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SHANGHAI GENCH EDUCATION GROUP LIMITED

上海建橋教育集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1525)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

INTERIM RESULTS

The Board is pleased to announce the unaudited interim condensed consolidated financial results of the Group for the six months ended 30 June 2026, together with the comparative figures for the corresponding period in 2025.

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		Percentage change
	2026	2025	
	<i>RMB'000</i>	<i>RMB'000</i>	
	(Unaudited)	(Unaudited)	
Revenue	569,181	534,054	6.6%
Gross profit	354,277	317,204	11.7%
Profit before tax	237,035	212,334	11.6%
Profit for the period	178,616	162,061	10.2%

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

		30 June 2026	31 December 2025
	<i>Note</i>	RMB'000	RMB'000
		(Unaudited)	(Audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		253,015	250,415
Lease liabilities		881	909
Deferred income		4,816	2,224
Deferred tax liabilities		10,665	11,675
Total non-current liabilities		269,377	265,223
NET ASSETS		2,649,565	2,484,832
EQUITY			
Equity attributable to owners of the parent			
Issued capital	11	3,677	3,677
Reserves		2,645,888	2,481,155
TOTAL EQUITY		2,649,565	2,484,832

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 8 May 2018 as an exempted company with limited liability under the laws of the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. During the period, the Company and its subsidiaries (collectively referred to as the “Group”) were principally engaged in providing undergraduate education and junior college education services in the People’s Republic of China (the “PRC”).

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

2.1 BASIS OF PREPARATION

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to IFRS 9 and IFRS 7

Amendments to IFRS 9 and IFRS 7

Annual Improvements to IFRS

Accounting Standards – Volume 11

*Amendments to the Classification and
Measurement of Financial Instruments*

Contracts Referencing Nature-dependent Electricity

Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10
and IAS 7

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

- (a) Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.
- (b) Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.
- (c) *Annual Improvements to IFRS Accounting Standards – Volume 11* set out narrow scope amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding IFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

The Group principally provides higher education services in the PRC.

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

Geographical information

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

Information about major customers

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

4. REVENUE

An analysis of revenue is as follows:

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

(i) **Disaggregated revenue information**

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

(ii) **Performance obligations**

Tuition fees and boarding fees

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

Education related and training services

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

5. PROFIT BEFORE TAX

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

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

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

6. INCOME TAX

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

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

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

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

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

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

7. DIVIDENDS

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

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

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

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

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

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

	For the six months ended 30 June	
	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	<u>178,616</u>	<u>162,061</u>
	Number of shares For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares used in the basic and diluted earnings per share calculation	<u>394,500,000</u>	<u>394,500,000</u>

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

9. PROPERTY, PLANT AND EQUIPMENT

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

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

10. ACCOUNTS RECEIVABLE

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

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

11. SHARE CAPITAL

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Number of ordinary shares		
Authorised:		
Ordinary shares of HK\$0.01 each	<u>500,000,000</u>	<u>500,000,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.01 each	<u>415,000,000</u>	<u>415,000,000</u>
	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Authorised:		
Ordinary shares of HK\$0.01 each	<u>4,462</u>	<u>4,462</u>
Issued and fully paid:		
Ordinary shares of HK\$0.01 each	<u>3,677</u>	<u>3,677</u>

12. SHARE AWARD SCHEME

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

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

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

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

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

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

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

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

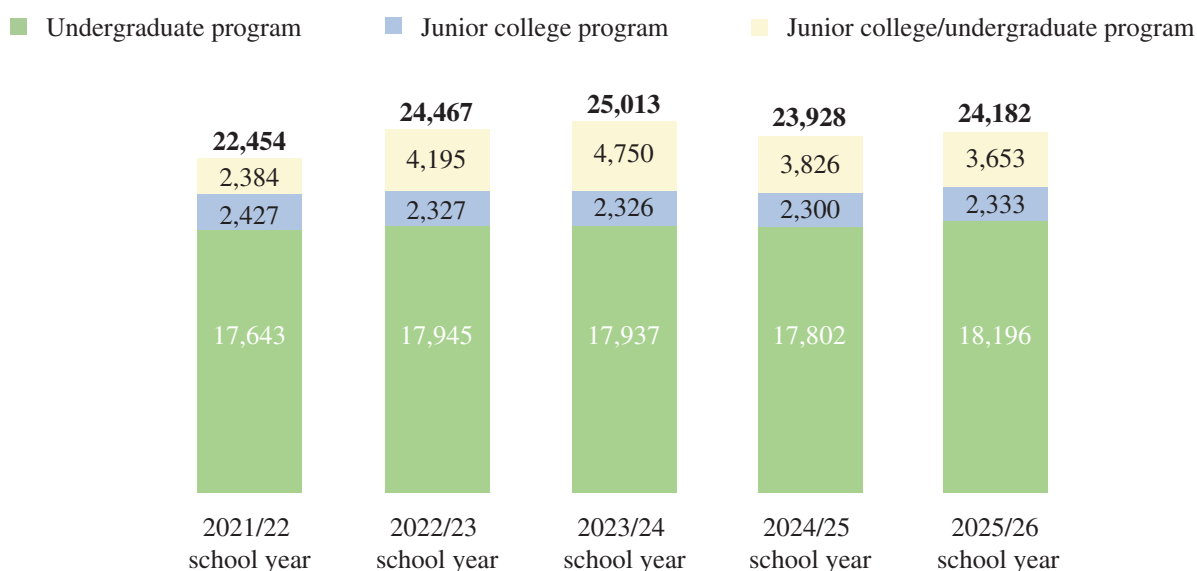
BUSINESS OVERVIEW

The Group is a higher vocational education group which provides undergraduate education and junior college education, focusing on high-quality schooling for the provision of excellent education for students. The Group operates Shanghai Jian Qiao University, being the domestic leading private university, at Lingang New Area in the China (Shanghai) Pilot Free Trade Zone. As measured by the number of full-time students enrolled in the 2025/26 school year, our University is the largest private university in Shanghai and is also a leading private university in the entire Yangtze River Delta. According to CUAA.net (中國校友會網), our University ranked third among all category I private universities in China for five consecutive years from 2022 to 2026 and first among private universities in the Yangtze River Delta for seven consecutive years from 2020 to 2026.

Student enrollment

In the 2025/26 school year, the overall number of full-time enrolled students of our University reached 24,182, representing an increase of 254 as compared to that of the 2024/25 school year. In the 2026/27 school year, our University plans to enroll 5,526 undergraduates (2025/26 school year: 5,486), 810 junior colleges (2025/26 school year: 850), and 2,114 junior colleges/undergraduates (2025/26 school year: 1,902).

Student enrollment



Tuition rates

The following table sets forth tuition fee information for our full-time programs for the school years indicated:

	Tuition Fee of New Student⁽¹⁾		
	2024/25	2025/26	2026/27
	school year	school year	school year
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Undergraduate program	32,000-39,800 ⁽²⁾	42,000-48,000 ⁽³⁾	42,000-48,000 ⁽³⁾
Junior college program	20,000	23,000	23,000
Junior college/undergraduate program	32,000-39,800	32,000-39,800	32,000-39,800

Notes:

- (1) Tuition fees shown above are applicable to full-time students enrolled in the relevant school years only, excluding tuition fees charged for part-time students enrolled in our continuing education program.
- (2) The tuition fee range for undergraduate programs includes (i) undergraduate programs; and (ii) undergraduate programs under the international program, but excludes does not include the tuition fee of RMB80,000 per school year for the digital media technology (taught in English) and visual communication design (taught in English) programs, the tuition fee of RMB45,000 per school year for the mechanical design, manufacturing and automation (Sino-US cooperation) and journalism (bilingual class) programs, and the tuition fee of RMB58,000 per school year for the digital media technology (bilingual class) program.
- (3) The tuition fee range for undergraduate programs includes (i) undergraduate programs; and (ii) undergraduate programs under the international program, but excludes the tuition fee of RMB80,000 per school year for the digital media technology (taught in English) and visual communication design (taught in English) programs, and the tuition fee of RMB58,000 per school year for the mechanical design, manufacturing and automation (Sino-US cooperation), journalism (bilingual class), and digital media technology (bilingual class) programs.

BUSINESS REVIEW AND OPERATIONAL UPDATE

Our University

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

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

DUAL SUPPORT FROM LINGANG SPECIAL AREA POLICY AND VOCATIONAL EDUCATION POLICY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FUTURE OUTLOOK AND BUSINESS STRATEGY

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

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

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

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

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

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

FINANCIAL REVIEW

Revenue

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

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

Cost of Sales

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

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

Gross Profit and Gross Profit Margin

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

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

Other Income and Gains

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

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

Selling and Distribution Expenses

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

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

Administrative Expenses

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

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

Finance Cost

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

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

Profit Before Tax

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

Income Tax Expense

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

Liquidity and Capital Resources

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

Treasury Policy

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

Property, Plant and Equipment

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

Cash and Cash Balances and Time Deposits

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

Bank Borrowings

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

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

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

Capital Expenditure

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

Contractual Commitments

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

Contingent Liabilities

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

Gearing Ratio

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

Foreign Exchange Risk Management

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

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

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

Pledge of Assets

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

Employees and Remuneration Policy

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

EVENTS AFTER THE REPORTING PERIOD

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

INTERIM DIVIDEND

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

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

CLOSURE OF THE REGISTER OF MEMBERS

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

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

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

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

COMPLIANCE WITH THE CG CODE

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

COMPLIANCE WITH THE MODEL CODE

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

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

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

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

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.genchedugroup.com). The interim report for the six months ended 30 June 2026 containing all the information required by Appendix D2 to the Listing Rules will be made available on the above websites and dispatched to the shareholders of the Company who request the printed copy in due course.

DEFINITION

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

“2026 Interim Dividend”	interim dividend of HK\$0.04 per ordinary share of the Company resolved by the Board for the six months ended 30 June 2026
“AI”	artificial intelligence
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors of the Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rule
“China” or “PRC”	for the purpose of this announcement, the People’s Republic of China, other than the regions of Hong Kong, the Macau Special Administrative Region and Taiwan
“Company”	Shanghai Gench Education Group Limited
“Director(s)”	the director(s) of the Company
“Group”, “we” or “us”	the Company, its subsidiaries and New PRC Affiliated Entities from time to time, or, where the context so requires in respect of the period before the Company became the holding company of our present subsidiaries, the entities which carried on the business of the present Group at the relevant time
“HK\$”	Hong Kong dollars respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Jian Qiao Group”	Shanghai Jian Qiao (Group) Limited* (上海建橋(集團)有限公司), a limited liability company established under the laws of the PRC on 7 November 2000, which is currently owned by the New Registered Shareholders. It is an affiliated entity of the Company
“Jian Qiao Investment”	Shanghai Jian Qiao Investment and Development Limited* (上海建橋投資發展有限公司), a limited liability company established under the laws of the PRC on 3 August 1999, which is wholly owned by Jian Qiao Group. It is an affiliated entity of the Company
“Jian Qiao University Company”	Shanghai Jian Qiao University Co., Ltd.* (上海建橋學院有限責任公司), a limited liability company established under the laws of the PRC on 28 September 2020, of which the equity interest is owned as to 90% by Jian Qiao Group and as to 10% by Jian Qiao Investment. It is an affiliated entity of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Model Code”	the Model code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“MOE”	the Ministry of Education of the PRC
“New PRC Affiliated Entities”	collectively, Jian Qiao University Company and the School Holders, each an affiliated entity of the Company
“New Registered Shareholders”	shareholders of Jian Qiao Group, namely, Mr. Zhou Xingzeng, Mr. Zheng Xiangzhan, Mr. Zhao Donghui, Mr. Shi Yinjie, Mr. Jin Yinkuan, Mr. Chen Shengfang, Mr. Chen Zhiyong, Mr. Zhou Tianming, Mr. Bao Jianmin, Mr. Wang Hualin, Mr. Wang Chengguang, Mr. Chen Minghai, Mr. Chen Shengcai, Ms. Huang Chunlan and Mr. Zheng Juxing
“our University”, or “Shanghai Jian Qiao University”	a university in the PRC operated as a private non-enterprise unit under the name of “Shanghai Jian Qiao University” (上海建橋學院) from 28 June 2000 to 9 August 2021 and as a limited liability company under the name of “Shanghai Jian Qiao University Co., Ltd.”* (上海建橋學院有限責任公司) since 10 August 2021, with the short name of “Shanghai Jian Qiao University” (上海建橋學院) in the relevant private school operating permit
“Reporting Period”	the six months ended 30 June 2026

“RMB”	Renminbi, the lawful currency of the PRC
“School Holders”	the shareholders of Jian Qiao University Company, namely, Jian Qiao Group and Jian Qiao Investment
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Award Scheme”	the share award scheme adopted by the Company on 11 December 2020
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yangtze River Delta”	comprises Jiangsu Province, Zhejiang Province, Anhui Province and Shanghai in the PRC
“%”	Percent

By order of the Board
Shanghai Gench Education Group Limited
Zhao Donghui
Chairman

Shanghai, 31 August 2026

As at the date of this announcement, our executive Directors are Mr. Zhao Donghui and Mr. Ding Zheyin, our non-executive Directors are Mr. Fang Xiaoge, Mr. Ye Qionghai and Ms. Zhao Jiaqiao and our independent non-executive Directors are Mr. Chen Baizhu, Mr. Hu Rongen and Ms. Liu Tao.

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