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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024 AND CHANGE IN COMPOSITION OF THE NOMINATION COMMITTEE

ANNUAL RESULTS

The Board of Directors of the Company is pleased to announce the audited consolidated financial results of the Group for the year ended 31 December 2024, together with the comparative figures for the year ended 31 December 2023.

FINANCIAL HIGHLIGHTS

	For the year ended 31 December		**Percentage**
	2024	2023	**change**
	RMB'000	*RMB'000*	
Revenue	**969,854**	929,885	4.3%
Gross profit	**539,894**	574,377	-6.0%
Profit before tax	**298,331**	379,332	-21.4%
Profit for the year	**223,618**	283,365	-21.1%

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 RMB'000	2023 RMB'000
REVENUE	5	**969,854**	929,885
Cost of sales		**(429,960)**	(355,508)
GROSS PROFIT		**539,894**	574,377
Other income and gains	5	**47,518**	44,032
Selling and distribution expenses		**(4,544)**	(3,635)
Administrative expenses		**(240,239)**	(199,342)
Impairment losses on financial assets		**(8,364)**	(2,605)
Other expenses		**(8,808)**	(8,688)
Finance costs	6	**(27,126)**	(24,807)
PROFIT BEFORE TAX	7	**298,331**	379,332
Income tax expense	8	**(74,713)**	(95,967)
PROFIT FOR THE YEAR		**223,618**	283,365
Attributable to:			
Owners of the parent		**223,618**	283,365
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	10	**RMB0.57**	RMB0.72

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**223,618**	283,365
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Translation difference of the financial statements using different presentation currency	**221**	82
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**221**	82
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Translation difference of the financial statements using different presentation currency	**(1,843)**	(375)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	**(1,843)**	(375)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	**(1,622)**	(293)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**221,996**	283,072
Attributable to:		
Owners of the parent	**221,996**	283,072

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**2,407,320**	2,318,467
Right-of-use assets		**591,380**	605,653
Other intangible assets		**7,787**	4,848
Long-term prepayments and other receivables		**7,020**	2,255
Deferred tax assets		**150**	131
Debt investments at fair value through other comprehensive income		**131,037**	–
Total non-current assets		**3,144,694**	2,931,354
CURRENT ASSETS			
Accounts receivable	*11*	**11,748**	9,590
Prepayments and other receivables		**6,884**	14,935
Financial assets at fair value through profit or loss		**473,168**	340,516
Restricted cash		**8,369**	–
Cash and cash equivalents		**330,399**	506,107
Total current assets		**830,568**	871,148
CURRENT LIABILITIES			
Other payables and accruals	*12*	**250,394**	259,782
Interest-bearing bank borrowings		**163,000**	72,652
Lease liabilities		**846**	1,251
Contract liabilities	*13*	**512,885**	511,183
Tax payable		**48,955**	90,994
Deferred income		**2,913**	1,031
Total current liabilities		**978,993**	936,893
NET CURRENT LIABILITIES		**(148,425)**	(65,745)
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,996,269**	2,865,609

	2024	2023
	RMB'000	*RMB'000*
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	**666,926**	686,774
Lease liabilities	**1,786**	1,254
Deferred tax liabilities	**7,621**	–
Deferred income	**2,806**	7,752
Total non-current liabilities	**679,139**	695,780
NET ASSETS	**2,317,130**	2,169,829
EQUITY		
Equity attributable to owners of the parent		
Issued capital	**3,677**	3,677
Reserves	**2,313,453**	2,166,152
TOTAL EQUITY	**2,317,130**	2,169,829

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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, PO Box 2681, Grand Cayman, KY11111, Cayman Islands.

The Company is an investment holding company. During the year, 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"). There has been no significant change in the Group's principal activities during the year.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Notes	Place and date of incorporation/establishment and place of operations	Nominal value of registered share capital	Percentage of equity attributable to the Company	Principal activities
Directly held:					
Shanghai Gench Education Holdings Limited		British Virgin Islands ("BVI") 15 May 2018	US$1	100%	Investment holding
Indirectly held:					
Gench Education Group (Hong Kong) Limited ("Gench HK")		Hong Kong 1 June 2018	HK$1	100%	Investment holding
Gench Education Group US, Inc ("Gench US")		United States 13 August 2018	No par value	100%	Degree-granting higher education institution
Wangting Education Technology (Shanghai) Limited 望亭教育科技(上海)有限公司 ("Gench WFOE")*	(2)	PRC/Mainland China 31 October 2018	RMB10,000,000	100%	Investment holding
Shanghai Jianqiao (Group) Co., Ltd. 上海建橋(集團)有限公司 ("Jian Qiao Group")	(1),(2)	PRC/Mainland China 7 November 2000	RMB175,000,000	100%	Investment holding
Shanghai Jian Qiao Investment Development Co., Ltd. 上海建橋投資發展有限公司 ("Jian Qiao Investment")	(1),(2)	PRC/Mainland China 3 August 1999	RMB37,500,000	100%	Investment holding
Shanghai Jian Qiao University Co., Ltd. 上海建橋學院有限責任公司 ("Jian Qiao University Company")	(1),(2)	PRC/Mainland China 28 September 2020	RMB50,000,000	100%	Provision of common undergraduate education services
Shanghai Wangting Logistics Management Service Co., Ltd. 上海望亭後勤管理服務有限公司 ("Wangting Logistics")	(2)	PRC/Mainland China 16 June 2021	RMB10,000,000	100%	Logistics management services

Name	Notes	Place and date of incorporation/establishment and place of operations	Nominal value of registered share capital	Percentage of equity attributable to the Company	Principal activities
Shanghai Wangting Enterprise Services Co., Ltd. 上海望亭企業服務有限公司 ("Wangting Enterprise")	(2)	PRC/Mainland China 14 July 2022	RMB5,000,000	100%	Enterprise services
Shanghai Wangting Business Management Co., Ltd. 上海望亭商業管理有限公司 ("Wangting Business")	(2)	PRC/Mainland China 31 August 2023	RMB5,000,000	100%	Business management services
Shanghai Wangting Catering Management Co., Ltd. 上海望亭餐飲管理有限公司 ("Wangting Catering")	(2)	PRC/Mainland China 1 September 2023	RMB5,000,000	100%	Catering management services
Shanghai Jianqiao Qihang Training School Co., Ltd. 上海建橋啟航培訓學校有限公司 ("Jianqiao Qihang")	(2)	PRC/Mainland China 10 September 2024	RMB5,000,000	100%	Self-study examination tutoring education institutions
Shanghai Jianqiao Haishi Culture Communication Co., Ltd. 上海建橋海石文化傳播有限公司 ("Haishi Cultural")	(2)	PRC/Mainland China 3 December 2024	RMB1,000,000	100%	Cultural Communication services
Shanghai Jianqiao Culture Media Co., Ltd. 上海建橋文化傳媒有限公司 ("Jianqiao Culture")	(2)	PRC/Mainland China 3 December 2024	RMB1,000,000	100%	Cultural Media services

* The entity is registered as a wholly-foreign-owned enterprise under PRC law.

(1) These entities are owned through contractual arrangements.

(2) The English names of these companies represent the best effort made by the management of the Company to directly translate the Chinese names as they do not register any official English name.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards promulgated by the International Accounting Standards Board ("IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments, certificates of deposit placed with licensed banks and wealth management products which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

The Group recorded net current liabilities of RMB148,425,000 as at 31 December 2024. The directors of the Company (the "Directors") have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as going concern.

The Directors believe that the Group has sufficient cash flows from operations and current available banking facilities to meet its liabilities as and when they fall due. Therefore, the financial statements are prepared on a going concern basis.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current* (the "2020 Amendments")
Amendments to IAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments")
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

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

a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

4. 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 of the Company, who are the chief operating decision-makers, for the purpose of 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 further information about the operating segment is presented.

Geographical information

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

Information about major customers

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

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Tuition fees	**809,987**	781,456
Boarding fees	**134,045**	125,996
Education related services	**18,557**	17,950
Other services	**7,265**	4,483
Total	**969,854**	929,885

(i) Disaggregated revenue information

	2024	2023
	RMB'000	*RMB'000*
Recognised over time		
Tuition fees	**809,987**	781,456
Boarding fees	**134,045**	125,996
Education related services	**13,108**	13,171
Other services	**7,265**	4,483
Total	**964,405**	925,106
Recognised at a point in time		
Education related services	**5,449**	4,779
Total	**969,854**	929,885

(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.

Other income and gains

	2024 *RMB'000*	2023 *RMB'000*
Other income		
Bank interest income	**4,173**	5,416
Interest income from loans to third parties	**–**	306
Operating lease income from operators of supermarkets, snap shops, etc. in the school campus	**9,605**	8,011
Other interest income from financial assets at fair value through profit or loss	**6,018**	2,298
Other interest income from debt investments at fair value through other comprehensive income	**1,023**	–
Government grants	**19,882**	23,132
Others	**5,442**	3,725
Total other income	**46,143**	42,888
Gains		
Fair value gain on equity investments designated at fair value through profit or loss	**–**	529
Fair value gain on financial assets at fair value through profit or loss	**1,168**	516
Gain on disposal of items of property, plant and equipment	**188**	99
Gain on disposal of items of right-of-use asset	**19**	–
Total gains	**1,375**	1,144
Total other income and gains	**47,518**	44,032

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2024 *RMB'000*	2023 *RMB'000*
Interest on bank loans	**31,270**	24,965
Interest on lease liabilities	**38**	21
Subtotal	**31,308**	24,986
Less: Interest capitalised	**(4,182)**	(179)
Total	**27,126**	24,807

7. PROFIT BEFORE TAX

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

	Note	**2024** **RMB'000**	2023 RMB'000
Cost of services provided		**429,960**	355,508
Employee benefit expense (including directors' and chief executive's remuneration):			
Wages, salaries and other allowances		**348,427**	289,247
Pension scheme contributions and social welfare		**56,644**	49,413
Total		**405,071**	338,660
Depreciation of property, plant and equipment*		**101,633**	79,889
Depreciation of right-of-use assets*		**15,646**	15,583
Amortisation of other intangible assets*		**1,704**	829
Lease payments not included in the measurement of lease liabilities		**1,295**	500
Fair value gain on equity investments designated at fair value through profit or loss		**–**	529
Fair value gain on financial assets at fair value through profit or loss		**1,168**	516
Auditors' remuneration		**2,000**	2,000
Impairment of financial assets, net			
Impairment of accounts receivable, net	*11*	**2,279**	2,286
Impairment of other receivables, net		**6,085**	319

* The depreciation of property, plant and equipment, depreciation of right-of-use assets and amortisation of other intangible assets of RMB100,890,000 (2023: RMB79,874,000), RMB15,270,000 (2023: RMB15,266,000) and RMB1,205,000 (2023: RMB336,000) for the year ended 31 December 2024, respectively, are recorded in "Cost of sales" in the consolidated statement of profit or loss.

8. INCOME TAX EXPENSE

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 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 Hong Kong and the United States as the Group had no assessable profits derived from or earned in Hong Kong and the United States during the year.

All of the Group's subsidiaries operating in Mainland China were subject to the PRC corporate income tax ("CIT") rate of 25% during the year, except for Gench WFOE, Wangting Business, Wangting Catering and Wangting Enterprise. 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 15 November 2023 for a term of three years. Accordingly, Gench WFOE was subject to CIT at a rate of 15% for 2024 and 2023. Wangting Business, Wangting Catering and Wangting Enterprise have been approved as Small and Micro Enterprises and are subject to a preferential income tax rate of 5% for 2024 and 2023.

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

	2024	2023
	RMB'000	*RMB'000*
Current – Mainland China	**67,111**	96,012
Deferred	**7,602**	(45)
Total tax charge for the year	**74,713**	95,967

A reconciliation of tax expense/(credit) applicable to profit before tax at the statutory tax rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the income tax expense at the effective tax rates, and a reconciliation of the statutory tax rates to the effective tax rates, during the year are as follows:

	2024	2023
	RMB'000	*RMB'000*
Profit before tax	**298,331**	379,332
At the statutory income tax rate	**75,550**	95,858
Expenses not deductible for tax	**1,664**	1,346
Lower tax rate enacted by local authority	**(2,672)**	(1,521)
Additional deduction on research and development expenses	**(805)**	(623)
Adjustments in respect of current tax of previous periods	**(689)**	1,498
Tax losses utilised from previous periods	**(1,460)**	(1,405)
Tax losses not recognised	**2,341**	814
Deductible temporary differences not recognised	**784**	–
Tax charge at the Group's effective rate	**74,713**	95,967

9. DIVIDENDS

	2024	2023
	RMB'000	*RMB'000*
Proposed final – HK$0.10 (2023: HK$0.10) per ordinary share	**36,410**	37,640
Interim – HK$0.10 (2023: HK$0.10) per ordinary share	**36,145**	36,284

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

10. 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 year attributable to ordinary equity holders of the parent of RMB223,618,000 (2023: RMB283,365,000), and the weighted average number of ordinary shares of 395,313,685 (2023: 395,555,892) outstanding during the year. The number of shares for the year ended 31 December 2024 has been arrived at after eliminating the shares of the Group held under the Share Award Scheme (as defined in note 14) and shares repurchased.

The Group had no potentially dilutive ordinary shares outstanding during the years ended 31 December 2024 and 2023.

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

	2024	2023
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	**223,618**	283,365

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares used in the basic and diluted earnings per share calculations	**395,313,685**	395,555,892

11. ACCOUNTS RECEIVABLE

	2024	2023
	RMB'000	*RMB'000*
Accounts receivable	**12,446**	10,102
Impairment	**(698)**	(512)
Net carrying amount	**11,748**	9,590

Accounts receivable mainly represented amounts of tuition fees, boarding fees and education related service fees. 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:

	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**9,517**	7,351
1 to 2 years	**1,684**	1,683
2 to 3 years	**481**	492
Over 3 years	**66**	64
Total	**11,748**	9,590

The movements in the loss allowance for impairment of accounts receivable are as follows:

	2024	2023
	RMB'000	*RMB'000*
At beginning of year	**512**	280
Provision for impairment losses, net *(note 7)*	**2,279**	2,286
Amount written off as uncollectible	**(2,093)**	(2,054)
At end of year	**698**	512

The Group's students are required to pay tuition fees and boarding fees in advance for the upcoming school year, which normally commences in September. The outstanding receivables represent amounts related to students who have applied for the delayed payment of tuition fees and boarding fees. There is no fixed term for delayed payments. In view of the aforementioned and the fact that the Group's accounts receivable related to a large number of individual students, there is no significant concentration of credit risk.

Account receivables of education related service mainly arise from canteen management service fee and delivery service fee, and are due for payment upon the issuance of the demand notes in accordance with the terms of the relevant agreements.

The Group does not hold any collateral or other credit enhancements over its accounts receivable balances. Accounts receivable are non-interest-bearing.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's accounts receivable using a provision matrix:

Tuition fees receivable

31 December 2024

	Past due				
Collective assessment	**Less than 12 months**	**13 to 24 months**	**25 to 36 months**	**Over 36 months**	**Total**
Expected credit loss rate	**2.42%**	**9.20%**	**21.05%**	**40.19%**	**5.01%**
Gross carrying amount *(RMB'000)*	**7,779**	**1,739**	**570**	**107**	**10,195**
Expected credit losses *(RMB'000)*	**188**	**160**	**120**	**43**	**511**

31 December 2023

	Past due				
Collective assessment	Less than 12 months	13 to 24 months	25 to 36 months	Over 36 months	Total
Expected credit loss rate	2.00%	10.41%	21.10%	54.63%	5.37%
Gross carrying amount *(RMB'000)*	6,938	1,767	583	108	9,396
Expected credit losses *(RMB'000)*	139	184	123	59	505

Boarding fees receivable

31 December 2024

	Past due				
Collective assessment	**Less than 12 months**	**13 to 24 months**	**25 to 36 months**	**Over 36 months**	**Total**
Expected credit loss rate	**0.28%**	**1.87%**	**3.13%**	**7.50%**	**0.80%**
Gross carrying amount *(RMB'000)*	**360**	**107**	**32**	**2**	**501**
Expected credit losses *(RMB'000)*	**1**	**2**	**1**	**–***	**4**

31 December 2023

	Past due				
Collective assessment	Less than 12 months	13 to 24 months	25 to 36 months	Over 36 months	Total
Expected credit loss rate	0.18%	1.96%	5.88%	11.76%	0.99%
Gross carrying amount *(RMB'000)*	553	102	34	17	706
Expected credit losses *(RMB'000)*	1	2	2	2	7

Education related service fees receivable

31 December 2024

	Past due				
Collective assessment	**Less than 12 months**	**13 to 24 months**	**25 to 36 months**	**Over 36 months**	**Total**
Expected credit loss rate	**10.46%**	**–**	**–**	**–**	**10.46%**
Gross carrying amount *(RMB'000)*	**1,750**	**–**	**–**	**–**	**1,750**
Expected credit losses *(RMB'000)*	**183**	**–**	**–**	**–**	**183**

* *The balance represents an amount less than RMB1,000.*

12. OTHER PAYABLES AND ACCRUALS

	Note	**2024** *RMB'000*	2023 *RMB'000*
Payables for purchase of property, plant and equipment		**1,714**	1,615
Payables for construction projects		**100,284**	96,804
Other tax payable		**5,845**	7,200
Rental advance		**984**	437
Miscellaneous advances received from students	*(i)*	**50,856**	49,354
Accrued bonuses and other employee benefits		**53,725**	55,253
Accrued interest expenses		**849**	768
Deposits		**5,110**	4,612
Other payables		**31,027**	43,739
Total		**250,394**	259,782

(i) The advances represented expenses relating to textbooks, military training, medical examination, insurance, etc. collected from students which will be paid on behalf of the students.

The above balances are unsecured, non-interest-bearing and repayable on demand.

13. CONTRACT LIABILITIES

The Group recognised the following revenue-related contract liabilities, which represented the unsatisfied performance obligation as 31 December 2024 and are expected to be recognised as revenue within one year:

	2024	2023
	RMB'000	*RMB'000*
Tuition fees	**426,716**	426,233
Boarding fees	**86,169**	84,950
Total	**512,885**	511,183

The Group receives tuition and boarding fees from students in advance prior to the beginning of each academic year. Tuition and boarding fees are recognised proportionately over the relevant period of the respective program. The students are entitled to the refund of payments in relation to the proportionate services not yet rendered.

Significant changes in contract liabilities during the year are as follows:

	2024	2023
	RMB'000	*RMB'000*
At the beginning of the year	**511,183**	474,398
Revenue recognised that was included in the contract liabilities at the beginning of the year	**(511,183)**	(474,398)
Increase due to cash received, excluding amounts recognised as revenue during the year	**512,885**	511,183
At the end of the year	**512,885**	511,183

There were no contract assets at the end of each reporting period recognised in the consolidated statement of financial position.

14. SHARE AWARD SCHEME

On 11 December 2020, the Board of Directors approved an employee share award scheme ("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 or 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 our 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 to the date the last of the number of shares determined by the Board and granted to such relevant Eligible Participant selected by the Board pursuant to the Scheme Rules for participating in the Share Award Scheme (the "Selected Participant") has been vested and transferred to the Selected Participant or has lapsed in accordance with the Scheme Rules provided that no award shall be made on or after the 10th anniversary of 11 December 2020.

The Share Award Scheme shall be 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 (as restated, supplemented and amended from time to time), namely CMB Wing Lung (Trustee) Limited (the "Trustee"), on 11 December 2020.

The Trustee shall hold 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 fulfilment of all relevant vesting conditions, the respective awarded shares held by the Trustee on behalf of a Selected Participant shall vest in accordance with the vesting schedule (if any) and the Trustee shall cause the awarded shares to be transferred to such Selected Participant on the vesting date(s), provided that the Selected Participant remains at all times after the grant of the awarded shares and on each relevant vesting date(s) an Eligible Participant.

The following shares were purchased by the Trustee under the Share Award Scheme during the year ended 31 December 2024:

	Number of shares purchased for the Share Award Scheme	**Total**
		RMB'000
At 1 January 2024	19,598,500	81,944
Purchased and withheld	901,500	2,560
At 31 December 2024	20,500,000	84,504

Since 11 December 2020 and up to the date of approval of these financial statements, the board neither granted, lapsed or cancelled any awards.

15. EVENTS AFTER THE REPORTING PERIOD

On 28 March 2025, the Board has resolved to recommend the payment of a final dividend of HK$0.10 per ordinary share for the year ended 31 December 2024 to the shareholders whose names appear on the register of members of the Company on 4 June 2025. Such proposal is subject to the approval by the shareholders of the Company at the forthcoming annual general meeting of the Company.

MANAGEMENT DISCUSSION & ANALYSIS

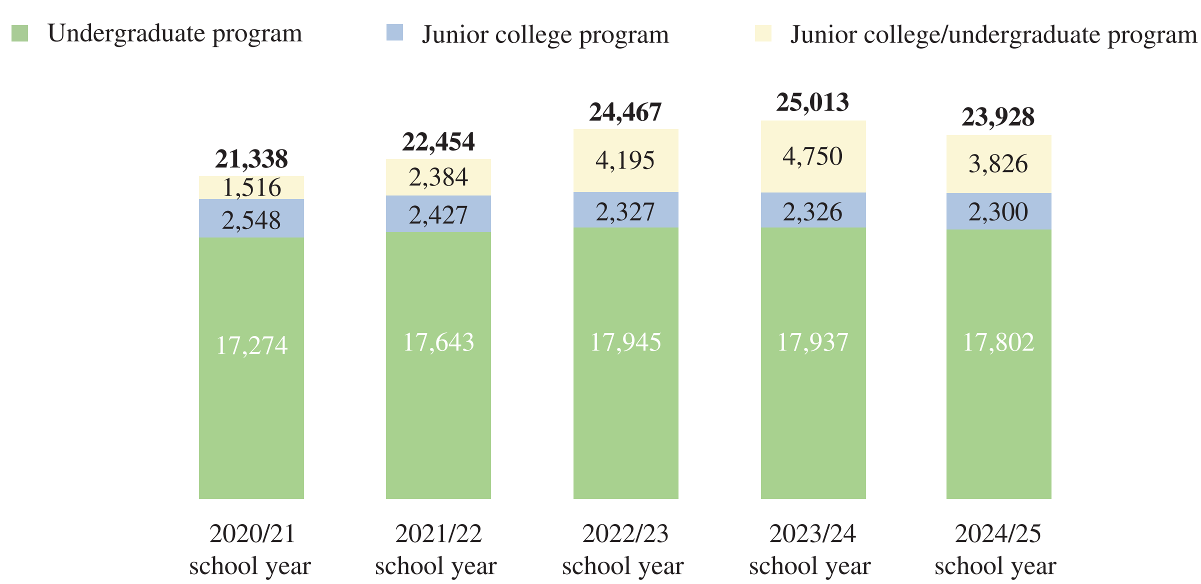
BUSINESS OVERVIEW

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 2024/25 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 again ranked third among all category I private universities in China for three consecutive years from 2022 to 2024 and first among private universities in the Yangtze River Delta for five consecutive years from 2020 to 2024.

Student enrollment

In the 2024/25 school year, the overall number of full-time enrolled students of our University reached 23,928, representing a decrease of 1,085 as compared to that of the 2023/24 school year. This was mainly due to the fact that the junior college/undergraduate program students enrolled in the 2022/23 school year graduated in July 2024, resulting in a decrease in the number of admitting students for junior college/undergraduate program. In the 2024/25 school year, the University enrolled 4,505 students in undergraduate program, 763 students in junior college program, 1,838 students in junior college/undergraduate program.

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)		
	2022/23 school year *RMB*	2023/24 school year *RMB*	2024/25 school year *RMB*
Undergraduate program	32,000-39,800(2)	32,000-39,800(2)	32,000-39,800(2)
Junior college program	20,000	20,000	20,000
Junior college/undergraduate program	23,000-38,000	30,000-39,800	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 of the undergraduate program includes (i) the undergraduate program; and (ii) the undergraduate program under the international program. It excludes tuition fee rate of RMB80,000 per school year for the international design college, the tuition fee rate of RMB58,000 per school year for the bilingual-lectured digital media technology program, the tuition fee rate of RMB45,000 per school year for the bilingual-lectured journalism program and the tuition fee rate of RMB45,000 per school year for the international project with Vaughn College of Aeronautics and Technology.

BUSINESS REVIEW AND OPERATIONAL UPDATE

Our University

Our University is an applied technology university which focuses on undergraduate education. As of 31 December 2024, our University offers 40 undergraduate programs and 10 junior college programs in a wide range of areas 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 2024, CUAA.net (中國校友會網) announced the 2024 CUAA University Rankings, which showed that our University continued to rank third among the CUAA category I private universities in China for three consecutive years. Over 24 years of operation, our University has been consecutively awarded "Shanghai Civilized Unit (上海市文明單位)" for 9 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 passed the reexamination twice in 2017 and 2020, continuing to retain the honorary title of the "National Model Unit of Civilization

(全國文明單位)", and certified by Shanghai Audit Centre of Quality System to have implemented the ISO9001 quality management system in 2018, and passed the re-certification in May 2021, and passed the MOE undergraduate teaching quality assessment (教育部本科教學工作審核評估) in November 2019. In February 2022, our University has also been approved by the MOE as an innovation and development centre for ideological and political work in colleges and universities, in the same month, our University was selected as Shanghai Safe and Civilized Campus for 2019-2020 school year, and was once again selected as Shanghai Safe and Civilized Campus for 2021-2022 school year in March 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)" in April 2024, and was awarded the "Contribution Award for Promoting Lei Feng Spirit in the New Era (新時代傳播雷鋒精神貢獻獎)" in September 2024.

DUAL SUPPORT FROM LINGANG SPECIAL AREA POLICY AND VOCATIONAL EDUCATION POLICY

(I) Strategic emerging industries gather in Lingang, building a new development pattern of industry and education integration

In January 2024, the General Office of the Communist Party of China Central Committee and the General Office of the State Council issued the "Implementation Plan for the Comprehensive Reform Pilot Program in Pudong New Area (2023-2027) (《浦東新區綜合改革試點實施方案(2023-2027年)》)", to support Pudong New Area in achieving high-level reform and opening up and building a leading area for socialist modernization, and clearly give Pudong New Area greater autonomy in reforms in key areas and key links.

In July 2024, the Management Committee of Lingang New Area issued the revised "Several Policy Opinions on Supporting the Integration of Industry and Education in Lingang New Area of the China (Shanghai) Pilot Free Trade Zone (《中國(上海)自由貿易試驗區臨港新片區關於支持產教融合發展的若干政策意見》)", which clearly aims to create a new development pattern of deep integration of industry and education, and provide special support for qualified industry-education integration projects. Specifically, it includes supporting the construction of important carriers of demonstration bases, supporting the innovation of industry-education cooperation models in demonstration bases, supporting the construction of major industry-education integration platforms, land guarantee and financial support for major projects, supporting school-enterprise cooperation in collaborative education, supporting the construction of a "double-position" teaching faculty, supporting the enhancement of industrial talents' skills, supporting the cultivation of industry-education integration bases, summarizing and promoting typical cases of industry-education integration, and supporting the organization of high-level industry-education activities, so as to further strengthen the cultivation of innovative, application-oriented, and skilled talents, and build a closed loop for the integrated development of industrial chain, talent chain, education chain, and innovation chain.

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 on industry-education integration.

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

In June 2023, the eight departments, including the National Development and Reform Commission, the MOE, the Ministry of Human Resources and Social Security, jointly issued the "Implementation Plan for Enhancing the Integration of Industry and Education in Vocational Education (2023-2025) (《職業教育產教融合賦能提升行動實施方案(2023-2025年)》)", which proposed to promote the formation of the leading effect of integration of industry and education, consolidate the development foundation of vocational colleges, build training bases for integration of industry and education, and deepen cooperation between schools and enterprises in integration of industry and education. Furthermore, they further improved the combined incentive of "finance + fiscal + land + credit" to accelerate the formation of a positive interaction between industry and education and a deep integration development framework of industry and education with complementary advantages of schools and enterprises.

The National Conference on Education (全國教育工作會) held in January 2024 proposed to strengthen the adaptability and attractiveness of vocational education, and insist on the integration with the industries, local and government policies, social and regional structures, and individual lifelong learning so as to steadily push forward the reform of the construction of a modern vocational education system at the provincial level, and to push forward breakthroughs in the construction of municipal industry and education consortia and industrial communities of industry and education integration as soon as possible.

In March 2024, the 2024 Government's Work Report considered and approved by the second session of the 14th National People's Congress also clearly proposed to guide and regulate the development of private education, vigorously improve the quality of vocational education, implement pilot comprehensive reforms of higher education, optimize the structural layout of disciplines, majors and resources, accelerate the construction of top-tier universities with Chinese characteristics and advantageous disciplines, and strengthen applied undergraduate colleges.

In July 2024, the Third Plenary Session of the 20th Central Committee of the Communist Party of China passed the "Decision of the Central Committee of the Communist Party of China on Further Comprehensively Deepening Reforms and Advancing Chinese Modernization (《中共中央關於進一步全面深化改革 推進中國式現代化的決定》)", which emphasized that education, science and technology, and talent are foundational and strategic pillars for Chinese modernization, and called for deepening comprehensive reforms in education, accelerating the construction of a vocational education system that integrates general education with vocational training and industry with education, improving the student internship and practical training system, and guiding the regulated development of private education.

In August 2024, the "Opinions of the State Council on Promoting High-Quality Development of Service Consumption (《國務院關於促進服務消費高質量發展的意見》)" proposed to facilitate the opening of high-quality educational resources by higher education institutions, scientific research institutions, and social organizations to meet the diverse and personalized learning needs of the public, and promote the quality and efficiency of vocational education, and build high-level vocational schools and majors.

The continuous support and incentives from favorable policies have provided robust underpinning for integration of industry and education and high-quality development of vocational education.

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

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

Majors ranking of our University remained the top among application-oriented universities and colleges across the country and our majors closely kept pace with the needs. In April 2024, according to "2024 First-class Majors Ranking (Application-oriented) in China" published by CUAA.net (中國校友會網), 29 majors of our University ranked among top 10 in China, and 33 majors ranked among top 20 in China, among which 14 majors including gemstone and material technology, network engineering and software engineering ranked first in the country. In the 2023/24 school year, the Japanese major and tourism management major of our University successfully 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). So far, including advertising, three majors of our University have obtained the professional certification of new liberal arts education. Our University has introduced a new undergraduate major in business English in the 2024/25 school year, aiming to cultivate applied business English versatile talents with solid foundation in English language skills and relevant business professional knowledge, enabling them to proficiently use English in foreign-related fields such as international business, international trade, and cross-border e-commerce, engaging in economic, trade, management, financial, and other related work. We believe that this major will further expand our undergraduate major categories, optimize our majors settings, and cultivate more applied technical talents for the society.

(II) Enhancing the faculty capacity and strengthening the curriculum quality

The proportion of full-time teachers with doctoral degrees in our University remains in the forefront among peer universities. As of 30 September 2024, among the full-time teachers of our University, the master degree or higher accounted for 85.8%, the doctoral degree accounted for 28.7%, the senior title accounted for 36.9%, and the double-position accounted for 45.7%. Our University adheres to the combination of the positioning of talent cultivation objectives, as well as the goal of first-class majors construction, carries out curriculum construction in a planned, focused and step-by-step manner, and strengthens practical teaching and quality teaching. 12 courses of our University have been selected as first-class undergraduate courses in Shanghai for 2024, bringing the total number of courses selected as first-class undergraduate courses in Shanghai to 31. Our University has also actively seized the opportunities presented by the development of artificial intelligence to comprehensively promote the construction of "AI+ courses" and teaching innovation, and has explored the construction of 70 "AI+ courses". In the application of Shanghai Key Courses in 2024, our University successfully secured the approval for 9 "AI+ courses", accounting for 32.1% of the total approved courses. In addition, our University has actively organized training sessions for the development of "AI+ courses" to continuously enhancing the intelligent teaching ability of our faculty and lay a solid foundation for promoting the digital and intelligent transformation of education and teaching.

(III) Upgrading teaching facilities and building a smart campus with characteristics

The Group continues to deepen the upgrading and modification of teaching and scientific research instruments and equipment as well as teaching laboratories, and is committed to building a modern and intelligent teaching environment. We have completed the construction of Cloud Teaching Center, Cloud Examination Center and Cloud Teaching Management Center for the first phase of Cloud Gench Intelligent Teaching Platform, and built a "student-oriented, learning-centered" teaching process support system, meanwhile, we have constructed a scientific research system to enhance the effectiveness of scientific research management, and independently developed the office automation (OA) workflow system, which has further improved the efficiency of work and management level. Centering on curriculum teaching reform and classroom teaching revolution, the Group has integrated AI, 5G, VR (virtual reality) and other technologies into the teaching reform process, combined the application of smart learning scenarios with the classroom teaching revolution, and built online self-learning centers and online "mobile teaching buildings" to create a smart teaching environment.

(IV) Fostering well-rounded graduates and enhancing their employability

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, result-oriented and continuous improvement (核心素養+能力本位+成果導向+持續改進)" to further improve the quality of applied talent cultivation. 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 98% and above. As of 31 August 2024, the employment rate of 2024 graduates of our University reached 99.1%, the college-entrance rate reached 5.7% and the rate of studying abroad reached 4.6%, of which 58.8% of graduates who reported for employment stayed in Shanghai area. In addition, according to the MyCOS report, the overall satisfaction rate of employers who have hired recent graduates of our University from 2022 to 2024 has reached over 95%. 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 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)" in May and December 2024, respectively.

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

In 2024, our University has established a significant strategy to transfrom into an industry-education integrated university, proposing the Action Plan for Accelerating the Transformation of Shanghai Jian Qiao University into an Industry-Education Integrated University (《上海建橋學院加快向產教融合型大學轉型行動方案》)". By closely aligning with the requirements of regional industrial layout, we aim to tailor education, learning, research, and innovation based on industrial needs, and build an industry-education integration model centered around "one core, two wings, three integrations, and four scenarios (一體兩翼三融四境)", striving to achieve the coordinated development of "industry, academia, research, and innovation" as an integrated entity. We expect to preliminarily complete the transformation of an industry-education integrated 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 integrated university, and building our University as a nationally recognized top-tier private university.

Based on previous efforts, our University has made significant progress in the integration of industry and education. In the 2023/24 school year, our University meticulously developed 36 courses on industry-education integration and collaborated with the enterprises to co-construct and co-teach 123 course sessions. Through diverse approaches such as collaborative education with enterprises and project-based teaching, our University has organically integrated cutting-edge industrial technologies, industry development trends, and practical enterprise cases into our courses. As of the 2023/24 school year, our University have a total of 370 practice and training bases inside and outside of the campus. Our University has operated 4 high-level industry-education integration bases, involving high-tech fields such as communication technology, Internet, intelligent manufacturing and integrated circuits. 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 (數聯智造)" Industrial College is one of the first batch of Shanghai municipal key modern industrial colleges (首批上海市級重點現代產業學院) while the "Integrated Circuit (集成電路)" Industrial College is one of the second batch of Shanghai municipal key modern industrial colleges (第二批上海市級重點現代產業學院).

The Group also commenced phase four of our campus construction plan in December 2022, with a total gross floor area of approximately 86,400 square meters for such campus facilities, mainly comprise (i) a teaching and training building (which will be conducive to connect university-enterprise resources and deepen the integration of industry and education); (ii) three talent apartments (which will increase the attraction of outstanding talents for the University and help the University to introduce various experts in the integration of industry and education); and (iii) a multi-functional research and development centre (which will contribute to the research on the integration of industry and education and the joint talent training with the on-campus enterprises). Phase four of our campus facilities have been progressively put into use in 2024/25 school year and are expected to be fully operational by March 2025.

FUTURE OUTLOOK AND BUSINESS STRATEGY

As always, the Group adheres to the educational philosophy of running a high-quality school, strives to establish a high-quality applied technical talents training system and operates schools to the people's satisfaction and top-tier private university in the nation. The Group's development connotation is highly in line with the national direction to promote the high-quality development of vocational education. We believe that based on the geographical advantages of Pudong and Lingang dual special zones and the development opportunities of Lingang as a cluster of China's strategic emerging industries, adherence to quality improvement and connotative development, building an ecological benchmark campus with the integration of industry and education, practicing the development thoughts of being a long-distance runner for high-quality development of higher education in China and scarce value of our University's for-profit transformation, the Group is expected to gain wider recognition in the industry. Looking forward, we will leverage the following strategies to promote our business development:

BUILDING ON OUR EXISTING STRENGTHS AND ADHERING TO THE PATH OF HIGH-QUALITY DEVELOPMENT

In the 2024/25 school year, we continue to optimize the tuition fee, with the minimum tuition fee for new students of junior college/undergraduate programs being optimized from RMB30,000 per year to RMB32,000 per year. Additionally, the boarding fees in respect of our smart dormitory buildings for the freshman remain at RMB7,800 per year. In the future, 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, optimize the structure and layout of professional disciplines, promote the digital and intelligent program transformation, explore DeepSeek and other AI-enabled education and teaching, enhance the capacity construction of faculty team, ensure the teaching quality, stimulate the vitality of scientific research and innovation, and comprehensively serve students' growth, thereby promoting the high-quality development of school undertakings.

PROMOTING BUSINESS DIVERSIFICATION AND EXPLORING NEW GROWTH AREAS

The period of "Fourteenth Five-year Plan" is a key five-year period for Shanghai to accelerate the construction of a modern socialist international metropolis with world influence, and also a key five-year period for the Lingang New Area to initially establish a special economic functional area with strong international market influence and competitiveness. Based on the strong demand for international and high-tech talents in the region, the Group will vigorously develop international education, adult continuing education and non-academic vocational education.

As to international education, in order to seize the opportunity of international talents of Lingang, our University established an international curriculum center to expand international curriculum programs, broaden the students' international horizons and facilitate studying abroad. As to adult continuing education, as of 31 December 2024, the number of adult students of the continuing education programs of our University amounted to 5,775. As to non-academic vocational education, the Group actively responds to vocational education "1+X" certificate system (職業教育「1+X」證書制度), to deepen the vocational qualification training and enhance students' occupational skills. As of 31 December 2024, our University provided a total of 398 types of vocational qualification certificate training.

CAPITALIZAING 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 the first trial test field of "Pioneer Area for Socialist Modernization". Lingang focuses on the innovation and development of key technological links in the field of "Filling the Domestic Gaps (填補國家空白)" and emerging industries, which is to establish a special economic functional zone with more international market influence and competitiveness. As the national core area for pilot integration of industry and education, leveraging on the regional advantages of rapid gathering in the advanced manufacturing industry, Lingang will have more exploration opportunities for industry-education integration.

Looking forward, the Group will capitalize on opportunities brought by the policy of taking Lingang New Area as "The First Trial Test Field of Pioneer Area for Socialist Modernization" and the "National Core Area for Pilot Industry-education Integration", and actively take the initiative to serve the national strategy to promote the high-quality development of vocational education and the regional development strategy to build Lingang a "Global Power City". By adhering to the philosophy of "high-quality schooling standards", the Group will continue to cultivate more high-quality technical and skilled talents, deeply promote the strategy of integration, internationalization and digitalisation, and deepen the construction of modern vocational education system. Additionally, the Group will continue to stay abreast of the latest policies and developments of the integration of industry and education, deeply align industrial needs with the education and teaching rule, promote the in-depth integration of teaching scenarios and production practices, and accelerate the transformation into an industry-education integrated university, with a view to growing our University into a top-tier private university in China with distinctive features and international standing and a long-term practitioner for the high-quality development of higher education in China.

LATEST REGULATORY DEVELOPMENT

On September 6, 2024, the National Development and Reform Commission and the Ministry of Commerce of the PRC issued the Special Administrative Measures for Access of Foreign Investment (Negative List) (2024) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "2024 Negative List") which came into effect on 1 November 2024 and replaced the Special Administrative Measures for Access of Foreign Investment (Negative List) (2021) (《外商投資准入特別管理措施(負面清單)(2021年版)》). The operation of higher education is still in the 2024 Negative List.

Save as disclosed above, there has been no significant update since the publication of the 2023 Annual Report. Please refer to the 2023 Annual Report for details of the regulatory update.

Our Company will continue to monitor developments of relevant laws and regulations, and will make further announcements in respect thereof in accordance with the Listing Rules as and when appropriate.

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 services and other services.

The Group's revenue increased by RMB40.0 million, or 4.3%, from RMB929.9 million for the year ended 31 December 2023 to RMB969.9 million for the year ended 31 December 2024, which was mainly due to (i) the increase in the revenue derived from tuition fees and boarding fees by approximately RMB36.6 million, or 4.0%. Such an increase was mainly due to the growth in average tuition and boarding fees per student during the year ended 31 December 2024, and (ii) the increase in revenue from education related services and other services by approximately RMB3.4 million, or 15.1% during the Reporting Period.

Cost of Sales

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

The Group's cost of sales increased approximately by RMB74.5 million, or 20.9%, from RMB355.5 million for the year ended 31 December 2023 to RMB430.0 million for the year ended 31 December 2024, which was primarily due to (i) the salary costs increasing by approximately RMB50.3 million, or 26.8%, from approximately RMB187.3 million for the year ended 31 December 2023 to approximately RMB237.6 million for the year ended 31 December 2024, such an increase as the number of teachers and the average salary rates during the Reporting Period; and (ii) the increase of the depreciation and amortization expenses, which was due to mainly the changes in accounting estimates for depreciation period of buildings and facilities for the property, plant and equipment from 50 years to 30 years since July 2023.

Gross Profit and Gross Profit Margin

Gross profit represents our revenue less cost of sales. The Group's gross profit decreased by approximately RMB34.5 million, or 6.0%, from approximately RMB574.4 million for the year ended 31 December 2023 to approximately RMB539.9 million for the year ended 31 December 2024.

The Group's gross profit margin represents the Group's gross profit as a percentage of its revenue. For the year ended 31 December 2024, the Group achieved a gross profit margin of 55.7%, down by 6.1 percentage points as compared to last year. The decrease was mainly due to (i) the increase of the salary costs, as the increasing number of teachers and the average salary rates during the Reporting Period; and (ii) the increase of the depreciation and amortization expenses, which was mainly due to the changes in accounting estimates for depreciation period of buildings and facilities for the property, plant and equipment from 50 years to 30 years since July 2023.

Other Income and Gains

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 increased by RMB3.5 million, or 7.9%, from RMB44.0 million for the year ended 31 December 2023 to RMB47.5 million for the year ended 31 December 2024, which was mainly due to the combined effects of (i) the increase of other interest income from financial assets at fair value through profit or loss and other interest income from at fair value through other comprehensive income amounting to approximately RMB4.7 million, (ii) the increase of operating lease income and other sporadic incomes amounting to RMB3.2 million and (iii) the decrease of government grants and bank interest income amounting to RMB4.5 million during the Reporting Period.

Selling and Distribution Expenses

Selling and distribution expenses primarily consist of expenses incurred for relevant advertising of our University, including labour remuneration, the cost of promotional brochures, transportation expenses, telecommunication expenses and business entertainment expenses.

The Group's selling and distribution expenses increased by approximately RMB0.9 million, or 25.0%, from approximately RMB3.6 million for the year ended 31 December 2023 to approximately RMB4.5 million for the year ended 31 December 2024, which was mainly due to the increase of employee remuneration for strengthening the enrolment promotion during the Reporting Period.

Administrative Expenses

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 RMB40.9 million, or 20.5%, from RMB199.3 million for the year ended 31 December 2023 to RMB240.2 million for the year ended 31 December 2024, which was primarily due to, (i) the increase in administrative salary expenses by approximately RMB14.4 million, or 9.6%, from approximately RMB150.7 million for the year ended 31 December 2023 to approximately RMB165.1 million for the year ended 31 December 2024, as a result of the increase in the number of administrative staff and the average salary rates,(ii) the increase in logistic expenses by approximately RMB13.9 million, or 73.3%, from approximately RMB19.0 million for the year ended 31 December 2023 to approximately RMB32.9 million for the year ended 31 December 2024, as the Group upgrading and renovating existing campus premises such as public teaching buildings and the new north gate, etc, and (iii) the increase in office expenses, travel expenses and entertainment expenses amounting to approximately RMB12.7 million during the Reporting period.

Finance Costs

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

Finance costs increased by approximately RMB2.3 million, or 9.3%, from approximately RMB24.8 million for the year ended 31 December 2023 to approximately RMB27.1 million for the year ended 31 December 2024, which was primarily due to the scale of interest-bearing borrowings of our Group increased from approximately RMB759.4 million as at 31 December 2023 to RMB829.9 million as at 31 December 2024.

Profit Before Tax

For the year ended 31 December 2024, the Group recorded a profit before tax of approximately RMB298.3 million, representing a decrease of approximately 21.4% year-on-year from approximately RMB379.3 million of last year.

Income Tax Expense

Income tax expense decreased by RMB21.3 million from approximately RMB96.0 million for the year ended 31 December 2023 to approximately RMB74.7 million for the year ended 31 December 2024, which was mainly due to the decrease of the profit before tax.

Current Assets and Current Liabilities

The Group's net current liabilities increased by approximately RMB82.7 million, or 125.8%, from approximately RMB65.7 million as at 31 December 2023 to approximately RMB148.4 million as at 31 December 2024, which was primarily due to the increase of the Interest-bearing bank borrowings for the phase four of the construction of the campus premises.

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 interest-bearing bank borrowings and related interest expenses. During the Reporting Period, we funded our operations principally with cash generated from our operations and interest-bearing 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, interest-bearing 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 31 December 2024, the Group's property, plant and equipment amounted to approximately RMB2,407.3 million, representing an increase of approximately 3.8% year-on-year from approximately RMB2,318.5 million recorded as at 31 December 2023. Such an increase was mainly due to the phase four of the construction of the school premises and maintaining and upgrading existing school premises for our University.

Cash and Cash Equivalents

As at 31 December 2024, the Group's cash and cash equivalents decreased by approximately RMB175.7 million, or 34.7%, from RMB506.1 million for the year ended 31 December 2023 to RMB330.4 million for the year ended 31 December 2024, which were primarily due to the purchases of financial assets measured at fair value through profit or loss and through other comprehensive income to increase the return of funds during the Reporting Period.

Interest-bearing Bank Borrowings

Our interest-bearing bank borrowings primarily consisted of short-term working capital loans and long-term project loans for the construction of the school premises.

We borrowed loans from banks to supplement our working capital and finance our capital expenditure. As at 31 December 2024, our interest-bearing bank borrowings of RMB829.9 million were all denominated in Renminbi. The annual average effective interest rate of our bank borrowings decreased to approximately 3.65% (2023: approximately 3.83%).

Capital Expenditure

Capital expenditures during the Reporting Period primarily related to the phase four of the construction of the school premises, maintaining and upgrading existing school premises for our University. For the year ended 31 December 2024, the Group's capital expenditures were RMB192.5 million.

Commitments

Our capital commitments primarily were related to the acquisition of property, plant and equipment. The following table sets forth our capital commitments as at the end of Reporting Period:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Contracted, but not provided for property, plant and equipment	**4,388**	88,979

Contingent Liabilities

During the year ended 31 December 2024, the supplier for the construction of the campus facilities filed two claims to the People's Court of Pudong New Area in Mainland China against for Jian Qiao University Co., Ltd. for overdue payments of construction costs with a total amount of RMB8,256,000 and the interests arising from the overdue payments of construction costs of approximately RMB113,000. As at 31 December 2024, two bank accounts of Jian Qiao University Co., Ltd. amounted to RMB8,369,000 were frozen by the People's Court of Pudong New Area as requested by the plaintiff. As of the date of this announcement, the People's Court of Pudong New Area has not yet rendered a final judgment in the litigation. The Group believes that, on the basis of the available evidence and having taken legal advice, the claims would not result in any material adverse effect on the Group's financial position or results of operations (as at 31 December 2023: nil).

Key Financial Ratios

	As at/for the year ended 31 December	
	2024	2023
Gross profit margin	**55.7%**	61.8%
Net profit margin	**23.1%**	30.5%
Return on assets	**5.6%**	7.5%
Return on Equity	**9.7%**	13.1%
Current Ratio	**0.8**	0.9
Interest coverage ratio	**12.0**	16.3
Net debt to equity ratio	**0.2**	0.1
Gearing ratio	**0.4**	0.4
Total debt to assets ratio	**0.2**	0.2

Notes:

(1) Gross profit margin equals our gross profit divided by revenue for the year.

(2) Net profit margin equals net profit after tax divided by revenue for the year.

(3) Return on assets equals net profit for the year divided by total assets as at the end of the year.

(4) Return on equity equals net profit for the year divided by total equity amounts as at the end of the year.

(5) Current ratio equals our current assets divided by current liabilities as at the end of the year.

(6) Interest coverage ratio equals profit before interest and tax of one year divided by finance cost for the year.

(7) Net debt to equity ratio equals total interest-bearing bank loans net of cash and cash equivalents at the end of the year divided by total equity at the end of the year.

(8) Gearing ratio equals total debt as at the end of the year divided by total equity as at the end of the year. Total debt includes all interest-bearing bank loans and other borrowings.

(9) Total debt to assets ratio equals total interest-bearing bank and other borrowings at the end of the year divided by total assets at the end of the year.

Gearing Ratio

As at 31 December 2024, the gearing ratio of the Group was 0.4, which remained stable compared with the gearing ratio as at 31 December 2023.

Foreign Exchange Risk Management

The functional currency of the Company is RMB. The majority of the Group's revenue and expenditures are denominated in RMB. During the year ended 31 December 2024, 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 during the year ended 31 December 2024, nor other material acquisitions and disposals of subsidiaries and associated companies. Save as disclosed in this announcement, as at 31 December 2024, the Group did not have any immediate plans for material investments and capital assets.

Pledge of Assets

As at 31 December 2024, the balance of bank borrowings secured of the Group was RMB829.9 million, of which RMB666.4 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 construction.

Employees and Remuneration Policy

As at 31 December 2024, the Group had 1,889 full-time employees (as at 31 December 2023: 1,793 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 year ended 31 December 2024 was RMB405.1 million (as at 31 December 2023: RMB338.7 million).

EVENTS AFTER THE REPORTING PERIOD

On 28 March 2025, the Board has resolved to recommend the payment of a final dividend of HK$0.10 per ordinary share for the year ended 31 December 2024 (the "2024 Final Dividend") to the Shareholders whose names appear on the register of members of our Company on 4 June 2025. Such proposal is subject to the approval by the Shareholders at the forthcoming AGM.

CHANGE IN COMPOSITION OF THE NOMINATION COMMITTEE

The Board hereby announces that, effective from 28 March 2025:

Ms. Liu Tao, an independent non-executive Director, has been appointed as a member of the Nomination Committee. Following the above change, the Nomination Committee will comprise Mr. Zhao Donghui (Chairman), Mr. Hu Rongen, Mr. Chen Baizhu and Ms. Liu Tao.

The above change was made in response to the amended Corporate Governance Code and the Listing Rules which will come into effect on 1 July 2025. Good corporate governance plays a significant role in the overall performance of the Company and the Board believes that the implementation of such change could strengthen the effectiveness and diversity of the Board and further enhance good corporate governance practice of the Company as a whole.

The Board would like to take this opportunity to extend a welcome to Ms. Liu Tao to her new role in the Nomination Committee.

ANNUAL GENERAL MEETING

The AGM will be held on Sunday, 11 May 2025 and a notice convening the AGM will be published and despatched to the Shareholders who request the printed copy in due course.

DIVIDEND

An interim dividend of HK$0.1 per Share for the six months ended 30 June 2024 was declared during the year ended 31 December 2024.

On Friday, 28 March 2025, the Board has resolved to recommend the payment of a final dividend of HK$0.1 per Share for the year ended 31 December 2024. The 2024 Final Dividend is intended to be paid out of the share premium account of our Company and is subject to the approval of the Shareholders. The circular convening the AGM to be held on Sunday, 11 May 2025 will be dispatched to the Shareholders who request the printed copy in due course.

Upon the approval of the Shareholders, the 2024 Final Dividend will be payable on or around Tuesday, 17 June 2025 to the Shareholders whose names appear on the register of members of our Company on Wednesday, 4 June 2025. Including the interim dividend of HK$0.1 per Share for the six months ended 30 June 2024, the total dividend for 2024 was HK$0.20 per Share, which represents a payout ratio of 34.0% of the profit attributable to the Shareholders for the year ended 31 December 2024.

CLOSURE OF THE REGISTER OF MEMBERS

For determining the eligibility of the Shareholders to attend and vote at the AGM to be held on Sunday, 11 May 2025, the register of members of our Company will be closed from Tuesday, 6 May 2025 to Sunday, 11 May 2025, both days inclusive, during which period no transfer of shares will be registered. The record date for determining the eligibility of the Shareholders to attend and vote at the AGM is Sunday, 11 May 2025. In order to be qualified for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with our 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 for registration, not later than 4:30 p.m. on Friday, 2 May 2025.

For determining the entitlement of the Shareholders to receive the 2024 Final Dividend, the register of members of our Company will be closed on Wednesday, 4 June 2025, during which period no transfer of Shares will be registered. The record date for entitlement to the 2024 Final Dividend is Wednesday, 4 June 2025. In order to be qualified for the entitlement to receive the 2024 Final Dividend, all transfer documents accompanied by the relevant share certificates must be lodged with our 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 for registration, not later than 4:30 p.m. on Tuesday, 3 June 2025. The payment date of the 2024 Final Dividend is expected to be on or around Tuesday, 17 June 2025.

COMPLIANCE WITH THE CG CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. Our Company has adopted the code provisions set out in the CG Code as its own code of corporate governance. Our Company has complied with all applicable code provisions under the CG Code during the year ended 31 December 2024. The Board will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

COMPLIANCE WITH THE MODEL CODE

Our Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions for the year ended 31 December 2024. 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 year ended 31 December 2024.

At the same time, our 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 our Company in respect of their dealings in our Company's securities.

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

Neither our Company nor any of its subsidiaries had purchased, sold or redeemed any other listed securities of our Company (including treasury shares as defined in the Listing Rules) during the year ended 31 December 2024. As at 31 December 2024, the Company did not hold any treasury shares.

Separately, during the year ended 31 December 2024, the trustee of the Share Award Scheme, pursuant to the terms of the trust deed of the Share Award Scheme, purchased on the Stock Exchange a total of 901,500 Shares at a total consideration of approximately HK$2,794,520.

AUDIT COMMITTEE AND REVIEW OF ANNUAL FINANCIAL INFORMATION

The Audit Committee has reviewed the accounting principles and practices adopted by our Group and discussed auditing, internal control and financial reporting matters. The Audit Committee, together with the Board, have reviewed our Group's audited consolidated financial statements for the year ended 31 December 2024.

SCOPE OF WORK FOR ANNUAL RESULTS ANNOUNCEMENT BY AUDITORS

The financial information set out in this announcement does not constitute our Group's audited consolidated financial statements for the year ended 31 December 2024, but represents an extract from the consolidated financial statements for the year ended 31 December 2024 which have been audited by the auditor of our Company, Ernst & Young in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board. The financial information has been reviewed by the Audit Committee and approved by the Board.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and our Company (www.genchedugroup.com). The annual report for the year ended 31 December 2024 containing all the information required by Appendix D2 to the Listing Rules will be dispatched to the Shareholders who request the printed copy and available on the same websites in due course.

DEFINITIONS

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

"AGM"	the annual general meeting of our Company
"Audit Committee"	the audit committee of our Company
"Board"	the board of Directors
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China excluding for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan, China
"Company" or "our Company"	Shanghai Gench Education Group Limited
"Director(s)"	director(s) of the Company
"Group", "our Group", "we" or "us"	our Company, its subsidiaries and New PRC Affiliated Entities from time to time, or, where the context so requires in respect of the period before our 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, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Jian Qiao Group"	Shanghai Jian Qiao (Group) Limited* (上海建橋(集團)有限公司), a limited liability company established under the laws of the PRC on 7 November 2000, which is owned by the New Registered Shareholders. It is an affiliated entity of the Company
"Jian Qiao Investment"	Shanghai Jian Qiao Investment and Development Limited* (上海建橋投資發展有限公司), a limited liability company established under the laws of the PRC on 3 August 1999, which is wholly owned by Jian Qiao Group. It is an affiliated entity of our 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 our 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 our 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
"Nomination Committee"	the nomination committee of the Company
"Reporting Period"	the year ended 31 December 2024
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"School Holders"	the shareholders of Jian Qiao University Company, namely, Jian Qiao Group and Jian Qiao Investment
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of our Company
"Share Award Scheme"	the share award scheme adopted by our Company on 11 December 2020
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"University", "our University" or "Shanghai Jian Qiao University"	a university in the PRC operated as a private non-enterprise unit under the name of "Shanghai Jian Qiao University" (上海建橋學院) from 28 June 2000 to 9 August 2021 and as a limitedliability 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
"US$"	United States dollars, the lawful currency of the United States
"Yangtze River Delta"	comprises Jiangsu, Zhejiang, Anhui and Shanghai in the PRC
"%"	per cent

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

Shanghai, 28 March 2025

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

* *The English translation of company names in Chinese is for identification purposes only. If there is any inconsistency between the Chinese names of entities or enterprises established in China and their English translations, the Chinese names shall prevail.*