company for the benefits of both the selected participants and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the selected participants directly to the Shareholders of the Company through ownership of Shares.

(ii) Eligible Participants

Persons eligible to participate in the 2023 Restricted Share Unit Scheme include an individual or a corporate entity (as the case may be), being any of an Employee Participant, a Related Entity Participant or a service provider of the Group, who has contributed or will contribute to the Group. The Board may, from time to time, at its absolute discretion select any eligible participants to be a selected participant and grant to such selected participant restricted shares by way of share transfer, share allotment or cash settlement of an amount of equivalent value (for the purpose of fulfillment of tax obligation of the relevant selected participant) as the Board deems fit.

(iii) Maximum number of Shares

The maximum aggregate number of shares which may be granted pursuant to the 2023 Restricted Share Unit Scheme and other share schemes of the Company (excluding the Pre-IPO Share Option Scheme) shall not in aggregate exceed 225,365,773 Shares, representing 10% of the total number of issued Shares as of the adoption date of 2023 Restricted Share Unit Scheme by Shareholders' approval and representing approximately 10.06% of the total issued Shares of the Company as at the date of this interim report.

(iv) Maximum Entitlement of Shares of Each Eligible Participant

For any 12-month period up to and including the restricted share grant date, the aggregate number of Shares issued and to be issued in respect of share awards granted under the 2023 Restricted Share Unit Scheme and all grants made under any other share scheme(s) of the Company (excluding the Pre-IPO Share Option Scheme and any options and/or any awards lapsed in accordance with the share schemes of the Company) to any selected participant shall not exceed 1% of the total number of the Shares in issue.

(v) Duration and Remaining Life

The 2023 Restricted Share Unit Scheme shall be valid and effective for a period of ten (10) years commencing on the date of adoption (i.e., June 14, 2023) of such scheme, after which period no further awards will be granted.

(vi) Subscription of Restricted Shares

After the Board has determined the number of grant shares and the selected participants, it will notify the trustee and the selected participants in grant letters. The selected participants shall confirm their acceptance of the awards within 28 days after the grant date and fail to return the notice of acceptance upon the expiration of the acceptance period, the awards will automatically lapse. The Board may at any time at its discretion, in respect of each selected participant, cause to be paid the Reference Amount (as defined below) from the Company's resources or any subsidiary's resources into the account for the relevant selected participant for the purchase of the restricted shares. In the event that the restricted shares are to be allotted and issued as shares to the trustee under the scheme mandate limit for the purpose of the trust, the Board may cause the subscription price for such new shares to be allotted and issued be transferred from the Company's or any subsidiary's resources internally.

The "Reference Amount" is the sum of (i) the estimated awarded amount, being the closing price of the Shares as quoted on the Stock Exchange as at the restricted share grant date, or as at any other date before the trustee purchases shares on the secondary market as instructed by the Board, multiplied by the number of the shares comprised in the award; and (ii) the related purchase expenses (including for the time being, the brokerage fee, stamp duty, Securities and Futures Commission transaction levy, Accounting and Financial Reporting Council transaction levy and the Stock Exchange trading fee) and such other necessary expenses required for the completion of the purchase of all the awarded shares.

(vii) Vesting Period

The vesting period of the restricted shares granted shall not be less than 12 months, subject to a shorter vesting period at the discretion of the Remuneration Committee and the Board under certain specified circumstances in relation to awarded shares to the Employee Participants.

There is no specific performance targets that must be met before awards can be vested. However, the Board has the discretion to specify any conditions (including performance targets (if any)) which must be satisfied before the vesting of awards where appropriate.

For more information on the 2023 Restricted Share Unit Scheme, please refer to the circular of the Company dated May 22, 2023.

Details of restricted shares granted under the 2023 Restricted Share Unit Scheme during the Reporting Period are set out below:

Category/ Name of grantee	Number of restricted shares granted	Date of Grant	Vesting period	Purchase price	Performance target	Fair value of restricted shares granted	Closing price of the Shares immediately before the grant date
185 employees in aggregate	10,195,000	April 1, 2026	(1) 5,320,000 restricted shares shall vest in four tranches of 25% each on April 1, 2026, April 1, 2027, April 1, 2028 and April 1, 2029, respectively; and (2) 4,875,000 restricted shares shall vest in four tranches of 25% each on April 1, 2027, April 1, 2028, April 1, 2029 and April 1, 2030, respectively.	Nil	No performance target is required.	HK$11.4 million[(1)]	HK$1.12

Notes:

(1) The fair value of the restricted share units is calculated based on the closing price of the Shares on the grant date, being HK$1.12 per Share on April 1, 2026. For details of the accounting standard and policy adopted, please refer to Note 20(b) to the interim financial information.

(2) None of the grantees is a Director, a chief executive, or a Substantial Shareholder of the Company, or an associate of any of them.

Movements of the unvested restricted shares granted under the 2023 Restricted Share Unit Scheme during the Reporting Period are set out below:

Category/ Name of grantee	Date of Grant	Purchase price	Vesting period	Number of unvested Awards as of January 1, 2026	Granted during the Reporting Period	Vested during the Reporting Period	Lapse during the Reporting Period	Number of unvested Awards as of June 30, 2026	Weighted average closing price of the Shares before vesting
Mr. WEI Liang (executive Director and president)[1]	June 13, 2024	Nil	7,000,000 restricted shares shall vest in four tranches of 25% each on June 13, 2024, June 13, 2025, June 13, 2026 and June 13, 2027, respectively.	3,500,000	–	(1,750,000)	–	1,750,000	HK$0.510
Other Employees in aggregate[2]	September 4, 2023	Nil	(1) 746,000 restricted shares shall vest in four tranches of 25% each on September 4, 2023, September 4, 2024, September 4, 2025 and September 4, 2026, respectively; and (2) 120,000 restricted shares shall vest in four tranches of 25% each on September 4, 2024, September 4, 2025, September 4, 2026 and September 4, 2027, respectively.	232,875	–	–	16,875	216,000	Nil
	January 2, 2024	Nil	(1) 12,660,500 restricted shares shall vest in four tranches of 25% each on January 2, 2024, January 2, 2025, January 2, 2026 and January 2, 2027, respectively; and (2) 3,007,500 restricted shares shall vest in four tranches of 25% each on January 2, 2025, January 2, 2026, January 2, 2027 and January 2, 2028, respectively.	7,970,500	–	3,708,125	436,250	3,826,125	HK$2.10

Other Information

Category/ Name of grantee	Date of Grant	Purchase price	Vesting period	Number of unvested Awards as of January 1, 2026	Granted during the Reporting Period	Vested during the Reporting Period	Lapse during the Reporting Period	Number of unvested Awards as of June 30, 2026	Weighted average closing price of the Shares before vesting
	April 3, 2024	Nil	(1) 3,335,500 restricted shares shall vest in four tranches of 25% each on April 3, 2024, April 3, 2025, April 3, 2026 and April 3, 2027, respectively; and (2) 5,596,500 restricted shares shall vest in four tranches of 25% each on April 3, 2025, April 3, 2026, April 3, 2027 and April 3, 2028, respectively.	5,486,525	–	2,072,175	205,000	3,209,350	HK$1.07
	April 1, 2025	Nil	(1) 15,550,000 restricted shares shall vest in four tranches of 25% each on April 1, 2025, April 1, 2026, April 1, 2027, and April 1, 2028. (2) 5,050,000 restricted shares shall vest in four tranches of 25% each on April 1, 2026, April 1, 2027, April 1, 2028, and April 1, 2029.	16,637,500	–	1,706,250	2,626,250	12,305,000	HK$1.07

Category/ Name of grantee	Date of Grant	Purchase price	Vesting period	Number of unvested Awards as of January 1, 2026	Granted during the Reporting Period	Vested during the Reporting Period	Lapse during the Reporting Period	Number of unvested Awards as of June 30, 2026	Weighted average closing price of the Shares before vesting
	October 15, 2025	Nil	(1) 6,170,000 restricted shares shall vest in four tranches of 25% each on October 15, 2025, October 15, 2026, October 15, 2027 and October 15, 2028, respectively; (2) 5,039,000 restricted shares shall vest in four tranches of 25% each on October 15, 2026, October 15, 2027, October 15, 2028 and October 15, 2029, respectively.	9,596,500	–	–	538,000	9,058,500	Nil
	April 1, 2026	Nil	(1) 5,320,000 restricted shares shall vest in four tranches of 25% each on April 1, 2026, April 1, 2027, April 1, 2028 and April 1, 2029, respectively; and (2) 4,875,000 restricted shares shall vest in four tranches of 25% each on April 1, 2027, April 1, 2028, April 1, 2029 and April 1, 2030, respectively.	–	10,195,000	87,500	90,000	10,017,500	HK$0.50

Notes:

(1) Mr. WEI Liang resigned as an executive Director with effect from April 1, 2026. Upon his resignation as a Director, Mr. WEI Liang continued to serve as the president of the Company. On August 21, 2026, Mr. WEI Liang resigned as the president of the Company, and was appointed as a non-executive Director, with effect from the even date.

(2) None of the grantees is a Director, a chief executive, or a substantial shareholder of the Company, or an associate of any of them.

The weighted average closing price of the Shares immediately before the dates on which the awarded Shares were vested during the Reporting Period was HK$1.37 per Share.

During the Reporting Period, there were no awards granted to Related Entity Participant or service provider, and there were no awards cancelled under the 2023 Restricted Share Unit Scheme.

Other Information

2023 Share Option Scheme

The 2023 Share Option Scheme was adopted by the Company on June 14, 2023, as amended from time to time. The terms of the 2023 Share Option Scheme are subject to the provisions of Chapter 17 of the Listing Rules. Summary of major terms of the 2023 Share Option Scheme is as follows:

(i) Purposes

The purpose of the 2023 Share Option Scheme is to recognise the contribution or future contribution of the eligible participants to the Group by granting options to them as incentives or rewards and to attract, retain and motivate high-calibre eligible participants in line with the performance goals of the Group. The 2023 Share Option Scheme shall strengthen the long-term relationships that the eligible participants may have with the Group.

(ii) Eligible Participants

Persons eligible to participate in the 2023 Share Option Scheme include any Employee Participant, Related Entity Participant or service provider of the Group as selected by the Board in its absolute discretion from time to time, taking into account, among others, the experience of the eligible participant on the Group's businesses, the length of service of the eligible participant with the Group (if the eligible participant is an Employee Participant or a Related Entity Participant of any member of the Group), the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the eligible participant has established with the Group (if the eligible participant is a service provider of any member of the Group).

(iii) Maximum number of Shares

The maximum aggregate number of Shares which may be issued upon the exercise of all options to be granted under the 2023 Share Option Scheme and all options and awards to be granted under any other share scheme(s) of the Company (excluding the Pre-IPO Share Option Scheme) shall not in aggregate exceed 225,365,773 Shares, representing 10% of the total number of issued Shares as of the adoption date of 2023 Share Option Scheme by Shareholders' approval and representing approximately 10.06% of the total issued Shares of the Company as at the date of this interim report.

(iv) Maximum Entitlement of Shares of Each Eligible Participant

For any 12-month period up to and including the option grant date, the aggregate number of Shares issued and to be issued upon exercise of options granted under the 2023 Share Option Scheme and options and/or awards granted under any other share scheme(s) of the Company (including exercised, cancelled and outstanding options but excluding options/awards issued pursuant to the Pre-IPO Share Option Scheme) to any selected participant shall not exceed 1% of the total number of the Shares in issue.

(v) Duration and Remaining Life

The 2023 Share Option Scheme shall be valid and effective for a period of ten (10) years commencing on the date of adoption (i.e., June 14, 2023) of such scheme, after which period no further options will be granted but the provisions of the 2023 Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior to the expiration of the 10-year period or otherwise as may be required in accordance with the rules of 2023 Share Option Scheme.

(vi) Grant of Options

The Board may at any time and from time to time during the period that the 2023 Share Option Scheme is effective at their absolute discretion and subject to such terms, conditions, restrictions or limitations as they may think fit offer, at the consideration of HK$1 per option, to grant options to the eligible participants to subscribe at the option price for such numbers of Shares as they may determine.

(vii) Option Price

The option price shall be determined on the grant date of the options at the absolute discretion of the Directors as an amount per Share which shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the grant date of the options, which must be a trading day; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the grant date of the options; and (iii) the nominal value of the Shares on the grant date of the options.

(viii) Vesting

The vesting period of the options granted shall not be less than 12 months, subject to a shorter vesting period at the discretion of the Board or a committee or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board under certain specified circumstances in relation to options granted to the Employee Participants.

There is no specific performance targets that must be met before options can be exercised. However, the Board has the discretion to specify any conditions (including performance targets (if any)) which must be satisfied before the options are capable of being exercised by the option holder where appropriate.

For more information on the 2023 Share Option Scheme, please refer to the circular of the Company dated May 22, 2023.

From the adoption date of the 2023 Share Option Scheme and up to June 30, 2026, there were no options granted, exercised, cancelled or lapsed under the 2023 Share Option Scheme.

Pursuant to the scheme mandate limit and the service provider sublimit adopted by the Shareholders of Company on June 14, 2023, (i) the Shares which may be issued in respect of all options and awards to be granted under the 2023 Restricted Share Unit Scheme, the 2023 Share Option Scheme and any other share schemes of the Company (if any) (excluding the Pre-IPO Share Option Scheme) shall not exceed 225,365,773 Shares, representing 10% of the number of Shares in issue as of June 14, 2023 (the "**Scheme Mandate Limit**"), being the date of the Shareholders' approval of such limit, and (ii) the Shares which may be issued in respect of all options and awards to be granted to service providers under the 2023 Restricted Share Unit Scheme, the 2023 Share Option Scheme and any other share schemes of the Company (if any) (excluding the Pre-IPO Share Option Scheme) shall not exceed 22,536,577 Shares, representing 1% of the number of Shares in issue as of June 14, 2023 (the "**Service Provider Sublimit**"), being the date of the Shareholders' approval of such limit.

The maximum number of Shares underlying all options and awards available for grant under the Scheme Mandate Limit was 156,207,823 Shares as of June 30, 2026 and the maximum number of Shares underlying all options and awards available for grant under the Service Provider Sublimit was 22,536,577 Shares as of June 30, 2026.

The shares underlying the grant of restricted share units were purchased from the market by the trustee, and the number of Shares that may be issued in respect of options and awards granted under all share schemes of the Company during the Reporting Period is nil. Accordingly, the value of the number of shares that may be issued in respect of options and awards granted under all share schemes of the Company during the Reporting Period divided by the weighted average number of Shares in issue for the six months ended June 30, 2026 is Nil.

Other Information

Use of Proceeds from the Global Offering

The ordinary shares of the Company were successfully listed on the Stock Exchange on the Listing Date, whereby 20,000,000 new Shares were issued at the offer price of HK$9.90 each by the Company. The net proceeds from the Global Offering received by the Company, after deduction of the underwriting fees and other related expenses payable by the Company, was approximately HK$113.2 million (the "**Net Proceeds**").

On August 13, 2025, the Company announced to change the use of the Net Proceeds by redirecting the entire unutilized Net Proceeds to AI research, development, infrastructure and implementation. Please refer to the announcement of the Company dated August 13, 2025 for details (the "**Announcement**"). The Net Proceeds had been used in accordance with the intended purposes as stated in the Prospectus and the Announcement. The Net Proceeds were fully utilized by June 30, 2026.

The following table sets forth the details of the Net Proceeds originally raised, utilized and unutilized Net Proceeds as of the dates indicated:

	Net Proceeds from the Global Offering as of the Listing Date	**Reallocated Net Proceeds as of January 1, 2026**	**Unutilized Net Proceeds as of January 1, 2026**	**Utilized Net Proceeds during the Reporting Period**	**Unutilized Net Proceeds as of June 30, 2026**
	Amount	*Amount*	*Amount*	*Amount*	*Amount*
	HK$ million	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*
Enriching our course offerings and expanding our student base	58.9	11.7	–	–	–
Enhancing our content and technological development capabilities (group-wide for both online and classroom-based services)	32.2	32.2	–	–	–
Conducting marketing campaigns primarily for our newly developed courses (group-wide for both online and classroom-based services)	13.6	–	–	–	–
Working capital and other general corporate purposes (group-wide for both online and classroom-based services)	8.5	8.5	–	–	–
Investing in AI vertical model, technology research development and AI product commercialization	–	12.0	–	–	–
Investing in advanced AI related high-end talent and infrastructure	–	48.8	17.9	(17.9)	–
Total	**113.2**	**113.2**	**17.9**	**(17.9)**	**–**

Employees

As of June 30, 2026, the Group had 5,963 full-time employees, as compared to 7,005 full-time employees as of December 31, 2025. For the six months ended June 30, 2026, the Group incurred total staff costs (including Directors' emoluments) of RMB814.2 million, which primarily consisted of wages, salaries, bonuses, pension and other social security costs, and other employee welfare including share-based payments.

Substantially all of the Group's employees are based in China. As required under PRC labor laws, the Group enters into individual employment contracts with its employees covering matters such as wages, bonuses, employee benefits, workplace safety, confidentiality obligations, non-competition and grounds for termination. In compliance with PRC regulations, the Group participates in various employee social security plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury and unemployment benefit plans.

To incentivize its employees and promote the long-term growth of the Company, the Company has also adopted the Pre-IPO Share Option Scheme, the 2023 Restricted Share Unit Scheme and the 2023 Share Option Scheme to provide equity incentive to the Group's employees, Directors and senior management.

The Group provides robust training programs for its employees, which we believe are effective in equipping them with the skill set and work ethics. The Group recognizes the importance of keeping the Directors updated with the latest information of duties and obligations of a director of a company whose shares are listed on the Stock Exchange and the general regulatory and environmental requirements for such listed company. To meet this goal, the Group is committed to the continuing education and development of the Directors and employees of the Group.

Change in Information of Directors under Rule 13.51B(1) of the Listing Rules

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors are set out below:

(1) Mr. WU Zhenggao was appointed as a non-executive Director with effect from January 9, 2026.

(2) Mr. WEI Liang resigned as executive Director with effect from April 1, 2026. In addition, Mr. WEI Liang resigned from his position as the president of the Company, with effect from August 21, 2026, and was appointed as a non-executive Director with effect from the even date.

(3) Mr. ZHANG Xiaolong resigned as an executive Director, chief executive officer, chairman of the Board, and an authorized representative of the Company with effect from July 8, 2026.

(4) Ms. SHENG Haiyan was appointed as an executive Director, chief executive officer and chairlady of the Board, and an authorized representative of the Company with effect from July 8, 2026.

(5) Mr. LUO Chengxing was appointed as an executive Director with effect from September 4, 2026.

(6) Mr. ZHOU Xiang was appointed as an executive Director with effect from September 4, 2026.

Save as disclosed herein, as at the date of this report, there has been no change to the information of the Directors and chief executives of the Company which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended June 30, 2026, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sales of treasury shares). As of June 30, 2026, the Company held 30,557,000 treasury shares (as defined in the Listing Rules), which may be used for supplementing the share incentive schemes or for other purposes permitted under laws and regulations.

Other Information

Compliance with Corporate Governance Code

The Group is committed to maintaining high standards of corporate governance. The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of the Shareholders and corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions set out in the CG Code as its own code of corporate governance.

During the Reporting Period, the Company has complied with all the applicable code provisions under the CG Code with the exception of code provision C.2.1. Details of such deviation are explained below.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The roles of the chairman and chief executive officer of the Company were then held by Mr. ZHANG. With extensive experience in the non-formal VET industry, Mr. ZHANG was responsible for the overall strategic planning and business development and operation, as well as overall technological and curriculum development of the Group and was instrumental to the growth and business expansion of the Group. The Board considered that vesting the roles of chairman and chief executive officer in Mr. ZHANG was beneficial to the management of the Group and ensured consistent leadership within the Group and enabled more effective and efficient overall strategic planning for the Group. The balance of power and authority was not impaired and was ensured by the operation of the senior management and the Board, which comprised experienced individuals. In light of the above, the Board considered that the deviation from code provision C.2.1 of the CG Code was appropriate in the circumstances of the Company. Upon resignation of Mr. ZHANG, Ms. SHENG was appointed with effect from July 8, 2026 as an executive Director, chief executive officer and chairlady of the Board. For the similar reasons as stated above, the roles of chairman and chief executive officer have not been separated. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of chairman and the chief executive officer is necessary.

Compliance with the Model Code for Securities Transactions

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors.

Having made specific enquiries of all Directors, each of the Directors has confirmed that he or she has complied with the requirements as set out in the Model Code during the Reporting Period.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Board, as at the date of this interim report, the Company has maintained the public float as required under the Listing Rules.

Interim Dividend

The Board has resolved not to recommend payment of any interim dividend for the six months ended June 30, 2026 (six months ended June 30, 2025: nil).

Audit Committee and Review of Interim Financial Results

As of the date of this report, the Audit Committee comprises three independent non-executive Directors, namely Mr. YUEN Kai Yiu Kelvin, Mr. QIU Dongxiao Larry and Ms. YUAN Jia, with Mr. YUEN Kai Yiu Kelvin being the chairman of the Audit Committee.

The Audit Committee has reviewed this interim report including the interim financial results of the Group for the six months ended June 30, 2026. The Audit Committee has also reviewed together with the management of the Company the accounting principles and policies adopted by the Company and the condensed consolidated interim financial information of the Group for the six months ended June 30, 2026 and discussed matters in relation to, among others, risk management, internal control and financial reporting of the Group. The Audit Committee considers that the interim financial results of the Group for the six months ended June 30, 2026 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

PricewaterhouseCoopers, the independent auditor of the Company, has reviewed the unaudited condensed consolidated interim financial information of the Group for the six months ended June 30, 2026 in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity."

Events after the Reporting Period

On July 8, 2026, (i) Mr. ZHANG resigned as an executive Director, chief executive officer, chairman of the Board, a member of the remuneration committee of the Board and the chairman of the nomination committee of the Board, with effect from July 8, 2026, and (ii) Ms. SHENG was appointed as an executive Director, chief executive officer, chairlady of the Board, a member of the remuneration committee of the Board and the chairlady of the nomination committee of the Board, with effect from July 8, 2026. Subsequent to his resignation, Mr. ZHANG no longer serves as an authorized representative of the Company. On July 8, 2026, Ms. SHENG was appointed as an authorized representative with effect from July 8, 2026. Please refer to the announcement of the Company dated July 8, 2026 for details of Mr. ZHANG's resignation and Ms. SHENG's appointment.

On August 21, 2026, Mr. WEI Liang resigned as the president of the Company, and was appointed as a non-executive Director, with effect from the even date. In addition, Mr. ZHANG Xiaolong and Mr. WEI Liang entered into a termination agreement to the concert party agreement dated September 6, 2021 and as amended on May 16, 2025 and May 15, 2026. Please refer to the announcement of the Company dated August 21, 2026 for details of Mr. WEI Liang's resignation as a president and his appointment as a non-executive Director, and the termination of the concert party agreement.

During the period from July 1, 2026 to the date of this interim report, our Group disposed of certain ETF products and listed securities purchased through open markets, and realized a total investment loss of approximately US$8,335,000, equivalent to RMB56,654,000, which has not been recognized as of June 30, 2026.

On September 4, 2026, Mr. LUO Chengxing (羅成興) was appointed as the Group's vice president and the head of schools in Yunnan-Guizhou-Guangxi region and Mr. ZHOU Xiang (周翔) was appointed as the Group's vice president and the head of schools in Sichuan-Chongqing region, respectively. Please refer to the announcement of the Company dated September 4, 2026 for details of Mr. LUO Chengxing and Mr. ZHOU Xiang's appointment.

Save for the aforementioned, there has been no other significant event since June 30, 2026 and up to the date of this interim report that is required to be disclosed by the Company.

Forward-Looking Statements

This report contains certain statements that are forward-looking or which use certain forward-looking terminologies. These forward-looking statements are based on the current beliefs, assumptions and expectations of the Board. These forward-looking statements are subject to risks, uncertainties and other factors beyond the Company's control which may cause actual results or performance to differ materially from those expressed or implied in such forward-looking statements.

Report on Review of Interim Financial Information

羅兵咸永道

To the Board of Directors of Fenbi Ltd.
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 37 to 73, which comprises the interim condensed consolidated balance sheet of Fenbi Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") as at 30 June 2026 and the interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting". The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27 August 2026

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Interim Condensed Consolidated Statement of Profit or Loss

(Expressed in Renminbi Yuan unless otherwise indicated)

	Notes	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	5	**1,248,320**	1,491,952
Cost of revenue	5, 7	**(726,148)**	(686,204)
Gross profit		**522,172**	805,748
Administrative expenses	7	**(199,312)**	(182,352)
Selling and marketing expenses	7	**(361,701)**	(306,263)
Research and development expenses	7	**(132,426)**	(107,873)
Net impairment losses on financial assets		**(1,212)**	(2,308)
Other income		**8,249**	8,458
Other (losses)/gains, net	6	**(12,800)**	3,634
Operating (loss)/profit		**(177,030)**	219,044
Finance income		**11,854**	19,219
Finance costs		**(1,689)**	(2,551)
Finance income, net	8	**10,165**	16,668
Share of net loss of investments accounted for using the equity method		**(751)**	–
(Loss)/profit before income tax		**(167,616)**	235,712
Income tax expense	9	**(15,928)**	(9,061)
(Loss)/profit for the period		**(183,544)**	226,651
(Loss)/profit attributable to:			
– Owners of the Company		**(183,544)**	226,651
(Loss)/earnings per share for (loss)/profit attributable to owners of the Company (RMB)			
Basic (loss)/earnings per share	10	**(0.09)**	0.11
Diluted (loss)/earnings per share	10	**(0.09)**	0.10

The above interim condensed consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Comprehensive Income

(Expressed in Renminbi Yuan unless otherwise indicated)

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
(Loss)/profit for the period	**(183,544)**	226,651
Other comprehensive loss		
Items that may be reclassified to profit or loss		
– Currency translation differences of the Company's subsidiaries	**2,602**	735
Items that will not be reclassified to profit or loss		
– Currency translation differences of the Company	**(33,232)**	(4,955)
Other comprehensive loss for the period, net of tax	**(30,630)**	(4,220)
Total comprehensive (loss)/income for the period	**(214,174)**	222,431
Total comprehensive (loss)/income for the period attributable to:		
– Owners of the Company	**(214,174)**	222,431

The above interim condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Balance Sheet

(Expressed in Renminbi Yuan unless otherwise indicated)

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	11	**69,433**	70,874
Right-of-use assets	13	**118,859**	75,018
Intangible assets	12	**2,842**	3,182
Prepayments and other receivables	15	**32,793**	29,669
Investments accounted for using the equity method		**5,056**	5,807
Deferred income tax assets		**17,779**	32,754
Term deposits with initial term of over three months		**200,099**	200,099
Total non-current assets		**446,861**	417,403
Current assets			
Inventories	16	**55,929**	67,738
Trade receivables	14	**44,009**	26,847
Contract assets	5	**54,011**	10,672
Prepayments and other receivables	15	**94,616**	103,142
Financial assets at fair value through profit or loss	17	**479,211**	132,096
Other financial assets at amortised cost	18	**47,271**	55,449
Cash and cash equivalents		**400,948**	869,141
Restricted cash		**–**	351
Term deposits with initial term of over three months		**213,358**	166,055
Total current assets		**1,389,353**	1,431,491
Total assets		**1,836,214**	1,848,894
Equity			
Equity attributable to owners of the Company			
Share capital	19	**150**	149
Share premium	19	**15,146,839**	15,139,298
Other reserves	21	**(9,924,423)**	(9,911,403)
Accumulated losses		**(4,102,903)**	(3,919,359)
Total equity		**1,119,663**	1,308,685

Interim Condensed Consolidated Balance Sheet (Continued)

(Expressed in Renminbi Yuan unless otherwise indicated)

	Notes	**30 June 2026 RMB'000 (Unaudited)**	31 December 2025 RMB'000 (Audited)
Liabilities			
Non-current liabilities			
Lease liabilities	13	**72,754**	34,027
Deferred income tax liabilities		**6,822**	8,985
Total non-current liabilities		**79,576**	43,012
Current liabilities			
Trade and other payables	22	**221,718**	182,215
Contract liabilities	5	**267,178**	131,071
Refund liabilities	23	**98,272**	137,605
Current income tax liabilities		**9,463**	15,225
Lease liabilities	13	**40,344**	31,081
Total current liabilities		**636,975**	497,197
Total liabilities		**716,551**	540,209
Total equity and liabilities		**1,836,214**	1,848,894

The above interim condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Changes in Equity

(Expressed in Renminbi Yuan unless otherwise indicated)

		Attributable to equity holders of the Company				
	Notes	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at January 1, 2026		**149**	**15,139,298**	**(9,911,403)**	**(3,919,359)**	**1,308,685**
Loss for the period		**–**	**–**	**–**	**(183,544)**	**(183,544)**
Other comprehensive loss		**–**	**–**	**(30,630)**	**–**	**(30,630)**
Total comprehensive loss for the period		**–**	**–**	**(30,630)**	**(183,544)**	**(214,174)**
Transactions with owners in their capacity as owners:						
Share-based compensation	20	**–**	**–**	**25,152**	**–**	**25,152**
Employee share schemes – exercise of share incentive schemes	19	**1**	**7,541**	**(7,542)**	**–**	**–**
Total transactions with owners in their capacity as owners		**1**	**7,541**	**17,610**	**–**	**25,152**
Balance at June 30, 2026 (Unaudited)		**150**	**15,146,839**	**(9,924,423)**	**(4,102,903)**	**1,119,663**
Balance at January 1, 2025		148	15,064,115	(9,752,966)	(4,107,858)	1,203,439
Profit for the period		–	–	–	226,651	226,651
Other comprehensive loss		–	–	(4,220)	–	(4,220)
Total comprehensive income for the period		–	–	(4,220)	226,651	222,431
Transactions with owners in their capacity as owners:						
Share-based compensation	20	–	–	44,808	–	44,808
Employee share schemes – exercise of share incentive schemes	19	1	18,213	(18,214)	–	–
Total transactions with owners in their capacity as owners		1	18,213	26,594	–	44,808
Balance at June 30, 2025 (Unaudited)		149	15,082,328	(9,730,592)	(3,881,207)	1,470,678

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Cash Flows

(Expressed in Renminbi Yuan unless otherwise indicated)

	Notes	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cash flows from operating activities			
Cash generated from operations		**11,989**	218,579
Interest paid	13	**(1,689)**	(1,893)
Interest received		**10,926**	18,334
Income tax paid		**(14,362)**	(21,742)
Net cash generated from operating activities		**6,864**	213,278
Cash flows from investing activities			
Purchase of financial assets at fair value through profit or loss		**(2,753,697)**	(785,813)
Redemption of financial assets at fair value through profit or loss		**2,385,989**	723,644
Purchase of term deposits with initial term of over three months		**(183,198)**	(103,114)
Redemption of term deposits with initial term of over three months		**130,685**	87,181
Loans to employees		**(46,123)**	–
Repayment of loans to employees		**28,023**	–
Redemption of other financial assets at amortised cost		**7,900**	10,394
Purchase of property, plant and equipment		**(7,660)**	(3,088)
Repayment of loan to third parties	15(a)	**3,000**	3,000
Proceeds from sale of property, plant and equipment		**1,419**	152
Prepayments for purchases of financial assets at fair value through profit or loss		**–**	(50,611)
Prepayments for purchases of other financial assets at amortised cost		**–**	(35,793)
Net cash outflow for the settlement of derivatives		**–**	(1,060)
Net cash used in investing activities		**(433,662)**	(155,108)
Cash flows from financing activities			
Principal elements of lease payments		**(25,957)**	(26,626)
Net cash used in financing activities		**(25,957)**	(26,626)
Net (decrease)/increase in cash and cash equivalents		**(452,755)**	31,544
Cash and cash equivalents at the beginning of the period		**869,141**	945,953
Exchange differences		**(15,438)**	(3,945)
Cash and cash equivalents at the end of the period		**400,948**	973,552

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 GENERAL INFORMATION

Fenbi Ltd. (the "**Company**") was incorporated in the Cayman Islands on 14 December 2020 as an exempted company with limited liability under the Companies Act (Cap 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is at 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the "**Group**") are principally engaged in providing non-formal vocational education and training services in the People's Republic of China (the "**PRC**").

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 9 January 2023 (the "**Listing**") by way of its initial public offering (the "**IPO**").

The condensed consolidated interim financial information is presented in Renminbi ("**RMB**") and rounded to the nearest thousand Yuan, unless otherwise stated.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2026 has been prepared in accordance with International Accounting Standard ("**IAS**") 34 "Interim Financial Reporting". The interim report does not include all of the notes normally included in annual consolidated financial statements. Accordingly, this report should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2025, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS Accounting Standards**").

2.2 Accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended IFRS Accounting Standards as set out below.

New and amended standards adopted by the Group

The Group has applied the following amendments for the first time from 1 January 2026:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7
- Annual Improvements to IFRS Accounting Standards – Volume 11
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The above standards did not have any significant impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

2.2 Accounting policies *(Continued)*

New and amended standards and interpretations not yet adopted

Certain new accounting standards, amendments and annual improvements have been published and are not mandatory for corresponding interim reporting periods and have not been early adopted by the Group.

- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027)
- Amendments to IFRS 19 – Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027)
- Amendments to IAS 21 – Translation to a Hyperinflationary Presentation Currency (effective for annual periods beginning on or after 1 January 2027)
- IFRS 20 Regulatory Assets and Regulatory Liabilities (effective for annual periods beginning on or after 1 January 2029)

These new standards, amendments and annual improvements listed above are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions, except for the IFRS 18 presentation and disclosure in financial statements ("**IFRS 18**"). The impact of IFRS 18 should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2025.

3 ESTIMATES

The preparation of condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements for the year ended 31 December 2025.

4 FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk, liquidity risk and price risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2025.

There have been no changes in the risk management policies since the year ended 31 December 2025.

4 FINANCIAL RISK MANAGEMENT *(Continued)*

4.1 Financial risk factors *(Continued)*

(a) *Price risk*

The Group is exposed to price risk in respect of financial assets held by the Group which are carried at fair value with changes in the fair value recognised in profit or loss.

To manage its price risk arising from investments, the Group diversifies its portfolio and therefore does not have significant concentration of risk in any particular individual instrument.

The Group's price risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on investments in each country, sector and market and carefully planning the use of financial instruments.

Sensitivity

As at 30 June 2026, the Group invests in listed securities and ETF products in the stock markets in Hong Kong and United States and is subject to price risk arising from volatilities of these two markets. The analysis below is performed to show the reasonably possible movements in price with all other assumptions held constant, showing the pre-tax impact on profit.

	30 June 2026 RMB'000	31 December 2025 RMB'000
Pre-tax impact		
Listed securities and ETF products – increase 25%	**30,955**	–
Listed securities and ETF products – decrease 25%	**(30,955)**	–

4 FINANCIAL RISK MANAGEMENT *(Continued)*

4.2 Fair value estimation

(a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Recurring fair value measurements	**Level 1** RMB'000	**Level 2** RMB'000	**Level 3** RMB'000	**Total** RMB'000
At 30 June 2026 (Unaudited)				
Assets				
Financial assets at fair value through profit or loss				
– United States listed ETF products	123,793	–	–	123,793
– Hong Kong listed equity securities	27	–	–	27
– Wealth management products	–	–	355,391	355,391
	123,820	–	355,391	479,211
At 31 December 2025 (Audited)				
Assets				
Financial assets at fair value through profit or loss				
– Wealth management products	–	–	132,096	132,096

There were no transfers between level 1, level 2 and level 3 for recurring fair value measurements during the reporting period.

4 FINANCIAL RISK MANAGEMENT *(Continued)*

4.2 Fair value estimation *(Continued)*

(b) *Fair value measurements using significant unobservable inputs (level 3)*

The following table presents the changes in level 3 items of financial assets at fair value through profit or loss for the six months ended 30 June 2026 and 2025, respectively:

	Wealth management products RMB'000	**Structured deposits RMB'000**	**Total RMB'000**
Opening balance as at 1 January 2026	**132,096**	**–**	**132,096**
Additions	**1,560,310**	**10,000**	**1,570,310**
Settlements	**(1,333,937)**	**(10,015)**	**(1,343,952)**
Fair value gains on financial assets at fair value through profit or loss	**4,680**	**15**	**4,695**
Exchange difference	**(7,758)**	**–**	**(7,758)**
Closing balance as at 30 June 2026 (Unaudited)	**355,391**	**–**	**355,391**

	Wealth management products RMB'000	Structured deposits RMB'000	Total RMB'000
Opening balance as at 1 January 2025	123,756	–	123,756
Additions	680,813	105,000	785,813
Settlements	(611,216)	(105,073)	(716,289)
Fair value gains on financial assets at fair value through profit or loss	3,802	73	3,875
Exchange difference	(649)	–	(649)
Closing balance as at 30 June 2025 (Unaudited)	196,506	–	196,506

4 FINANCIAL RISK MANAGEMENT *(Continued)*

4.2 Fair value estimation *(Continued)*

(c) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements (see above for the valuation techniques adopted):

Description	**Fair value at**		**Unobservable Inputs**
	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)	
Wealth management products	**355,391**	132,096	The estimated weighted average return rates of these products were 1.8% to 4.1% per annum.

The financial assets in level 3 measured at fair value through profit or loss were investment in wealth management products and structured deposits that are usually held from several days up to one year. The increase of estimated weighted average return rates will lead to the higher fair value of the financial products. If the estimated weighted average return rates had increased/decreased by 0.5% with all other variables held constant, the profit before income tax for the six months ended 30 June 2026, would have been approximately RMB1,285,000 higher/lower.

(d) The Group's valuation processes

For the financial assets, including level 3 fair values, the Company's finance department performs the valuations. The finance department reports directly to the chief financial officer ("**CFO**"). Discussions of valuation processes and results are held between the CFO and finance department semiannually, in line with the Company's interim reporting dates.

The fair values have been determined by using various applicable valuation techniques, including binomial model and market approach etc.

5 SEGMENT INFORMATION

The Group's chief operating decision maker ("**CODM**") has been identified as executive directors who consider the business from the service perspective.

The CODM reviews the Group's internal reporting in order to assess performance, allocate resources, and determine the operating segments based on these reports.

As at 30 June 2026, the CODM identified the following reportable segments:

- Tutoring services: the tutoring services are offered by the Group through classroom-based platforms which teaching to the students who physically attend the lectures in tutoring centers and tutoring bases/campuses, or through online platforms which mainly represent online tutoring courses services, membership package, challenge exercise etc.

- Sales of books and others: including books provided with tutoring services, printing business relevant with book selling business etc.

As at 30 June 2026, the CODM assesses the performance of the operating segments mainly based on segment revenue and gross profit of each operating segment. The selling and marketing expenses, administrative expenses and research and development expenses are common costs incurred for these operating segments as a whole and therefore, they are not included in the measure of the segments' performance which is used by the CODM as a basis for the purpose of resource allocation and assessment of segment performance. Net impairment losses on financial assets, other (losses)/gains, net, finance income, net, income tax expense and assets and liabilities are also not allocated to individual operating segment.

The revenues from external customers reported to the CODM are measured in a manner consistent with that applied in the interim consolidated statement of profit or loss. Other information, together with the segment information, provided to the CODM, is measured in a manner consistent with that applied in the interim consolidated financial information. There were no segment assets and segment liabilities information provided to the CODM for measure of the segments' performance.

The Company is domiciled in the Cayman Islands while the Group mainly operates its business in the PRC and earns substantially all of the revenues from external customers attributed to the PRC. The revenue is mainly generated in the PRC.

5 SEGMENT INFORMATION *(Continued)*

The segment information provided to the CODM for the reportable segments for the six months ended 30 June 2026 and 2025 were as follows:

	Tutoring services RMB'000	Sales of books and others RMB'000	Total RMB'000
Six months ended 30 June 2026 (Unaudited)			
Segment revenue	**1,068,625**	**228,778**	**1,297,403**
Inter-segment revenue	**–**	**(49,083)**	**(49,083)**
Revenue from external customers	**1,068,625**	**179,695**	**1,248,320**
Cost of revenue (a)	**(600,123)**	**(126,025)**	**(726,148)**
Gross profit	**468,502**	**53,670**	**522,172**

	Tutoring services RMB'000	Sales of books and others RMB'000	Total RMB'000
Six months ended 30 June 2025 (Unaudited)			
Segment revenue	1,294,914	260,249	1,555,163
Inter-segment revenue	–	(63,211)	(63,211)
Revenue from external customers	1,294,914	197,038	1,491,952
Cost of revenue (a)	(552,407)	(133,797)	(686,204)
Gross profit	742,507	63,241	805,748

(a) Cost of revenue primarily comprises employee benefit expenses, cost of course materials and lease expenses.

For tutoring services, the timing of revenue recognition is over time. For sales of books and others, the timing of revenue recognition is when the performance obligations of sales and delivery of goods are satisfied at a point in time.

The reconciliation of gross profit to loss before income tax during the six months ended 30 June 2026 was shown in the consolidated statement of profit or loss.

For the six months ended 30 June 2026, the Group's customer base is diversified and no customer with whom transactions have exceeded 10% of the Group's revenues.

As of 30 June 2026, substantially all of the non-current assets other than deferred income tax assets of the Group were located in the PRC.

5 SEGMENT INFORMATION *(Continued)*

Contract liabilities and contract assets

The Group has recognised the following contract assets and contract liabilities (which represented the unsatisfied performance obligation) as at 30 June 2026.

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Contract assets relating to certain program	**54,590**	10,787
Loss allowance	**(579)**	(115)
Contract assets	**54,011**	10,672
Contract liabilities	**267,178**	131,071

(i) Revenue recognised in relation to contract liabilities

	Six months ended 30 June 2026 RMB'000 (Unaudited)	Year ended 31 December 2025 RMB'000 (Audited)
Revenue recognised that was included in the contract liability balance at the beginning of the period Contract liabilities	**101,867**	129,924

(ii) Unsatisfied contracts

The majority of contract liabilities as at 30 June 2026 were expected to be recognised within one year. As the contract terms with customers usually within 12 months, the Group applied the practical expedient as permitted under IFRS 15 not to disclose the transaction price allocated to unsatisfied performance obligations as at 30 June 2026.

6 OTHER (LOSSES)/GAINS, NET

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Fair value (losses)/gains on financial assets at fair value through profit or loss	**(12,877)**	3,875
Net fair value losses on derivatives	**–**	(1,060)
Net losses on early termination of lease and the disposal of related leasehold improvements	**(627)**	(361)
Net gains/(losses) on disposal of property, plant and equipment	**403**	(438)
Donation	**(37)**	(54)
Net foreign exchange gains/(losses)	**261**	(77)
Others	**77**	1,749
	(12,800)	3,634

7 EXPENSES BY NATURE

		Six months ended 30 June	
		2026	2025
	Notes	**RMB'000**	RMB'000
		(Unaudited)	(Unaudited)
Employee benefit expenses		**814,163**	670,261
Lease expenses	13	**122,641**	141,801
Human resource outsourcing and other labour costs		**110,961**	129,590
Cost of course materials	16	**100,792**	108,526
Promotion expenses		**74,046**	52,687
Depreciation of right-of-use assets	13	**29,556**	26,348
Logistics expenses		**23,702**	28,308
Travel expenses		**21,102**	18,901
Classroom consumables		**17,338**	15,184
Services fee for cloud storage		**14,427**	11,243
Depreciation of property, plant and equipment	11	**8,220**	9,075
Tax and surcharge		**6,577**	5,361
Property management costs		**6,359**	5,983
Charges for licensed payment institutions		**5,888**	8,429
Meal expenses provided to students		**5,756**	10,171
Office expenses		**3,785**	3,087
Auditor's remuneration			
– Audit and audit related services		**1,570**	1,556
– Non-audit services		**1,057**	20
Amortisation of intangible assets	12	**340**	298
Others		**51,307**	35,863
		1,419,587	1,282,692

8 FINANCE INCOME, NET

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Finance income:		
– Interest income	**11,275**	19,219
– Net foreign exchange gains	**579**	–
	11,854	19,219
Finance costs:		
– Finance cost on lease liabilities	**(1,689)**	(1,893)
– Net foreign exchange losses	**–**	(658)
	(1,689)	(2,551)
Finance income, net	**10,165**	16,668

9 INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax	**3,116**	16,704
Deferred income tax	**12,812**	(7,643)
Income tax expense	**15,928**	9,061

(i) Cayman Islands corporate income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Cayman Companies Act and, accordingly, is exempted from local income tax.

(ii) Hong Kong profits tax

No provision for Hong Kong profits tax was provided as the Group did not have any estimated assessable profits in Hong Kong during the six months ended 30 June 2026 and 2025.

9 INCOME TAX EXPENSE *(Continued)*

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

CIT provision was made on the estimated assessable profits of entities within the Group incorporated in the PRC and was calculated in accordance with the relevant regulations of the PRC after considering the available tax benefits from refunds and allowances. The general PRC CIT rate is 25% during the reporting period.

Certain subsidiaries of the Group in the PRC are approved as High and New Technology Enterprise, and accordingly, are subject to a reduced preferential CIT rate of 15% during the reporting period according to the applicable CIT Law. Certain subsidiaries of the Group in the PRC are qualified as small and micro enterprises and are entitled to a preferential corporate income tax rate of 20% during the reporting period.

(iv) PRC Withholding Tax ("WHT")

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profit derived after 1 January 2008 are generally subject to a 10% WHT. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be 5%.

Deferred income tax has been recognised at 30 June 2026 for the withholding tax that would be payable on the earnings of its subsidiaries in Chinses mainland that are expected to be distributed in the foreseeable future.

10 (LOSS)/EARNINGS PER SHARE

(a) Basic

Basic (loss)/earnings per share is calculated by dividing:

The (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the reporting period.

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
(Loss)/profit attributable to owners of the Company (RMB'000)	**(183,544)**	226,651
Weighted average number of ordinary shares in issue (thousands)	**2,139,884**	2,132,408
Basic (loss)/earnings per share (RMB)	**(0.09)**	0.11

10 (LOSS)/EARNINGS PER SHARE *(Continued)*

(b) Diluted

Diluted (loss)/earnings per share is calculated based on the (loss)/profit attributable to owners of the Company by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
(Loss)/profit attributable to owners of the Company (RMB'000)	**(183,544)**	226,651
Weighted average number of ordinary shares in issue (thousands)	**2,139,884**	2,132,408
Adjustments for:		
– Share options (thousands)	**–**	24,047
– RSUs (thousands)	**–**	6,632
Adjusted weighted average number of ordinary shares for diluted (loss)/earnings per share (thousands)	**2,139,884**	2,163,087
Diluted (loss)/earnings per share (RMB)	**(0.09)**	0.10

As the Group incurred losses for the six months ended 30 June 2026, the potential ordinary shares were not included in the calculation of dilutive loss per share, as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the six months ended 30 June 2026 is same as basic loss per share for the respective period.

11 PROPERTY, PLANT AND EQUIPMENT

	Machinery RMB'000	Electronic equipment RMB'000	Motor vehicles RMB'000	Furniture, fittings and equipment RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
Six months ended 30 June 2026 (Unaudited)							
Opening net book amount	**46,998**	**4,363**	**2,489**	**5,915**	**8,852**	**2,257**	**70,874**
Additions	**536**	**2,454**	**1,457**	**233**	**3,225**	**–**	**7,905**
Transfer upon completion	**2,257**	**–**	**–**	**–**	**–**	**(2,257)**	**–**
Disposals	**–**	**(319)**	**(266)**	**(431)**	**(110)**	**–**	**(1,126)**
Depreciation charge (Note 7)	**(3,811)**	**(630)**	**(735)**	**(612)**	**(2,432)**	**–**	**(8,220)**
Closing net book amount	**45,980**	**5,868**	**2,945**	**5,105**	**9,535**	**–**	**69,433**
As at 30 June 2026 (Unaudited)							
Cost	**79,703**	**47,310**	**20,254**	**13,107**	**57,261**	**–**	**217,635**
Accumulated depreciation	**(33,723)**	**(41,442)**	**(17,309)**	**(8,002)**	**(47,726)**	**–**	**(148,202)**
Net book amount	**45,980**	**5,868**	**2,945**	**5,105**	**9,535**	**–**	**69,433**

	Machinery RMB'000	Electronic equipment RMB'000	Motor vehicles RMB'000	Furniture, fittings and equipment RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
Six months ended 30 June 2025 (Unaudited)							
Opening net book amount	54,535	4,786	3,921	5,786	11,546	–	80,574
Additions	51	756	730	977	575	–	3,089
Disposals	–	(533)	–	(57)	(14)	–	(604)
Depreciation charge (Note 7)	(3,726)	(492)	(1,307)	(794)	(2,756)	–	(9,075)
Closing net book amount	50,860	4,517	3,344	5,912	9,351	–	73,984
As at 30 June 2025 (Unaudited)							
Cost	76,719	50,090	21,641	13,343	54,961	–	216,754
Accumulated depreciation	(25,859)	(45,573)	(18,297)	(7,431)	(45,610)	–	(142,770)
Net book amount	50,860	4,517	3,344	5,912	9,351	–	73,984

No property, plant and equipment of the Group was pledged as security as at 30 June 2026 and 2025.

12 INTANGIBLE ASSETS

	Computer software RMB'000
Six months ended 30 June 2026 (Unaudited)	
Opening net book amount	**3,182**
Amortisation (Note 7)	**(340)**
Closing net book amount as at 30 June 2026	**2,842**
At 30 June 2026 (Unaudited)	
Cost	**4,271**
Accumulated amortisation	**(1,429)**
Net book amount	**2,842**
Six months ended 30 June 2025 (Unaudited)	
Opening net book amount	2,994
Amortisation (Note 7)	(298)
Closing net book amount as at 30 June 2025	2,696
At 30 June 2025 (Unaudited)	
Cost	3,430
Accumulated amortisation	(734)
Net book amount	2,696

13 LEASES

This note provides information for leases where the Group is a lessee.

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Right-of-use assets		
Leased buildings	**118,859**	75,018
Lease liabilities		
Current	**(40,344)**	(31,081)
Non-current	**(72,754)**	(34,027)
	(113,098)	(65,108)

Additions to the right-of-use assets during the six months ended 30 June 2026 were RMB74,752,000 (six months ended 30 June 2025: RMB7,505,000).

(ii) Amounts recognised in the consolidated statement of profit or loss

The consolidated statement of profit or loss includes the following amounts relating to leases:

	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Depreciation charge of right-of-use assets	**29,556**	26,348
Interest expense (included in finance cost)	**1,689**	1,893
Expense relating to short-term leases	**122,641**	141,801

The total cash outflow for short-term leases during the six months ended 30 June 2026 were RMB122,641,000(six months ended 30 June 2025: RMB141,801,000).

The total cash outflow for leases except for short-term leases during the six months ended 30 June 2026 were RMB27,646,000 (six months ended 30 June 2025: RMB28,519,000).

14 TRADE RECEIVABLES

	Note	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables from contracts with customers			
– Third parties		**45,160**	26,624
– Related parties	27(d)	**211**	506
Loss allowance		**(1,362)**	(283)
		44,009	26,847

(a) Due to the short-term nature of the trade receivables, their carrying amount is considered to be the same as their fair value.

(b) The credit terms given to trade customers are determined on an individual basis with normal credit period ranging from 30 to 90 days.

The aging analysis of the trade receivables based on invoice date were as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Up to 3 months	**36,517**	21,516
3 to 6 months	**6,102**	2,034
6 to 12 months	**880**	65
More than 1 year	**1,872**	3,515
	45,371	27,130

(c) Impairment and risk exposure

The Group applies the IFRS 9 simplified approach to trade receivables. The loss allowance for trade receivables at amortised cost was not material during the six months ended 30 June 2026 and 2025.

15 PREPAYMENTS AND OTHER RECEIVABLES

	Notes	**30 June 2026 RMB'000 (Unaudited)**	31 December 2025 RMB'000 (Audited)
Non-current portion:			
Loan to third parties	(a)	**22,844**	25,411
Prepayments for property, plant and equipment		**413**	658
Deposits receivable		**11,121**	5,499
Loss allowance		**(1,585)**	(1,899)
		32,793	29,669
Current portion:			
Advances to suppliers		**26,103**	44,344
Input VAT recoverable		**11,740**	10,412
Loans to employees	(b)	**18,159**	–
Deposits receivable		**10,233**	17,651
Prepayments for taxes		**9,623**	4,140
Loan to third parties	(a)	**5,068**	4,988
Others		**14,131**	21,929
Loss allowance		**(441)**	(322)
		94,616	103,142
		127,409	132,811

15 PREPAYMENTS AND OTHER RECEIVABLES *(Continued)*

(a) In May 2024, the Group and a third party (the "**Investor**") entered into an equity transfer agreement, pursuant to which the Group would dispose and the Investor would purchase 100% equity interest of Sichuan Lancai Shumei Technology Co., Ltd. ("**Sichuan Lancai**", a subsidiary of the Group). Upon the completion of the above transaction, Sichuan Lancai became a third party instead of a subsidiary of the Group. Pursuant to a separate agreement signed by the Group, the Investor and Sichuan Lancai, the Group's receivables from Sichuan Lancai of RMB40,217,000 shall be fully repaid to the Group within one year before 31 May 2025, at an interest rate of 3.45% per annum with collateral by the fixed assets of Sichuan Lancai. Among the total Group's receivables, RMB12,500,000 shall be repaid by the Investor on behalf of Sichuan Lancai, and the remaining RMB27,717,000 shall be repaid by Sichuan Lancai.

In May 2025, the Group, the Investor, and Sichuan Lancai entered into a supplemental agreement, pursuant to which the Group's remaining receivables from Sichuan Lancai and the Investor shall be fully repaid to the Group within one year before 31 May 2026, at an annual interest rate of 3.00% with collateral. In July 2025, the Group, the Investor, and Sichuan Lancai entered into another supplemental agreement, pursuant to which the Group's remaining receivables from Sichuan Lancai and the Investor of RMB19,308,000 and RMB10,493,000 respectively are extended and are repaid under a payment schedule within six years before 31 December 2030, at an annual interest rate based on the official bank loan interest rate for the same period authorised and published by the People's Bank of China with collateral. Management considered that there was no significant financial impact to the Group. As at 30 June 2026, the Group's remaining receivables from Sichuan Lancai and the Investor is RMB27,912,000 (including interests of RMB88,000).

The credit risk of the Group's receivables from Sichuan Lancai and the Investor has increased significantly since initial recognition, and the loss allowance should be measured at an amount equal to the lifetime expected credit losses under Stage 2 category, resulting in a loss allowance totally amounted of RMB1,528,000 recognised as at 30 June 2026.

(b) The loans to employees given by the Company are for the purpose of incentivizing the selected employees for long-term service, with a maturity date of 31 December 2026 and an annual interest rate of 3%.

16 INVENTORIES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Finished goods	**39,122**	46,705
Raw materials	**10,496**	11,662
Work in progress	**6,311**	9,371
	55,929	67,738

The costs of individual items of inventory are determined using weighted average costs.

The cost of inventories recognised as an expense and included in cost of revenue for the six months ended 30 June 2026 amounted to RMB100,792,000 (six months ended 30 June 2025: RMB108,526,000) (Note 7).

17 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Wealth management products	**355,391**	132,096
United States listed ETF products	**123,793**	–
Hong Kong listed equity securities	**27**	–
	479,211	132,096

(a) Amounts recognised in the consolidated statement profit or loss

During the reporting period, the following (losses)/gains were recognised in profit or loss:

	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Fair value (losses)/gains on financial assets at fair value through profit or loss (Note 6)	**(12,877)**	3,875

18 OTHER FINANCIAL ASSETS AT AMORTISED COST

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Other financial assets at amortised cost	**48,102**	56,447
Loss allowance	**(831)**	(998)
	47,271	55,449

Other financial assets at amortised cost mainly include short-term notes, with guaranteed annual return of 5.0% per annum for the six months ended 30 June 2026 (year ended 31 December 2025: 5%). The investments are held for collection of contractual cash flows and the contractual cash flows of these investments qualify for solely payments of principal and interest, hence they are measured at amortised cost.

19 SHARE CAPITAL AND SHARE PREMIUM

Company

Authorised:	**Number of ordinary shares**	**Nominal value of ordinary shares** USD'000
As at 1 January 2026 and 30 June 2026 (Unaudited)	5,000,000,000	50

Issued:	**Number of ordinary shares** (Thousands)	**Nominal value of ordinary shares** USD	**Equivalent nominal value of ordinary shares** RMB'000	**Share premium** RMB'000	**Total share capital and share premium** RMB'000
As at 1 January 2025	2,229,681	22,297	148	15,064,115	15,064,263
Add:					
Employee share schemes – exercise of share incentive schemes	3,999	40	1	18,213	18,214
As at 30 June 2025 (Unaudited)	2,233,680	22,337	149	15,082,328	15,082,477
As at 1 January 2026	**2,237,635**	**22,377**	**149**	**15,139,298**	**15,139,447**
Add:					
Employee share schemes – exercise of share incentive schemes	**1,904**	**19**	**1**	**7,541**	**7,542**
As at 30 June 2026 (Unaudited)	**2,239,539**	**22,396**	**150**	**15,146,839**	**15,146,989**

20 SHARE-BASED PAYMENTS

To incentivize its employees and promote the long-term growth of the Company, the Company has adopted the pre-IPO equity incentive scheme in December 2020 (the "**Pre-IPO Share Option Scheme**"), the share option scheme in June 2023 (the "**2023 Share Option Scheme**") and the restricted share unit scheme in June 2023 (the "**2023 Restricted Share Unit Scheme**"). The 2023 Share Option Scheme and 2023 Restricted Share Unit Scheme were collectively referred to the 2023 Share Incentive Schemes.

(a) The Pre-IPO Share Option Scheme

Under the Pre-IPO Share Option Scheme adopted by the Group, participants are granted options which only vest if the service conditions are met. The exercise price is nil. Participation in the scheme is at the Board's discretion. The share options shall be subject to different vesting service periods from the vesting commencement date, which is the grant date of options.

As prescribed in the share option agreement and the respective grant letter:

- For vesting schedule of service period for three years, i) one-third (1/3) of the granted share options are vested on each anniversary from the vesting commencement date; or ii) 25% of the granted share options are vested on the second anniversary from the vesting commencement date and 30% and 45% of granted share options are vested on the same day in the following two subsequent years, respectively.

- For vesting schedule as four years, i) 25% of the granted share options are vested on each anniversary from the vesting commencement date; or ii) the granted share options are vested on the fourth anniversary of the vesting commencement date; or iii) 15%/25%/25%/35% of the granted share options are vested on the same day in the following four subsequent years, respectively; or iv) 40%/30%/20%/10% of the granted share options are vested on the same day in the following four subsequent years, respectively.

- For vesting schedule as two years, 50% of the granted share options are vested on each anniversary from the vesting commencement date.

- For vesting schedule that vested immediately upon grant, granted share options are vested upon the vesting commencement date.

In the event a participant's employment or service with the Group is terminated for any reason, the Group shall have a right to repurchase any shares purchased by such participant upon exercise of option or the vested options at a price calculated based on the fair market value on that date as defined in the option agreement.

(Expressed in Renminbi Yuan unless otherwise indicated)

20 SHARE-BASED PAYMENTS *(Continued)*

(a) The Pre-IPO Share Option Scheme *(Continued)*

(i) Movements in the number of share options granted to participants related to the Pre-IPO Share Option Scheme

	Number of share options
Outstanding as at 1 January 2026	**16,539,160**
Forfeited during the period	**(150,000)**
Exercised during the period	**(2,503,900)**
Outstanding as at 30 June 2026 (Unaudited)	**13,885,260**
– Exercisable as of 30 June 2026	**13,057,463**
Outstanding as at 1 January 2025	34,517,810
Forfeited during the period	(30,000)
Exercised during the period	(6,244,550)
Outstanding as at 30 June 2025 (Unaudited)	28,243,260
– Exercisable as of 30 June 2025	20,584,973

The weighted-average remaining contract life for outstanding share options were 4.59 years as of six months ended 30 June 2026 (2025: 5.59 years).

(ii) Fair value of share options granted

As the exercise price of share options is nil, the fair value of share options is developed based on the spot price of the ordinary shares. The Group used the discounted cash flow method to determine the underlying equity fair value of the Group. During the six months ended 30 June 2026, there were no grants related to the Pre-IPO Share Option Scheme (six months ended 30 June 2025: nil).

20 SHARE-BASED PAYMENTS *(Continued)*

(b) The 2023 Share Incentive Schemes

The 2023 Share Option Scheme and 2023 Restricted Share Unit Scheme were approved and adopted by the Company on 14 June 2023. Both schemes shall be valid and effective for a period of ten (10) years commencing on the date of adoption. Pursuant to the terms of the respective agreements as adopted by the Company, participation and vesting conditions in the 2023 Share Incentive Schemes shall be at the Board's discretion under specified circumstances in relation to the options or shares granted to the eligible participants.

On 4 September 2023, the Group granted a total of 894,000 restricted share units (the "**RSUs**"), representing an aggregate of 894,000 shares, to 363 employees of the Group under the 2023 Restricted Share Unit Scheme at a nil consideration, subject to the acceptance by the grantees. The closing price of the shares on this grant date was HK$4.67 (equivalent to RMB4.27) per share.

On 2 January 2024, the Group granted a total of 15,668,000 RSUs, representing an aggregate of 15,668,000 shares, to 6,039 employees of the Group under the 2023 Restricted Share Unit Scheme at a nil consideration, subject to the acceptance by the grantees. The closing price of the shares on this grant date was HK$4.52 (equivalent to RMB4.09) per share.

On 3 April 2024, the Group granted a total of 8,932,000 RSUs, representing an aggregate of 8,932,000 shares, to 693 employees of the Group under the 2023 Restricted Share Unit Scheme at a nil consideration, subject to the acceptance by the grantees. The closing price of the shares on this grant date was HK$4.67 (equivalent to RMB4.23) per share.

On 13 June 2024, the Group granted a total of 7,000,000 RSUs, representing an aggregate of 7,000,000 shares, to 1 employee of the Group under the 2023 Restricted Share Unit Scheme at a nil consideration, subject to the acceptance by the grantees. The closing price of the shares on this grant date was HK$4.29 (equivalent to RMB3.91) per share.

On 1 April 2025, the Group granted a total of 20,600,000 RSUs, representing an aggregate of 20,600,000 shares, to 182 employees of the Group under the 2023 Restricted Share Unit Scheme at a nil consideration, subject to the acceptance by the grantees. The closing price of the shares on this grant date was HK$2.51 (equivalent to RMB2.32) per share.

On 15 October 2025, the Group granted a total of 11,209,000 RSUs, representing an aggregate of 11,209,000 shares, to 223 employees of the Group under the 2023 Restricted Share Unit Scheme at a nil consideration, subject to the acceptance by the grantees. The closing price of the shares on this grant date was HK$2.68 (equivalent to RMB2.45) per share.

(Expressed in Renminbi Yuan unless otherwise indicated)

20 SHARE-BASED PAYMENTS *(Continued)*

(b) The 2023 Share Incentive Schemes *(Continued)*

On 1 April, 2026, the Group granted a total of 10,195,000 RSUs, representing an aggregate of 10,195,000 shares, to 185 employees of the Group under the 2023 Restricted Share Unit Scheme at a nil consideration, subject to the acceptance by the grantees. The closing price of the shares on this grant date was HK$1.12 (equivalent to RMB0.99) per share.

As prescribed in the restricted share unit agreements and the respective grant letter:

- For vesting schedule of service period for three years, 25% of the granted shares are vested on the vesting commencement date and 25% of the granted shares are vested on each anniversary from the vesting commencement date.

- For vesting schedule as four years, 25% of the granted shares are vested on each anniversary from the vesting commencement date.

During the six months ended 30 June 2026, there were no grants related to the 2023 Share Option Scheme(six months ended 30 June 2025:nil).

(i) Movements in the number of RSUs granted to participants related to the 2023 Restricted Share Unit Scheme

	Number of RSUs
Outstanding as at 1 January 2026	**43,423,900**
Granted during the period	**10,195,000**
Exercised during the period	**(9,324,050)**
Forfeited during the period	**(3,912,375)**
Outstanding as at 30 June 2026 (Unaudited)	**40,382,475**
– Vested and exercisable as at 30 June 2026	**4,627,125**
Outstanding as at 1 January 2025	25,460,950
Granted during the period	20,600,000
Exercised during the period	(11,554,050)
Forfeited during the period	(269,500)
Outstanding as at 30 June 2025 (Unaudited)	34,237,400
– Vested and exercisable as at 30 June 2025	13,375

20 SHARE-BASED PAYMENTS *(Continued)*

(c) Expenses arising from share-based payment transactions

The total expenses arising from share-based payments recognised during the period as part of employee benefit expense were as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Options issued under the Pre-IPO Share Option Scheme	**844**	10,574
Shares issued under the 2023 Restricted Share Unit Scheme	**24,308**	34,234
	25,152	44,808

21 OTHER RESERVES

	Capital reserves RMB'000 (Note a)	Statutory surplus reserves RMB'000 (Note b)	Share-based payment reserves RMB'000	Treasury shares RMB'000	Other comprehensive income RMB'000	Total RMB'000
As at 1 January 2026	**(9,029,398)**	**49,477**	**76,142**	**(467,965)**	**(539,659)**	**(9,911,403)**
Share-based compensation (Note 20)	**–**	**–**	**25,152**	**–**	**–**	**25,152**
Employee share schemes – exercise of share incentive schemes	**–**	**–**	**(44,501)**	**36,959**	**–**	**(7,542)**
Currency translation differences	**–**	**–**	**–**	**–**	**(30,630)**	**(30,630)**
As at 30 June 2026 (Unaudited)	**(9,029,398)**	**49,477**	**56,793**	**(431,006)**	**(570,289)**	**(9,924,423)**
As at 1 January 2025	(9,029,398)	39,850	121,042	(368,412)	(516,048)	(9,752,966)
Share-based compensation (Note 20)	–	–	44,808	–	–	44,808
Employee share schemes – exercise of share incentive schemes	–	–	(64,014)	45,800	–	(18,214)
Currency translation differences	–	–	–	–	(4,220)	(4,220)
As at 30 June 2025 (Unaudited)	(9,029,398)	39,850	101,836	(322,612)	(520,268)	(9,730,592)

21 OTHER RESERVES *(Continued)*

(a) Capital reserves

The capital reserves were mainly generated from the reorganization before the IPO, relating to the spin-off from the predecessor holding company, and there were no changes during the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

(b) Statutory surplus reserves

In accordance with the relevant laws and regulations of the PRC, when distributing the net profit of each year, the Group shall set aside 10% of its profit after income tax (based on the PRC statutory financial statements and after offsetting accumulated losses from prior years) for the statutory surplus reserve fund (except where the reserve balance has reached 50% of the paid-in capital).

Statutory reserve can be used to make up for the loss or increase the paid-in capital after approval from the appropriate authorities.

(c) Treasury shares

In order to establish and enhance share incentive schemes, the Company has appointed a trustee. The principal activity of the trustee is administrating and holding the Company's shares for the share incentive schemes for the benefit of the Company's eligible persons.

As the Company has the power to govern the financial and operating policies of the trustee and can derive benefits from the contributions of the employees who have been awarded the shares of the Company through their continued employment with the Group, the Group controls and thus consolidates the trustee.

As at 30 June 2026, pursuant to the rules of the 2023 Share Incentive Schemes adopted by the Company in June 2023, the trustee of the 2023 Share Incentive Schemes has cumulatively purchased from the market a total of 123,035,000 shares at a total consideration of approximately HK$503,492,000 (equivalent to RMB459,063,000), which was deducted from equity as "treasury shares". In addition, a total of 28,775,475 shares at a total consideration of approximately HK$125,174,000 (equivalent to RMB114,065,000) were exercised under the share incentive schemes. (30 June 2025: 99,085,000 shares at a total consideration of approximately HK$430,676,000, equivalent to RMB392,776,000 were purchased and 17,700,300 shares at a total consideration of approximately HK$72,490,000, equivalent to RMB70,164,000 were exercised).

Pursuant to the annual general meeting held on 27 June 2025, the directors of the Company were granted a general mandate to repurchase shares in the open market not exceeding 10% of the Company's total number of issued shares (excluding treasury shares) as at the date of passing of this resolution (the "**Repurchase Mandate**"), which the repurchased Shares will be held as treasury shares. As at 30 June, 2026, the Company has cumulatively repurchased from the market at a total of 30,557,000 Shares at a total consideration of approximately HK$94,405,000 (equivalent to RMB86,008,000) (30 June 2025: nil).

22 TRADE AND OTHER PAYABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade payables	**29,316**	29,049
Accrued salaries, bonuses and welfares	**172,102**	122,356
Tax payable (other than income tax payable)	**13,742**	23,392
Accrued auditor's remuneration	**1,570**	2,313
Others	**4,988**	5,105
	221,718	182,215

The ageing analysis of the trade payables based on their respective invoice and issue dates are as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 year	**29,114**	28,858
More than 1 year	**202**	191
	29,316	29,049

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

23 REFUND LIABILITIES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Refund liabilities arising from right of refund	**98,272**	137,605

24 DIVIDENDS

The Board did not propose an interim dividend for the six months ended 30 June, 2026 (six months ended 30 June, 2025: nil).

25 COMMITMENTS

As at 30 June, 2026, the Group did not have any significant capital commitments (31 December 2025: nil).

26 CONTINGENCIES

As at 30 June, 2026, the Group did not have any significant contingent liabilities (31 December 2025: nil).

27 RELATED PARTY TRANSACTIONS

(a) Names and relationships with related parties

Name of the related parties	Nature of relationship
Beijing Yuanli Technology Co., Ltd.	A subsidiary indirectly controlled by YUAN Inc. Mr. LI Yong, a director of YUAN Inc, is also a shareholder of the Group
Beijing Yuanli Future Technology Co., Ltd.	A subsidiary indirectly controlled by YUAN Inc. Mr. LI Yong, a director of YUAN Inc, is also a shareholder of the Group
Tencent Cloud Computing (Beijing) Co., Ltd.(i)	A subsidiary of Tencent, a shareholder of the Group
Tenpay Payment Technology Co., Ltd.(i)	A subsidiary of Tencent, a shareholder of the Group
Shenzhen Tencent Computer Systems Co., Ltd.(i)	A subsidiary of Tencent, a shareholder of the Group

* The English names of certain companies referred to above represent the best efforts made by management of the Company to directly translate the Chinese names as they have not registered any official English names.

(i) These entities have ceased to be related parties of the Group with effect from July 2025.

(b) Loans to key management personnel

	30 June 2026 RMB'000 (Unaudited)	30 June 2025 RMB'000 (Unaudited)
Beginning of the period	**–**	–
Loans advanced	**21,949**	–
Loan repayments received	**(9,000)**	–
Interest charged	**44**	–
Interest received	**(15)**	–
End of period	**12,978**	–

During the six months ended 30 June, 2026, loans to key management personnel given by the Company were unsecured, with a maturity date of 31 December, 2026 and an annual interest rate of 3%.

27 RELATED PARTY TRANSACTIONS *(Continued)*

(c) Transactions with other related parties

During the six months ended 30 June, 2026 and 2025, the Group had the following significant transactions with related parties.

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Sales of goods and services:		
Beijing Yuanli Technology Co., Ltd. (i)	**4,740**	4,577
Beijing Yuanli Future Technology Co., Ltd.(i)	**1,819**	–
	6,559	4,577

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Purchases of goods and services:		
Tencent Cloud Computing (Beijing) Co., Ltd. (ii)	**–**	5,994
Tenpay Payment Technology Co., Ltd. (iii)	**–**	4,397
Shenzhen Tencent Computer Systems Co., Ltd.(iv)	**–**	738
	–	11,129

(i) This related party transaction represents revenue from provision of printing services.

(ii) This related party transaction represents cost paid or payable for the related cloud storage service.

(iii) This related party transaction represents cost paid or payable for related payment service.

(iv) This related party transaction represents cost paid or payable for related technical service.

27 RELATED PARTY TRANSACTIONS *(Continued)*

(d) Outstanding balances arising from sales/purchases of goods and services

Balances due from related parties	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Beijing Yuanli Technology Co., Ltd.	**159**	–
Beijing Yuanli Future Technology Co., Ltd.	**52**	506
	211	506

(e) Key management personnel compensation

Key management compensation of the Group is set out below:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Wages, salaries and bonuses	**23,446**	5,787
Pension costs – defined contribution plans	**174**	175
Other social security costs	**194**	190
Share-based compensation expenses	**8,436**	10,055
	32,250	16,207

28 SUBSEQUENT EVENTS

During the period from 1 July, 2026 to the date of this interim report, the Group disposed of certain ETF products and listed securities purchased through open markets, and realised a total investment loss of approximately US$8,335,000, equivalent to RMB56,654,000. The financial effects of the above transaction have not been recognised as of 30 June 2026.

Definitions

"Audit Committee"	the audit committee of the Board
"Beijing Fenbi Box"	Beijing Fenbi Box Enterprise Management LLP (北京粉筆盒子企業管理合夥企業(有限合夥)) is an employee shareholding platform of the Group
"Board of Directors" or "Board"	the board of directors of our Company
"CG Code"	the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules
"China" or "PRC"	People's Republic of China, excluding, for the purposes of this interim report and for geographical reference only and except where the context requires otherwise, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan area
"Company," "Fenbi," "Group," "we" or "us"	Fenbi Ltd. (粉筆有限公司), formerly known successively as Fenbi Education Technology Ltd. and Fenbi Technology Ltd., an exempted company incorporated under the laws of Cayman Islands with limited liability on December 14, 2020, and, except where the context indicated otherwise, all of its subsidiaries (including consolidated affiliated entities), or with respect to the period before our Company became the holding company of our current subsidiaries, the business operated by our present subsidiaries or their predecessors (as the case may be)
"Director(s)"	the director(s) of our Company
"Employee Participant(s)"	any employee (whether full-time or part-time), any director (including executive directors, non-executive directors and independent non-executive directors) of the Group, and any persons who are granted awards under the 2023 Restricted Share Unit Scheme or options under the 2023 Share Option Scheme as an inducement to enter into employment contracts with any member of the Group
"Fenbi Bluesky"	Beijing Fenbi Bluesky Technology Co., Ltd. (北京粉筆藍天科技有限公司), a limited liability company established under the laws of the PRC on February 25, 2015, and one of the consolidated affiliated entities, the financial accounts of which have been consolidated and accounted for as if they were subsidiaries of the Company by virtue of the contractual arrangements
"Global Offering"	the Hong Kong public offering and the international offering of the Company
"HKD" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards
"IPO"	initial public offering
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange

"Listing Date"	January 9, 2023, on which the Shares are listed and from which dealings therein are permitted to take place on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
"Mr. ZHANG"	Mr. ZHANG Xiaolong (張小龍), who resigned as an executive Director, chief executive officer and chairman of the Board with effect from July 8, 2026
"Ms. SHENG"	Ms. SHENG Haiyan (盛海燕), our chairlady of the Board, executive Director and chief executive officer of the Company
"Nomination Committee"	the nomination committee of the Board
"Ocorian Trust Company"	Ocorian Singapore Trust Company Pte. Ltd., an Independent Third Party and professional trustee company established in Singapore, acting as the trustee of each of ZXL Family Trust and WL Family Trust
"Pre-IPO Share Option Scheme"	the pre-IPO equity incentive scheme adopted by the Company on December 31, 2020, as amended from time to time, the principal terms of which are summarized in "Statutory and General Information – D. Pre-IPO Share Option Scheme" in Appendix IV to the Prospectus
"Prospectus"	the prospectus of the Company dated December 23, 2022
"Related Entity Participant(s)"	the directors, chief executives and employees of the holding companies, fellow subsidiaries and associated companies of the Company, provided that the Board shall have absolute discretion to determine whether or not one falls within such category
"Remuneration Committee"	the remuneration committee of the Board
"Renminbi" or "RMB"	the lawful currency of the PRC
"Reporting Period"	the six months ended June 30, 2026
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of the Company with a par value of US$0.0001 each
"Shareholder(s)"	holder(s) of our Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

Definitions

"Substantial Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"USD" or "US$"	United States dollars, the lawful currency of the United States
"WL Family Trust"	the discretionary trust established by Mr. WEI Liang as the settlor and the protector, with Ocorian Trust Company as the trustee, and the beneficiaries of the trust include Mr. WEI and his family members
"ZXL Family Trust"	the discretionary trust established by Mr. ZHANG as the settlor and the protector, with Ocorian Trust Company as the trustee, and the beneficiaries of the trust include Mr. ZHANG and his family members
"2023 Restricted Share Unit Scheme"	the restricted share unit scheme adopted by the Company on June 14, 2023
"2023 Share Option Scheme"	the share option scheme adopted by the Company on June 14, 2023