



中國銀杏教育集團有限公司

China Gingko Education Group Company Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1851



ANNUAL REPORT
2025

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Fang Gongyu (*Chairman of the Board*)
Mr. Tian Tao
Ms. Li Jingjing (appointed on 24 October 2025)
Mr. Ma Xiaoming (resigned on 24 October 2025)
Ms. Yu Yuan (resigned on 28 March 2025)
Ms. Zeng Qin (appointed on 28 March 2025)

Independent Non-executive Directors

Mr. Jiang Qian
Mr. Wong Chi Keung
Mr. Yuan Jun

Audit Committee

Mr. Wong Chi Keung (*Chairman*)
Mr. Jiang Qian
Mr. Yuan Jun

Nomination Committee

Mr. Fang Gongyu (*Chairman*)
(resigned on 20 June 2025)
Mr. Jiang Qian (*Chairman*)
(appointed on 20 June 2025)
Mr. Yuan Jun
Ms. Zeng Qin (appointed on 20 June 2025)

Remuneration Committee

Mr. Jiang Qian (*Chairman*)
Mr. Yuan Jun
Ms. Yu Yuan (resigned on 28 March 2025)
Ms. Zeng Qin (appointed on 28 March 2025)

Company Secretary

Mr. Lau Kai Tung Justin

Authorised Representatives

Mr. Tian Tao
Mr. Lau Kai Tung Justin

AUDITOR

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

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Postal Saving Bank of China,
Pi County Xipu Branch
China Construction Bank,
Pi County Gaoxin Branch
China CITIC Bank, Chengdu West Branch

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

2 Jinli Zhonglu
Qingyang District
Chengdu City, Sichuan Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F., 148 Electric Road
North Point
Hong Kong

PRINCIPAL SHARE REGISTRAR

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG SHARE REGISTRAR

Boardroom Share Registrars (HK) Limited
Room 2103B, 21/F.
148 Electric Road
North Point
Hong Kong

INVESTOR RELATIONS

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COMPANY WEBSITE

<http://www.chinagingkoedu.com>

LISTING INFORMATION

Place of Listing

The Main Board of The Stock Exchange of
Hong Kong Limited

Stock Code

1851

Financial Highlights

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from published audited financial statements, is set out below:

FIVE-YEAR COMPARISON OF KEY FINANCIAL FIGURES

Results of operation	For the year ended 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Revenue	400,679	372,687	354,862	286,193	226,737
Gross Profit	221,441	209,963	213,110	162,235	103,922
Profit for the year	162,570	153,207	148,032	85,008	38,683
Profit and total comprehensive income for the year attributable to owners of the Company	162,570	153,207	148,032	85,008	38,683
Basic earnings per share (RMB Yuan)	0.33	0.31	0.30	0.17	0.08

Financial ratio	For the year ended 31 December				
	2025	2024	2023	2022	2021
Gross profit margin (%)	55.3	56.3%	60.1%	56.7%	45.8%
Net profit margin (%)	40.6	41.1%	41.7%	29.7%	17.1%

Assets and liabilities	As at 31 December				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets	1,331,312	1,303,386	1,234,870	1,187,277	1,035,719
Current assets	263,749	283,057	224,528	221,614	165,871
Current liabilities	384,543	457,537	392,975	499,481	318,680
Net-current liabilities	120,794	174,480	168,447	277,867	152,809
Total assets less current liabilities	1,210,518	1,128,906	1,066,423	909,410	882,910
Capital and reserves	1,100,479	937,909	784,702	636,670	551,662
Property, plant and equipment	1,263,754	1,236,249	1,156,047	1,115,398	961,342
Cash and deposits	243,503	271,723	215,713	199,854	156,305
Contract liabilities	219,479	202,241	198,569	176,933	130,281
Borrowings – current	70,000	120,000	70,000	142,908	75,075
Borrowings – non current	109,790	189,790	269,790	257,622	313,271

Financial ratio	As at 31 December				
	2025	2024	2023	2022	2021
Current ratio	0.69	0.62	0.57	0.44	0.52
Gearing ratio (<i>Note</i>)	NA	4.1%	15.8%	31.5%	42.1%

Note: This ratio is calculated as net debt divided by total equity. Net debt is calculated as total debt less cash and deposits. As at 31 December 2025, the Group has a net cash position.

Chairman's Statement

Dear Shareholders,

On behalf of the Board, I am pleased to present our annual results for the year ended 31 December 2025 (the "Year").

FINANCIAL PERFORMANCE AND BUSINESS SUMMARY

During the Year, the Group achieved encouraging results despite a complex macro environment. The Group recorded a revenue of approximately RMB400.7 million (2024: RMB372.7 million), representing a year-on-year increase of approximately 7.5%. This growth was primarily driven by the steady expansion of our student enrollment and the strategic optimization of our course offerings.

During the Year, we offered 30 undergraduate majors in a wide selection of fields, including the disciplines of hospitality management, business management, and art. We have been constantly optimizing our course offerings and practical training programs to equip our students with the readily applicable skills sought by prospective employers. As a result of these efforts, the year-end employment rate of 2025 graduates of our undergraduate program reached 89.9%.

Our commitment to providing high-quality, specialized education has been recognized by independent industry evaluators. According to CUAA.net (中國校友會網), our University ranked 25th among 2026 CUAA Category III private universities in China and secured the 1st rank among all private universities in China for hotel management. These rankings reflect our success in cultivating high-end, market-oriented talents.

DEVELOPMENT PLAN

The Group continues to operate as a leading higher education service provider in Sichuan Province, China, offering diversified courses and extensive practical training platforms. Our educational philosophy remains centered on equipping students with the creative thinking and strong practical skills required by the modern era. We believe the improvement in our graduate placement mainly attests to the effectiveness of our educational approach, which enables us to enhance our reputation, raise our profile, and attract more talented prospective students.

In line with our pursuit of academic excellence, we have continued to enhance our faculty strength and expand the depth of university-enterprise cooperation. By fostering close connections between our major settings and industry needs, we ensure that our graduates remain highly competitive in the evolving job market.

Looking ahead, the Group intends to capitalize on the increasing demand for vocational education in China, particularly within the hospitality sector. We will concentrate our resources on establishing specialized training programs in high-demand areas such as Chinese and Western culinary arts, bakery skills, bartending, and barista techniques.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my deepest appreciation to our management team and all staff members for their unwavering dedication and contribution during the Year. I also thank our Shareholders, students, and business partners for their steadfast confidence in the Group. We will continue to strive for excellence and create greater value for all our stakeholders.

China Gingko Education Group Company Limited

Fang Gongyu

Chairman

Hong Kong, 27 March 2026

Management Discussion and Analysis

BUSINESS OVERVIEW

Overview

The Group operates one school, namely, Gingko College of Hospitality Management (“**Yinxing College**”) in Sichuan Province. The Yinxing College is divided into two campuses, namely Chengdu Campus and Yibin Campus.

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

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

The Schools

As at 31 December 2025, the Yinxing College had 10 departments (31 December 2024: 10), offering an aggregate of 30 bachelor’s degree programmes (31 December 2024: 29) and 11 junior college diploma programmes (31 December 2024: 24).

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

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

Note:

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

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

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

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

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

OUTLOOK

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

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

Expansion of Yinxing College

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

FINANCIAL REVIEW

Revenue

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

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

Cost of Sales

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

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

Gross Profit and Gross Profit Margin

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

Selling Expenses

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

Administrative Expenses

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

Other Income

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

Other Gains – net

The Group's net other gains for the Year amounted to approximately RMB0.3 million (2024: RMB0.8 million). This shift was primarily due to a net exchange loss of RMB0.8 million, compared to a net exchange gain of RMB0.3 million in the previous Reporting Period.

Finance Expenses – net

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

Income Tax Expenses

The Group's income tax expenses were approximately RMB0.5 million for the Year (2024: RMB0.6 million).

Profit for the Year

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

FINANCIAL RESOURCES REVIEW

Liquidity, Financial Resources and Capital Structure

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

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

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

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

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

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

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

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

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

Future Plan for Material Investments and Capital Assets

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

Capital Commitments

As at 31 December 2025, the Group had contracted but not provided for capital commitments of approximately RMB67.6 million, which were primarily relating to property, plant and equipment (2024: 17.7 million).

Currency Exposure and Management

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

Contingent Liabilities

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

Pledge of Assets

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

EMPLOYEES AND REMUNERATION POLICY

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

Biographical Details of Directors and Senior Management

DIRECTORS

Executive Directors

Mr. Fang Gongyu (方功宇), aged 62, was appointed as Director on 23 March 2018 and was re-designated as executive Director of the Company on 7 June 2018. Mr. Fang is also the Chairman and the CEO. Mr. Fang had resigned as the CEO on 4 February 2022 and remained as an executive Director and the Chairman. Mr. Fang has been re-appointed as the CEO with effect from 3 October 2022. He has been serving as a supervisor at Gingko Asset Management since August 2002 and the chairman of the board at Yinxing College since April 2004 and is responsible for the overall management, strategic planning and business development of the Group.

Mr. Fang was responsible for the business development of Chengdu Jinjiang Gingko Restaurant* (成都市錦江區銀杏酒樓) in 1991, Chengdu Gingko Chaozhou Catering Co., Ltd.* (成都銀杏潮州餐飲有限公司) in 1994 and Chengdu Wuhou Gingko Sichuan Cuisine Restaurant* (成都市武侯區銀杏川菜酒樓) in 1999, respectively. Mr. Fang founded Chengdu Gingko Jin'ge Catering Corporation* (成都銀杏金閣餐飲股份有限公司) ("**Gingko Jin'ge Catering**") in November 2007, a company mainly engaged in the provision of catering services where Mr. Fang has been serving as the chairman and a director of the board since its inception and responsible for its major decision-making. Mr. Fang also founded and is currently serving as a supervisor of a number of companies principally engaged in catering management or investment, including Chengdu Gingko Catering Management Co., Ltd.* (成都銀杏餐飲管理有限公司), Chengdu Gingko Jin'ge Investment Co., Ltd.* (成都銀杏金閣投資有限公司) ("**Gingko Jin'ge Investment**"), Chengdu Gingko Hotel Management Co., Ltd.* (成都銀杏酒店管理有限公司) ("**Gingko Hotel Management**") and Chengdu Changshun Investment Co., Ltd.* (成都長順投資有限公司). Mr. Fang obtained his bachelor's degree in business management from Chengdu University (成都大學) in the PRC in July 1986.

Mr. Tian Tao (田濤), aged 50, was appointed as executive Director of the Company on 7 June 2018 and is responsible for the overall management of Gingko Asset Management, and investment and financing of the Group. Mr. Tian has been serving as an executive director and general manager at Gingko Asset Management since January 2016, where he is responsible for its overall management. He has also been serving as a director of the board at Yinxing College since June 2016, where he is responsible for its business development and financing. Prior to joining the Group, Mr. Tian successively served in various positions in companies including Gingko Hotel Management from June 2005 to May 2018, Gingko Jin'ge Catering from November 2007 to September 2015 and Gingko Jin'ge Investment from October 2015 to May 2018, where he has been primarily responsible for their respective financial management and investment. Mr. Tian obtained his diploma in accounting from Southwest Minzu University (西南民族大學) (formerly known as Southwest Minzu College (西南民族學院)) in the PRC in July 1995.

Ms. Li Jingjing (李晶晶), 41, possesses extensive experience in corporate administration and highlevel executive support within the listed company environment. She joined the Group in April 2018 as Administrative manager and Chairman Assistant, where she has since been responsible for coordinating key corporate affairs, tracking critical decisions, and serving as the primary liaison between the Chairman and stakeholders. She holds a Bachelor of Arts (Journalism) degree from Leshan Normal University.

Biographical Details of Directors and Senior Management

Ms. Zeng Qin (曾芹), aged 49, was appointed as executive Director of the Company on 28 March 2025 and is responsible for the finance and asset management of the Group's wholly-owned subsidiary, Yinxing College. She has over 24 years of experience in finance and asset management.

Ms. Zeng joined Chengdu Gingko Jin'ge Catering Corporation as an Accountant in 1999, where she was responsible for accounting and finance work of the company. She was reallocated and promoted to Financial Controller at the Group's wholly-owned subsidiary Chengdu Gingko Asset Management Co., Limited ("Gingko Asset Management") in 2017, where she was in charge of the personnel office, finance department, and asset management department. She has also been serving as a director of the board at Yinxing College since 2023.

Ms. Zeng obtained her bachelor's degree in accounting from Southwestern University of Finance and Economics in 2023.

Independent Non-executive Directors

Mr. Jiang Qian (蔣謙), aged 47, was appointed as independent non-executive Director of the Company on 12 December 2018 and is responsible for supervising and providing independent advice to the Board.

From September 2007 to November 2009, he worked at an attorney at Davis Polk & Wardwell LLP, where he was involved in the public offering and bond issuance. From January 2010 to November 2011, he worked as a counsel at King & Wood Law Firm (金杜律師事務所), where his practice focuses on capital market and public offerings. From January 2012 to January 2015, he served as a managing director at Bank of New York Mellon, where he was responsible for the management of its legal affairs. From February 2015 to December 2016, Mr. Jiang served as a managing director at China Commodity Merchant Trading Group Limited, a subsidiary of Elion Resources Group (億利資源集團), a company mainly engaged in ecological restoration and clean energy, where he was responsible for its investment and financing in Hong Kong. From December 2015 to June 2018, he served as co-head of the legal department at China Great Wall AMC (International) Holdings Company Limited (中國長城資產(國際)控股有限公司) (formerly known as Great Wall Pan Asia International Investment Company Limited (長城環亞國際投資有限公司)), a company mainly engaged in property investment and financial business, where he was responsible for the management of its legal affairs in Hong Kong. Since November 2018, he has been serving as a partner at Addleshaw Goddard (Hong Kong) LLP, where his practice focuses on debt capital markets and special situation transactions such as restructuring. From December 2018 to April 2021, Mr. Jiang was appointed as an independent non-executive director of Cocoon Holdings Limited (中國天弓控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 428). In December 2022, Mr. Jiang was appointed as a partner in Ashurst LLP, where his practice focused on restructuring, insolvency and special situation practice.

Mr. Jiang obtained his bachelor's degree in economic law from East China University of Political Science and Law (華東政法大學) in the PRC in July 1999, and his master of laws degree from Northwestern University in the United States in June 2007. Mr. Jiang obtained the legal professional qualification certificate in the PRC in February 2000 and was admitted and licensed to practise as an attorney and counsellor in the state of New York of the United States in July 2008.

Mr. Wong Chi Keung (王志強), aged 40, was appointed as independent non-executive Director of the Company on 31 July 2020 and is responsible for supervising and providing independent advice to the Board.

Mr. Wong obtained his bachelor of business administration degree in accounting from the Hong Kong City University in 2010. He has been a member of the Hong Kong Institute of Certified Public Accountants since 2014, and has extensive experience in accounting and auditing work, in particular, in the provision of assurance and advisory services to various listed, multinational and private companies in various industries. Mr. Wong was employed by two international accounting firms from 2010 to 2017. In 2017 and up to April 2019, Mr. Wong served as a senior finance manager in Fullshare Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 607), where he was responsible for financial planning, budgeting and management. In May 2019, Mr. Wong joined Eurus Express Limited, a private company in Hong Kong which is one of the major integrated logistics companies, and has been serving as the financial controller thereof since then, where he is responsible for financial and operational management and company secretarial matters.

Mr. Yuan Jun (袁軍), aged 61, was appointed as independent non-executive Director of the Company on 12 December 2018 and is responsible for supervising and providing independent advice to the Board.

From July 2003 to June 2010, Mr. Yuan served as an assistant director of education research center and training center at the National Institution of Education Sciences (中央教育科學研究所), where he was responsible for supervising the trainings provided to principals and teachers nationwide. From July 2010 to June 2012, he served as a director of center of international courses and director of international communications department of Beijing New Oriental International High School (北京新東方國際高中), a subsidiary of New Oriental Education and Technology Group Inc. (北京新東方教育科技集團), a company listed on the New York Stock Exchange (stock code: EDU), where he was responsible for its daily management, course research and development, trainings and international communications. From July 2012 to June 2014, he served as a vice president of investment department at Beijing Aiyinsheng Education Investment Co., Ltd. (北京愛因生教育投資有限責任公司), a company mainly engaged in investment and management of education, where he was responsible for its daily management, pre-investment analysis and post-investment management. From July 2014 to June 2015, he served as a vice president at Xi'an Rongchuang Education Investment Company (西安榮創教育投資公司), a company mainly engaged in investment, where he was responsible for the management of and investment in higher education institutions and vocational education institutions. From July 2015 to June 2017, he served as an executive vice president of the education, medical and cultural department at Guangdong Pearl River Investment Group (廣東珠江投資集團), a company mainly engaged in investment, where he was responsible for the management and international communications of higher education institutions, management and risk control of medical business sector and culture business sector of the group. In July 2017, Mr. Yuan joined China Education Group Holdings Limited (中國教育集團控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 839), and has been serving in strategic investment department, where he is responsible for its strategic planning, merger and acquisition, post-investment management, school-enterprise cooperation and international education.

Mr. Yuan obtained his bachelor's degree in biology from Shaanxi Normal University (陝西師範大學) in the PRC in July 1985 and his master's degree in education from the same university in July 2000.

SENIOR MANAGEMENT

Mr. Tian Tao (田濤), Ms. Zeng Qin (曾芹) and Ms. Li Jingjing (李晶晶) are the senior management of the Group. For details of Mr. Tian Tao, Ms. Zeng Qin and Ms. Li Jingjing, please refer to "Directors – Executive Directors" above.

Report of the Directors

The Board is pleased to present their annual report and the audited financial statements for the Year of the Group.

INITIAL PUBLIC OFFERING

The Company was incorporated in the Cayman Islands with limited liability on 23 March 2018. The Company listed its Shares on the Main Board of the Stock Exchange on 18 January 2019.

PRINCIPAL ACTIVITIES AND SUBSIDIARIES

The Company is an investment holding company. The Group's operations are substantially conducted in the PRC through its direct or indirect subsidiaries and consolidated affiliated entities. The principal activities and other details of the subsidiaries and consolidated affiliated entities of the Company are set out in note 30 to the consolidated financial statements.

BUSINESS REVIEW

Discussion and analysis of the business of the Group for the Year are set out in the section headed "Management Discussion and Analysis" on pages 8 to 14 of this annual report. This discussion forms part of this directors' report.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company was incorporated in the Cayman Islands with its principal business conducted in the PRC, and its Shares are listed on the Stock Exchange. Therefore, the establishment and operation are subject to relevant laws in the Cayman Islands, the PRC and Hong Kong. For the Year and up to the date of this annual report, the Group has complied with relevant laws and regulation in the Cayman Islands, the PRC and Hong Kong in all material respects.

RESULTS

The results of the Group for the Year and the Group's financial position as at 31 December 2025 are set out in the consolidated financial statements on pages 74 to 140 of this annual report.

FINAL DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the year ended 31 December 2025.

ANNUAL GENERAL MEETING

The forthcoming AGM will be held on Friday, 12 June 2026. A notice convening the AGM will be published on the websites of the Company and the Stock Exchange and despatched to Shareholders in accordance with the requirements of the M&A and the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

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

(A) For ascertaining eligibility to attend and vote at the AGM:

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

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

FINANCIAL SUMMARY

A summary of the published results and the assets and liabilities of the Group in the form of a comparative table for the last five financial years is set out on pages 4 to 5 of this annual report.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Year are set out in note 22 to the consolidated financial statements.

RESERVES

Details of the movements in the reserves of the Group during the Year are set out in the consolidated statement of changes in equity.

Details of the movements in the reserves of the Company during the Year are set out in note 29 to the consolidated financial statements. As at 31 December 2025, the reserves of the Company available for distribution to Shareholders was approximately RMB429.0 million.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the Year are set out in note 15 to the consolidated financial statements.

BANK AND OTHER BORROWINGS

Details of bank and other borrowings of the Group during the Year are set out in note 25 to the consolidated financial statements.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment and giving back to community and achieving sustainable growth. The Group had not received any material fines or penalties associated with the breach of any environmental laws or regulations during the Year.

Details of the environmental, social and governance of the Group are set out in the Environmental, Social and Governance Report published separately from this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

The Group's customers are primarily students, third-party education institutions with whom the Group cooperated and institutions to whom the Group provided trainings. The Group did not have any single customer who accounted for more than 5% of the revenue for each of the years ended 31 December 2025 and 2024. The Group's suppliers primarily comprise utilities and food services providers. Purchases from the Group's five largest suppliers accounted for 6.9% (2024: 14.4%) of the Group's total purchases and the largest supplier accounted for 1.9% (2024: 3.8%) of the Group's total purchases.

As far as the Company is aware, none of the Directors nor his/her connected persons and none of the shareholders possessing over 5% of the interest in the capital of the Company possessed any interest in the above-mentioned suppliers and customers.

DISCLOSURE OBLIGATIONS UNDER RULES 13.20, 13.21 AND 13.22 OF THE LISTING RULES

The Directors are not aware of any circumstances resulting in the responsibility of disclosure under Rule 13.20, 13.21 and 13.22 of the Listing Rules regarding the provision of advances by the Company to an entity, pledging of shares and loan agreements, and financial assistance respectively.

PRINCIPAL RISKS AND UNCERTAINTY

Save as disclosed in the section headed “Risks relating to the Contractual Arrangements” in this annual report, the following list is a summary of certain principal risks and uncertainties facing the Group, some of which are beyond its control.

- its operations and business prospects;
- its business and operating strategies and its ability to implement such strategies;
- its ability to develop and manage its operations and business;
- its ability to maintain or increase student enrolment in its schools;
- its ability to maintain or increase tuition fees;
- its ability to maintain or increase utilisation of its facilities;
- its capital expenditure programmes and future capital requirements;
- its future general and administrative expenses;
- competition for, among other things, capital, technology and skilled personnel (including teaching staff);
- its ability to control costs;
- its ability to remit dividends; and
- changes to regulatory and operating conditions in the industry and geographical markets in which the Group operates.

However, the above is not an exhaustive list. Investors are advised to make their own judgement or consult their own investment advisors before making any investment in the Shares.

DIRECTORS

The Directors in office during the Year and as at the date of this annual report were as follows:

Executive Directors

Mr. FANG Gongyu

Mr. TIAN Tao

Ms. YU Yuan (resigned on 28 March 2025)

Mr. MA Xiaoming (resigned on 24 October 2025)

Ms. ZENG Qin (appointed on 28 March 2025)

Ms. LI Jingjing (appointed on 24 October 2025)

Independent non-executive Directors

Mr. JIANG Qian

Mr. WONG Chi Keung

Mr. YUAN Jun

In accordance with Article 83(3) of the Articles of Association, any Director appointed by the Board to fill a casual vacancy on the Board shall hold office until the first general meeting of Shareholders after his appointment and be eligible for re-election at such meeting. Accordingly, Ms. Li Jingjing, who was appointed as an executive Director on 24 October 2025 shall hold office till the AGM and be eligible, has offered herself for re-election at the AGM.

In accordance with article 84 of the Articles of Association, one-third of the Directors shall retire from office by rotation at each AGM and shall then be eligible for re-election. Accordingly, Mr. Fang Gongyu, Mr. Tian Tao shall retire by rotation, and being eligible, have offered themselves for re-election at the forthcoming AGM to be held in due course.

Further details of the Directors and senior management are set forth in the preceding section “Biographical Details of Directors and Senior Management” of this annual report.

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and the senior management of the Group are set out on pages 15 to 17 of this annual report.

CHANGE IN INFORMATION OF DIRECTORS

Ms. Yu Yuan resigned as an executive Director and Ms. Zeng Qin was appointed as an executive Director, both with effect from 28 March 2025. Mr. Ma Xiaoming resigned as an executive Director and Ms. Li Jingjing was appointed as an executive Director, both with effect from 24 October 2025. Save as disclosed above and under the section headed “Biographical Details of Directors and Senior Management” in this annual report, there is no other information required to be disclosed by the Directors pursuant to Rule 13.51(B)(1) of the Listing Rules for the Year and up to the date of this annual report.

SERVICE CONTRACTS OF DIRECTORS

Each of the executive Directors has entered into a service contract with the Company for a specific term of three years unless terminated by not less than three months' notice in writing served by either the executive Director or the Company.

Each of the independent non-executive Directors has signed an appointment letter with the Company and is appointed for a specific term of three years with effect from the respective date stated therein.

There was no service contract entered into/appointment letter signed by the Company and any Directors to be re-elected in the forthcoming AGM which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed under the section headed "Connected Transactions" and note 28 to the consolidated financial statements in this annual report, no other transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at any time during the Year or as at 31 December 2025.

CONTROLLING SHAREHOLDER' S INTEREST

Save as disclosed in this annual report, no contracts of significance between the Company or any of its subsidiaries and a controlling shareholder (as defined in the Listing Rules) of the Company or any of its subsidiaries or any contracts of any significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder of the Company or any of its subsidiaries subsisted at any time during the Year or as at 31 December 2025.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES IN THE SHARES, UNDERLYING SHARES OR DEBENTURES

As at 31 December 2025, the interests or short positions of the Directors or chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO) or which would be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which would be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, are as follows:

(1) Long position in the Shares of the Company

Name of Director	Nature of Interest	Number of Shares	2025 Approximate percentage of Shareholding (Note 3)
Mr. Fang (Note 1)	Interest in a controlled corporation	366,562,500	73.3%
Mr. Tian (Note 2)	Interest in a controlled corporation	8,437,500	1.7%

Notes:

- (1) Vast Universe is beneficially and wholly owned by Mr. Fang. By virtue of the SFO, Mr. Fang is deemed to be interested in the Shares held by Vast Universe.
- (2) HFYX is beneficially and wholly owned by Mr. Tian. By virtue of the SFO, Mr. Tian is deemed to be interested in the Shares held by HFYX.
- (3) The percentages are calculated on the basis of 500,000,000 Shares in issue as of 31 December 2025.

(2) Long position in the shares of associated corporation

Name of Director	Name of associated corporation	Nature of Interest	Number of shares	Percentage of Shareholding
Mr. Fang	Vast Universe	Beneficial owner	1 ordinary share	100%

Save as disclosed above, as at 31 December 2025, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), 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 have taken or deemed to have under such provisions of the SFO), (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (c) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

As at 31 December 2025, the following persons (other than the Directors and chief executives of the Company) had or deemed or taken to have an interest and/or short position in the shares or the underlying shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company under section 336 of SFO, or who was, directly or indirectly, interested in 5% or more of the issued share capital of the Company:

Name	Capacity	Number of Shares <i>(Note 1)</i>	Approximate percentage of Shareholding <i>(Note 3)</i>
Vast Universe	Beneficial owner	366,562,500 (L)	73.3%
Ms. Xiong Lan <i>(Note 2)</i>	Interest of spouse	366,562,500 (L)	73.3%

Notes:

- (1) The letter "L" denotes the person's long position in such shares.
- (2) Ms. Xiong Lan is the spouse of Mr. Fang and therefore deemed under the SFO to be interested in the Shares held, directly or indirectly, by Mr. Fang.
- (3) The percentages are calculated on the basis of 500,000,000 Shares in issue as of 31 December 2025.

Save as disclosed above, as at 31 December 2025, the Directors and chief executive of the Company were not aware of any other persons or entities holding interests or short positions in the Shares or underlying Shares which would require disclosure under Divisions 2 and 3 of Part XV of the SFO, or recording in the register kept under section 336 of the SFO. Furthermore, none of the Directors served as a director or employee of any company possessing such disclosable interests or short positions.

EQUITY-LINKED AGREEMENTS

Other than the Share Option Scheme as disclosed below, no equity-linked agreements were entered into by the Company or existed during the Year or subsisted at the end of the year ended 31 December 2025.

SHARE OPTION SCHEME

On 12 December 2018, the Shareholders approved and conditionally adopted Share Option Scheme to enable the Company to grant options to eligible participants as incentives and rewards for their contribution to the Group. The Share Option Scheme became effective on the Listing Date. No option has been granted or agreed to be granted since then and up to the date of this annual report and therefore, there was no outstanding options as at 31 December 2025 and no options were exercised or cancelled or lapsed during the Year.

At its meeting held on 25 March 2026, the Remuneration Committee reviewed the Share Option Scheme.

The following is a summary of the principal terms of the Share Option Scheme:

(1) Purpose:

The purpose of the Share Option Scheme is to recognise and acknowledge the contributions that the Eligible Participants (as defined in paragraph 2 below) had or may have made to the Group. The Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives:

- (i) motivate the Eligible Participants to optimise their performance efficiency for the benefit of the Group; and
- (ii) attract and retain or otherwise maintain an on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

(2) Participants:

The Board may, at its discretion, offer to grant an option to the following persons (collectively the “**Eligible Participants**”) to subscribe for such number of new Shares as the Board may determine:

- (i) any full-time or part-time employees, executives or officers of the Group;
- (ii) any directors (including non-executive Directors and independent non-executive Directors) of the Group; and
- (iii) any advisers, consultants, suppliers, customers, distributors and such other persons who, in the sole opinion of the Board, will contribute or have contributed to the Group.

(3) Total number of Shares available for issue:

The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme shall not in aggregate exceed 50,000,000 Shares, representing 10% of the total number of issued Shares as at the Listing Date.

No option has been granted under the Share Option Scheme since its adoption date and up to the date of this report. Accordingly, the number of Shares available for issue upon exercise of options that may be granted under the Share Option Scheme as at 1 January 2025 and 31 December 2025 was 50,000,000, representing 10% of the total number of issued Shares as at the date of this annual report.

(4) Maximum entitlement of each participant:

No options shall be granted to any Eligible Participant under the Share Option Scheme and any other share option schemes of the Company which, if exercised, would result in such Eligible Participant becoming entitled to subscribe for such number of Shares as, when aggregated with the total number of Shares already issued or to be issued to him under all options granted to him (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of offer of such options, exceeds 1% of the Shares in issue at such date.

Any further grant of options to an Eligible Participant in excess of this 1% limit shall be subject to the approval of the Shareholders in general meeting with such Eligible Participant and his close associates (or if such Eligible Participant is a connected person of the Company, his associates) abstaining from voting.

Each grant of options to a Director (including an independent non-executive Director) of any member of the Group or associated company of the Company, chief executive or substantial shareholder of the Company, or any of their respective associates, under the Share Option Scheme must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of the options).

Where any grant of options to a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted under the Share Option Scheme (including options exercised, cancelled and outstanding) to such person in the 12 month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% of the Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$5 million, such further grant of options by the Board must be approved by the Shareholders in general meeting. Any Shareholder who is a connected person of the Company must abstain from voting on the resolution to approve such further grant of options, except that such a connected person may vote against such resolution subject to the requirements of the Listing Rules. The Company shall send to the Shareholders a circular containing the information required under the Listing Rules for the purpose of seeking the approval of the Shareholders.

(5) Period during which the options must be exercised to subscribe for Shares:

The Share Option Scheme shall be valid and effective for a period of ten years commencing on the Listing Date, after which period no further options will be granted but the provisions of the 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 thereto which are at that time or become thereafter capable of exercise under the Share Option Scheme, or otherwise to the extent as may be required in accordance with the provisions of the Share Option Scheme.

(6) Minimum period for which an option must be held before it can be exercised:

There is no minimum period for which an option granted must be held before it can be exercised except otherwise imposed by the Board.

(7) Amount payable on application or acceptance of the option and the period within which payments or calls must or may be made, or loans for such purposes must be repaid:

An offer of grant of an option may be accepted by an Eligible Participant within 21 days from the date of the offer of grant of the option. A consideration of HK\$1.00 is payable on acceptance of the offer of grant of an option.

(8) Basis of determining the exercise price:

The exercise price shall be such price as determined by the Board and notified to an option-holder and which shall not be less than the higher of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of offer of the option;
- (ii) the average of the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of offer of the option; and
- (iii) the nominal value of the Shares.

(9) Remaining life of the Share Option Scheme:

The Share Option Scheme shall be valid and effective for a period of ten years commencing on 18 January 2019, subject to earlier termination by the Company in a general meeting or by the Board. As at the date of this report, the remaining life of the Share Option Scheme is approximately 2 years and 9 months.

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

At no time during the Year were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective associates nor was the Company and any of its subsidiaries a party to any arrangement.

CONNECTED TRANSACTIONS**Non-Exempt Continuing Connected Transactions**

The Group has entered into a number of continuing agreements and arrangements with its connected persons in its ordinary and usual course of business, which constitute continuing connected transactions under the Listing Rules. The details of the continuing connected transactions for the Group are set out below.

Contractual Arrangements***Background to the Contractual Arrangements***

The Group currently conducts its private education business through its consolidated affiliated entities in the PRC as PRC laws and regulations, or the implementation of those laws and regulations by the relevant government authorities, generally prohibit or restrict foreign ownership in the private education industry in the PRC. Currently, PRC laws and regulations restrict the operation of higher education institutions to Sino-foreign ownership, in addition to imposing a qualification requirement on the foreign owners. Further, government approvals in respect of Sino-foreign ownership in the private education sector have, with very limited exceptions, been withheld in practice. We do not hold any direct equity interest in our consolidated affiliated entities. The Contractual Arrangements, through which the Group is able to exercise control over and derive the economic benefits from its consolidated affiliated entities, have been narrowly tailored to achieve our business purpose and minimise the potential conflict with relevant PRC laws and regulations.

PRC Laws and Regulations Relating to Foreign Ownership in the Education Industry

Higher Education

Foreign investment activities in the PRC are subject to the restrictions as set out in the Special Administrative Measures of Foreign Investment Admission (Negative List) (2020 Version) (《外商投資准入特別管理措施(負面清單)(2020年版)》) (the “**Negative List**”), which is promulgated and amended from time to time jointly by the National Development and Reform Commission of the PRC and Ministry of Commerce of the PRC. The latest version of the Negative List was released on 23 June 2020 and became effective on 23 July 2020. Foreign investments in industries falling within the Negative List are subjected to special administrative measures as set forth therein. Pursuant to the Negative List, the provision of higher education in the PRC falls within the “restricted” category. In particular, such catalogue explicitly restricts higher education institutions to Sino-foreign cooperation, which means that foreign investors may only operate higher education institutions through cooperating with PRC incorporated entities that are in compliance with the Sino-Foreign Regulation. In addition, such catalogue also provides that the domestic party shall play a dominant role in the Sino-foreign cooperation, meaning that (a) the principal or other chief executive officer of the schools or education institutions shall be a PRC national; and (b) the representative of the domestic party shall account for no less than half of the total members of the board of directors, the executive council or the joint administration committee of the Sino-foreign school (the “**Foreign Control Restriction**”). Given that (i) neither of the PRC Operating Schools involves foreign investors, (ii) all of the directors of the PRC Operating Schools are Chinese nationals, and (iii) the principal of each of the PRC Operating Schools is a Chinese national, the Directors are of the view that the Group is in compliance with the Foreign Control Restriction in relation to our PRC Operating Schools.

In relation to the interpretation of Sino-foreign cooperation, pursuant to the Regulation on Sino-foreign Cooperation in Operating Schools of the PRC (《中華人民共和國中外合作辦學條例》) and the Administrative Measures for the Sino-Foreign Cooperative Education on Vocational Skills Training (《中外合作職業技能培訓辦學管理辦法》) (the “**Sino-Foreign Vocational Skills Training Measures**”), the foreign investor in a Sino-foreign school (whether as a higher education institution or a vocational training school, a “**Sino-Foreign Joint Venture Private School**”) must be a foreign educational institution with relevant qualification and high quality of education (the “**Qualification Requirement**”). Furthermore, pursuant to the Implementation Opinions of the MOE on Encouraging and Guiding the Entry of Private Capital in the Fields of Education and Promoting the Healthy Development of Private Education issued by the MOE on 18 June 2012 (《教育部關於鼓勵和引導民間資金進入教育領域促進代辦教育健康發展的實施意見》), the foreign portion of the total investment in a Sino-Foreign School should be below 50% (the “**Foreign Ownership Restriction**”) and pursuant to the Implementation Measures for the Regulation on Sino-foreign Cooperation in Operating Schools of the PRC (《中華人民共和國中外合作辦學條例實施辦法》), the establishment of these schools is subject to approval of education authorities at the provincial or national level.

The Company is of the view that the laws and regulations are currently uncertain as to what specific criteria must be met by a foreign investor (such as length of experience and form and extent of ownership in the foreign jurisdiction) in order to demonstrate to the relevant authority that it meets the Qualification Requirement.

Further details of the regulatory framework are set out in the section headed “Contractual Arrangements” in the Prospectus.

Risks Relating to the Contractual Arrangements

The Company believes the following risks are associated with the Contractual Arrangements. Further details of these risks are set out on pages 57 to 64 of the Prospectus.

- The PRC government may find that the agreements that establish the structure for operating its business in China do not comply with applicable PRC laws and regulations, which may subject the Group to severe penalties and the business may be materially and adversely affected.
- The Foreign Investment Law of the PRC《中華人民共和國外國投資法(草案徵求意見稿)》(the “**Draft FIL**”) proposes significant changes to the PRC foreign investment legal regime, which will likely to have a significant impact on businesses in China controlled by foreign invested enterprises through contractual arrangements, such as the business of the Group.
- The Contractual Arrangements may not be as effective in providing the Group with control over its consolidated affiliated entities as direct ownership.
- The beneficial owners of the Group’s consolidated affiliated entities may have conflicts of interest with the Group, which may materially and adversely affect its business and financial condition.
- The exercise of the option to acquire the sponsor interests or equity interests of its consolidated affiliated entities may be subject to certain limitations and the Group may incur substantial costs.
- Any failure by Mr. Fang, Mr. Tian or the Group’s consolidated affiliated entities to perform their obligations under the Contractual Arrangements would potentially lead to the incurrence of additional costs and the expending of substantial resources on the part of the Group to enforce such arrangements, temporary or permanent loss of control over the Group’s primary operations or loss of access to its primary sources of revenue.
- The Contractual Arrangements may be subject to the scrutiny of the PRC tax authorities and additional tax may be imposed, which may materially and adversely affect the results of operations of the Group.
- Certain terms of the Contractual Arrangements may not be enforceable under PRC laws.
- The Group relies on dividends from WFOE to pay dividends and other cash distributions to its Shareholders and any limitation on the ability of WFOE to pay dividends to the Group would materially and adversely limit its ability to pay dividends to its Shareholders.
- The Group’s consolidated affiliated entities may be subject to limitations on their ability to operate private education business or make payments to related parties.
- If any of the Group’s consolidated affiliated entities becomes subject to winding up or liquidation proceedings, the Group may lose the ability to use and enjoy certain important assets held by its consolidated affiliated entities, which could negatively impact its business and materially and adversely affect its ability to generate revenue.

Actions Taken to Mitigate the Risks

The Group has adopted the following measures to ensure the effective operation of the Group with the implementation of the Contractual Arrangements and its compliance with the Contractual Arrangements:

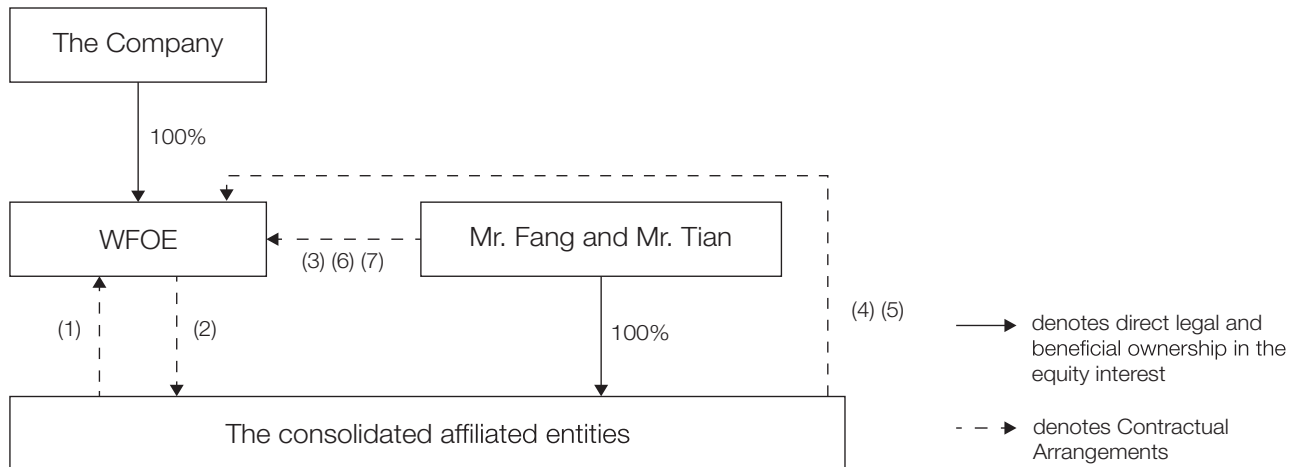
- (1) major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory inquiries from government authorities will be submitted to the Board, if necessary, for review and discussion on an occurrence basis;
- (2) the Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year;
- (3) the Group will disclose the overall performance and compliance with the Contractual Arrangements in the annual reports; and
- (4) the Company will engage external legal advisors or other professional advisors, if necessary, to assist the Board to review the implementation of the Contractual Arrangements, review the legal compliance of WFOE and the consolidated affiliated entities to deal with specific issues or matters arising from the Contractual Arrangements.

In addition, the Group believes that the Directors are able to perform their roles in the Group independently and the Group is capable of managing its business independently after the Listing under the following measures:

- (1) the decision-making mechanism of the Board as set out in the Articles of Association includes provisions to avoid conflict of interest by providing, amongst other things, that in the event of conflict of interest in such contract or arrangement which is material, the Director shall declare the nature of his or her interest at the earliest meeting of the Board at which it is practicable for him or her to do so, and if he or she is to be regarded as having material interest in any contracts or arrangements, such Director shall abstain from voting and not be counted towards the quorum;
- (2) each of the Directors is aware of his or her fiduciary duties as a Director which requires, among other things, that he or she acts for the benefits and in the best interests of the Company;
- (3) the Company has appointed three independent non-executive Directors to provide a balance of the number of interested and independent Directors with a view to promoting the interests of the Company and the Shareholders as a whole; and
- (4) the Company will disclose in accordance with the requirements under the Listing Rules regarding decisions on matters reviewed by the Board (including independent non-executive Directors) relating to any business or interest of each Director that competes or may compete with the business and any other conflicts of interest which any such person has or may have with us.

Operation of the Contractual Arrangements

The following simplified diagram illustrates the flow of economic benefits from the PRC Operating Schools and/or the School Sponsor to the Group stipulated under the Contractual Arrangements:



Notes:

- (1) Payment of service fees. See “– Summary of the Material Terms of the Contractual Arrangements – (2) Exclusive Technical Services and Management Consultancy Agreement” for details.
- (2) Provision of exclusive technical and management consultancy services. See “– Summary of the Material Terms of the Contractual Arrangements – (2) Exclusive Technical Services and Management Consultancy Agreement” for details.
- (3) Exclusive call options to acquire all or part of the interests in our PRC Operating Schools and Gingko Asset Management. See “– Summary of the Material Terms of the Contractual Arrangements – (3) Exclusive Call Option Agreement” for details.
- (4) Entrustment of school sponsor’s right in our PRC Operating Schools by Gingko Asset Management. See “– Summary of the Material Terms of the Contractual Arrangements – (4) School Sponsor’s and Directors’ Rights Entrustment Agreements, (5) Shareholders’ Rights Entrustment Agreements and (6) Powers of Attorney” for details.
- (5) Entrustment of directors rights in our PRC Operating Schools by directors of our PRC Operating Schools appointed by Gingko Asset Management including Directors’ Power of Attorney. See “– Summary of the Material Terms of the Contractual Arrangements – (4) School Sponsor’s and Directors’ Rights Entrustment Agreements, (5) Shareholders’ Rights Entrustment Agreements and (6) Powers of Attorney” for details.
- (6) Entrustment of shareholders’ rights in Gingko Asset Management including Shareholders’ Power of Attorney. See “– Summary of the Material Terms of the Contractual Arrangements – (4) School Sponsor’s and Directors’ Rights Entrustment Agreements, (5) Shareholders’ Rights Entrustment Agreements and (6) Powers of Attorney” for details.
- (7) Pledge of the equity interests in Gingko Asset Management by Mr. Fang and Mr. Tian. See “– Summary of the Material Terms of the Contractual Arrangements – (8) Equity Pledge Agreement” for details.

Summary of the Material Terms of the Contractual Arrangements

(1) Business Cooperation Agreement

Pursuant to the Business Cooperation Agreement, WFOE has the exclusive right to provide each of the consolidated affiliated entities technical services, management support services, consulting services, intellectual property licences and other additional services as the parties may mutually agree from time to time, and in return, the consolidated affiliated entities shall make payments accordingly.

To ensure the due performance of the Contractual Arrangements, each of the consolidated affiliated entities agreed to comply, and procure any of its subsidiaries (if any) to comply with, the obligations as prescribed under the Business Cooperation Agreement.

(2) Exclusive Technical Services and Management Consultancy Agreement

Pursuant to the Exclusive Technical Services and Management Consultancy Agreement, WFOE has the exclusive right to provide technical services to each of the PRC Operating Schools and Gingko Asset Management, including without limitation (a) design, development, update and maintenance of software for computer and mobile devices; (b) design, development, update and maintenance of webpages and websites necessary for the education activities of the PRC Operating Schools and Gingko Asset Management; (c) design, development, update and maintenance of management information systems necessary for the education activities of the PRC Operating Schools and Gingko Asset Management; (d) provision of other technical support necessary for the education activities of the PRC Operating Schools and Gingko Asset Management; (e) provision of technical consulting services; (f) provision of technical training; (g) engaging technical staff to provide on-site technical support; and (h) other technical services reasonably requested by the PRC Operating Schools and Gingko Asset Management. Without WFOE's prior written consent, none of the consolidated affiliated entities may accept services covered by the Exclusive Technical Services and Management Consultancy Agreement from any third party.

Furthermore, WFOE agreed to provide exclusive management consultancy services to the PRC Operating Schools and Gingko Asset Management, including (a) design of curriculum; (b) preparation, selection and/or recommendation of course materials; (c) provision of teacher and staff recruitment and training support and services; (d) provision of student recruitment support and services; (e) provision of public relation services; (f) preparation of long term strategic development plans and annual working plans; (g) development of financial management systems and recommendation and optimisation on annual budget; (h) advising on design of internal structures and internal management; (i) provision of management and consultancy training to administration staff; (j) conduct of market research; (k) preparation of market development plan; (l) building of marketing network; and (m) providing other services reasonably requested by the PRC Operating Schools and Gingko Asset Management.

(3) *Exclusive Call Option Agreement*

Under the Exclusive Call Option Agreement, Mr. Fang, Mr. Tian and Gingko Asset Management have irrevocably granted WFOE or its designated purchaser the exclusive right to purchase the sponsor's interests in the PRC Operating Schools or the equity interest in Gingko Asset Management (as the case may be). The purchase price payable by WFOE or its designated purchaser in respect of the transfer of such sponsor's interest or equity interest upon exercise of the call option shall be the lowest price permitted under the PRC laws and regulations. WFOE shall have the right to purchase such proportion of the sponsor interest in the PRC Operating Schools or the equity interest in Gingko Asset Management as it decides at any time during the period that the agreement remains effective.

In the event that PRC laws and regulations allow WFOE or us to directly hold all or part of the sponsor interest in the PRC Operating Schools or the equity interest in Gingko Asset Management and operate private education business in the PRC, WFOE shall issue a notice of exercise of the call option as soon as practicable, and the percentage of sponsor interest or equity interest purchased upon exercise of the call option shall not be lower than the maximum percentage then allowed to be held by WFOE or us under PRC laws and regulations.

(4) *School Sponsor's and Directors' Rights Entrustment Agreement*

Pursuant to the School Sponsor's and Directors' Rights Entrustment Agreement, Gingko Asset Management has unconditional and irrevocably authorised and entrusted WFOE or person(s) designated by it to exercise all its rights as school sponsor of each of the PRC Operating Schools to the extent permitted by PRC laws. These rights include, but are not limited to: (a) the right to participate in the operations and management of the PRC Operating Schools in accordance with the articles of associations of each school; (b) the right to appoint and/or elect directors or council members of the schools; (c) the right to appoint and/or elect supervisors of the schools; (d) the right to vote, nominate and appoint as school sponsor; (e) the right to access the information relating to the operation and financial situation of the schools; (f) the right to review the resolutions and records of the board of directors and financial statements and reports of the schools; (g) the right to obtain reasonable returns or any returns as school sponsor; (h) the right to acquire residue assets upon winding-up, liquidation, dissolution or cessation of operation of the schools in accordance with the laws; (i) the right to transfer sponsor interest in accordance with the laws; (j) the right to decide between the for-profit and non-profitability of the school in accordance with the laws; (k) the right to vote on behalf of Gingko Asset Management as school sponsor upon winding-up, liquidation, dissolution or cessation of operation of the schools in accordance with the laws; (l) the right to handle the legal procedures of registration, approval and licensing of the PRC Operating Schools at the education department, the department of civil affairs or other government departments; and (m) other school sponsor's rights pursuant to applicable PRC laws and regulations and the articles of association of each school as amended from time to time.

Pursuant to the School Sponsor's and Directors' Rights Entrustment Agreement, Gingko Asset Management and each of the directors of the PRC Operating Schools appointed by Gingko Asset Management (the "**Appointees**") has unconditional and irrevocably authorised and entrusted WFOE to exercise all his/her rights as directors of the PRC Operating Schools as appointed by Gingko Asset Management and to the extent permitted by PRC laws. These rights include, but are not limited to: (a) the right to attend meetings of the board of directors as representative of the directors appointed by Gingko Asset Management; (b) the right to exercise voting rights in respect of all matters discussed and resolved at the board meeting of each of the PRC Operating Schools; (c) the right to propose to convene interim board meetings of each of the PRC Operating Schools; (d) the right to sign all board minutes, board resolutions and other legal documents which the directors appointed by Gingko Asset Management have authority to sign in his/her capacity as directors of the PRC Operating Schools; (e) the right to instruct the legal representative, financial, business, and administration responsible persons of the PRC Operating Schools to act in accordance with the instruction of WFOE; (f) the right to exercise all other rights and voting rights of directors as prescribed under the articles of association of the PRC Operating Schools; (g) the right to vote on behalf of the director upon winding-up, liquidation, dissolution or cessation of operation of schools; (h) to decide to be for-profit or non-profit school in accordance with the laws; (i) the right to handle the legal procedures of registration, approval and licensing of the PRC Operating Schools at the education department, the department of civil affairs or other government regulatory departments; and (j) other directors' rights pursuant to applicable PRC laws and regulations and the articles of association of the PRC Operating Schools as amended from time to time.

In addition, each of WFOE and the Appointees has irrevocably agreed that (i) WFOE may delegate its rights under the School Sponsor's and Directors' Rights Entrustment Agreement to the directors of WFOE or its designated person, without prior notice to or approval by Gingko Asset Management and the Appointees; and (ii) any person as successor of civil rights of WFOE or liquidator by reason of subdivision, merger, liquidation of WFOE or other circumstances shall have authority to replace WFOE to exercise all rights under the School Sponsor's and Directors' Rights Entrustment Agreement.

(5) Shareholders' Rights Entrustment Agreement

Pursuant to the Shareholders' Rights Entrustment Agreement, Mr. Fang and Mr. Tian have irrevocably authorised and entrusted WFOE to exercise all his rights as shareholders of Gingko Asset Management to the extent permitted by PRC laws. These rights include, but are not limited to: (a) the right to attend shareholders' meetings of Gingko Asset Management; (b) the right to exercise voting rights in respect of all matters discussed and resolved at the shareholders' meeting of Gingko Asset Management; (c) the right to propose to convene interim shareholders' meetings of Gingko Asset Management; (d) the right to sign all shareholders' resolutions and other legal documents which Mr. Fang and Mr. Tian have authority to sign in his capacity as shareholders of Gingko Asset Management; (e) the right to instruct the directors and legal representative of Gingko Asset Management to act in accordance with the instruction of WFOE; (f) the right to exercise all other rights and voting rights of shareholders as prescribed under the articles of association of Gingko Asset Management; (g) the right to handle the legal procedures of registration, approval and licensing of Gingko Asset Management; (h) the right to decide on the transfer, pledge or otherwise dispose of the equity interest in Gingko Asset Management held by Mr. Fang and Mr. Tian; and (i) other shareholders' rights pursuant to applicable PRC laws and regulations and the articles of association of Gingko Asset Management as amended from time to time.

In addition, each of Mr. Fang and Mr. Tian has irrevocably agreed that (i) WFOE may delegate its rights under the Shareholders' Rights Entrustment Agreement to the directors of WFOE or its designated person(s), without prior notice to or approval by Mr. Fang or Mr. Tian; and (ii) any person as successor of civil rights of WFOE or liquidator by reason of subdivision, merger, liquidation of WFOE or other circumstances shall have authority to replace WFOE to exercise all rights under the Shareholders' Rights Entrustment Agreement.

(6) *Powers of Attorney*

(a) *School Sponsor's Power of Attorney*

Pursuant to the School Sponsor's Power of Attorney, Gingko Asset Management authorised and appointed WFOE as its agent to act on its behalf to exercise or delegate the exercise of all its rights as school sponsor of each of the PRC Operating Schools.

WFOE shall have the right to further delegate the rights so delegated to the directors of WFOE or other designated person. Gingko Asset Management irrevocably agreed that the authorisation and appointment in the School Sponsor's Powers of Attorney shall not be invalid, prejudiced or otherwise adversely affected by reason of the Gingko Asset Management's subdivision, merger, winding up, consolidation, liquidation or other similar events. The School Sponsor's Powers of Attorney shall constitute a part and incorporate terms of the relevant School Sponsor's and Directors' Rights Entrustment Agreement.

(b) *Directors' Powers of Attorney*

Pursuant to the Directors' Power of Attorney, each of the Appointees authorised and appointed WFOE as his/her agent to act on his/her behalf to exercise or delegate the exercise of all of his/her rights as directors of the PRC Operating Schools.

WFOE shall have the right to further delegate the rights so delegated to the directors of WFOE or other designated person. Each of the Appointees irrevocably agreed that the authorisation and appointment in the Directors' Powers of Attorney shall not be invalid, prejudiced or otherwise adversely affected by reason of his/her loss of or restriction on capacity, death or other similar events. Each of the Directors' Powers of Attorney shall constitute a part of and embody the terms of the relevant School Sponsor's and Directors' Rights Entrustment Agreement.

(c) *Shareholders' Power of Attorney*

Pursuant to the Shareholders' Power of Attorney, each of Mr. Fang and Mr. Tian authorised and appointed WFOE, as his agent to act on his behalf to exercise or delegate the exercise of all his rights as shareholders of Gingko Asset Management. Each of the Shareholders' Power of Attorney shall constitute a part of and embody the terms of the relevant Shareholders' Rights Entrustment Agreement.

In addition, each of Mr. Fang and Mr. Tian has irrevocably agreed that (i) WFOE may delegate its rights under the Shareholders' Rights Entrustment Agreement to the directors of WFOE or its designated person, without prior notice to or approval by Mr. Fang or Mr. Tian; and (ii) any person as successor of civil rights of WFOE or liquidator by reason of subdivision, merger, liquidation of WFOE or other circumstances shall have authority to replace WFOE to exercise all rights under the Shareholders' Rights Entrustment Agreement.

(7) *Spouse Undertakings*

Pursuant to the Spouse Undertakings, the respective spouse of Mr. Fang and Mr. Tian has unconditionally and irrevocably undertaken that:

- (a) the spouse has full knowledge of and has consented to the entering into of the Contractual Arrangements by each of Mr. Fang and Mr. Tian, and in particular, the arrangement as set out in the Contractual Arrangements in relation to the equity interest in Gingko Asset Management, including but not limited to any restrictions imposed, pledge or transfer or the disposal in any other forms;
- (b) the spouse has not participated, is not participating and shall not in the future participate in the operation, management, liquidation, dissolution and other matters in relation to Gingko Asset Management and the PRC Operating Schools;
- (c) the spouse authorises each of Mr. Fang and Mr. Tian or his authorised person to execute all necessary documents and perform all necessary procedures from time to time for and on behalf of the spouse in order to safeguard the interest of WFOE under the Contractual Arrangements and give effect to the fundamental purposes thereunder, and confirms and agrees to all such documents and procedures;
- (d) any undertaking, confirmation, consent and authorisation under the Spouse Undertakings shall not be revoked, prejudiced, invalidated or otherwise adversely affected by any increase, decrease, consolidation or other similar events relating to the equity interest in Gingko Asset Management;
- (e) any undertaking, confirmation, consent and authorisation under the Spouse Undertakings shall not be revoked, prejudiced, invalidated or otherwise adversely affected by death, loss of or restriction on capacity of the spouse, divorce or other similar events; and
- (f) all undertakings, confirmations, consents and authorisations under the Spouse Undertakings shall continue to be valid and binding until otherwise terminated by both WFOE and the respective spouses of Mr. Fang and Mr. Tian in writing.

The Spouse Undertakings shall have the same term as and incorporate the terms of the Business Cooperation Agreement.

(8) *Equity Pledge Agreement*

Pursuant to the Equity Pledge Agreement, Mr. Fang and Mr. Tian unconditionally and irrevocably pledged and granted first priority security interests over all of his equity interest in Gingko Asset Management together with all related rights thereto to WFOE as security for performance of the Contractual Arrangements and all direct, indirect or consequential damages and foreseeable loss of interest incurred by WFOE as a result of any event of default on the part of Mr. Fang or Mr. Tian and all expenses incurred by WFOE as a result of enforcement of the obligations of Mr. Fang, Mr. Tian, Gingko Asset Management and/or each of the PRC Operating Schools under the Contractual Arrangements. The Company has registered the pledge under the Equity Pledge Agreement with the relevant Bureau of Administration of Industry and Commerce of the PRC on 13 July 2018.

Pursuant to the Equity Pledge Agreement, without the prior written consent of WFOE, Mr. Fang or Mr. Tian shall not transfer the equity interest or create further pledge or encumbrance over the pledged equity interest. Any unauthorised transfer shall be invalid, and the proceeds of any transfer of the equity interest shall be deposited to such third party as agreed to by WFOE. Mr. Fang and Mr. Tian also waived any preemptive rights upon enforcement and agreed to any transfer of the pledged equity pursuant to the Equity Pledge Agreement.

Material Changes

During the Year and up to the date of this annual report, there was no material change in the Contractual Arrangements and/or the circumstances under which the Contractual Arrangements were adopted. There was no termination of the Contractual Arrangements, nor was there any failure to terminate when the restrictions that led to the adoption of the Contractual Arrangements are removed.

The Extent to which the Contractual Arrangements Relate to Requirements other than the Foreign Ownership Restriction

All of the Contractual Arrangements are subject to the restrictions as set out on pages 145 to 150 of the Prospectus.

Significance and Financial Contributions of the PRC Operating Schools

Pursuant to the Contractual Arrangements, the Group obtains control over and derives the economic benefits from the consolidated affiliated entities. The following table sets out the financial contribution of the consolidated affiliated entities of the Group:

	Significances and financial contribution to the Group					
	Revenue		Net profit		Total assets	
	For the year ended		For the year ended		As at 31 December	
	31 December		31 December		2025	2024
	2025	2024	2025	2024	2025	2024
Significance and financial contributions to the Group (%)	100%	100%	100%	100%	98%	92%

Revenue and Assets involved in the Contractual Arrangements

The following table sets out the revenue and assets involved in the consolidated affiliated entities, which would be consolidated into the Group's financial statements pursuant to the Contractual Arrangements:

	Revenue	Total assets
	For the year ended	As at
	31 December	31 December
	2025	2025
	RMB'000	RMB'000
Consolidated affiliated entities	400,679	1,569,604

Listing Rules Implications

The table below sets forth the connected persons of the Company involved in the Contractual Arrangements and the nature of their connection with the Group. The transactions contemplated under the Contractual Arrangements constitute continuing connected transactions of the Company under the Listing Rules upon Listing.

Name	Connected relationships
Mr. Fang	Mr. Fang is an executive Director, CEO and Controlling Shareholder, and therefore a connected person of the Company under Rule 14A.07(1) of the Listing Rules.
Mr. Tian	Mr. Tian is an executive Director of the Company, and therefore a connected person of the Company under Rule 14A.07(1) of the Listing Rules.

Waiver from the Stock Exchange and Annual Review

The Stock Exchange has granted the Company a waiver from strict compliance with (i) the announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions under the Contractual Arrangements pursuant to Rule 14A.105 of the Listing Rules; and (ii) the requirement of setting an annual cap for the transactions under the Contractual Arrangements under Rule 14A.53 of the Listing Rules. The specific waiver granted by the Stock Exchange is subject to various conditions as disclosed in the "Connected Transactions" section of the Prospectus and which include, among the others, disclosure in the annual reports of the Contractual Arrangements in place during each financial period, the Company's auditor was engaged to report on the transactions carried out pursuant to the Contractual Arrangements and will provide a letter to the Directors with a copy to the Stock Exchange confirming that the transactions have received the approval of the Directors, have been entered into in accordance with the relevant Contractual Arrangements and that no dividends or other distributions have been made by the consolidated affiliated entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group, and the independent non-executive Directors to review the Contractual Arrangements annually and confirm in the annual report for the relevant year.

The Company will comply with relevant provisions of the Listing Rules including annually review of the Contractual Arrangements by the auditor and independent non-executive Directors and disclose details in the Company's annual report on an on-going basis.

Save as disclosed above, during the Year, no other transaction constituted a connected transaction or continuing connected transaction which should be disclosed pursuant to the Listing Rules. The Company has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules with respect to the continuing connected transactions entered into by the Group during the year under review.

Other than the aforementioned continuing connected transactions, the related party transactions disclosed in note 28 to the consolidated financial statements are in compliance with relevant and applicable requirements under Chapter 14A of the Listing Rules.

Confirmation of independent non-executive Directors

The Company's independent non-executive Directors have reviewed the Contractual Arrangements and confirmed that (i) the transactions carried during the Year have been entered into in accordance with the relevant provisions of the Contractual Arrangements, (ii) no dividends or other distributions have been made by the consolidated affiliated entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group during the Year, (iii) no new contracts were entered into, renewed or reproduced between the Group and the consolidated affiliated entities during the Year, and (iv) the Contractual Arrangements were entered into in the ordinary and usual course of business of the Group on normal commercial terms or better and are fair and reasonable and in the interests of the Shareholders as a whole.

Confirmation of auditors of the Company

The auditor of the Company has confirmed in a letter to the Board that, with respect to the aforesaid continuing connected transactions entered into in the Year:

- (a) nothing has come to their attention that causes the auditor to believe that the Contractual Arrangements have not been approved by the Board;
- (b) nothing has come to their attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the Contractual Arrangements;
- (c) no dividends or other distributions have been made by the consolidated affiliated entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group.

During the Year, no related party transactions disclosed in note 28 to the consolidated financial statements constituted a connected transaction or continuing connected transaction which should be disclosed pursuant to the Listing Rules. The Company has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules with respect to the connected transactions and continuing connected transactions entered into by the Group during the year under review.

For details of the Contractual Arrangements, please refer to “Contractual Arrangements” and “Connected Transactions” in the Prospectus.

QUALIFICATION REQUIREMENT

Updates in Relation to the Foreign Investment Law 《中華人民共和國外商投資法》 (“FIL”)

In January 2015, the Ministry of Commerce of China (“**MOFCOM**”) released the Draft FIL for public comment. The Draft FIL purports to introduce the principle of “actual control” in determining whether a company is considered as a foreign invested enterprise or foreign invested entity (“**FIE**”). The Draft FIL clearly provides that an entity organised in a foreign jurisdiction, but cleared by the authority in charge of foreign investment as “controlled” by PRC entities and/or citizens, would be treated as a PRC domestic entity. Furthermore, under the Draft FIL, variable interest entities that are controlled via contractual arrangements would also be deemed as FIE, if they are ultimately “controlled” by foreign investors.

On 15 March 2019, the FIL was adopted by the second meeting of the 13th National People's Congress and became effective starting from 1 January 2020. The Law of the PRC on Sino-Foreign Equity Joint Ventures 《中華人民共和國中外合資經營企業法》, the Law of the PRC on Sino-Foreign Cooperative Joint Ventures 《中華人民共和國中外合作經營企業法》, the Law of the PRC on Wholly Foreign-owned Enterprises 《中華人民共和國外資企業法》 (together referred to as the “**Former FIL**”) were replaced upon the effectiveness of the FIL and the FIL became the PRC foreign investment legal regime. On 26 December 2019, the State Council issued the Implementation Regulations of the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) (“**Implementation Regulations of the FIL**”), which also came into effect on 1 January 2020, aiming to implement the legislative principles and purposes of the FIL. The FIL defines foreign investment as an investment activity conducted directly or indirectly by a foreign investor, and enumerates the situations that should be deemed as foreign investment. At the same time, the FIL stipulates that any foreign investment activities are granted with the pre-establishment national treatment and shall follow the negative list management system. Foreign investors shall not invest in areas that are prohibited in the Negative List for the Access of Foreign Investment (the “**Negative List**”). Foreign investors shall meet the conditions stipulated in the Negative List in order to invest in to the areas that are categorized by the Negative List as restricted category. Foreign investors shall follow the same principle as domestic investors in order to invest in areas that are not on the Negative List. There are no provisions in the Foreign Investment Law that explicitly mention the “actual control” or the “contractual arrangements”. According to the FIL, existing companies established under the Former FIL may maintain their existing organisational structure within five years from the date of the FIL come into force. The FIL clearly specifies three forms of foreign investment, but neither the FIL nor the Implementing Regulations of the FIL explicitly stipulate contractual agreements as a form of foreign investment. Since both the FIL and Implementation Regulations of the FIL do not define contractual agreements as a form of foreign investment, if future laws, administrative regulations, and regulations of the State Council do not include contractual agreements as a form of foreign investment, the contractual arrangements as a whole and the agreements constituting the contractual arrangements will not be affected, and will continue to be legally valid, effective and binding on the parties. However, the FIL includes “foreign investors that invest in China through any other forms under laws, administrative regulations or provisions prescribed by the State Council”, therefore, there are possibilities that future laws, administrative regulations and provisions of the State Council may regard contractual arrangements as one of the ways of foreign investment, the Group may need to take relevant measures in accordance with the requirements of the laws, regulations and provisions of the State Council at that time. There will be uncertainty as to whether the Group can complete these measures in a timely manner or at all. Failure to take appropriate measures in a timely manner to address any of the compliance requirements in the above provisions may have a significant effect on the current group structure, corporate governance and business operations. As at the date of this annual report, the FIL has not been amended and the Company's operations have not been affected by the FIL. There are still uncertainties on whether the structure under the contractual arrangements will be included in the scope of foreign investment supervision in the future, and on the supervision framework if it is included in the scope of supervision. The Board will continuously monitor the updates on the FIL and relevant laws and regulations and seek guidance from the PRC legal advisor, if necessary, to ensure the compliance with all relevant rules and regulations in the PRC at all times.

Updates in Relation to the Qualification Requirement

The foreign investor in a Sino-foreign joint venture school for PRC students at higher education institutions must be a foreign educational institution with relevant qualification and high quality of education (the “**Qualification Requirement**”). The foreign portion of the total investment in a sino-foreign joint venture private school should be below 50% (the “**Foreign Ownership Restriction**”) and the establishment of these schools is subject to approval of education authorities at the provincial or national level.

There are no implementing measures or specific guidance on the Qualification Requirement in accordance with the existing PRC laws and regulations and therefore it is currently uncertain as to what specific criteria must be met by a foreign investor (such as length of experience and form and extent of ownership in the foreign jurisdiction) in order to demonstrate to the relevant educational authority that it meets the Qualification Requirement.

DIRECTORS’ EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the remuneration of the Directors and those of the five highest paid individuals of the Group for the Year are set out in notes 10 and 31 to the consolidated financial statements of the Group in this annual report.

During the Year, none of the Directors waived his/her emoluments nor agreed to waive his/her emoluments, and no emoluments were paid by the Group to any of these Directors as inducement to join or upon joining the Group, or as compensation for loss of office.

PURCHASE, SALE, RE-PURCHASE OR REDEMPTION OF SHARES

There was no purchase, sale, re-purchase or redemption of any listed securities of the Company by the Company or any of its subsidiaries during the Year.

PRE-EMPTIVE RIGHTS

There is no provision regarding pre-emptive rights in the Articles of Association or the laws of the Cayman Islands, being the jurisdiction in which the Company is incorporated, under which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance practices. Information on the corporate governance practices adopted by the Group is set out in the section headed “Corporate Governance Report” of this annual report, compliance with the CG Code and will make relevant recommendations to the Board accordingly.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own securities dealing code to regulate all dealings by Directors in the securities of the Company and other matters covered by the Model Code.

Specific enquiry has been made of all the Directors and the relevant employees and they have confirmed that they have complied with the Model Code for the Year.

CONFIRMATION OF INDEPENDENT STATUS

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors are independent.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 December 2025, none of the Directors or their respective close associates (as defined in the Listing Rules) had interests in businesses which compete or are likely to compete, either directly or indirectly, with the business of the Group pursuant to the Listing Rules.

DEED OF NON-COMPETITION

Pursuant to a deed of non-competition (the “**Deed of Non-competition**”) dated 13 December 2018 and executed by Mr. Fang and Vast Universe, each of Mr. Fang and Vast Universe has undertaken to the Company that it/he will not engage in, and shall procure his/its close associates (other than members of the Group) not to engage in, any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group. Details of the Deed of Non-competition have been disclosed in the section headed “Relationship with Controlling Shareholders – Non-competition Undertakings” in the Prospectus.

The Company has received from Mr. Fang and Vast Universe an annual confirmation that he/it has fully complied with his/its obligations under the Deed of Non-competition. The independent non-executive Directors have reviewed and were satisfied that each of Mr. Fang and Vast Universe had complied with and enforced the provisions of the Deed of Non-competition for the Year.

SUFFICIENT PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained a sufficient public float throughout the Year as required under the Listing Rules.

RELATIONSHIPS WITH STAKEHOLDERS

The Company is committed to maintaining a good relationship with teachers, students and other stakeholders that have a significant impact on the Company and on which the Company’s success depends. During the Year, there were no material and significant dispute between the Group and its employees, suppliers and/or customers.

PERMITTED INDEMNITY PROVISIONS

Pursuant to the Articles of Association and subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices.

Such permitted indemnity provision has been in force for the Year. The Company has taken out liability insurance to provide appropriate coverage for the Directors.

RELIEF OF TAXATION

The Company is not aware of any relief from taxation exemption available to the Shareholder by reason of their holding of the Shares.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

SIGNIFICANT LEGAL PROCEEDINGS

During the Year, the Company had not been and were not a party to any material legal, arbitral or administrative proceedings, and the Company was not aware of any pending or threatened legal, arbitral or administrative proceedings against the Company or any of the Directors, which in the opinion of the management of the Company, could have a material adverse effect on its operations or financial condition. The Directors have confirmed that the Company has not currently engaged in any material litigation, arbitration or administrative proceeding.

ESG PERFORMANCE

During the Year, the Group has complied with the provisions set out in the Environmental, Social and Governance (“**ESG**”) Reporting Guide in Appendix C2 to the Listing Rules. Information about the Company’s ESG policies and performance during the Year which will be published separately from this report in the ESG report.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed above, there was no other significant event relevant to the business or financial performance of the Group that has come to the attention of the Directors since 31 December 2025 and up to the date of this annual report.

REVIEW OF THE ANNUAL RESULTS

The Audit Committee had reviewed this annual report (including the consolidated financial statements of the Company) and the annual results announcement of the Company for the Year and had submitted the same to the Board for approval. Members of the Audit Committee were of the opinion that the financial statements, the results announcement and this annual report had been prepared in compliance with the applicable accounting standards and the Listing Rules and that adequate disclosure had been made.

AUDITORS

The consolidated financial statements of the Group for the Year have been audited by PricewaterhouseCoopers which will retire, and, being eligible, offer themselves for re-appointment at the forthcoming AGM.

A resolution for the re-appointment of PricewaterhouseCoopers as auditors of the Company is to be proposed at the forthcoming AGM.

On behalf of the Board
FANG Gongyu
Chairman

Hong Kong, 27 March 2026

Corporate Governance Report

The Company is committed to fulfilling its responsibilities to Shareholders and protecting and enhancing Shareholders' value through good corporate governance.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance practices and procedures to safeguard the interests of Shareholders and to enhance corporate value and accountability. The Company has adopted the code provisions stated in the CG Code as set out in Appendix C1 to the Listing Rules as its own code of corporate governance. The Board is of the view that during the Year, the Group has complied with the applicable code provisions set out in the CG Code, save and except for code provision C.2.1 of the CG Code, please refer to the "Chairmen and Chief Executive Officer" section below for details.

CORPORATE MISSION, CULTURE AND STRATEGIES

With the mission of "bringing excellence to students and devoting to the society (成就學生·服務社會)", the Company has created the corporate culture of (i) adhering to corporate social responsibilities; (ii) creating value for students, employers, government, faculties, partners, investors and other stakeholders; and (iii) advocating our educational philosophy, namely, "to cultivate service awareness and to achieve the unity of knowledge and action (服務養成·知行相濟).

The Company is committed in promoting corporate culture throughout the Group, disseminating and driving them in a top-down approach. The Board's oversight of the corporate culture encompasses a range of measures and tools, including employee engagement, retention and training, solid financial reporting, whistleblowing, risk management and legal and regulatory compliance, as well as staff safety, wellbeing and support. Having taken into account the performance of the various measures and tools, the Board considers that the corporate mission, culture and strategies of the Group are effectively aligned.

BOARD OF DIRECTORS

Responsibilities

The Board is responsible and accountable for the overall leadership of the Group, oversees the Group's strategic decisions and monitors business and performance. The senior management team of the Group has a wide range of skills, knowledge and experience necessary to govern the Group's operations. The Board has delegated the authorities and responsibilities for day-to-day management and operations of the Group to the senior management team of the Group. This will allow the Group to allocate resources more efficiently for its decision-making and facilitate its daily operations. The delegated functions and responsibilities are periodically reviewed by the Board to ensure that they remain appropriate to the Company's needs. Approval has to be obtained from the Board prior to any significant transactions entered into by the senior management on the Company's behalf.

To oversee particular aspects of the Company's affairs, the Board has established three Board committees including the Audit Committee, the Remuneration Committee and the Nomination Committee. The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference. All Board committees are provided with sufficient resources to perform their duties. All Directors have carried out duties in good faith and in compliance with applicable laws and regulations, and have acted in the interests of our Company and the Shareholders at all times.

Composition

As at the date of this annual report, the Board comprises seven members, consisting of four executive Directors and three independent non-executive Directors, as follows:

Executive Directors

Mr. FANG Gongyu (*Chairman and CEO*)
 Mr. TIAN Tao
 Ms. LI Jingjing (appointed on 24 October 2025)
 Mr. MA Xiaoming (resigned on 24 October 2025)
 Ms. YU Yuan (resigned on 28 March 2025)
 Ms. ZENG Qin (appointed on 28 March 2025)

Independent non-executive Directors

Mr. JIANG Qian
 Mr. WONG Chi Keung
 Mr. YUAN Jun

The biographical details of the Directors are set out in the section headed “Biographical Details of Directors and Senior Management” on pages 15 to 17 of this annual report. A list of the Directors identifying their roles and functions is available on the Stock Exchange’s and the Company’s website.

There are no other financial, business, family or other material/relevant relationships among the members of the Board.

All Directors are required to declare to the Board upon their first appointment, the directorships or other positions they are concurrently holding at other companies or organisations. These interests are updated on an annual basis and when necessary.

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

The Board has at all times during the Year met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing at least one-third of the Board members, and that at least one of the independent non-executive Directors has appropriate professional qualifications or accounting or related financial management expertise.

The Company has received an annual confirmation of independence in writing from each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules. Based on such confirmation, the Company considers that all the independent non-executive Directors are independent and have met the independence guidelines as set out in Rule 3.13 of the Listing Rules.

Code provision C.2.7 of the CG Code requires that the chairman should at least annually hold meetings with the independent non-executive Directors without the presence of the other Directors. For the Year, the Chairman held one meeting with the independent non-executive Directors on 29 August 2025 without the presence of any other Director. Going forward, the Chairman will continue to ensure compliance with this code provision.

DIRECTORS' INDUCTION AND CONTINUING PROFESSIONAL DEVELOPMENT

The Directors, on an ongoing basis, will receive updates on the relevant laws, rules and regulations. The Company encourages the Directors to enroll in a wide range of professional development courses and seminars relating to the Listing Rules, Hong Kong Companies Ordinance and corporate governance practices so that they can continuously acquire their relevant knowledge and skills.

Each newly appointed director receives an induction package to ensure that he/she is sufficiently aware of his/her responsibilities under the Listing Rules and other relevant regulatory requirements.

During the Year, all the Directors attended the aforementioned comprehensive training, a training session on update on the recent Listing Rules amendments, and read relevant materials to keep themselves abreast of regulatory developments and changes.

The trainings received by each Director during the Year are summarised as follows:

Name of Director	Training(s) or seminar(s) on updated laws and regulations	Reading materials relating to Directors' professional knowledge
Executive Directors		
Mr. FANG Gongyu (<i>chairman</i>)	✓	✓
Mr. TIAN Tao	✓	✓
Ms. YU Yuan (resigned on 28 March 2025)	✓	✓
Mr. MA Xiaoming (resigned on 24 October 2025)	✓	✓
Ms. ZENG Qin (appointed on 28 March 2025)	✓	✓
Ms. LI Jingjing (appointed on 24 October 2025)	✓	✓
Independent non-executive Directors		
Mr. JIANG Qian	✓	✓
Mr. YUAN Jun	✓	✓
Mr. WONG Chi Keung	✓	✓

MEETINGS OF THE BOARD AND DIRECTORS' ATTENDANCE RECORDS

The Board meets regularly and at least four times a year at approximately quarterly intervals with notice given to the Directors at least 14 days in, and the agenda together with Board papers are sent to the Directors at least three days before the intended date of Board meeting. The company secretary of the Company (the “**Company Secretary**”) is responsible for keeping all Board meetings’ minutes. Draft and final versions of the minutes will be circulated to the Directors for comments and record respectively within a reasonable time after each meeting and the final version is open for the Directors’ inspection.

The Directors do not have any material financial, business or other relationships among members of the Board. If a Director has any potential conflict of interest in any matter being considered in a Board meeting, he or she shall abstain from voting. The independent non-executive Directors with no conflict of interest will be present at meetings dealing with such conflict of interest issues.

For the Year, four Board meetings and one general meeting were held and the attendance of the Directors to the Board meetings are as follows:

Name of Directors	Attendance/ Eligible to attend the Board meetings	Attendance/ Eligible to attend the general meeting
Executive Directors		
Mr. FANG Gongyu (<i>chairman</i>)	4/4	1/1
Mr. TIAN Tao	4/4	1/1
Ms. LI Jingjing (appointed on 24 October 2025)	2/2	not applicable
Mr. MA Xiaoming (resigned on 24 October 2025)	3/3	1/1
Ms. YU Yuan (resigned on 28 March 2025)	1/1	not applicable
Ms. ZENG Qin (appointed on 28 March 2025)	4/4	1/1
Independent non-executive Directors		
Mr. JIANG Qian	4/4	1/1
Mr. YUAN Jun	4/4	1/1
Mr. WONG Chi Keung	4/4	1/1

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct governing the securities transactions by the Directors. Following a specific enquiry made by the Company on each of the Directors, all Directors have confirmed that they had complied with the Model Code for the Year.

DIRECTORS' LIABILITIES INSURANCE

Appropriate insurance coverage in respect of legal actions against the Directors' liability has been arranged by the Company.

BOARD AND WORKFORCE DIVERSITY

Board Diversity

In compliance with the requirement set out in Rule 13.92 of the Listing Rules, the Company has adopted a board diversity policy (the "**Board Diversity Policy**") which sets out the objective and approach of which the Board could achieve and maintain a high level of diversity.

The Company recognises and embraces the benefits of a diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge.

The Board currently has two female Director and as such has achieved gender diversity in respect of the Board. We will continue to strive to enhance female representation and achieve an appropriate balance of gender diversity with reference to the shareholders' expectations and international and local recommended best practices.

The Nomination Committee will review the Board Diversity Policy at least annually to ensure that its continued effectiveness, and where necessary, will make revisions that may be required and recommend any such revision to the Board for consideration and approval.

At the meeting held on 27 March 2026, the Nomination Committee reviewed the implementation and effectiveness of the Board Diversity Policy during the Year and considered that the existing gender diversity in respect of the Board is sufficient, and that the nomination policy of the Company can ensure that there will be a pipeline of potential successors to the Board which continues the existing gender diversity in the Board.

Workforce Diversity

As at 31 December 2025, the gender ratio the Company's workforce (calculated by dividing the no. of female staff by the no. of male staff) was 1.9:1. The Company's hiring is merit-based and non-discriminatory. The Board is satisfied that the Company has achieved gender diversity in its workforce.

The Company plans to offer all-rounded trainings to female employees whom we consider to have the suitable experience, skills and knowledge of our operation and business, including but not limited to, business operation, management, accounting and finance, legal and compliance and research and development.

INDEPENDENT VIEWS OF THE BOARD

In compliance with code provision B.1.4 of the CG Code, the Company has established mechanisms to ensure that a strong independent element on, and independent views and input are available to the Board (the “**Mechanisms**”).

The Mechanisms cover the composition of the Board and Board Committees, the independence assessment of the INED, Board decision making progress and guideline of policy implementation review.

The Board will review the implementation and effectiveness of the Mechanisms annually. At the meeting held on 27 March 2026, the Board has reviewed the implementation and effectiveness of the Mechanisms during the Year and considered that the existing Mechanisms is sufficient and effective.

ANTI-CORRUPTION AND WHISTLE-BLOWING POLICIES

Anti-Corruption Policy

To outline the Company’s expectations and requirements on prevention, detection, reporting and investigation of any suspected fraud, corruption and other similar irregularities; and to provide information and guidance on recognizing and dealing with bribery and corruption, the Company has established its group-wise anti-corruption policy that complies with code provision D.2.7 of the CG Code.

Our staff can anonymously report any suspected corrupt incident directly to the chairman of the Audit Committee, who will review the complaints and determine the appropriate mode of investigation and subsequent corrective action. Upon completion of investigation, the results of investigation together with corrective action plans (if any) will be communicated to the senior management of the Company. No incident of fraud or misconduct was considered to have material effect on the Group’s financial statements or overall operations for the Year. The anti-corruption policy is reviewed and updated periodically to align with the applicable laws and regulations as well as the industry best practice.

Whistle-Blowing Policy

The Group is committed to achieving and maintaining the highest standards of openness, probity and accountability, the Company has established a whistle-blowing policy which forms an important part of its effective risk management and internal control systems.

Under the whistle-blowing policy, the whistleblowers can be any employee of the Group or any third party who deal with the Group (e.g. customers, suppliers, etc.). The whistleblowers who wish to report a concern can complete and send a prescribed whistleblowing report form with supplementary information, if any, directly to the Chairman of the Audit Committee by email or by post. No concern was reported nor proved to be correct and substantiated during the Year. The whistle-blowing policy is reviewed and updated periodically to align with the applicable laws and regulations as well as the industry best practice.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

BOARD COMMITTEES

The Board has established three committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request. The Board committees are provided with sufficient resources to discharge their duties.

Audit Committee

The Company established the Audit Committee on 12 December 2018 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee currently consists of three independent non-executive Directors, being Mr. Wong Chi Keung, Mr. Jiang Qian and Mr. Yuan Jun. Mr. Wong Chi Keung is the chairman of the Audit Committee.

The principal roles and functions of the Audit Committee include but are not limited to:

- making recommendations to the Board on the appointment, reappointment and removal of the external auditors, to approve the remuneration and terms of engagement of the external auditors, and to deal with any issues relating to their resignation or dismissal;
- reviewing and monitoring the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards and discussing with the external auditors the nature and scope of the audit and reporting obligations before the audit commences;
- developing and implementing policy on engaging external auditors to supply non-audit services and reporting to the Board, identifying and making recommendations on any matters where action or improvement is needed;
- monitoring integrity of the Company's financial statements, annual report and accounts and half-year report and, reviewing significant financial reporting judgements contained in them;

- reviewing the Company's financial controls, risk management and internal control systems;
- discussing the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems;
- considering major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
- ensuring coordination between the internal and external auditors, and that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;
- reviewing the Group's financial and accounting policies and practices;
- reviewing the external auditors' management letter, any material queries raised by the auditors to management about accounting records, financial accounts or systems of risk management and control and management's response;
- ensuring that the Board will provide a timely response to the issues raised in the external auditors' management letter;
- acting as the key representative body for overseeing the Company's relationship with the external auditor;
- reviewing arrangements that employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, risk management, internal control or other matters;
- reporting to the Board on the matters in the code provisions of the CG Code;
- performing the Company's corporate governance functions; and
- considering other topics, as defined by the Board.

For the Year, two Audit Committee meetings were held to review (i) the Group's audited financial results for the year ended 31 December 2024 and unaudited financial results for the six months ended 30 June 2025 before their submission to the Board; (ii) significant issues on the financial reporting and compliance procedures; (iii) the effectiveness of the internal control and risk management systems (including those relating to the Group's Environmental, Social and Governance risk, performance and reporting); and (iv) the appointment of external auditors.

The attendance record of each Director at the Audit Committee meetings of the Company is set out in the table below:

Name of Directors	Attendance/ Number of meetings
Mr. WONG Chi Keung (<i>chairman</i>)	2/2
Mr. JIANG Qian	2/2
Mr. YUAN Jun	2/2

Remuneration Committee

The Company established the Remuneration Committee on 12 December 2018 with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the CG Code. The remuneration committee consists of two independent non-executive Directors, being Mr. Jiang Qian, Mr. Yuan Jun, and one executive Director, being Ms. Zeng Qin. Mr. Jiang Qian has been appointed as the chairman of the Remuneration Committee.

The principal roles and functions of the Remuneration Committee include but are not limited to:

- making recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- reviewing and approving the terms of individual executive Director's service contracts and senior management's remuneration proposals with reference to the Board's corporate goals and objectives;
- determining, with delegated responsibility, the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- making recommendations to the Board on the remuneration of the non-executive Directors;
- considering salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- assessing performance of individual executive Directors;
- reviewing and approving compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;

- reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- ensuring that no Director or any of his associates is involved in deciding his own remuneration; and
- reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

The following is a summary of the work performed by the Remuneration Committee during the Year:

- determined the policy for the remuneration of executive Directors;
- assessed performance of executive Directors;
- approved the terms of executive Directors' service contracts;
- pursuant to code provision E.1.2(c) of the CG Code, determined, with delegated responsibility, the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment; and
- reviewed the Share Option Scheme.

During the Year, the Remuneration Committee held one meeting to: (i) review the performance conditions and approve the vesting of share options granted under the Pre-IPO Share Option Scheme; (ii) review the policy and structure of the remuneration for Directors and senior management; and (iii) evaluate the specific remuneration packages for Executive Directors, senior management, and the remuneration of the INEDs.

The attendance record of each Director at the Remuneration Committee meetings of the Company is set out in the table below:

Name of Directors	Attendance/ Number of meetings
Mr. JIANG Qian (<i>chairman</i>)	1/1
Mr. YUAN Jun	1/1
Ms. YU Yuan (resigned on 28 March 2025)	1/1
Ms. ZENG Qin (appointed on 28 March 2025)	1/1

Nomination Committee

The Company established the Nomination Committee on 12 December 2018 with written terms of reference in compliance with the CG Code. The Nomination Committee consists of two independent non-executive Directors, being Mr. Jiang Qian and Mr. Yuan Jun and one executive Director, being Ms. Zeng Qin (appointed on 20 June 2025). Mr. Jiang Qian has been appointed as the chairman of the Nomination Committee.

The principal roles and functions of the Nomination Committee include but are not limited to:

- reviewing the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- identifying individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- assessing the independence of independent non-executive Directors;
- making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive; and
- reviewing the policy on Board diversity and any measurable objectives for implementing such policy as may be adopted by the Board from time to time and to review the progress on achieving the objectives.

Nomination Policy

The appointment of a Director is made on the recommendations of the Nomination Committee and by approval of the Board or by the Shareholders at a general meeting either to fill a casual vacancy or as an addition to the Board.

The Nomination Committee invites nominations of candidates from members of the Board and may also put forward other candidates when vacancies on the Board exist. Before making recommendations to the Board, the Nomination Committee reviews and assesses the suitability of candidates for directorship, according to certain assessment criteria, including but not limited to reputation for integrity, experience in the relevant industry, contributions to the Board and time commitments, and by making reference to the board diversity policy, the Company's needs and the current composition of the Board. The Board will also consider the independence of independent non-executive Directors before making appointments or recommendations. The Board may consider engaging an external recruitment agency to carry out the recruitment and selection process when necessary.

For the Year, three Nomination Committee meeting was held to review the structure, size and composition of the Board assessing the independence of the independent non-executive directors, making recommendations to the Board on the re-appointment of directors at the forthcoming annual general meeting, reviewing its terms of reference, and recommending the appointment of a new independent non-executive director and Board committee members.

The attendance record of each Director at the Nomination Committee meeting of the Company is set out in the table below:

Name of Directors	Attendance/ Number of Meeting
Mr. FANG Gongyu (<i>chairman</i>) resigned on 20 June 2025	2/2
Mr. JIANG Qian (<i>chairman</i>)	3/3
Mr. YUAN Jun	3/3
Ms. ZENG Qin (appointed on 20 June 2025)	1/1

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors has entered into a service agreement with the Company for a term of three years commencing on the Listing Date, or the respective appointment date, which may be terminated by not less than three months' notice served by either party on the other.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company for a period of three years commencing on the Listing Date or the respective appointment date, which may be terminated by not less than three months' notice served by either party on the other.

None of the Directors has a service agreement or letter of appointment with the Company or any of its subsidiaries other than the agreements/letters of appointment expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

In accordance with the Company's Articles of Association, at each annual general meeting of the Company, one-third of the Directors shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after the appointment and be subject to re-election at such meeting.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company has established a formal and transparent procedure for formulating policies on remuneration of senior management of the Group. Details of the remuneration of each of the Directors of the Company for the Year are set out in note 31 to the consolidated financial statements.

Pursuant to code provision E.1.5 of the CG Code, the details of remuneration of the members of the Board and senior management of the Company whose particulars are contained in the section headed “Biographical Details of Directors and Senior Management” in this annual report for the Year by band is set out below:

Remuneration band (in HK\$)	Number of individual
Nil to 500,000	8

INDEPENDENT AUDITOR’S REMUNERATION

For the Year, PricewaterhouseCoopers was engaged as the Company’s independent auditor.

The remuneration paid/payable in respect of the audit and non-audit services provided by PricewaterhouseCoopers for the Year is set out below:

Service Category	Fees Paid/ Payable (RMB’000)
Audit Services	
• Annual audit	1,150
Total	1,150

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group for the Year. The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Group's consolidated financial statements, which are put to the Board for approval. The Company provides all members of the Board with monthly updates on the Group's performance, positions and prospects. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

In addition, PricewaterhouseCoopers has stated in the independent auditor's report its reporting responsibilities on the Company's consolidated financial statements for the Year. There were no changes in the Company's auditors in any of the preceding three years.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company believes that an effective corporate governance structure allows the Company to have a better understanding of, and to evaluate and manage, risks and opportunities (including ESG risks and opportunities).

The Board is responsible for evaluating and determining the nature and extent of the risks the Company is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. The Board oversees management in the design, implementation and monitoring of the risk management and internal control systems. The Board acknowledges that such risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

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

- an organised structure with clearly defined and distinct scope of authority and responsibilities;
- a comprehensive financial accounting system to provide for various performance measurement indicators and to ensure compliance with relevant rules;
- guidelines on the dissemination of confidential and sensitive information;
- specific approval from executive Director/responsible senior executive of the Company prior to commitment in all material matters;
- management's review and evaluation on the internal control procedures and monitoring of risk factors on a regular basis; and
- report to the Audit Committee about the findings on identified risks and measures to address such risks.

To properly manage the risks the Group is exposed to during the operations of the business, the Group has established the following risk management structures and measures:

- The Board is responsible and has the general power to manage the operations of the Group, and is in charge of managing the overall risks of the Group. It is responsible for considering, reviewing and approving any significant business decision involving material risk exposures, such as the decision to expand the school network into new geographic areas, to raise the tuition fees, and to enter into cooperative business relationships with third parties to launch new education programs;
- The Group has established the procedures in response to emergency conditions. Pursuant to such procedures, the Group has established a working group under the security department of Yinxing College to prepare solutions in response to emergency conditions;
- The Group established an Audit Committee to review and supervise the financial reporting process and internal control system;
- The Group has adopted various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure; and
- The Directors and senior management of the Group attend training sessions in respect of the relevant requirements of the Listing Rules and duties of directors of companies listed on the Stock Exchange.

Procedures have been put in place to safeguard the Group's assets against unauthorised use or disposal, to ensure proper accounting records are kept so that reliable financial information can be provided when required, and to ensure compliance with all applicable laws and regulations. These procedures have been based on industry norms and are designed to provide reasonable assurance and protection against errors, losses and fraud.

Due to the size of the Group and for cost effectiveness consideration, the Group does not have an internal audit function. Instead, the Group engaged an independent internal control consultant to conduct an assessment of the internal control system of the Group for the Year. The review covered all material risks and controls, including financial, operational, business and strategic, compliance as well as risk management. The independent internal control consultant carried out an analysis and independent appraisal of the adequacy and effectiveness of the risk management and internal control systems of the Company through, among others, the examination of risk-related documentation prepared by operation units and the management and conducting interviews with employees at all levels. The independent internal control consultant attended meetings of the Audit Committee to explain the internal audit findings and responded to queries from members of the Audit Committee. The Board, through the Audit Committee, has conducted a review of the effectiveness of the internal control system (including ESG function) of the Group and considers that the Group's risk management and internal control are adequate and effective. The Board expects that a review of the risk management and internal control systems will be performed at least annually. The Group also continues to review the need for an internal audit function annually.

DISCLOSURE OF INSIDE INFORMATION

The Group acknowledges its responsibilities under the SFO and the Listing Rules and the overriding principle that inside information should be announced promptly. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regard to the disclosure requirement under the Listing Rules as well as the “Guidelines on Disclosure of Inside Information” published by the Securities and Futures Commission of Hong Kong in June 2012;
- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and the Company’s website;
- the Group has strictly prohibited unauthorised use of confidential or inside information; and
- the Group has established and implemented procedures for responding to external enquiries about the Group’s affairs, so that only the executive Directors and the Company Secretary are authorised to communicate with parties outside the Group.

COMPANY SECRETARY

The Company Secretary supports the Board by ensuring that reliable and relevant flow of information is maintained amongst members of the Board and that all procedures have been adhered to in accordance with applicable laws, rules and regulations. All Directors have access to the advice and services of the Company Secretary on corporate governance and board practices and matters.

Mr. Lau Kai Tung Justin (“**Mr. Lau**”), the Company Secretary of the Company, is a full time employee of the Group. In compliance with Rule 3.29 of the Listing Rules, Mr. Lau undertook not less than 15 hours of relevant professional training to update his skills and knowledge during the Year.

SHAREHOLDERS' RIGHTS

To safeguard shareholder interests and rights, separate resolution is proposed for each substantially separate issue at general meetings, including the election of individual Director. Except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands, all resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules. Poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Procedures for Putting Forward Proposals at Shareholders' Meetings

There are no provisions allowing Shareholders to make proposals or move resolutions at the AGMs under the M&A or the laws of the Cayman Islands. Shareholders who wish to make proposals or move a resolution may, however, convene an extraordinary general meeting (the “**EGM**”) in accordance with the “Procedures for Shareholders to Convene an EGM” set out below.

Procedures for Shareholders to Convene an EGM

According to Article 58 of the Articles of Association, any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the voting rights at general meetings, on a one vote per share basis, in the share capital of the Company (the “**Eligible Shareholder(s)**”) shall at all times have the right, by written requisition to require an EGM to be called by the Board or the Company Secretary for the transaction of any business specified in such requisition, including making proposals or moving a resolution at the EGM.

Eligible Shareholders who wish to convene an EGM for the purpose of making proposals or moving a resolution at the EGM must deposit a written requisition (the “**Requisition**”) signed by the Eligible Shareholder(s) concerned (the “**Requisitionist(s)**”) at the principal place of business of the Company in Hong Kong (presently at 31/F., 148 Electric Road, North Point, Hong Kong) for the attention of the Company Secretary. The Requisition must state clearly the name of the Eligible Shareholder(s) concerned, his/her/their shareholding in the Company, the reason(s) to convene an EGM and the proposed agenda.

Following receipt of the Requisition, the identity and shareholding of the Eligible Shareholder(s) will be verified with the Company's branch share registrar in Hong Kong. If the Requisition is found to be proper and in order, the Company Secretary will ask the Board to convene an EGM and/or include the proposal(s) made or the resolution(s) proposed by the Requisitionist(s) at the EGM within 2 months after the deposit of the Requisition. On the contrary, if the Requisition has been verified as not in order, the Eligible Shareholder(s) concerned will be advised of the outcome and accordingly, the Board will not call for an EGM nor include the proposal(s) made or the resolution(s) proposed by the Requisitionist(s) at the EGM.

If within 21 days of the deposit of the Requisition the Board fails to proceed to convene such meeting, the Requisitionist(s) himself/herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Board shall be reimbursed to the Requisitionist(s) by the Company.

Procedures for Shareholders to Send Enquires to the Board

Shareholders may send their enquiries and concerns to the Board by addressing them to the Company Secretary by mail to the principal office of the Company in Hong Kong. The Company Secretary shall forward communications relating to matters within the Board's purview to the Board and communications relating to ordinary business matters, such as suggestions, inquiries and complaints, to the Chief Executive Office.

DIVIDEND POLICY

As the Company is a holding company, the ability to declare and pay dividends will depend on receipt of sufficient funds from the subsidiaries and, particularly, the consolidated affiliated entities of the Company, which are incorporated in the PRC. The consolidated affiliated entities must comply with their respective constitutional documents and the laws and regulations of the PRC in declaring and paying dividends to the Company. Pursuant to the laws applicable to the PRC's foreign investment enterprises, the Company's subsidiaries must make appropriations from after-tax profit to non-distributable reserve funds as determined by the board of directors of each relevant entity prior to payment of dividends. These reserves include a general reserve and a development fund. Subject to certain cumulative limits, the general reserve requires annual appropriations of 10% of after-tax profits as determined under PRC laws and regulations at each year-end until the balance reaches 50% of the relevant PRC entity's registered capital. PRC laws and regulations require private schools where the school sponsors require reasonable returns to make annual appropriations of 25% of net income to its development fund prior to payments of reasonable returns. Such appropriations are required to be used for the construction or maintenance of the school or for the procurement or upgrading of educational equipment. A private school that does not require reasonable returns cannot distribute dividends to its school sponsors.

Any amount of dividends the Company pays will be at the discretion of the Directors and will depend on the future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors which the Directors consider relevant. Any declaration and payment as well as the amount of dividends will be subject to the constitutional documents of the Company and the relevant laws.

At the meeting of the Board held on 27 March 2026, the Directors resolved not to recommend the payment of a final dividend for the year ended 31 December 2025.

SHAREHOLDERS' COMMUNICATION POLICY

The Company has adopted a Shareholders' communication policy with the objective of ensuring that the Shareholders will have equal and timely access to information about the Company in order to enable the Shareholders to exercise their rights in an informed manner and allow them to engage actively with the Company.

The annual general meeting of our Company provides opportunity for the Shareholders to communicate directly with the Directors. The chairperson of the Board Committees of our Company will attend the annual general meetings to answer Shareholders' questions. The auditor will also attend the annual general meetings to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

To promote effective communication, our Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between our Company and the Shareholders and maintains a website of our Company at <http://www.chinagingkoedu.com>, where up-to-date information on our Company's business operations and developments, financial information, corporate governance practices and other information are available for public access.

The Board has reviewed the implementation and effectiveness of the Shareholders' communication policy during the Year including the steps taken at the general meetings, the handling of queries received (if any) and the multiple channels of communication and engagement in place. It is considered that the policy is effectively implemented.

CONSTITUTIONAL DOCUMENTS

There had been no changes in the constitutional documents of the Company during the Year.

The M&A is available on the respective websites of the Stock Exchange and the Company.



羅兵咸永道

To the Shareholders of China Gingko Education Group Company Limited
(incorporated in the Cayman Islands with limited liability)

Opinion

What we have audited

The consolidated financial statements of China Gingko Education Group Company Limited (the “**Company**”) and its subsidiaries (the “**Group**”), which are set out on pages 74 to 140, comprise:

- the consolidated balance sheet as at 31 December 2025;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSA**s”) as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “**Code**”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- revenue recognition of tuition and boarding fees
- assessment of control over the consolidated affiliated entities through contractual arrangements

Key Audit Matter

How our audit addressed the Key Audit Matter

Revenue Recognition of Tuition and Boarding Fees

Refer to note 6 to the consolidated financial statements.

Revenue mainly comprised the tuition and boarding fees from students. For the year ended 31 December 2025, the revenue from tuition and boarding fees amounted to RMB375 million. These fees are generally received in advance prior to the beginning of each academic year. Tuition and boarding fees are recognised proportionately over the terms of the applicable program or the beneficial period for the students, where applicable.

Due to the large volume of transactions processed and the significant amount of tuition and boarding fees, we considered it as a key audit matter.

In response to this key audit matter, we have performed following procedures:

- We understood, evaluated and tested the Group's controls over the admission of students, collection of tuition and boarding fees and the relevant revenue recognition;
- We checked the relevant official student records and the reconciliation of total number of enrolled students in respective academic years to the official student records registered with the relevant education authorities of the People's Republic of China;
- On a sample basis, we checked the existence of the students in the financial year by interviewing respective students and agreeing the relevant official student identify and academic records, as well as checking the evidence of tuition and boarding fees received from students; and
- We performed recalculation of the amount of contract liabilities and the tuition and boarding fees recognised during the year in accordance with the terms of the applicable program or the beneficial period for the students, where applicable.

Based on the procedures performed, we found the Group's tuition and boarding fees recognised were supported by the evidences we have obtained.

Key Audit Matter

How our audit addressed the Key Audit Matter

Assessment of control over the consolidated affiliated entities through contractual arrangements

Refer to notes 2.1 and 4(a) to the consolidated financial statements regarding the accounting policy, critical judgment and related disclosure notes of the control over the consolidated affiliated entities through contractual arrangements.

A substantial portion of the Group's business is conducted through the consolidated affiliated entities in the People's Republic of China ("**PRC**") due to the regulatory requirements that restrict foreign ownership in higher education service industry in the PRC. The Group does not have any direct legal ownership of equity interest in the consolidated affiliated entities. Nonetheless, through the establishment and implementation of a series of contractual agreements ("**Contractual Arrangements**"), the Group has rights to exercise power over the consolidated affiliated entities, has exposure, or rights to variable returns from its involvement with the consolidated affiliated entities, and has ability to affect those returns through its power over the consolidated affiliated entities. The directors of the Company concluded that the Group has control over the consolidated affiliated entities, consequently, the Company consolidates the consolidated affiliated entities in the consolidated financial statements of the Group.

In response to this key audit matter, we have performed following procedures:

- We discussed with management to understand the latest regulatory development and whether there were any changes in facts and circumstances which might have an impact on the Contractual Arrangements;
- We evaluated the Company's assessment and judgment on the validity and enforceability of the Contractual Arrangements and the assessment of the Group's control over the consolidated affiliated entities through the Contractual Arrangements;
- We obtained written opinion from the Company's external PRC legal counsel and discussed with them to understand their analysis and views as to the validity and enforceability of the Contractual Arrangements with respect to all relevant PRC laws and regulations officially promulgated, publicly available and publicly known, and evaluated whether these evidences support the relevant judgment made by the Company;
- We assessed the competency, capabilities and objectivity of the Company's external PRC legal counsel; and
- We assessed the adequacy of related disclosures in the consolidated financial statements.

Key Audit Matter

During the year ended 31 December 2025, the Directors of the Company reassessed, with the involvement of an external legal counsel appointed by the Company, whether there were any changes in facts and circumstances that may impact the validity and enforceability of the Contractual Arrangements. Based on the results of the assessment, it was concluded that the Contractual Arrangements continue to be in compliance with all relevant PRC laws and regulations officially promulgated, publicly available and publicly known, and are legally enforceable.

Accordingly, the Directors of the Company are of the view that the Company continues to control the consolidated affiliated entities and therefore consolidated the entities in the consolidated financial statements of the Group as at and for the year ended 31 December 2025.

We focus on this area due to the complexity, high level of judgment involved in determining the validity and enforceability of the Contractual Arrangements in order to evaluate whether it is appropriate for the Company to consolidate the consolidated affiliated entities under HKFRSs, which could have significant and pervasive implications to the consolidated financial statements of the Group.

How our audit addressed the Key Audit Matter

Based on the procedures performed, we found the judgment made by the Company to continue to control the consolidated affiliated entities and therefore consolidate these entities in the consolidated financial statements of the Group was supported by the evidences obtained.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in China Gingko Education Group Company Limited 2025 Annual Report (the “**annual report**”) other than the consolidated financial statements and our auditor's report thereon. We have obtained some of the other information including financial highlights, and management discussion and analysis prior to the date of this auditor's report. The remaining other information, including chairman's statement, corporate governance report and the other sections to be included in the annual report, is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining other information to be included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to Audit Committee and take appropriate action considering our legal rights and obligations.

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

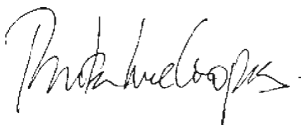
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Leung, Ying Hei, (practising certificate number: P08018).



PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 27 March 2026

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

(All amounts expressed in RMB thousands unless otherwise stated)

	Note	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Revenue	6	400,679	372,687
Cost of sales	9	(179,238)	(162,724)
Gross profit		221,441	209,963
Selling expenses	9	(1,694)	(2,831)
Administrative expenses	9	(52,887)	(56,451)
Other income	7	2,781	3,994
Other gains – net	8	298	795
Operating profit		169,939	155,470
Finance income	11	461	1,842
Finance expenses	11	(7,350)	(3,480)
Finance expenses – net		(6,889)	(1,638)
Profit before income tax		163,050	153,832
Income tax expenses	12	(480)	(625)
Profit for the year, all attributable to shareholders of the Company		162,570	153,207
Other comprehensive income for the year		–	–
Total comprehensive income for the year, all attributable to shareholders of the Company		162,570	153,207
Earnings per share for profit attributable to shareholders of the Company			
Basic and diluted earnings per share (RMB Yuan)	13	0.33	0.31

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

Consolidated Balance Sheet

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

	Note	As at 31 December	
		2025 RMB'000	2024 RMB'000
ASSETS			
Non-current assets			
Right-of-use assets	14	61,205	63,468
Property, plant and equipment	15	1,263,754	1,236,249
Intangible assets	16	5,897	2,935
Prepayments	19	456	734
		1,331,312	1,303,386
Current assets			
Inventories		884	1,158
Trade and other receivables	18	9,387	8,551
Financial assets at fair value through profit or loss	21	7,188	–
Prepayments	19	2,787	1,625
Cash and deposits	20	243,503	271,723
		263,749	283,057
Total assets		1,595,061	1,586,443
EQUITY			
Share capital	22	4,321	4,321
Share premium	22	134,042	134,042
Reserves	23	129,259	112,108
Retained earnings	23	832,857	687,438
Total equity		1,100,479	937,909

Consolidated Balance Sheet

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

	Note	As at 31 December	
		2025 RMB'000	2024 RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings	25	109,790	189,790
Lease liabilities	14	142	663
Deferred government grants	15	107	544
		110,039	190,997
Current liabilities			
Accruals and other payables	24	94,010	134,236
Borrowings	25	70,000	120,000
Lease liabilities	14	560	556
Contract liabilities	6	219,479	202,241
Current income tax liabilities		494	504
		384,543	457,537
Total liabilities		494,582	648,534
Total equity and liabilities		1,595,061	1,586,443

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

The consolidated financial statements on pages 74 to 140 were approved and authorised for issue by the board of directors on 27 March 2026 and were signed on its behalf:

Fang Gongyu
Director

Tian Tao
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

	Attributable to owners of the Company					
	Share capital	Share premium	Capital reserves	Statutory surplus reserves	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(note 22)	(note 22)	(note 23(a))	(note 23(b))		
As at 1 January 2024	4,321	134,042	50,000	45,981	550,358	784,702
Profit and total comprehensive income for the year	–	–	–	–	153,207	153,207
Appropriation to statutory reserves (note 23)	–	–	–	16,127	(16,127)	–
As at 31 December 2024	4,321	134,042	50,000	62,108	687,438	937,909
As at 1 January 2025	4,321	134,042	50,000	62,108	687,438	937,909
Profit and total comprehensive income for the year	–	–	–	–	162,570	162,570
Appropriation to statutory reserves (note 23)	–	–	–	17,151	(17,151)	–
As at 31 December 2025	4,321	134,042	50,000	79,259	832,857	1,100,479

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

Consolidated Cash Flow Statement

For the year ended 31 December 2025

(All amounts expressed in RMB thousands unless otherwise stated)

	Note	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Cash generated from operations	26	211,426	204,440
Interest received		461	1,884
Income tax paid		(490)	(637)
Net cash generated from operating activities		211,397	205,687
Cash flows used in investing activities			
Purchases of property, plant and equipment		(89,552)	(106,665)
Purchases of intangible assets		(4,069)	(1,524)
Proceeds from disposal of property, plant and equipment		5	9
Increase in term deposits with original maturities over 3 months		(40,000)	–
Proceeds from disposal of financial assets at fair value through profit or loss		4,766	–
Investments in financial assets at fair value through other profit or loss		(11,790)	–
Net cash used in investing activities		(140,640)	(108,180)
Cash flows used in financing activities			
Proceeds from bank borrowings		13,000	40,000
Repayment of bank borrowings		(143,000)	(70,000)
Interest paid		(7,577)	(11,242)
Lease payments for right-of-use assets		(564)	(529)
Net cash used in financing activities		(138,141)	(41,771)
Net (decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at beginning of the year		271,723	215,713
Effects of exchange rate changes on cash and cash equivalents		(836)	274
Cash and cash equivalents at end of the year		203,503	271,723

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

1 General information

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

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

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

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

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

These consolidated financial statements have been approved for issue by the Board of Directors on 27 March 2026.

2 Basis of preparation and change in accounting policies and disclosures

2.1 Basis of preparation

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

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

For the year ended 31 December 2025

(All amounts expressed in RMB thousands unless otherwise stated)

2 Basis of preparation and change in accounting policies and disclosures

(Continued)

2.1 Basis of preparation *(Continued)*

Consolidate of subsidiaries controlled through Contractual Arrangements

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

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

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

2 Basis of preparation and change in accounting policies and disclosures

(Continued)

2.1 Basis of preparation *(Continued)*

Consolidate of subsidiaries controlled through Contractual Arrangements *(Continued)*

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

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

Going concern basis

The Historical Financial Information of the Group has been prepared on a going concern basis. The Group's current liabilities included contracted liabilities with total amount of RMB 219,479,000 as at 31 December 2025 which will not required future cash outflows. Excluding this non-financial liabilities, the Group had net current assets of RMB 98,685,000 as at 31 December 2025.

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group expects to fund its future cash flow needs through internally generated cash flows from operations and bank borrowings. Based on the Group's historical performance and management's operating and financing plans, the directors of the Company believe the cash and cash equivalents on hand, and internally generated cash flows from operations are sufficient to meet the cash requirements to fund the Group's planned operations, capital expenditures and other obligations for at least the next twelve months after 31 December 2025. Therefore, the Historical Financial Information have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in RMB thousands unless otherwise stated)

2 Basis of preparation and change in accounting policies and disclosures

(Continued)

2.2 Changes in accounting policies

(a) *New and amended standards adopted by the Group*

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

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

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

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

		Effective for accounting periods beginning on or after
HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements Project	Annual Improvements to HKFRS Accounting Standards – volumes 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
HKAS21 (Amendments)	Translation to a Hyperinflationary Presentation Currency	1 January 2027
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

2 Basis of preparation and change in accounting policies and disclosures

(Continued)

2.2 Changes in accounting policies *(Continued)*

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

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

(c) HKFRS 18 Presentation and Disclosure in Financial Statements

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

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

- Impact on consolidated statements of comprehensive income

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

Foreign exchange differences

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

For the year ended 31 December 2025

(All amounts expressed in RMB thousands unless otherwise stated)

2 Basis of preparation and change in accounting policies and disclosures

(Continued)

2.2 Changes in accounting policies *(Continued)*

(c) HKFRS 18 Presentation and Disclosure in Financial Statements *(Continued)*

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

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

- Impact on consolidated balance sheets:

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

- Impact on disclosures:

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

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

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The overall risk management program of the Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance of the Group.

(a) Market risk

(i) Foreign exchange risk

The Group mainly operates in the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Hong Kong dollars ("HKD") and United States dollars ("USD") being mainly the proceeds from initial public offering retained by the Group. The Group does not hedge against any fluctuation in foreign currency.

The sensitivity of profit or loss to changes in the exchange rates arises mainly from HKD and USD denominated cash and deposits.

	Impact on profit before tax	
	2025 RMB'000	2024 RMB'000
USD/RMB exchange rate		
– increase/(decrease) 5%	756/(756)	1,325/(1,325)
HKD/RMB exchange rate		
– increase/(decrease) 5%	110/(110)	126/(126)

(ii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from bank deposits and borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

Bank deposits carried at prevailing market interest rate expose the Group to cash flow interest rate risk. The Group closely monitors trend of interest rate and its impact on the Group's interest rate risk exposure to ensure it is within an acceptable level. The Group currently has not used any interest rate swap arrangements but will consider hedging interest rate risk should the need arise.

As at 31 December 2025, if the interest rates on the borrowings had been higher/lower by 50 basis points of current interest rate, with all other variables held constant, the Group's profit for the year would have been RMB899,000 lower/higher (2024: RMB1,619,000).

For the year ended 31 December 2025

(All amounts expressed in RMB thousands unless otherwise stated)

3 Financial risk management *(Continued)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk

The Group has no concentration of credit risk from third party debtors. Deposits are mainly placed with licensing banks which are all high-credit-quality financial institutions. The Group's maximum exposure to credit risk is the carrying amounts of cash and deposits, financial instruments carried at FVTPL and trade and other receivables.

As at 31 December 2025 and 2024, substantially all of the Group's bank deposits and financial instruments carried at FVTPL were deposited with major financial institutions incorporated in Hong Kong and the PRC, which management believes are of high-credit-quality without significant credit risk.

All of the Group's trade receivables and other receivables have no collateral. The Group assessed the credit quality of the counterparties by taking into account their financial positions, credit history and other factors. Management also regularly reviews the recoverability of these receivables and follow up the disputes or amounts overdue, if any. The directors are of the opinion that the risk of default by counterparties is low because these receivables primarily relate to a number of independent students, and based on past experience and directors' assessment, the risk of default by counterparties is low.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

(i) Trade receivables

The Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. Based on historical experience, majority of the trade receivables were due from students and fully collected subsequently, hence the expected loss rate of current trade receivables are assessed to be insignificant. No loss allowance provision for these balances was made during the years ended 31 December 2025 and 2024.

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

3 Financial risk management *(Continued)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk (Continued)

(ii) Other receivables

The directors of the Group consider the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis. To assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial economic conditions that are expected to cause a significant change to the Group's ability to meet its obligations;
- actual or expected significant changes in the operating results of the Group;
- significant changes in the expected performance and behavior of the Group, including changes in the payment status of the third party.

The Group reviews regularly the recoverable amount of each individual receivable to ensure that adequate impairment losses are made for irrecoverable amounts. Over the term of the financial assets, the Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of debtors, and adjusts for forward looking macroeconomic data.

The Group has assessed that the expected credit losses for these receivables are not material under the 12 months expected losses method. Thus no loss allowance provision was recognised during the year.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in RMB thousands unless otherwise stated)

3 Financial risk management *(Continued)*

3.1 Financial risk factors *(Continued)*

(c) Liquidity risk

To manage the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year <i>RMB'000</i>	Between 1 and 2 years <i>RMB'000</i>	Between 2 and 5 years <i>RMB'000</i>	Over 5 years <i>RMB'000</i>	Total <i>RMB'000</i>
As at 31 December 2025					
Borrowings (principal plus interests)	74,333	91,517	20,222	-	186,072
Accruals and other payables (excluding salaries and welfare payable and other taxes payable)	70,794	-	-	-	70,794
Lease liabilities	575	145	-	-	720
Total	145,702	91,662	20,222	-	257,586
As at 31 December 2024					
Borrowings (principal plus interests)	127,790	84,914	111,950	-	324,654
Accruals and other payables (excluding salaries and welfare payable and other taxes payable)	115,907	-	-	-	115,907
Lease liabilities	571	589	148	-	1,308
Total	244,268	85,503	112,098	-	441,869

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

3 Financial risk management *(Continued)*

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total debt less cash and cash equivalents.

As at 31 December 2025 and 2024, the gearing ratios were as follows:

	As at 31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Total borrowings <i>(note 25)</i>	179,790	309,790
Less: cash and cash equivalents <i>(note 20)</i>	(203,503)	(271,723)
Net debt	(2,713)	38,067
Total equity	1,100,479	937,909
Gearing ratio	N/A	4.06%

As of 31 December 2025, the Group was in a net cash position (where cash and cash equivalents exceeded total borrowings). Therefore, the gearing ratio is not meaningful and has not been presented.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in RMB thousands unless otherwise stated)

3 Financial risk management *(Continued)*

3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 31 December 2025 by valuation method. The different levels have been defined as follows:

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. This is the case for unlisted equity securities and for instruments where climate risk gives rise to a significant unobservable adjustment.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Recurring fair value measurements				
As at 31 December 2025				
Financial assets				
Financial assets at FVTPL				
– Money Market Funds <i>(Note 21)</i>	7,188	–	–	7,188

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Contractual Arrangements and consolidation of Consolidated Affiliated Entities

The Group conducts a substantial portion of the business through the Consolidated Affiliated Entities in the PRC as mentioned in note 2.1 due to the regulatory restrictions on the foreign ownership in higher education service business in the PRC. The Group does not have any equity interest in the Consolidated Affiliated Entities. As a result of the Contractual Arrangements, the Group has rights to exercise power over the Consolidated Affiliated Entities, has exposure, or rights to variable returns from its involvement with the Consolidated Affiliated Entities, and has ability to affect those returns through its power over the Consolidated Affiliated Entities, and the directors of the Company considered that the Group has control over the Consolidated Affiliated Entities. Consequently, the Company regards the Consolidated Affiliated Entities as controlled structure entities under HKFRSs and consolidated these entities as its indirect subsidiaries in the consolidated financial statements of the Group.

Nevertheless, the Contractual Arrangements may not be as effective as direct legal ownership in providing the Group with direct control over the Consolidated Affiliated Entities. There are still uncertainties regarding the interpretation and application of current and future PRC laws and regulations which could impede the Group's power over the Consolidated Affiliated Entities and its beneficiary rights of the results, assets and liabilities of the Consolidated Affiliated Entities.

Whenever there is any event which may impact the validity and enforceability of the Contractual Arrangements, such as the publication of Implementing Regulations for the Law for Promoting Private Education of the PRC (《中華人民共和國民辦教育促進法實施條例》) (“**Implementing Regulations**”), which has become effective from 1 September 2021, the Directors would reassess whether or not the Contractual Arrangements continue to be legally enforceable.

The Directors, based on the advice of its legal counsel, consider that the Contractual Arrangements among Chengdu Yinxing Education Management Co., Ltd. (“**WFOE**”), the Consolidated Affiliated Entities and their equity shareholders continue to be in compliance with all relevant PRC laws and regulations officially promulgated, publicly available and publicly known, and are valid and legally enforceable.

For the year ended 31 December 2025

(All amounts expressed in RMB thousands unless otherwise stated)

4 Critical accounting estimates and judgements *(Continued)*

(b) Useful lives and residual values of property, plant and equipment

The Group's management determines the estimated useful lives, residual values and related depreciation charges for its property, plant and equipment, and reviews the useful lives and residual values periodically to ensure that the method and rates of depreciation are consistent with the expected pattern of realisation of economic benefits from property, plant and equipment. This estimate is based on the historical experience of the actual residual values and useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. If there are significant changes from previously estimated useful lives and residual values, the amount of depreciation expenses may change.

(c) Income taxes and deferred taxation

According to the Implementation Regulations, private schools, whether requiring reasonable returns or not, may enjoy preferential tax treatment. The Implementing Regulations provide that the private schools for which the sponsors do not require reasonable returns are eligible to enjoy the same preferential tax treatment as public schools, and relevant authorities under the State Council of the PRC may introduce preferential tax treatments and related policies applicable to private schools requiring reasonable returns. However, as of the date of approval of these consolidated financial statements, no separate policies, regulations or rules have been introduced by the authorities in this regard. Based on the historical tax returns filed with the relevant tax authorities, Yinxing College has historically enjoyed preferential tax treatment since its establishment. In the event Yinxing College completed the transition to for-profit private schools, Yinxing College may be subject to corporate income tax at a rate of 25% in respect of service fees they receive from the provision of academic educational services, if there is no further preferential tax treatment.

Significant judgement is required in interpreting the relevant tax rules and regulations so as to determine whether the Group is subject to corporate income tax. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of the tax liabilities. Such changes to tax liabilities will impact tax expenses in the year that such determination is made.

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

5 Segment information

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

6 Revenue and contract liabilities

(a) Revenue

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

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

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

Revenue represented by:

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

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

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

6 Revenue and contract liabilities *(Continued)*

(b) Contract liabilities

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

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

(1) Revenue recognised in relation to contract liabilities

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

6 Revenue and contract liabilities *(Continued)*

(b) Contract liabilities *(Continued)*

(2) *Unsatisfied contracts*

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

(c) Revenue recognition accounting policy

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

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

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

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

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

7 Other income

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

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

8 Other gains – net

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

9 Expenses by nature

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Employee benefit expenses (<i>note 10</i>)	135,573	119,617
Depreciation and amortisation (<i>note 14, 15 and 16</i>)	52,029	46,483
Office expenses	12,921	17,705
Equipment maintenance fees	7,113	5,232
Property management fees	5,814	5,286
Cost of education and vocational training programs	4,891	6,528
Student activities expenses	2,769	4,468
Traveling expenses	2,107	2,603
Auditor's remuneration	1,150	1,300
Other expenses	9,452	12,784
Total cost of sales, selling expenses and administrative expenses	233,819	222,006

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

10 Employee benefit expenses

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Wages, salaries and bonuses	105,295	91,548
Contribution to pension plan (<i>note (a)</i>)	12,503	11,723
Welfare and other expenses	17,775	16,346
	135,573	119,617

(a) Contributions to pension plan

The employees of the subsidiaries of the Group established in the PRC (other than Hong Kong) participate in defined contribution retirement benefit schemes managed by the local government authorities, whereby these subsidiaries are required to contribute to the schemes at a rate of 16% (2024: 16%) of the basic salary. Employees of these subsidiaries are entitled to retirement benefits, calculated based on a percentage of the average salaries level in the PRC (other than Hong Kong), from the above mentioned retirement schemes at their normal retirement age.

The Group also participates in a pension scheme under the rules and regulations of Mandatory Provident Fund Scheme (the “**MPF Scheme**”) for all its qualifying employees in Hong Kong. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the MPF Scheme vest immediately.

The Group’s contributions to the defined contribution schemes vest fully and immediately with the employees. Accordingly, (i) for the years ended 31 December 2025 and 2024, there was no forfeiture of contributions under the defined contribution schemes; and (ii) there were no forfeited contributions available for the Group to reduce its existing level of contributions to the defined contribution schemes as at 31 December 2025.

The corresponding amount has been deducted from the employee benefit expenses of the Group for the year accordingly. There was no refund of pension, medical insurance, unemployment insurance and work injury insurance during the years ended 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

10 Employee benefit expenses *(Continued)*

(a) Contributions to pension plan *(Continued)*

Employee benefit expenses were charged to the consolidated statement of comprehensive income for the years ended 31 December 2025 and 2024 as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Cost of sales	107,254	89,625
Administrative expenses	28,319	29,992
	135,573	119,617

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group during the year do not include directors whose emoluments are reflected in the analysis presented in note 31(a). Detail of the remunerations of the five highest paid non-director individuals are set out as below:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Wages, salaries and bonuses	2,269	2,068
Contribution to pension plan	104	84
Welfare and other expenses	140	110
	2,513	2,262

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

10 Employee benefit expenses *(Continued)*

(b) Five highest paid individuals *(Continued)*

The emoluments of the highest paid non-director individuals fell within the following band:

	Year ended 31 December	
	2025 <i>Number of employees</i>	2024 <i>Number of employees</i>
Emolument bands		
Nil – HKD1,000,000	5	5
HKD1,000,000 – HKD1,500,000	–	–
	5	5

11 Finance expenses – net

	Year ended 31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Finance income:		
– Interest income derived from deposits	461	1,842
Finance expenses:		
– Interest expenses on borrowings	(7,722)	(11,242)
– Lease liabilities <i>(note 14)</i>	(48)	(47)
	(7,770)	(11,289)
– Amounts capitalised in qualifying assets <i>(note 15(d))</i>	420	7,809
	(7,350)	(3,480)
Net finance expenses-net	(6,889)	(1,638)

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is 3.05% per annum for the year ended 31 December 2025 (2024: 3.39%), which is the weighted average interest rate applicable to the Group's borrowings during the year.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

12 Income tax expenses

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

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

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

(i) Cayman Islands corporate income tax

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

(ii) British Virgin Islands profit tax

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

(iii) Hong Kong profit tax

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

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

12 Income tax expenses *(Continued)*

(iv) PRC corporate income tax (“CIT”)

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

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

(v) PRC withholding income tax

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in RMB thousands unless otherwise stated)

12 Income tax expenses *(Continued)*

(vi) Tax losses

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

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

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

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

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

13 Earnings per share

(a) Basic and diluted earnings per share

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

14 Right-of-use assets

	Land use rights <i>RMB'000</i>	Buildings <i>RMB'000</i>	Total <i>RMB'000</i>
As at 1 January 2024			
Cost	83,871	3,030	86,901
Accumulated depreciation	(19,859)	(2,882)	(22,741)
Net book amount	<u>64,012</u>	<u>148</u>	<u>64,160</u>
Year ended 31 December 2024			
Opening net book amount	64,012	148	64,160
Additions	–	1,488	1,488
Depreciation charge	(1,734)	(545)	(2,279)
Exchange differences	–	99	99
Closing net book amount	<u>62,278</u>	<u>1,190</u>	<u>63,468</u>
As at 31 December 2024			
Cost	83,871	4,518	88,389
Accumulated depreciation	(21,593)	(3,328)	(24,921)
Net book amount	<u>62,278</u>	<u>1,190</u>	<u>63,468</u>
Year ended 31 December 2025			
Opening net book amount	62,278	1,190	63,468
Depreciation charge	(1,733)	(530)	(2,263)
Closing net book amount	<u>60,545</u>	<u>660</u>	<u>61,205</u>
As at 31 December 2025			
Cost	83,871	4,518	88,389
Accumulated depreciation	(23,326)	(3,858)	(27,184)
Net book amount	<u>60,545</u>	<u>660</u>	<u>61,205</u>

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

14 Right-of-use assets *(Continued)*

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Lease liabilities		
– Current	560	556
– Non-current	142	663
	702	1,219

As at 31 December 2025, land use rights with an aggregate carrying amount of approximately RMB3,335,000 (2024: approximately RMB3,435,000) was pledged to secure bank borrowings of RMB174,790,000 (2024: RMB269,790,000) (note 25(a)).

The consolidated statement of comprehensive income shows the following amounts relating to leases:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Depreciation charges of right-of-use assets		
– Administrative expenses	1,271	1,287
– Cost of sales	992	992
	2,263	2,279
Interest expenses <i>(note 11)</i>	48	47
Expenses relating to leases of low-value assets	10	10
	58	57

The total cash payments for short-term leases, leases of low-value assets and right-of-use assets during the year ended 31 December 2025 were approximately RMB574,000 (2024: approximately RMB585,000).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

15 Property, plant and equipment

	Buildings RMB'000	Decoration RMB'000	Electronic equipment RMB'000	Furniture and fixture RMB'000	Vehicles RMB'000	Books RMB'000	Construction in progress RMB'000	Total RMB'000
As at 1 January 2024								
Cost	992,575	36,080	45,398	92,997	3,241	10,022	233,061	1,413,374
Accumulated depreciation	(123,157)	(26,922)	(29,981)	(64,768)	(2,799)	(9,700)	-	(257,327)
Net book amount	869,418	9,158	15,417	28,229	442	322	233,061	1,156,047
Year ended 31 December 2024								
Opening net book amount	869,418	9,158	15,417	28,229	442	322	233,061	1,156,047
Additions	26,926	-	6,700	17,022	144	10	84,399	135,201
Completion of construction in progress	293,570	-	-	-	-	-	(293,570)	-
Deductions of government grants relating to assets (e)	(11,387)	-	-	-	-	-	-	(11,387)
Disposals (note 8)	-	-	(5)	(2)	(9)	-	-	(16)
Depreciation charge	(24,376)	(2,826)	(5,288)	(10,712)	(198)	(196)	-	(43,596)
Closing net book amount	1,154,151	6,332	16,824	34,537	379	136	23,890	1,236,249
As at 31 December 2024								
Cost	1,301,684	36,080	51,895	109,985	3,102	10,032	23,890	1,536,668
Accumulated depreciation	(147,533)	(29,748)	(35,071)	(75,448)	(2,723)	(9,896)	-	(300,419)
Net book amount	1,154,151	6,332	16,824	34,537	379	136	23,890	1,236,249
Year ended 31 December 2025								
Opening net book amount	1,154,151	6,332	16,824	34,537	379	136	23,890	1,236,249
Additions	-	-	1,126	8,187	99	-	67,328	76,740
Completion of construction in progress	64,303	-	-	-	-	-	(64,303)	-
Deductions of government grants relating to assets (e)	(437)	-	-	-	-	-	-	(437)
Disposals (note 8)	-	-	-	(1)	(13)	-	-	(14)
Depreciation charge	(29,778)	(2,281)	(5,206)	(11,276)	(119)	(124)	-	(48,784)
Closing net book amount	1,188,239	4,051	12,744	31,447	346	12	26,915	1,263,754
As at 31 December 2025								
Cost	1,365,550	36,080	53,021	118,168	2,783	10,032	26,915	1,612,549
Accumulated depreciation	(177,311)	(32,029)	(40,277)	(86,721)	(2,437)	(10,020)	-	(348,795)
Net book amount	1,188,239	4,051	12,744	31,447	346	12	26,915	1,263,754

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

15 Property, plant and equipment *(Continued)*

- (a) Depreciation charges were included in the following categories in the consolidated statement of comprehensive income:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Cost of sales	42,863	38,962
Administrative expenses	5,921	4,634
	48,784	43,596

- (b) Construction-in-progress mainly comprises school campus buildings under construction in the PRC.
- (c) As at 31 December 2025, buildings with an aggregate amount of approximately RMB194,535,000 (2024: approximately RMB200,017,000) was pledged to secure bank borrowings of RMB174,790,000 (2024: RMB269,790,000) (note 25(a)).
- (d) During the year ended 31 December 2025, the Group capitalised interest on borrowings amounting to approximately RMB420,000 (2024: RMB7,809,000) on qualifying assets (note 11).
- (e) During the year ended 31 December 2025, the government grants received in prior years were deducted from the carrying amount of assets amounting to approximately RMB437,000 (2024: RMB11,387,000), when the corresponding assets were transferred from construction in progress to buildings.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

(All amounts expressed in RMB thousands unless otherwise stated)

15 Property, plant and equipment *(Continued)*

(f) Property, plant and equipment accounting policy

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial year in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Buildings	34–49 years
Decoration	6 years
Electronic equipment	5 years
Furniture and fixtures	5 years
Vehicles	5 years
Books	2–3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 35.5).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains - net' in the consolidated statement of comprehensive income.

Construction in progress represents buildings under construction and is stated at cost less impairment losses. Historical expenditure that is directly attributable to the construction comprises construction costs and applicable borrowing costs incurred during the construction year. No provision for depreciation is made on construction-in-progress until such time as the relevant assets are completed and ready for the intended use. When the assets concerned are brought into use, the costs are transferred to relevant categories of property, plant and equipment and depreciated in accordance with the policy as stated above.

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(All amounts expressed in RMB thousands unless otherwise stated)

16 Intangible assets

	Computer software <i>RMB'000</i>
As at 1 January 2024	
Cost	7,600
Accumulated amortisation	<u>(5,581)</u>
Net book amount	<u>2,019</u>
Year ended 31 December 2024	
Opening net book amount	2,019
Additions	1,524
Amortisation charge	<u>(608)</u>
Closing net book amount	<u>2,935</u>
As at 31 December 2024	
Cost	9,124
Accumulated amortisation	<u>(6,189)</u>
Net book amount	<u>2,935</u>
Year ended 31 December 2025	
Opening net book amount	2,935
Additions	4,069
Disposal	(125)
Amortization charge	<u>(982)</u>
Closing net book amount	<u>5,897</u>
As at 31 December 2025	
Cost	13,018
Accumulated amortisation	<u>(7,121)</u>
Net book amount	<u>5,897</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

16 Intangible assets *(Continued)*

Amortisation charges of the intangible assets was included in the following categories in the consolidated statement of comprehensive income:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Cost of sales	248	324
Administrative expenses	734	284
	982	608

17 Financial instruments by category

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Financial assets at amortised cost		
Cash and deposits	243,503	271,723
Trade and other receivables	9,387	8,551
	252,890	280,274
Financial assets at fair value through profit or loss		
Investment in money market funds	7,188	–
Financial liabilities at amortised cost		
Borrowings	179,790	309,790
Accruals and other payables (excluding salaries and welfare payable and other taxes payable)	70,794	115,907
Lease liabilities	702	1,219
	251,286	426,916

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(All amounts expressed in RMB thousands unless otherwise stated)

18 Trade and other receivables

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

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

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

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

Notes to the Consolidated Financial Statements

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(All amounts expressed in RMB thousands unless otherwise stated)

19 Prepayments

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Prepayments for student related and other expenses	2,787	1,625
Prepayments for purchases of property, plant and equipment	456	734
Less: non-current portion of prepayments	(456)	(734)
	2,787	1,625

20 Cash and deposits

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Cash and cash equivalents		
Cash at banks and on hand	203,503	271,723
Term deposits (i)	40,000	–
Cash and deposits	243,503	271,723

(i) Term deposits includes short-term bank deposits with original maturities over three months.

The carrying amounts of the cash and deposits were denominated in the following currencies:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
RMB	226,196	242,690
USD	15,116	26,504
HKD	2,191	2,529
	243,503	271,723

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

21 Financial assets at fair value through profit or loss

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Current		
Investment in wealth management products		
Costs	7,028	–
Gain on changes in fair value	160	–
	7,188	–

22 Share capital and share premium

	Number of Ordinary shares	Nominal value of ordinary shares HKD	
Authorised:			
As at 31 December 2025 and 2024, at HKD0.01 each	1,000,000,000	10,000,000	
	Number of ordinary shares	Share capital RMB'000	Share premium RMB'000
Issued and paid up:			
As at 31 December 2025 and 2024	500,000,000	4,321	134,042

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

23 Reserves and retained earnings

(a) Capital reserve

Capital reserve of the Group represented the consolidated issued capital of the Consolidated Affiliated Entities.

(b) Statutory surplus reserves

Pursuant to the relevant laws and regulations in the PRC, the Company's subsidiaries in the PRC should make appropriations from after-tax profit to certain non-distributable reserve funds as determined by the boards of directors of the relevant PRC subsidiaries. These reserve funds include (i) statutory reserve fund of the limited liability companies and (ii) development funds for the schools.

- (i) In accordance with the relevant laws and regulations in the PRC and Articles of Association of the companies incorporated in the PRC now comprising the Group (the “**PRC Subsidiaries**”), the PRC Subsidiaries are required to appropriate 10% of the annual statutory net profits, after offsetting any prior years' losses as determined under the PRC accounting standards, to the statutory reserves fund before distributing the net profit. Any further appropriation is optional when the balance of the statutory reserves fund reaches 50% of the registered capital of the PRC Subsidiaries. The statutory reserves fund can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholding, provided that the remaining balance of the statutory reserves fund after such issue is not less than 25% of registered capital.
- (ii) According to the relevant PRC laws and regulations, private schools are required to appropriate to development funds of not less than 10% of the net profit or the annual increase of net assets of the relevant schools as determined in accordance with PRC accounting standards. The development fund is for the construction or maintenance of the school or procurement or upgrading of educational equipment and not available for distribution to shareholders. Upon incurring the corresponding expenditure, an equivalent amount is transferred from development fund to retained earnings.

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(All amounts expressed in RMB thousands unless otherwise stated)

24 Accruals and other payables

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

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

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25 Borrowings

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Non-current:		
– Secured long-term bank borrowings – non-current portion (a)	109,790	189,790
Current:		
– Guaranteed short-term bank borrowings (b)	5,000	40,000
– Current portion of secured long-term bank borrowings (a)	65,000	80,000
	70,000	120,000
Total borrowings	179,790	309,790

- (a) As at 31 December 2025, long-term bank borrowings of RMB174,790,000 (2024: RMB269,790,000) were obtained in the PRC and secured by the pledge of the Group's land use rights with a net book value of approximately RMB3,335,000 (2024: RMB3,435,000) (note 14), construction in progress and buildings included in property, plant and equipment with an aggregate amount of approximately RMB194,535,000 (2024: RMB200,017,000) (note 15(c)), and corporate guarantees from Gingko Asset Management and Yinxing Education.
- (b) The Group's short-term bank borrowings as at 31 December 2025 of RMB5,000,000 (2024: RMB40,000,000) were obtained in the PRC and supported by corporate guarantees from the Company and Yinxin Education.

For the year ended 31 December 2025
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25 Borrowings (Continued)

(c) Other disclosures

The weighted average effective interest rates (per annum) were as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Bank borrowings	3.05%	3.39%

The maturity date of the borrowings was analysed as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Less than 1 year	70,000	120,000
Between 1 and 2 years	89,693	80,000
Between 2 and 5 years	20,097	109,790
	179,790	309,790

As at December 31, 2025, the Group's bank borrowings bear interests at fixed interest rates ranging from 1.8% to 3.4% (2024: 3.2% to 5.1%) per annum.

The Group has complied with all loan covenants throughout the reporting period.

The carrying amounts of the borrowings were denominated in RMB.

For majority of the borrowings, the fair values are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Details of the Group's exposure to risks arising from current and non-current borrowings are set out in note 3.1.

Notes to the Consolidated Financial Statements

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(All amounts expressed in RMB thousands unless otherwise stated)

26 Cash flow information

(a) Cash generated from operations

	Note	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Profit before income tax		163,050	153,832
Adjustments for:			
– Depreciation charges of property, plant and equipment	15	48,784	43,596
– Depreciation charges of right-of-use assets	14	2,263	2,279
– Amortisation charges of intangible assets	16	982	608
– Loss on disposal of property, plant and equipment	8	9	7
– Loss on disposal of intangible assets	8	125	–
– Gain on changes in fair value of financial assets	8	(160)	–
– Gain on disposal of financial assets at fair value through profit or loss	8	(2)	–
– Bank interest income	11	(461)	(1,842)
– Finance expenses	11	7,350	3,433
– Net exchange differences		833	(275)
Operating profit before changes in working capital:		222,773	201,638
Changes in working capital			
– Decrease in inventories		274	88
– Decrease/(Increase) in trade receivables		497	(194)
– Increase in prepayments		(1,162)	(457)
– Increase in other receivables		(1,333)	(1,998)
– (Decrease)/Increase in accruals and other payables		(26,861)	1,691
– Increase in contract liabilities		17,238	3,672
Cash generated from operations		211,426	204,440

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(All amounts expressed in RMB thousands unless otherwise stated)

26 Cash flow information *(Continued)*

(b) Proceeds from disposal of property, plant and equipment

In the consolidated cash flow statement, proceeds from disposal of property, plant and equipment comprise:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Net book amount <i>(note 15)</i>	14	16
Net loss on disposal of property, plant and equipment <i>(note 8)</i>	(9)	(7)
Proceeds from disposal of property, plant and equipment	5	9

(c) Reconciliation of liabilities arising from financing activities

	Borrowings RMB'000	Interest payable RMB'000	Lease liabilities RMB'000	Total RMB'000
Total debt as at 1 January 2024	339,790	–	161	339,951
Financing cash flows – net	(30,000)	–	(529)	(30,529)
New leases	–	–	1,488	1,488
Foreign exchange adjustments	–	–	99	99
Other charges				
Interest expense	–	11,242	47	11,289
Interest payments on borrowings (presented as financing cashflow)	–	(11,242)	–	(11,242)
Others	–	–	(47)	(47)
Total debt as at 31 December 2024	309,790	–	1,219	311,009
Financing cash flows – net	(130,000)	–	(564)	(130,564)
New leases	–	–	–	–
Foreign exchange adjustments	–	–	(1)	(1)
Other charges				
Interest expense	–	7,722	48	7,770
Interest payments on borrowings	–	(7,577)	–	(7,577)
Total debt as at 31 December 2025	179,790	145	702	180,637

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27 Commitments

(a) Capital commitments

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

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Property, plant and equipment	67,579	17,737

(b) Non-cancellable operating leases

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

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

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(All amounts expressed in RMB thousands unless otherwise stated)

28 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, common significant influence or joint control.

The owners, members of key management and their close family members of the Group including companies controlled by them or they can exercise significant influence are considered as related parties. In the opinion of the directors, the related party transactions were carried out in normal course of business and at terms negotiated between the Group and the respective related parties.

(a) Names and relationships with related parties

The following companies are related parties of the Group that had balances and/or transactions with the Group during the year.

Name of related parties	Relationship with the Group
Mr. Fang Gongyu	Controlling Shareholder
Chengdu Gingko Hotel Management Co., Ltd. (成都银杏酒店管理有限公司)	A company controlled by the Controlling Shareholder
Chengdu Gingko Jin'ge Catering Corporation (成都银杏金閣餐飲股份有限公司)	A company controlled by the Controlling Shareholder
Chengdu Gingko Catering Management Co., Ltd. (成都银杏餐飲管理有限公司)	A company controlled by the Controlling Shareholder

- (i) The entities shown above do not have official English names and their Chinese names have been translated into English, for reference only, by the directors on a best effort basis.

Notes to the Consolidated Financial Statements

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28 Related party transactions *(Continued)*

(b) Transactions with related parties

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Purchases of goods and services		
– Chengdu Gingko Jin'ge Catering Corporation (成都銀杏金閣餐飲股份有限公司)	234	221
– Chengdu Gingko Catering Management Co., Ltd. (成都銀杏餐飲管理有限公司)	236	105
– Chengdu Gingko Hotel Management Co., Ltd. (成都銀杏酒店管理有限公司)	150	10
	620	336

(c) Key management compensation

Key management compensation for the year, other than those relating to the emoluments of directors being disclosed in note 31, are set out below:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Wages, salaries and bonuses	3,797	2,882
Contributions to pension plans	264	153
Welfare, medical and other expenses	396	307
	4,457	3,342

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(All amounts expressed in RMB thousands unless otherwise stated)

29 Balance sheet and reserves movements of the Company

Balance sheet of the Company

	Note	As at 31 December	
		2025 RMB'000	2024 RMB'000
ASSETS			
Non-current assets			
Investment in subsidiaries		318,242	318,242
Amounts due from a consolidated affiliated entity and a subsidiary		87,444	–
		405,686	318,242
Current assets			
Cash and cash equivalents		17,254	28,460
Amounts due from a consolidated affiliated entity		–	46,082
Amounts due from a subsidiary		–	40,445
Trade and other receivables		23	–
Financial assets at fair value through profit or loss		7,188	–
Prepayments		138	138
		24,603	115,125
Total assets		430,289	433,367
EQUITY			
Share capital	22	4,321	4,321
Share premium	(a)	452,284	452,284
Accumulated losses	(a)	(27,650)	(24,254)
Total equity		428,955	432,351
LIABILITIES			
Current liabilities			
Accruals and other payables		1,315	997
Amounts due to a consolidated affiliated entity		19	19
		1,334	1,016
Total liabilities		1,334	1,016
Total equity and liabilities		430,289	433,367

The balance sheet of the Company was approved by the board of directors on 27 March 2026 and was signed on its behalf:

Fang Gongyu
Director

Tian Tao
Director

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29 Balance sheet and reserves movements of the Company *(Continued)*

(a) Reserves movements of the Company

	Share premium <i>RMB'000</i>	Accumulated losses <i>RMB'000</i>	Total <i>RMB'000</i>
As at 1 January 2024	452,284	(23,650)	428,634
Loss for the year	—	(604)	(604)
As at 1 January 2025	452,284	(24,254)	428,030
Loss for the year	—	(3,396)	(3,396)
As at 31 December 2025	452,284	(27,650)	424,634

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(All amounts expressed in RMB thousands unless otherwise stated)

30 Subsidiaries

The Group's principal subsidiaries at 31 December 2025 are set out below.:

Name of entity	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operation	Particulars of issued and fully paid share capital/ registered capital	Ownership interest held by the Group	
				2025 %	2024 %
Directly held by the Company					
Gingko Education Investment Company Limited	BVI/limited liability company	Investment holding BVI	USD1	100	100
Indirectly held by the Company					
Gingko Education Management Holding Company Limited	Hong Kong/limited liability company	Investment holding Hong Kong	HKD10,000	100	100
Yinxing Education	the PRC/limited liability company (a)	Education consultancy PRC	HKD10,000,000	100	100
Gingko Asset Management* (成都銀杏資產管理有限公司)	the PRC/limited liability company (b)	Assets management PRC	RMB50,000,000	100	100
Yinxing College* (成都銀杏酒店管理學院)	the PRC/School (c)	College PRC	RMB33,865,034	100	100
Yibin Gingko Hotel Management Co., Ltd.* (宜賓銀杏酒店管理有限公司)	the PRC/limited liability company	Hotel PRC	RMB500,000	100	100
Yibin Yinxing Catering Management Co., Ltd.* (宜賓市銀杏餐飲職業培訓學校有限公司)	the PRC/limited liability company (c)	Training School PRC	RMB5,000,000	70.59	60

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

- (a) This subsidiary is a wholly foreign owned enterprise established in the PRC under the PRC law.
- (b) This consolidated affiliated entity is a limited liability company established in the PRC under the PRC law.
- (c) These consolidated affiliated entities are schools established in the PRC under the PRC law.

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(All amounts expressed in RMB thousands unless otherwise stated)

31 Benefits and interests of directors

(a) Directors' emoluments

The remuneration of each director and chief executive borne by the Group for the year ended 31 December 2025 is set out below:

Name	Directors' fees RMB'000	Salaries, welfare, medical and other benefits in kind RMB'000	Discretionary bonuses RMB'000	Contribution to pension plan RMB'000	Total RMB'000
Chairman and CEO					
Mr. Fang Gongyu	-	765	50	41	856
Executive directors					
Mr. Tian Tao	-	275	20	21	316
Ms. Zeng Qin (ii)	-	209	42	31	282
Mr. Ma Xiaoming (i)	-	169	-	28	197
Ms. Li Jingjing (ii)	-	35	15	5	55
Ms. Yu Yuan (i)	-	-	-	-	-
Independent non-executive directors					
Mr. Jiang Qian	175	-	-	-	175
Mr. Yuan Jun	175	-	-	-	175
Mr. Wong Chi Keung	175	-	-	-	175
	525	1,453	127	126	2,231

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

31 Benefits and interests of directors *(Continued)*

(a) Directors' emoluments *(Continued)*

The remuneration of each director and chief executive borne by the Group for the year ended 31 December 2024 is set out below:

Name	Directors' fees <i>RMB'000</i>	Salaries, welfare, medical and other benefits in kind <i>RMB'000</i>	Discretionary bonuses <i>RMB'000</i>	Contribution to pension plan <i>RMB'000</i>	Total <i>RMB'000</i>
Chairman and CEO					
Mr. Fang Gongyu	–	391	50	41	482
Executive directors					
Mr. Tian Tao	–	243	20	32	295
Ms. Yu Yuan (i)	–	162	–	–	162
Mr. Ma Xiaoming (i)	–	251	14	40	305
Independent non-executive directors					
Mr. Jiang Qian	175	–	–	–	175
Mr. Yuan Jun	176	–	–	–	176
Mr. Wong Chi Keung	175	–	–	–	175
	<u>526</u>	<u>1,047</u>	<u>84</u>	<u>113</u>	<u>1,770</u>

- (i) Mr. Ma Xiaoming, executive director of the Group, resigned on 24 October 2025, and Ms. Yu Yuan, executive director of the Group resigned on 28 March 2025. Benefits and interests of directors only included the paid/payable benefits and interests during their director appointment period.
- (ii) Ms. Zeng Qin, executive director of the Group, appointed on 28 March 2025, and Ms. Li Jingjing, executive director of the Group, appointed on 24 October 2025. Benefits and interests of directors only included the paid/payable benefits and interests during their director appointment period.

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

31 Benefits and interests of directors *(Continued)*

(b) Other directors' benefits and interests

(i) *Directors' retirement benefits*

No retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries undertakings during the years ended 31 December 2025 and 2024.

(ii) *Directors' termination benefits*

No payment was made to directors as compensation for the early termination of the appointment during the years ended 31 December 2025 and 2024.

(iii) *Consideration provided to third parties for making available directors' services*

No payment was made to the former employer of directors for making available the services of them as a director of the Company during the years ended 31 December 2025 and 2024.

(iv) *Information about loans, quasi-loans and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors*

There are no loans, quasi-loans and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors during the years ended 31 December 2025 and 2024.

(v) *Directors' material interests in transactions, arrangements or contracts*

There are no significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest directly or indirectly, subsisted at the end of the year or at any time for the year.

32 Contingent liabilities

At 31 December 2025, the Group had no material contingent liabilities (2024: nil).

33 Dividend

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

34 Events occurring after reporting period

Subsequent to 31 December 2025 and up to the date of approval for issue of these consolidated financial statements, the Group had no material subsequent events which have not been reflected in these consolidated financial statements.

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

35 Summary of other potentially material accounting policies

35.1 Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) Changes in ownership interests

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(b) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. It means the amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS.

For the year ended 31 December 2025

(All amounts expressed in RMB thousands unless otherwise stated)

35 Summary of other potentially material accounting policies *(Continued)*

35.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes directly attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief executive officer who considers the business from the service perspective.

35.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the entities within the Group are measured using the currency of the primary economic environment in which the entity operates (the “**functional currency**”). Since the majority of the assets and operations of the Group are located in the PRC, the consolidated financial statements is presented in RMB, which is the Company's functional currency and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end/period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of comprehensive income within ‘finance income or expenses’. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within ‘other gains - net’.

For the year ended 31 December 2025
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35 Summary of other potentially material accounting policies *(Continued)*

35.4 Intangible assets

Intangible assets represent the computer software. Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Cost represents consideration paid for the rights to use the computer software. Amortisation of computer software is calculated on the straight-line method over its estimated useful life of five years.

35.5 Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

35.6 Financial assets

35.6.1 Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

35 Summary of other potentially material accounting policies *(Continued)*

35.6 Financial assets *(Continued)*

35.6.2 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are recorded in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Groups business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into the following measurement category:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest method.

FVTPL: Assets that do not meet the criteria for amortized cost are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognized in profit or loss and presented net within 'other gains – net' in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains in the statement of profit or loss as applicable.

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

35 Summary of other potentially material accounting policies *(Continued)*

35.6 Financial assets *(Continued)*

35.6.3 Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost including loan receivables. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

35.7 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

35.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

35.9 Trade and other receivables

Trade receivables are amounts due from students and other third parties for services performed in the ordinary course of business. If collection of trade and other receivables are expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

For the year ended 31 December 2025

(All amounts expressed in RMB thousands unless otherwise stated)

35 Summary of other potentially material accounting policies *(Continued)*

35.10 Contract assets and liabilities

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from the customer and assumes performance obligations to transfer goods or services to the customer. The combination of those rights and performance obligations gives rise to a net asset or a net liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognised as contract assets if the measure of the remaining conditional rights to consideration exceeds the satisfied performance obligations. Conversely, the contract is a liability and recognised as contract liabilities if the measure of the remaining performance obligations exceeds the measure of the remaining rights.

35.11 Cash and cash equivalents

In the consolidated cash flow statements, cash and cash equivalents includes cash at bank and on hand, short-term bank deposits with original maturities of three months or less.

35.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

35.13 Accruals and other payables

Accruals and other payables are classified as current liabilities if payment is due within one year or less (or within the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

35 Summary of other potentially material accounting policies *(Continued)*

35.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the year of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting year.

35.15 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the year in which they are incurred.

For the year ended 31 December 2025

(All amounts expressed in RMB thousands unless otherwise stated)

35 Summary of other potentially material accounting policies *(Continued)*

35.16 Current and deferred income tax

The income tax expenses or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Historical Financial Information. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

For the year ended 31 December 2025
(All amounts expressed in RMB thousands unless otherwise stated)

35 Summary of other potentially material accounting policies *(Continued)*

35.17 Employee benefits

(a) Pension obligations

The entities within the Group registered in the PRC make employee benefit contributions based on certain percentage of the salaries of the employees to various defined contribution retirement benefit plans organised by relevant government authorities in the PRC on a monthly basis. The government authorities undertake to assume the retirement benefit obligation payable to the existing and future retired employees under these plans and the Group has no further obligation for post-retirement benefits beyond the contributions made. Contributions to these plans are expensed as incurred. Assets of the plans are held and managed by government authorities and are separate from those of the Group.

(b) Housing funds, medical insurances and other social insurances

The PRC employees of the Group are also entitled to participate in various government-sponsored housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on a certain percentage of the employee's salaries. The Group's liabilities in respect of these funds is limited to the contributions payable in each year.

(c) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

35.18 Interest income

Interest income is recognised using the effective interest method.

35.19 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of comprehensive income over the year necessary to match them with the costs that they are intended to compensate.

Government grants relating to assets are deducted from the carrying amount of the assets.

For the year ended 31 December 2025

(All amounts expressed in RMB thousands unless otherwise stated)

35 Summary of other potentially material accounting policies *(Continued)*

35.20 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments).

The lease payments are discounted using incremental borrowing rate of the Group which the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

To determine the incremental borrowing rate, the Group uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and any lease payments made at or before the commencement date. Depreciation on right-of-use assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated lease period.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office furniture.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

35.21 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

“AGM”	the annual general meeting of the Company
“Articles of Association”	the articles of association of the Company
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of directors of the Company
“BVI”	the British Virgin Islands
“CEO”	the chief executive officer of the Company
“CG Code”	the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules
“Chairman”	the chairman of the Board
“China” or “PRC”	the People’s Republic of China, and, for the purpose of this annual report, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Company” or “our Company”	China Gingko Education Group Company Limited (中國銀杏教育集團有限公司), a company incorporated in the Cayman Islands with limited liability
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“consolidated affiliated entities”	the entities we control through the Contractual Arrangements, namely Gingko Asset Management and the PRC Operating Schools
“Contractual Arrangements”	the series of contractual arrangements entered into by, among others, the Company, WFOE, Mr. Fang, Mr. Tian, Gingko Asset Management and the PRC Operating Schools
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and, unless the context requires otherwise, refers to Mr. Fang and Vast Universe
“CUIT”	Chengdu University of Information Technology (成都信息工程大學)
“Director(s)”	the directors of the Company

“Gingko Asset Management”	成都銀杏資產管理有限公司 (Chengdu Gingko Asset Management Co., Limited*), a company established under the laws of the PRC with limited liability and a consolidated affiliated entity of the Company
“Group”, “we”, “us” or “our”	the Company and its subsidiaries (including the consolidated affiliated entities) or, where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of the Company at that time and their respective predecessor
“HFYX”	HFYX Company Limited, a company incorporated in the BVI with limited liability, which is wholly owned by Mr. Tian
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong dollars” or “HK \$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing”	the listing of our Shares on the Main Board of the Stock Exchange
“Listing Date”	18 January 2019, the date on which our shares are listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“M&A”	the memorandum and articles of association of the Company
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Mr. Fang”	Mr. Fang Gongyu, the chairman of the Board, executive Director, CEO and Controlling Shareholder
“Mr. Tian”	Mr. Tian Tao, the executive Director
“Nanxi Campus”	the new campus to be established at East of Feng Huang Da Dao, Luo Long Street, Nanxi District, Yibin City, Sichuan Province (Code of the land: XC-A-08-03)

“Nomination Committee”	the nomination committee of the Board
“PRC Operating Schools”	Yinxing College and Yinxing Catering School
“Prospectus”	the prospectus dated 21 December 2018 issued by the Company in connection with the global offering
“Remuneration Committee”	the remuneration committee of the Board
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“School Sponsor”	Gingko Asset Management, which was our school sponsor as at the date of the annual report
“SFO” or “Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) with nominal value of HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme conditionally adopted by the Company on 12 December 2018
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“United States dollars” or “USD”	United States dollars, the lawful currency of the United States
“Vast Universe”	Vast Universe Company Limited, a company incorporated in the BVI with limited liability, which is wholly owned by Mr. Fang. Vast Universe is one of the Controlling Shareholders
“Yinxing College”	銀杏酒店管理學院 Gingko College of Hospitality Management (formerly known as Yinxing Hospitality Management College of CUIT), a school established under the laws of the PRC and a consolidated affiliated entity of the Company
“Yinxing Education” or “WFOE”	成都銀杏教育管理有限公司 (Chengdu Yinxing Education Management Co., Ltd.), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company

“Yinxing Catering School” 宜賓市銀杏餐飲職業培訓學校有限公司 (Yibin Yinxing Catering Management Co., Ltd.*), a school established under the laws of the PRC and a consolidated affiliated entity of the Company

“%” per cent

Certain amounts and percentage figures included in this annual report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

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