



SHANGHAI GENCH
EDUCATION GROUP LIMITED

上海建橋教育集團有限公司

2024

ANNUAL REPORT

Stock code: 1525

(Incorporated in the Cayman Islands with limited liability)



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Non-executive Directors

Mr. Du Jusheng (杜舉勝) (*resigned on 29 August 2024*)
Ms. Li Huihui (李慧惠) (*appointed on 29 August 2024*)
Mr. Ye Qionghai (葉瓊海)
Ms. Zhao Jiaqiao (趙佳俏)

Independent Non-executive Directors

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

Mr. Zhao Donghui (趙東輝) (*Committee Chairman*)
Mr. Hu Rongen (胡戎恩)
Mr. Chen Baizhu (陳百助)
Ms. Liu Tao (劉濤) (*appointed on 28 March 2025*)

COMPANY SECRETARY

Ms. Zhang Zhimo (張芷陌)

AUTHORISED REPRESENTATIVES

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

REGISTERED OFFICE

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 1111, Huchenghuan Road
Pudong New Area, Shanghai, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wan Chai, Hong Kong

LEGAL ADVISOR AS TO HONG KONG LAW

Morgan, Lewis & Bockius

AUDITORS

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 Kings Road
Quarry Bay, Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR

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

PRINCIPAL BANKS

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

COMPANY WEBSITE

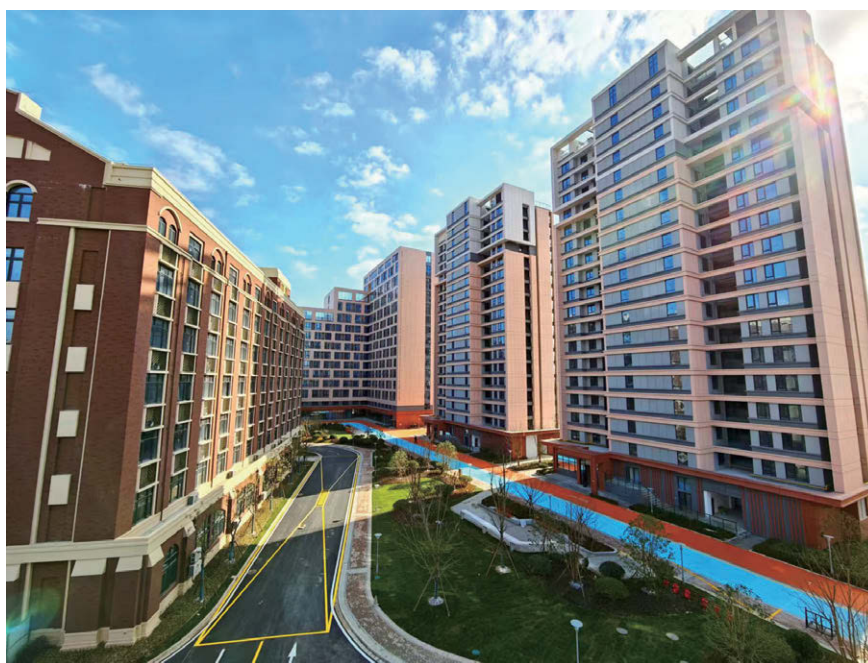
<https://www.genchedugroup.com>

STOCK CODE

1525

MILESTONES

Year	Events
2000	<ul style="list-style-type: none"> The predecessor of our University, namely, Private Shanghai Jian Qiao Vocational College* (民辦上海建橋職業技術學院), and Jian Qiao Group were established.
2005	<ul style="list-style-type: none"> Shanghai Jian Qiao Vocational College* (上海建橋職業技術學院) transformed into our University, a higher education institute which is entitled to provide undergraduate education in addition to higher vocational education, and changed its name to “Shanghai Jian Qiao University” (上海建橋學院).
2015	<ul style="list-style-type: none"> Our University moved from its previous campus in Kangqiao County to a new campus in Lingang New City area in Pudong New Area, Shanghai.
2020	<ul style="list-style-type: none"> Our Group was listed on the Main Board of the Stock Exchange on 16 January 2020 with stock code: 1525.
2021	<ul style="list-style-type: none"> Our University successfully converted into a for-profit private school.
2022	<ul style="list-style-type: none"> The phase three of our campus was officially put into use with approximately 4,000 additional beds. The phase four of our campus construction was commenced in December 2022 to satisfy the accommodation needs of on-campus engineers, experts in the industry, and teachers and staff, improve the quality of campus life, and optimize the teaching and training facilities.
2024	<ul style="list-style-type: none"> Our University has established a significant strategy to transform into an industry-education integrated university.



(Phase Four of Campus)

FINANCIAL HIGHLIGHTS

FIVE-YEAR FINANCIAL SUMMARY

Results of operation

	For the year ended 31 December				
	2020	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	554,895	683,580	790,114	929,885	969,854
Gross profit	335,410	421,676	504,983	574,377	539,894
Profit before tax	198,006	243,379	305,306	379,332	298,331
Profit for the year	193,056	179,012	224,932	283,365	223,618

Assets and liabilities

	As at 31 December				
	2020	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Current assets	722,131	501,796	754,897	871,148	830,568
Current liabilities	882,937	658,766	784,613	936,893	978,993
Net current liabilities	160,806	156,970	29,716	65,745	148,425
Total non-current assets	2,662,151	2,740,998	2,719,544	2,931,354	3,144,694
Total equity	1,762,387	1,828,239	1,960,841	2,169,829	2,317,130

Financial ratios

	As at/for the year ended 31 December				
	2020	2021	2022	2023	2024
Gross profit margin	60.4%	61.7%	63.9%	61.8%	55.7%
Net profit margin	34.8%	26.2%	28.5%	30.5%	23.1%
Return on assets	5.7%	5.5%	6.5%	7.5%	5.6%
Return on equity	11.0%	9.8%	11.5%	13.1%	9.7%
Current ratio	0.8	0.8	1.0	0.9	0.8
Interest coverage ratio	4.6	6.3	13.2	16.3	12.0
Net debt to equity ratio	0.2	0.2	0.1	0.1	0.2
Gearing ratio ⁽¹⁾	0.6	0.4	0.4	0.4	0.4
Total debt to assets ratio	0.3	0.2	0.2	0.2	0.2

Note:

- (1) 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 borrowings.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present the annual report of the Group for the year ended 31 December 2024 to the Shareholders and our sincere appreciation to the Shareholders for their long-term support and trust.

During the Reporting Period, the Group recorded a revenue of approximately RMB969.9 million, representing a year-on-year increase of 4.3% and a gross profit of approximately RMB539.9 million, representing a year-on-year decrease of 6.0%. The Group recorded net profit of approximately RMB223.6 million throughout the year, representing a year-on-year decrease of 21.1%. The Board has resolved to recommend the payment of 2024 final dividend of HK\$0.1 per share. Together with the interim dividend, the dividend reached HK\$0.2 per share for the year with a dividend payout ratio of 34.0% for the year.

BUILDING A NATIONAL TOP-TIER PRIVATE UNIVERSITY WITH INDUSTRY-LEADING QUALITY OF EDUCATION

In the 2024/25 school year, our University enrolled 4,505 students in undergraduate program, 763 students in junior college program, and 1,838 students in junior college/undergraduate program, and the overall number of full-time enrolled students of our University reached 23,928. As measured by the number of full-time students, our University remains the largest private university in Shanghai.

As of 31 December 2024, our University has one major with national characteristics, 1 MOE comprehensive pilot reform undergraduate major, 15 first-class undergraduate majors in Shanghai, five applied undergraduate pilot majors in Shanghai, three majors with Shanghai characteristics, as well as one first-class undergraduate construction pilot program in Shanghai. According to CUAA.net (中國校友會網), our University ranked third among 2024 CUAA category I private universities in China. 29 undergraduate majors of our University ranked among top 10 of the national ranking of first-class university majors (applied), and 33 undergraduate majors ranked among top 20 in China. As at 30 September 2024, among the full-time teachers of our University, the doctoral degree accounted for 28.7%, the senior title accounted for 36.9%, and the double-position accounted for 45.7%. In recent years, the employment rate of our graduates has remained stable at 98% and above. As at 31 August 2024, the employment rate of 2024 graduates of our University reached 99.1%. Our University also actively promoted the construction and reform of undergraduate practical teaching system, and continuously expanded the depth and breadth of university-enterprise cooperation so as to cultivate students' practical competencies.

CHAIRMAN'S STATEMENT

DEEPENING OUR PRESENCE IN THE LINGANG NEW AREA TO FOSTER DEEPER INDUSTRY-EDUCATION INTEGRATION

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 extensive exploration opportunities for industry-education integration.

In 2024, our University has established a significant strategy to transform 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》) to further deepen the vertical and horizontal expansion of our University in the field of industry-education integration. 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.

KEEPING UP WITH THE TREND OF AI DEVELOPMENT TO ACTIVELY PROMOTE DIGITAL AND INTELLIGENT TRANSFORMATION

During the year, our University explored and built 70 “AI+Courses” given that we actively responded to the national strategic needs and the future development requirements of the society, seized the opportunity of the era of artificial intelligence, and deepened the construction of “AI+Courses” system and the innovation of teaching mode in an all-round way. In the application for key courses in Shanghai in 2024, our University successfully obtained approval for 9 “AI+Courses”, accounting for 32.1% of the total approved courses. Additionally, our University actively organized the construction and training of “AI+Courses” to continuously improve teachers’ smart teaching capabilities and lay a solid foundation for promoting the digital and intelligent transformation of education and teaching.

In addition, our University is also pushing forward the digital and intelligent transformation, actively building the Gench education model, exploring the areas of school services, industry-education, teaching, learning and research empowered by AI, such as DeepSeek, and making this work a key focus of Gench in 2025. Through these efforts, we aim to further upgrade our educational services by 2025, laying a more solid foundation for cultivating interdisciplinary talents in the new era.

CHAIRMAN'S STATEMENT

BROAD PROSPECTS FOR FUTURE DEVELOPMENT SUPPORTED BY VOCATIONAL EDUCATION POLICIES

In recent years, the country has continuously introduced incentive and supporting policies that are conducive to the development of the vocational education industry, and has also actively promoted the deepening development of the industry. In 2024, the “2024 Government Work Report (《2024年政府工作報告》)” reviewed and passed by the Second Session of the 14th National People’s Congress, and the “Decision of the CPC Central Committee on Further Deepening Reforms in a Comprehensive Way and Promoting 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》)” and the “Opinions of the State Council on Promoting the 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》)” passed by the Third Plenary Session of the 20th CPC Central Committee, have increased support for promoting the quality and efficiency of vocational education, guiding and regulating the development of private education, and accelerating the construction of a vocational education system that integrates vocational education with general education and the integration of industry and education. This series of favorable policies accelerating the deepening reform and innovation of vocational education has further enhanced our confidence in future development.

There is no doubt that China’s higher education has entered an era of high-quality popularization, and the sector has been in a new phase of deepening transformation and upgrading. With the rapid and widespread expansion of AI application scenarios, it will become a cradle for cultivating talents to drive the nation’s new quality productive forces. Our University will continue to deepen its integrated, internationalized and digitalized strategies, further advancing the development of a modern vocational education system. Additionally, the Group will closely keep abreast of the latest policies and trends in industry-education integration, promoting deep integration of teaching scenarios and production practices and accelerating 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 global influence.

Finally, on behalf of the Board, I would like to extend my sincere gratitude for the contribution of all our faculty, the trust of our Shareholders, the support from all walks of life and the choice of our students, parents and partners.

Zhao Donghui

Chairman of the Board

28 March 2025

MANAGEMENT DISCUSSION & ANALYSIS

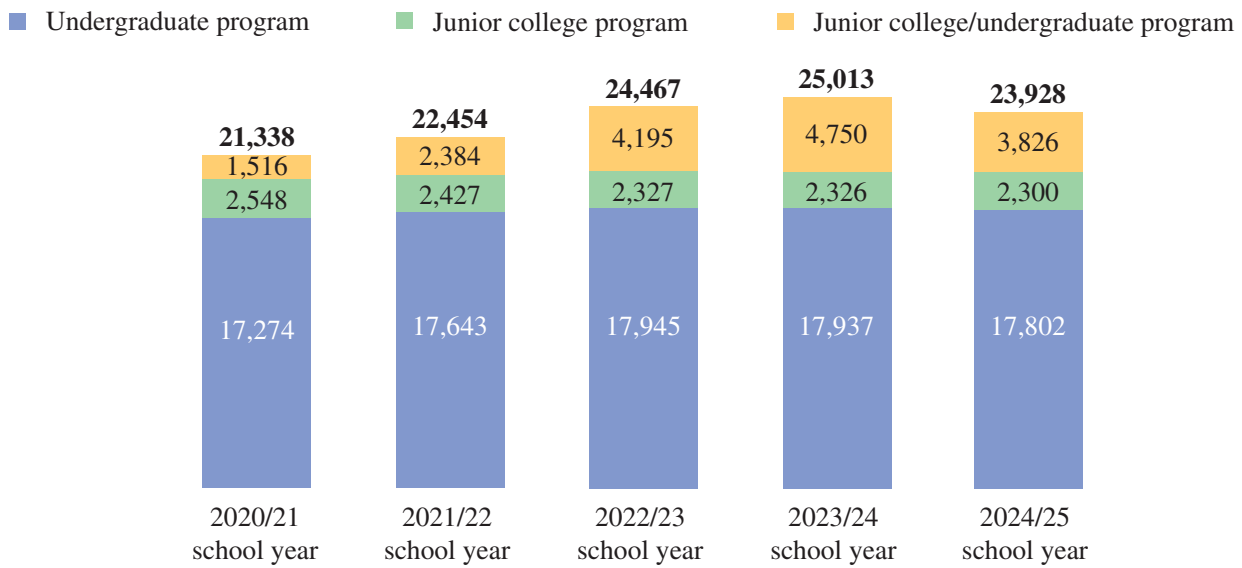
BUSINESS OVERVIEW

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



MANAGEMENT DISCUSSION & ANALYSIS

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	2023/24	2024/25
	school year RMB	school year RMB	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 MOE comprehensive pilot reform undergraduate major, 15 first-class undergraduate majors in Shanghai, as well as 3 majors with Shanghai characteristics.

MANAGEMENT DISCUSSION & ANALYSIS

The schooling quality of our University ranked in the forefront of peer universities, which has accumulated a solid brand reputation. In January 2024, CUAANet (中國校友會網) announced the 2024 CUAANet University Rankings, which showed that our University continued to rank third among the CUAANet 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 in Lingang forge a new pattern of industry-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.

MANAGEMENT DISCUSSION & ANALYSIS

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 a new model of 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.

MANAGEMENT DISCUSSION & ANALYSIS

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.

MANAGEMENT DISCUSSION & ANALYSIS

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.

MANAGEMENT DISCUSSION & ANALYSIS

(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.

MANAGEMENT DISCUSSION & ANALYSIS

(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 transform 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 has been put into full operation by March 2025.

MANAGEMENT DISCUSSION & ANALYSIS

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 opportunities for internationalized talents in 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 responded 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.



MANAGEMENT DISCUSSION & ANALYSIS

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 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 core area of the national industry-education integration pilot program, 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 6 September 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 updates.

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.

MANAGEMENT DISCUSSION & ANALYSIS

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 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

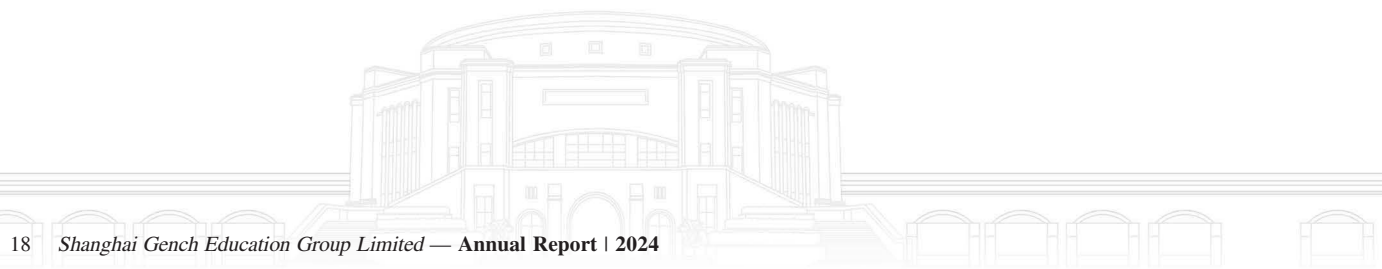
Cost of sales primarily consisted of salary costs, depreciation and amortization, student-related expenses, cooperative education expenses, teaching material expenses, canteen catering costs and maintenance expenses, along with training expenses, research and development costs, travel expenses, office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



MANAGEMENT DISCUSSION & ANALYSIS

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 upgraded and renovated 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.

MANAGEMENT DISCUSSION & ANALYSIS

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 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.

MANAGEMENT DISCUSSION & ANALYSIS

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 as at 31 December 2023. Such 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 balances and time deposits

As at 31 December 2024, the Group's cash and cash equivalents and time deposits 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.

Capital 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

MANAGEMENT DISCUSSION & ANALYSIS

Contingent Liabilities

During the year ended 31 December 2024, the supplier for the construction of certain campus facilities filed two claims to the People's Court of Pudong New Area in Mainland China against Jian Qiao University Co., Ltd. for overdue payments of construction costs with a total amount of RMB8,256,000 and the interest 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 annual report, 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.

MANAGEMENT DISCUSSION & ANALYSIS

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 annual report, as at 31 December 2024, the Group did not have any immediate plans for material investments and capital assets.

Charge on 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).

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Executive Directors

Mr. Zhao Donghui (趙東輝), aged 58, the chairman of the Board, joined our Group as a shareholder of Jian Qiao Group, an affiliated entity of the Group, in March 2018 and was appointed as a non-executive Director on 20 December 2018. Mr. Zhao was re-designated as an executive Director of the Company on 27 December 2023 and is responsible for the overall management and strategic development of the Group. Mr. Zhao is the father of Ms. Zhao Jiaqiao, a non-executive Director of our Company. Mr. Zhao is also a substantial shareholder of our Company.

The following table shows the key work experience of Mr. Zhao:

Period	Company	Position	Roles and responsibilities
October 2003 to present	Zhejiang Fangzhen Industry Co., Limited* (浙江方陣實業有限公司), a company primarily engaged in building material sales	chairman	overall management, major decision making and strategic planning
January 2010 to present	Changjiu Industry Group Co., Limited* (長九實業集團有限公司), a company primarily engaged in real estate development and commercial hotels	chairman	overall management, major decision making and strategic planning
December 2018 to December 2023	our Company	non-executive Director	providing opinion and judgment to the Board
December 2023 to present	our Company	chairman of the Board, executive Director	overall management and strategic development of the Group
July 2024 to present	our University	chairman of the Board	overall management and strategic development of the University

Save as disclosed above, Mr. Zhao did not hold directorship in other listed companies during the last three years.

Mr. Zhao obtained the qualification as a senior economist granted by Zhejiang Province Human Resources Bureau* (浙江省人事廳), currently known as Zhejiang Province Human Resources and Social Security Department (浙江省人力資源和社會保障廳), in December 2005. He graduated as an undergraduate in civil engineering from Southwest University of Science and Technology (西南科技大學) in Sichuan Province, the PRC in January 2006.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Ding Zheyin (丁哲寅), aged 39, joined the Group as the financial controller on 2 March 2023. He was appointed as an executive Director of our Company on 27 December 2023, and as a Director of our University on 10 July 2024. He is responsible for the financial strategic planning and financial management of our Group. Mr. Ding graduated with a Bachelor of Arts degree (English) from Northeastern University (東北大學) in 2008 and obtained his Master of Applied Commerce (accounting) from the University of Melbourne in 2010. Mr. Ding has been a member of the Chinese Institute of Certified Public Accountants since 2016.

The following table shows the key work experience of Mr. Ding:

Period	Company	Position
October 2010 to July 2016	PwC Business Consulting (Shanghai) Co., Limited Xiamen Branch* (普華永道商務諮詢(上海)有限公司廈門分公司)	auditor, senior auditor, manager
August 2016 to July 2019	PricewaterhouseCoopers Zhong Tian LLP* (普華永道中天會計師事務所(特殊普通合夥))	manager, senior manager
August 2019 to June 2021	PricewaterhouseCoopers Zhong Tian LLP Xiamen Branch* (普華永道中天會計師事務所(特殊普通合夥)廈門分所)	senior manager
June 2021 to February 2023	Ping An Insurance (Group) Company of China, Ltd.* (中國平安保險(集團)股份有限公司), a listed company on the Stock Exchange (stock code: 02318)	financial manager
March 2023 to present	our Company	financial controller
December 2023 to present	our Company	executive Director
June 2024 to present	our University	assistant to the principal
July 2024 to present	our University	Director

Save as disclosed above, Mr. Ding did not hold directorship in other listed companies during the last three years.

DIRECTORS AND SENIOR MANAGEMENT

Non-executive Directors

Ms. Li Huihui (李慧惠), aged 42, joined the Group as a non-executive Director on 29 August 2024. She is responsible for providing opinion and judgement to the Board.

The following table shows the key work experience of Ms. Li:

Period	Company	Position
December 2007 to February 2021	Xiamen ITG Group Corp., Ltd.* (廈門國貿集團股份有限公司)	deputy general manager of finance department of trading division, general manager of financial management department of supply chain division, general manager of operation and finance department, general manager of funding department and deputy general manager of real estate division
February 2021 to July 2021	Xiamen ITG Real Estate Co., Ltd.* (廈門國貿房地產有限公司) (formerly known as ITG Real Estate Group Co., Ltd.* (國貿地產集團有限公司))	deputy general manager
July 2021 to present	Xiamen ITG Real Estate Group Co., Ltd.* (廈門國貿地產集團有限公司)	deputy general manager
August 2024 to present	our Company	non-executive Director

Save as disclosed above, at the date of this report, Ms. Li does not have any other relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company and has not held any other directorships in other listed public companies in the last three years.

Ms. Li graduated from Xiamen University(廈門大學) in Fujian Province, the PRC with a bachelor's degree in accounting in July 2003 and a master's degree in accounting in July 2006. She obtained the certificate of senior accountant issued by Ministry of Human Resources and Social Security and Ministry of Finance in September 2015.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Ye Qionghai (葉瓊海), aged 50, joined the Group as a non-executive Director on 27 December 2023. He is responsible for providing opinion and judgement to the Board. He graduated as an undergraduate in Finance from Xidian University (西安電子科技大學) in 2018.

The following table shows the key work experience of Mr. Ye:

Period	Company	Position
January 1998 to present	Wenzhou Dongtou Real Estate Development Co., Limited* (溫州市洞頭房地產開發有限公司)	partner
January 2007 to present	Taizhou Yongzhen Real Estate Co., Limited* (台州永臻房地產有限公司)	chairman and partner
August 2014 to present	Shanghai Shanggu Asset Management Co., Limited* (上海商谷資產管理有限公司)	chairman
December 2023 to present	our Company	non-executive Director

Save as disclosed above, as at the date of this report, Mr. Ye does not hold any other directorships in other listed public companies in the last three years.

As at the date of this report, Mr. Ye is subject to court order ((2023) Ji 01 Zhi No.2015) in relation to an enforcement amount of RMB120 million, as he is a joint owner of the mortgaged property with a collateral amount of RMB120 million, and the borrower guaranteed by it was found to be in breach of contract in the judgment ((2018) Ji Minchu No. 87). According to the aforementioned judgment, the auction procedure related to Mr. Ye's mortgaged property has been initiated and is expected to be completed within 2025.

Ms. Zhao Jiaqiao (趙佳俏), aged 29, joined the Group as a non-executive Director on 27 December 2023. She is responsible for providing opinion and judgement to the Board. She graduated with a Bachelor of Science degree (Management Science) from University College London in 2018 and obtained her Master of Science (Project and Enterprise Management) from the University College London in 2020.

The following table shows the key work experience of Ms. Zhao:

Period	Company	Position
January 2021 to September 2021	Shanghai Changjiu Real Estate Development Co., Limited* (上海長九房地產開發有限公司)	investment manager
October 2021 to present	Changjiu Industry Group Co., Limited* (長九實業集團有限公司)	deputy general manager
December 2023 to present	our Company	non-executive Director

DIRECTORS AND SENIOR MANAGEMENT

Ms. Zhao is the daughter of Mr. Zhao Donghui, an executive Director of our Company. Save as disclosed above, at the date of this report, she does not have any other relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company and has not held any other directorships in other listed public companies in the last three years.

Independent non-executive Directors

Mr. Chen Baizhu (陳百助), aged 61, was appointed as an independent non-executive Director on 20 December 2018.

The following table shows the key work experience and major offices of Mr. Chen:

Period	Company	Position
1994 to present	University of Southern California in California, the US	professor
May 2008 to November 2014	Aegon-Industrial Fund Management Co., Ltd. (興業基金管理有限公司), a company primarily engaged in investment and financial services	independent Director
December 2018 to present	our Company	independent non-executive Director

Save as disclosed above, Mr. Chen did not hold directorship in other listed companies during the last three years.

Mr. Chen was awarded the 2002-2003 Golden Apple Teaching Award by Marshall School of Business of University of Southern California.

Mr. Chen graduated from Fudan University (復旦大學) in Shanghai, the PRC with a bachelor's degree in science in July 1985 and graduated from University of Rochester in the State of New York, the United States with the doctor of philosophy degree in May 1992.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Hu Rongen (胡戎恩), aged 55, was appointed as an independent non-executive Director on 20 December 2018.

The following table shows the key work experience of Mr. Hu:

Period	Company	Position
July 2001 to September 2007	Shanghai University of Political Science and Law (上海政法學院)	deputy director of marketing department
October 2007 to September 2008	Doctor service group in western district* (西部博士服務團)/Prefectural Administrative Office in Tongren District* (銅仁地區行政公署)	specialist assistant (專員助理)
October 2009 to May 2015	Shanghai University of Political Science and Law (上海政法學院)	director of training department
June 2015 to present	Shanghai University of Political Science and Law (上海政法學院)	dean of the faculty of financial law
December 2018 to present	our Company	independent non-executive Director

Save as disclosed above, Mr. Hu did not hold directorship in other listed companies during the last three years.

Mr. Hu was accredited as one of Top 10 Outstanding Youths* (十大傑出青年) in Shanghai Judicial Administration System* (上海司法行政系統) by Political Department of Shanghai Bureau of Justice* (上海司法局政治部) in April 2009.

Mr. Hu graduated from National Court Cadre Amateur Law University* (全國法院幹部業餘法律大學), currently known as National Judges College (國家法官學院), in Beijing, the PRC in September 1988. He also graduated as an undergraduate in law in July 1996 and with a master's degree in law in July 2000, and a doctoral degree in law in July 2006 from Peking University (北京大學) in Beijing, the PRC.

Ms. Liu Tao (劉濤), aged 60, was appointed as an independent non-executive Director on 20 December 2018.

The following table shows the key work experience of Ms. Liu:

Period	Company	Position
August 2001 to present	Shanghai Jiao Tong University (上海交通大學)	associate professor of Antai College of Economics & Management
September 2015 to July 2024	Glorious Property Holdings Ltd. (恆盛地產控股有限公司), a company whose shares are listed on the Stock Exchange (stock code: 00845)	independent non-executive director
May 2016 to May 2022	Shanghai SafBon Water Service (Holding) Inc. (上海巴安水務股份有限公司), a company whose shares are listed on the Shenzhen Stock Exchange (stock code: 300262)	independent director

DIRECTORS AND SENIOR MANAGEMENT

Period	Company	Position
June 2017 to July 2019	Shanghai No. 1 Pharmacy Co., Ltd. (上海第一醫藥股份有限公司), a company whose shares are listed on the Shanghai Stock Exchange (stock code: 600833)	independent director
August 2017 to December 2019	Zhe Jiang Songyuan Automotive Safety Systems Co., Ltd. (浙江松原汽車安全系統股份有限公司), a company primarily engaged in developing and manufacturing automobile safety belts	independent non-executive director
February 2018 to August 2024	Changjiang Investment Industrial Co., Ltd.* (長江投資實業股份有限公司), a company whose shares are listed on the Shanghai Stock Exchange (stock code: 600119)	independent director
May 2018 to November 2020	Shanghai Jielong Industry Group Co., Ltd. (上海界龍實業集團股份有限公司), a company whose shares are listed on the Shanghai Stock Exchange (stock code: 600836)	independent director
December 2018 to present	our Company	independent non-executive director
February 2022 to present	Westingarea Smart Supply Chain (Shanghai) Co., Ltd.* (西域智慧供應鏈(上海)股份公司), a company operating an e-commerce platform	independent director
April 2023 to present	MedSci Healthcare Holdings Limited (梅斯健康控股有限公司), a company whose shares are listed on the Stock Exchange (stock code: 02415)	independent non-executive director

Save as disclosed above, Ms. Liu did not hold directorship in other listed companies during the last three years.

Ms. Liu has received several recognitions and awards related to teaching. From 2006 to 2018, Ms. Liu was awarded the Teaching Excellence Award of Antai College of Economics & Management* (安泰經管學院教學優秀獎), the Most Welcomed MBA Teacher of Antai College of Economics & Management* (安泰經管學院年度最受MBA學生歡迎教師獎) and Nomination Award of Teaching and Education Award of Shanghai Jiao Tong University* (上海交通大學教書育人獎提名獎).

Ms. Liu graduated from Shaanxi Institute of Finance* (陝西財經學院), currently known as School of Economics and Finance of Xi'an Jiaotong University (西安交通大學經濟與金融學院), in Shaanxi Province, the PRC with a bachelor's degree in economics (經濟學) in July 1986, and a master's degree in economics in July 1989.

DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Mr. Zhou Tianming (周天明), aged 49, re-joined the Group as the executive vice president in August 2021 and has been appointed as the chief executive officer of the Company on 29 August 2024. He is one of the shareholders of Jian Qiao Group, which is an affiliated entity of the Company and is responsible for the overall operation of the Group.

He started his career as a teacher at Wenzhou Business School Yueqing Branch* (溫州商校樂清分校) from September 1998 to July 1999. He held various senior roles in education investment, education service and energy related industry between August 1999 and October 2007, including the chief of staff/director of infrastructure office at Jian Qiao Investment, an affiliated entity of the Company, the general manager of Shanghai Jianqiao Education Service Co., Ltd.* (上海建橋教育服務有限公司), a then subsidiary of Jian Qiao Group, which was spun-off in June 2018, the vice president of Jian Qiao Group and the vice chairman and the general manager of Shanxi Jianqiao Energy Co., Ltd.* (山西建橋能源有限公司). He served as the general manager at Qinghai Lenghu Bindi Potash Fertilizer Co., Ltd.* (青海省冷湖濱地鉀肥股份有限公司) from February 2008 to September 2011. Mr. Zhou held the position of president at Changjiu Industry Group Co., Ltd* (長九實業集團有限公司) from October 2011 to July 2021. He has been serving as a director at Jian Qiao University Company, an affiliated entity of the Company, since July 2024.

Mr. Zhou did not hold any directorship in any listed companies during the last three years.

Mr. Zhou graduated with a bachelor's degree majoring in computerized accounting from Jiangxi University of Finance and Economics (江西財經大學), in Jiangxi Province, the PRC in July 1998.

Dr. Zhu Ruiting (朱瑞庭), aged 59, joined our Group in January 2003 and was appointed as a professor of our University in January 2007 and the principal of our University in November 2017. He is responsible for the overall operation of our University.

Dr. Zhu has more than 25 years of experience in teaching and academic research. The following table shows the key work experience and major offices of Dr. Zhu:

Period	Company/Organization	Position
November 1991 to October 1995	Wenzhou University (溫州大學), in Zhejiang Province, the PRC	lecturer
January 2003 to present	our University	concurrently/successively served as professor, dean of commerce department, head of research department, vice principal, principal and director
March 2016 to present	Expert Committee for China Association of Trade in Services* (中國服務貿易協會專家委員會)	vice chairman
July 2017 to present	Jiangxi University of Finance and Economics (江西財經大學), in Jiangxi Province, the PRC	part-time tutor

DIRECTORS AND SENIOR MANAGEMENT

Period	Company/Organization	Position
December 2017 to present	The Chinese People's Political Consultative Conference (CPPCC) Shanghai Committee (中國人民政治協商會議上海市委員會)	member
April 2018 to present	Eighth council of the China Economics Association* (中國商業經濟學會第八屆理事會)	standing director
September 2018 to present	China Humanities and Social Sciences Journal Evaluation Expert Committee of China Social Science Evaluation Institute* (中國社會科學評價研究院中國人文社會科學期刊評價專家委員會)	member

Dr. Zhu did not hold any directorship in any listed companies during the last three years.

Dr. Zhu has received several awards and recognitions in recognition of his achievement in education. The following table sets forth some of the awards and recognition he has received:

Year	Award/Accreditation	Awarding Organization
September 2004	Shanghai Cultivate Talent Award* (上海市育才獎)	Shanghai Municipal Education Commission (上海市教育委員會), Shanghai Education Development Foundation (上海市教育發展基金會) and Shanghai Teacher's Union (中國教育工會上海市委員會) jointly
November 2008	Baosteel Excellent Teacher Award* (寶鋼優秀教師獎)	Baosteel Education Foundation (寶鋼教育基金會)
September 2009	Shanghai Cultivate Talent Award* (上海市育才獎)	Shanghai Education Development Foundation (上海市教育發展基金會) jointly Commission (上海市教育委員會) and Shanghai Municipal Education
September 2022	May 1 Labour Medal of Shanghai* (上海市五一勞動獎章)	Shanghai Municipal Federation of Trade Unions (上海市總工會) and Shanghai Municipal Human Resources and Social Security Bureau (上海市人力資源和社會保障局) jointly

Dr. Zhu graduated as an undergraduate in economic management in July 1986 from Hangzhou University, currently known as Zhejiang University (浙江大學) in Zhejiang Province, the PRC, and obtained a master's degree in economics from Shanghai Academy of Social Science (上海社會科學院) in Shanghai, the PRC in July 1989. He also graduated from University of Marburg in Marburg Town, Germany with a doctoral degree in economics in June 2001.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Wang Bangyong (王邦永), aged 43, joined our Group in August 2005 and was appointed as the deputy chief executive officer of our Company on 20 December 2018. Mr. Wang has also been the assistant to the chairman of our University since November 2011 and the secretary of the board of our University since March 2011, and assistant to chairman of Jian Qiao Group since June 2011, respectively. He is responsible for administrative and public relations management of our Group.

Mr. Wang has more than 19 years of experience in education. The following table shows the key working experience and major offices of Mr. Wang:

Period	Company/Organization	Position
August 2005 to present	our University	successively/concurrently served as secretary of the board and assistant to the chairman
June 2011 to present	Jian Qiao Group	assistant to chairman
January 2017 to present	Shanghai Pudong New Area Municipal People's Congress* (上海市浦東新區人民代表大會)	deputy
December 2018 to present	our Company	deputy chief executive officer of our Company
June 2024 to present	our University	assistant to the principal

Mr. Wang did not hold any directorship in any listed companies during the last three years.

Mr. Wang was awarded the Shanghai May Fourth Youth Medal* (上海市青年五四獎章) by Communist Youth League Shanghai Committee* (共青團上海市委員會) and Shanghai Municipal Human Resources and Social Security Bureau (上海市人力資源和社會保障局) jointly, in April 2017. Meanwhile, he was conferred the title of Shanghai Labour Model (上海市勞動模範榮譽稱號) by Shanghai Municipal Federation of Trade Unions (上海市總工會) in December 2020.

Mr. Wang graduated from Fudan University (復旦大學) in Shanghai, the PRC with a bachelor's degree in law in July 2005, obtained a master's degree in public management from Fudan University (復旦大學) in June 2011, and obtained the doctoral degree majoring in educational leadership and management (教育領導與管理) at East China Normal University (華東師範大學) in Shanghai, China in June 2022.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Zhou Qiaoqi (周喬琪), aged 37, joined our Group in September 2017, was appointed as joint company secretary and chief investment officer of our Company on 20 December 2018, and was appointed as deputy chief executive officer of our Company on 24 July 2020. He resigned as the joint company secretary of our Company on 24 November 2021. Mr. Zhou Qiaoqi has also been the assistant to the chairman of Jian Qiao Group since September 2017. He is responsible for overall corporate governance, investment and overseas operations management of our Group. Mr. Zhou Qiaoqi is the spouse of Ms. Zhang Zhimo, the company secretary of our Company.

The following table shows the key work experience and major offices of Mr. Zhou Qiaoqi:

Period	Company/Organization	Position/Experience
October 2012 to July 2013	Shanghai Tiantian Fund Distribution Co., Ltd (上海天天基金銷售有限公司), a fund sales company	fund researcher
August 2013 to March 2015	Allied Fortune Management Ltd (聯裕管理有限公司), an asset management company	vice president
April 2017 to present	Beta Gamma Sigma	lifetime member
September 2017 to present	Jian Qiao Group	assistant to the chairman
December 2018 to present	our Company	concurrently and/or successively served as joint company secretary, deputy chief executive officer and chief investment officer of our Company

Mr. Zhou Qiaoqi did not hold any directorship in any listed companies during the last three years. Mr. Zhou Qiaoqi passed the fund qualification examination by Asset Management Association of China (中國證券投資基金業協會) in September 2017 and has become a Chartered Financial Analyst Charter-holder since April 2019. Mr. Zhou Qiaoqi graduated from Fudan University (復旦大學) in Shanghai, the PRC with bachelor of science in information and computing science degree in July 2010 and University of Southern California in Los Angeles, California, the United States with a master of science in mathematical finance degree in May 2012 and master of business administration degree in August 2017.

DIRECTORS AND SENIOR MANAGEMENT

COMPANY SECRETARY

Ms. Zhang Zhimo (張芷陌), aged 35, joined our Group in May 2020 as director of administration department. She was appointed as company secretary of our Company on 24 November 2021 and was appointed as the chairperson of the ESG Committee of the Group on 3 December 2024. She is responsible for our Group's overall corporate governance, sustainable development, internal control and audit supervision, and performs her role of company secretary, including compliance matters related to the Listing Rules and other regulatory requirements in Hong Kong. Ms. Zhang is the spouse of Mr. Zhou Qiaoqi, a deputy chief executive officer and the chief investment officer of our Company.

The following table sets out the key work experience and positions of Ms. Zhang:

Period	Company/Organization	Position/Experience
October 2013 to November 2016	PricewaterhouseCoopers Limited, Hong Kong	senior associate in risk assurance practice (last position)
October 2018 to April 2019	Quantflag Investment Management Ltd.* (上海量旗投資管理有限公司) (an assets management company)	industry analyst and senior market manager
April 2019 to May 2020	Shenwan Hongyuan Securities Co., Ltd. (a securities company)	vice president of fixed-income business division
May 2020 to present	our Group	concurrently and/or successively served as director of administration department of our Group, company secretary of our Company, and chairperson of our ESG committee

Ms. Zhang Zhimo did not hold directorship in any listed companies during the last three years.

Ms. Zhang is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants, an International Certified Internal Auditor of Institute of Internal Auditors and a Certified Information Systems Auditor of the Information Systems Audit and Control Association, and holds the ESG Investing Certificate from the CFA Institute (特許金融分析師協會) and the Senior Certified ESG Analyst qualification (註冊ESG分析師認證證書(高級)) issued by the National Federation of Industry and Commerce Talent Exchange Service Center (全國工商聯人才交流服務中心). In September 2018, Ms. Zhang also passed the fund qualification exam (基金從業資格考試) of the Asset Management Association of China (中國證券投資基金業協會). In December 2018, Ms. Zhang passed the securities qualification examination (證券從業資格考試) of the Securities Association of China* (中國證券業協會). Ms. Zhang graduated from City University of Hong Kong in July 2013 with a bachelor's degree of business administration (honours) in accountancy and management information systems and from The University of Hong Kong in November 2018 with a master's degree in finance.

Ms. Zhang is also recognised for her social responsibilities, as she holds multiple social positions and cares about the sustainable development of the community and the diversified growth of women.

REPORT OF THE DIRECTORS

The Board is pleased to present the report of the Directors together with the audited consolidated financial statements of our Group for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

Our Group operates the leading private university in Shanghai, which is also a leading private university in the entire Yangtze River Delta. Analysis of the principal activities of our Group during the year ended 31 December 2024 is set out in the note 1 to the consolidated financial statements.

SUBSIDIARIES

Details of the principal subsidiaries of our Company are set out in note 1 to the consolidated financial statements.

RESULTS

The results of our Group for the year ended 31 December 2024 are set out in the consolidated statement of profit or loss and the consolidated statement of comprehensive income on pages 165 to 166 of this annual report.

DIVIDEND

An interim dividend of HK\$0.10 per Share for the six months ended 30 June 2024 was declared and paid 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\$0.10 per Share for the year ended 31 December 2024 (the “2024 Final Dividend”). The 2024 Final Dividend is intended to be paid out of the share premium account of our Company and subject to the approval of Shareholders. The circular convening the AGM to be held on Sunday, 11 May 2025 will be published on the websites of the Stock Exchange and the Company and will be dispatched to 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\$0.10 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 Shareholders for the year ended 31 December 2024.

There is no arrangement that a Shareholder has waived or agreed to waive any dividend.

BUSINESS REVIEW AND FUTURE OUTLOOK

A review of business and future outlook of our Group during the year ended 31 December 2024 is set out in the section headed “Management Discussion and Analysis” of this annual report.

SIGNIFICANT LEGAL PROCEEDINGS

Save as disclosed in the section headed “Management Discussion & Analysis – Contingent Liabilities”, our Group was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatening against our Company during the year ended 31 December 2024.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year ended 31 December 2024, our Group has complied with the relevant laws and regulations that have a significant impact on our Company.

REPORT OF THE DIRECTORS

PRINCIPAL RISKS AND UNCERTAINTIES AND RISK MANAGEMENT

Our Group is exposed to various risks in the operations of its business and our Group believes that risk management is important to its success. Key operational risks faced by our Group include, among others, changes in general market conditions and perceptions of private higher education, changes in the regulatory environment in the PRC private higher education industry, its ability to offer quality education to its students, its ability to increase student enrollment and/or raising tuition rates, its potential expansion, availability of financing to fund our expansion and business operations, and competition from other university operators that offer similar or higher quality of educational services.

In addition, our Group also faces numerous market risks, such as interest rate, credit and liquidity risks that arise in the normal course of our business.

Interest Rate Risk

Our Group's exposure to risk for changes in market interest rates relates primarily to our Group's interest-bearing bank borrowings. We do not use derivative financial instruments to hedge interest rate risk. We manage our interest cost using variable rate bank borrowings.

The sensitivity analysis below has been determined based on the exposure to interest rates for our Group's variable rate bank loans and bank balances at the end of each reporting period and assumed that the amount outstanding at the end of each reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, our Group's post-tax profit for the year ended 31 December 2024 and 2023 would decrease/increase by RMB3,966,000 and RMB3,699,000, respectively. This is mainly attributable to our Group's exposure to interest rates on our bank balances and borrowing with variable rates.

Credit Risk

Our Group only trades with recognized and creditworthy third parties. It is our Group's policy that all customers who wish to receive credit are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and our Group's exposure to bad debts is not significant.

Liquidity Risk

Our Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing borrowings. Cash flows are closely monitored on an ongoing basis.

Risk Management

To properly manage these risks and uncertainties, our Group has established the following risk management structures and measures. The details are set out in the paragraph headed "Risk Management and Internal Control" of the corporate governance report.

REPORT OF THE DIRECTORS

FINANCIAL SUMMARY

A summary of our Group's results, assets and liabilities for the last five financial years are set out in the section headed "Financial Highlights" of this annual report. This summary does not form part of the audited consolidated financial statements.

USE OF NET PROCEEDS FROM LISTING

On the Listing Date, 100,000,000 new Shares with nominal value of HK\$0.01 each of the Company were issued at a price of HK\$6.05 per Share in connection with the Company's initial public offering. On 11 February 2020, the Company further issued 15,000,000 Shares of HK\$0.01 each at a subscription price of HK\$6.05 per Share pursuant to the full exercise of over-allotment option.

Net proceeds from the initial public offering of the Company (including the full exercise of the over-allotment option) amounted to approximately HK\$666.0 million, after deducting underwriting fee and relevant expenses. It was disclosed in the Prospectus and subsequent annual reports of the Company that the Company intended to use such net proceeds of approximately HK\$666.0 million for the following purposes:

- (1) approximately 34.8% (HK\$231.7 million) is used for acquisitions or investments to expand our school network (the "Acquisitions and/or Investments");
- (2) approximately 35.0% (HK\$233.1 million) is used to finance construction projects on our campus and purchase furniture and equipment (the "Campus Construction");
- (3) approximately 20.2% (HK\$134.6 million) is used to repay our short-term loans and the current portion of our long-term loans as they become due (the "Bank Loans Repayment"); and
- (4) approximately 10.0% (HK\$66.6 million) is used to supplement our working capital and for general corporate purposes (the "General Working Capital").

Net proceeds were used according to the intentions previously disclosed in the Prospectus. As disclosed in the Company's announcement dated 26 August 2022, on 26 August 2022, the Board has reviewed and resolved to reallocate the use of the remaining unutilised net proceeds of approximately HK\$231.7 million to Campus Construction for the following reasons:

- (1) to implement the strategic decision of "Promoting the High-quality Development of Modern Vocational Education" from the central government, increasing the supply of high-quality higher education degrees, and building academic, administrative and boarding facilities to meet the needs of future expansion; and
- (2) to seize the policy opportunities of the Lingang New Area as the "First Trial Test Field of the Pioneer Area for Socialist Modernization" and the "National Core Area for Pilot Industry-Education Integration", actively respond to the national and regional development strategies and deeply promote the integrated development of industry, education and city.

REPORT OF THE DIRECTORS

Set out below is the revised reallocation of use of the unutilised net proceeds and its actual usage as at 31 December 2024:

Unit: Hong Kong dollar million

Items	Revised percentage	Revised allocation of net proceeds	Utilized net proceeds as at 31 December 2023	Unutilized net proceeds as at 31 December 2023	Utilized net proceeds as at 31 December 2024	Unutilized net proceeds as at 31 December 2024
Acquisitions and/or Investments	—	—	—	—	—	—
Campus Construction	69.8%	464.8	450.8	14.0	464.8	—
Bank Loans Repayment	20.2%	134.6	134.6	—	134.6	—
General Working Capital	10.0%	66.6	66.6	—	66.6	—
	<u>100.0%</u>	<u>666.0</u>	<u>652.0</u>	<u>14.0</u>	<u>666.0</u>	<u>—</u>

The Board considers that the reallocation of the unutilised net proceeds did not have any material adverse impact on the existing business and operations of the Group and is in the best interest of the Company and its Shareholders as a whole. Save as disclosed above, the Board confirms that there are no other changes in the use of the net proceeds. All the net proceeds from the Listing were fully utilised as at 31 December 2024.

MAJOR CUSTOMERS AND SUPPLIERS

Our Group's customers primarily consist of its students. We did not have any single customer who accounted for more than 5% of our revenue for the year ended 31 December 2024. The aggregate percentage of revenue attributable to the five largest customers is less than 30% of our revenue for the year ended 31 December 2024.

Our Group's suppliers primarily consist of construction service providers, enterprise partners who provide training to its students, technology service providers, and teaching equipment suppliers. For the year ended 31 December 2024, purchases from our five largest suppliers amounted to RMB208.6 million, accounting for 67.7% of our Group's total purchases for the year ended 31 December 2024. For the same period, purchases from our largest supplier amounted to RMB173.6 million, accounting for 56.3% of our total purchases for the year ended 31 December 2024. Our Group's largest supplier in 2024 is a construction service provider. The amount of purchases from our Group's five largest suppliers and from our Group's largest supplier went up due to the construction services our Group procured for the construction of teaching and training building, talent apartment building and multifunction building.

None of the Directors, their respective close associates, or any Shareholder who, to the knowledge of the Directors, owns more than 5% of our issued capital, had any interest in any of our Group's five largest customers or suppliers for the year ended 31 December 2024.

RELATIONSHIP WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

Our Group understands the importance of maintaining a good relationship with its employees, suppliers and customers to meet its immediate and long-term goals. Our Group maintains a good relationship with employees, suppliers and customers. During the Reporting Period, there were no material and significant dispute between our Group and its employees, suppliers and/or customers.

REPORT OF THE DIRECTORS

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of our Group during the year ended 31 December 2024 are set out in note 13 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of our Company during the year ended 31 December 2024 are set out in note 27 to the consolidated financial statements.

RESERVES AND DISTRIBUTABLE RESERVES

As at 31 December 2024, the distributable reserves of our Company, amounted to approximately RMB190.9 million.

Details of movements in the reserves of our Group and our Company during the year ended 31 December 2024 are set out in the consolidated statement of changes in equity on page 169 and note 28 to the consolidated financial statements.

BANK BORROWINGS

The bank borrowings of our Group primarily consisted of short-term working capital loans and long-term project loans for the construction of the school premises. All the bank borrowings were denominated in RMB. Details of the bank borrowings of our Group as at 31 December 2024 are set out in note 24 to the consolidated financial statements.

DIRECTORS

The Directors of our Company during the Reporting Period and up to the date of this annual report are:

Executive Directors

Mr. Zhao Donghui

Mr. Ding Zheyin

Non-executive Directors

Mr. Du Jusheng (*Resigned on 29 August 2024*)

Ms. Li Huihui (*Appointed on 29 August 2024*)

Mr. Ye Qionghai

Ms. Zhao Jiaqiao

Independent Non-executive Directors

Mr. Chen Baizhu

Mr. Hu Rongen

Ms. Liu Tao

In accordance with article 83(3) of the Articles of Association, any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of our Company and shall then be eligible for re-election. Accordingly, Ms. Li Huihui shall hold office till the AGM and, being eligible, will offer herself for re-election at the AGM.

REPORT OF THE DIRECTORS

In accordance with articles 84(1) and 84(2) of the Articles of Association, one-third of the Directors shall retire from office by rotation at each annual general meeting and shall then be eligible for re-election, and any Director appointed by the Board pursuant to article 83(3) of the Articles of Association shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation. Accordingly, Mr. Zhao Donghui, Mr. Chen Baizhu and Mr. Ding Zheyin shall retire by rotation, and being eligible, have offered themselves for re-election at the AGM.

No Director proposed for re-election at the forthcoming AGM has an unexpired service contract or letter of appointment which is not determinable by our Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

Details of the Directors to be re-elected at the AGM are set out in the circular will be sent to the Shareholders in due course.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of our Company are set out in the section headed “Directors and Senior Management” of this annual report.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Each independent non-executive Director should inform our Company as soon as possible if there is any change of circumstances which may affect his/her independence. No such notification was received during the financial year. Our Company considers all the independent non-executive Directors to be independent because they were free from any business or other relationship which could affect their ability to discharge their duties independently.

DIRECTORS’ MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the paragraph headed “Non-exempt Continuing Connected Transaction” and otherwise disclosed in this annual report, no Director or its connected entity (within the meaning of section 486 of the Companies Ordinance) had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of our Group to which our Company, or any of its subsidiaries or fellow subsidiaries was a party during the Reporting Period.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of our Company were entered into or existed for the Reporting Period.

EMOLUMENT POLICY

A remuneration committee was set up for reviewing our Group’s remuneration policy and structure for all remuneration of the Directors and senior management of our Group, having regard to our Group’s operating results, individual performance of the Directors and senior management and comparable market practices.

The Directors and senior management may also receive options to be granted under the Share Option Scheme. For further details of the Share Option Scheme, please refer to the paragraph headed “Share Option Scheme” below.

REPORT OF THE DIRECTORS

Our Company has adopted the Share Award Scheme in which (i) an employee (whether full time or part time), executive or officer, (ii) a director (including any executive, non-executive and independent 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 our Group who, in the sole discretion of the Board, has contributed or may contribute to the growth and development of our Group will be entitled to participate. For further details of the Share Award Scheme, please refer to the paragraph headed “Share Award Scheme” below.

Details of the remuneration of the Directors and five highest paid individuals during the Reporting Period are set out in notes 8 and 9 to the consolidated financial statements. None of the Directors waived any emoluments during the Reporting Period.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Details of the retirement and employee benefits scheme of our Company are set out in note 26 to the consolidated financial statements.

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

As at 31 December 2024, the interests and short positions of the Directors and the chief executive of our Company in the Shares, underlying Shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) which have been notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to our Company and the Stock Exchange pursuant to the Model Code as set out in Appendix C3 to the Listing Rules were as follows:

I. Interest in Shares or underlying Shares of our Company

Name	Capacity/Nature of interest	Number of Shares	Long/short Position	Approximately Percentage of Shareholding in our Company ⁽⁵⁾
Mr. Zhao Donghui	Interest in a controlled corporation ⁽¹⁾	100,000,000	Long position	24.10%
	Person having a security interest in shares ^{(1), (2)}	87,350,000	Long position	21.05%
Mr. Ye Qionghai	Beneficial owner	4,728,000	Long position	1.14%
Mr. Zhou Tianming ⁽³⁾	Interest in a controlled corporation ⁽⁴⁾	6,297,000	Long position	1.52%

REPORT OF THE DIRECTORS

Notes:

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

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

Name of controlled corporation	Name of controlling person	% control	Direct interest (Y/N)	Long/Short position	Number of Shares
Ai Xin Limited	Mr. Zhao Donghui	100.00	Y	Long position	117,350,000
Changjiu Industrial Group Co., Ltd.	Mr. Zhao Donghui	90.00	N	Long position	70,000,000
Shanghai Jiu hao Enterprise Management Consulting Co., Ltd.	Changjiu Industrial Group Co., Ltd.	100.00	N	Long position	70,000,000
Hangzhou Changqi Enterprise Management Consulting Partnership (Limited Partnership)	Shanghai Jiu hao Enterprise Management Consulting Co., Ltd.	0.01	N	Long position	70,000,000
Hanzhou Changqi Enterprise Management Consulting Partnership (Limited Partnership)	Changjiu Industrial Group Co., Ltd.	99.99	N	Long position	70,000,000
Fwin Limited	Hangzhou Changqi Enterprise Management Consulting Partnership (Limited Partnership)	100.00	Y	Long position	70,000,000

- (2) As at 31 December 2024, eight shareholders of our Company has pledged a total of 87,350,000 Shares (excluding voting rights and rights to receive income) to Ai Xin Limited. For details of the pledge, please refer to the announcement of our Company dated 11 June 2021.
- (3) Mr. Zhou Tianming was appointed as the chief executive officer of the Company on 29 August 2024.
- (4) Mr. Zhou Tianming is the sole shareholder and the sole director of Kai Tuo Limited and he is therefore deemed to be interested in the 6,297,000 Shares held by Kai Tuo Limited.
- (5) The approximately percentage of shareholding in our Company is calculated based on the total number of 415,000,000 shares in issue as at 31 December 2024.

REPORT OF THE DIRECTORS

II. Interest in shares of associated corporation of our Company

Name	Name of associated corporation	Capacity/ Nature of interest	Amount of registered share capital (RMB)	Approximate percentage of shareholding
Mr. Zhao Donghui	Jian Qiao Group	Beneficial owner	17,500,000	10.00%
Mr. Zheng Xiangzhan	Jian Qiao Group	Beneficial owner	17,850,000	10.20%

Save as disclosed above, as at 31 December 2024, none of the Directors or the chief executive of our Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to our Company and the Stock Exchange pursuant to the Model Code.

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

As at 31 December 2024, to the best knowledge of the Directors, the following persons (other than being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name	Capacity/ Nature of interest	Number of Shares	Long/short Position	Approximately Percentage of Shareholding in our Company ⁽⁵⁾
Ai Xin Limited	Beneficial owner ⁽¹⁾	100,000,000	Long position	24.10%
	Person having a security interest in shares ⁽²⁾	87,350,000	Long position	21.05%
Fwin Limited	Beneficial owner ⁽¹⁾	70,000,000	Long position	16.87%
Hangzhou Changqi Enterprise Management Consulting Partnership (Limited Partnership)	Interest in a controlled corporation ⁽¹⁾	70,000,000	Long position	16.87%
Shanghai Jiuhao Enterprise Management Consulting Co., Ltd.	Interest in a controlled corporation ⁽¹⁾	70,000,000	Long position	16.87%
Changjiu Industrial Group Co., Ltd.	Interest in a controlled corporation ⁽¹⁾	70,000,000	Long position	16.87%
Mr. Zheng Xiangzhan	Interest in a controlled corporation ⁽³⁾	30,600,000	Long position	7.37%
Ze Ren Limited	Beneficial owner ⁽³⁾	30,600,000	Long position	7.37%
Everone (Hong Kong) Company Limited	Beneficial owner	25,880,000	Long position	6.24%

REPORT OF THE DIRECTORS

Notes:

- (1) Further information are set out in note 1 on page 43 of this annual report.
- (2) As at 31 December 2024, eight shareholders of the Company pledged a total of 87,350,000 Shares to Ai Xin Limited. For details of the pledge, please refer to the announcement of the Company dated 11 June 2021.
- (3) As at 31 December 2024, Ze Ren Limited (a company in which Mr. Zheng Xiangzhan is the sole shareholder and the sole director and he is therefore deemed to be interested in the 30,600,000 Shares held by Ze Ren Limited) pledged its 30,600,000 Shares to Ai Xin Limited. For details of the pledge, please refer to the announcement of the Company dated 11 June 2021.
- (4) The approximately percentage of shareholding in our Company is calculated based on the total number of 415,000,000 shares in issue as at 31 December 2024.

Save as disclosed above, as at 31 December 2024, the Directors and the chief executive of our Company were not aware of any persons (who were not Directors or chief executive of our Company) who had an interest or short position in the Shares or underlying Shares of our Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

SHARE AWARD SCHEME

On 11 December 2020, our Company adopted the Share Award Scheme in 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 our 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. Pursuant to the Chapter 17 of the Listing Rules as amended on 1 January 2023, the Company may continue to make grants to directors and employees of the Group under the Share Award Scheme (i) to award existing shares, and (ii) to award new shares using general mandate until the second AGM after 1 January 2023, upon which the Company would be required to amend the terms of the Share Award Scheme to comply with the amended Chapter 17 of the Listing Rules and seek shareholders' approval for a new scheme mandate. The Share Award Scheme was adopted before Chapter 17 of the Listing Rules was amended on 1 January 2023. As such, the Company will comply with the amended Chapter 17 of the Listing Rules in accordance with the transitional arrangement provided for the existing share schemes. The Company will continue to grant existing Shares to directors and employees of the Group under the Share Award Scheme, but it will not grant new Shares under the Share Award Scheme before any applicable amendments required pursuant to the amended Chapter 17 of the Listing Rules.

REPORT OF THE DIRECTORS

1. Purposes and Participants

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 our Group; and (ii) to attract suitable personnel for further development of our Group.

2. Duration

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 date of 11 December 2020. The remaining life of the Share Award Scheme is around 6 years as at 31 December 2024.

3. Scheme Limit

The Board shall not make any further award of awarded shares which will result in the number of existing and new Shares awarded by the Board under the Share Award Scheme exceeding 5% (i.e. 20,750,000 Shares) of the issued share capital of our Company as at 11 December 2020. The maximum number of Shares which may be awarded to a Selected Participant under the Share Award Scheme shall not exceed 1% (i.e. 4,150,000 Shares) of the issued share capital of our Company as at 11 December 2020.

The total number of new Shares available for issue under the Share Award Scheme utilising the general mandate granted by the Shareholders at the annual general meeting on 30 May 2024 was 20,750,000 Shares, representing approximately 5.0% of the issued Shares as at the date of this annual report. The total number of new Shares available for issue under the Share Award Scheme and the Share Option Scheme shall not in aggregate exceed 40,000,000 Shares, representing approximately 9.6% of the issued Shares as at the date of this annual report. The Company will not grant new Shares under the Share Award Scheme before any applicable amendments required pursuant to amended Chapter 17 of the Listing Rules.

4. Vesting Period of Awards

Under the terms of the Share Award Scheme, there is no vesting period for any award granted under the Scheme. However, awarded shares shall vest to relevant Eligible Participants in according with the vesting schedule (if any) determined at the discretion of the Board.

5. Amount Payable for Awards and Purchase Price

Under the terms of the Share Award Scheme, there is no specified amount payable on acceptance of any award granted under the Scheme, no specified period within which payments must be made, and no purchase price of Shares awarded. However, the Board is entitled to impose any conditions (including, without limitation, the performance, operating and financial targets and other criteria, if any, to be satisfied by the Selected Participant), as it deems appropriate in its sole and absolute discretion before the Awarded Shares can vest.

REPORT OF THE DIRECTORS

6. Share Purchase Pursuant to the Share Award Scheme

On 11 December 2020, the Board resolved to provide from time to time but in any event a total sum of not exceeding HK\$100 million for the trustee, namely CMB Wing Lung (Trustee) Limited, to purchase existing Shares at appropriate time and hold such Shares for future award of Shares under the Share Award Scheme. Since the adoption of the Share Award Scheme, the trustee of the Share Award Scheme, pursuant to the terms of the trust deed of the Share Award Scheme, has purchased on the Stock Exchange a total of 20,500,000 Shares at a total consideration of approximately HK\$94,373,515, among which during the Reporting Period, the trustee 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.

The trustee of the Share Award Scheme shall not exercise the voting rights in respect of any Shares held by it.

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

No award has been granted, lapsed or cancelled under the Share Award Scheme during the Reporting Period and since its adoption up to the date of this annual report.

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

SHARE OPTION SCHEME

The following is a summary of principal terms of the Share Option Scheme conditionally approved by a resolution of the then shareholders of our Company passed on 19 December 2019 and adopted by a resolution of the Board on 19 December 2019 (the “Adoption Date”).

1. Purpose and Participants

The purpose of the Share Option Scheme is to give the Eligible Persons (as defined in the Prospectus) an opportunity to have a personal stake in our Company and help motivate them to optimize their future contributions to our Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of our Group, and additionally in the case of Executives (as defined in the Prospectus), to enable our Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions. The Board may, at its absolute discretion, offer options (“Options”) to subscribe for such number of Shares in accordance with the terms set out in the Share Option Scheme to the Eligible Persons. Pursuant to the Chapter 17 of the Listing Rules as amended on 1 January 2023, the Company may continue to make grants to directors and employees of the Group under the Share Option Scheme until the refreshment or expiry of the existing scheme mandate, upon which the Company would be required to amend the terms of the Share Option Scheme to comply with the amended Chapter 17 of the Listing Rules and seek shareholders’ approval for a new scheme mandate.

REPORT OF THE DIRECTORS

2. Maximum Number of Shares

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes of our Group shall not in aggregate exceed 10% of the Shares in issue as at the Listing Date (such 10% limit representing 40,000,000 Shares) excluding Shares which may fall to be issued upon the exercise of the Over-allotment Option granted by our Company.

Assuming no award has been granted under the Share Award Scheme, the total number of Shares available for issue under the Share Option Scheme was 40,000,000 Shares, representing approximately 9.6% of the issued Shares as at the date of this annual report. The total number of new Shares available for issue under the Share Award Scheme and the Share Option Scheme shall not in aggregate exceed 40,000,000 Shares, representing approximately 9.6% of the issued Shares as at the date of this annual report.

3. Maximum Entitlement of Each Participant

No Option may be granted to any one person such that the total number of Shares issued and to be issued upon exercise of Options granted and to be granted to that person in any 12-month period exceeds 1% of our Company's issued share capital from time to time.

4. Offer and Grant of Options

Subject to the terms of the Share Option Scheme, the Board shall be entitled at any time within 10 years from the Adoption Date to offer the grant of an Option to any Eligible Person as the Board may in its absolute discretion select to subscribe at the subscription price for such number of Shares as the Board may (subject to the terms of the Share Option Scheme) determine (provided the same shall be a board lot for dealing in the Shares on the Stock Exchange or an integral multiple thereof).

5. Exercise Period, Vesting and Performance Target

Subject to the provisions of the Listing Rules, the Board may impose any conditions, restrictions or limitations when offering the grant of an Option. Subject to such terms and conditions as the Board may determine as aforesaid (including such terms and conditions in relation to their vesting, exercise or otherwise) under the terms of the Share Option Scheme, there is no specific period within which the option may be exercised by the grantee, and there is no vesting period for any option granted under the Scheme, and there is no performance target which need to be achieved by the grantee before the Option can be exercised.

6. Amount Payable for Options and Offer Period

An offer of the grant of an Option shall remain open for acceptance by the Eligible Person concerned for a period of 28 days from the offer date. Participants of the Share Option Scheme are required to pay our Company HK\$1.00 upon acceptance of the grant on or before 28 days after the offer date.

REPORT OF THE DIRECTORS

7. Subscription Price

The subscription price shall be such price as the Board may determine at the time of grant of the relevant Option but the subscription price shall not be less than whichever is the highest of:

- (a) the nominal value of a Share;
- (b) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the offer date; and
- (c) the average closing price of a Share as stated in the Stock Exchange's daily quotations sheets for the 5 business days (as defined in the Listing Rules) immediately preceding the offer date.

8. Life of Share Option Scheme

Subject to the terms of this Share Option Scheme, the scheme shall be valid and effective for a period of 10 years from the date on which it becomes unconditional, after which no further options will be granted or offered but the provisions of the Share Option Scheme shall remain in force and effect in all other respects. All Options granted prior to such expiry and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Share Option Scheme. The remaining life of the Share Option Scheme is around 6 years as at 31 December 2024.

No option has been granted, exercised, lapsed or cancelled under the Share Option Scheme since its adoption up to the date of this annual report.

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

EQUITY-LINKED AGREEMENTS

Save as disclosed in the sections headed "Share Award Scheme" and "Share Option Scheme" of this annual report and in the Prospectus, during the Reporting Period, neither our Company nor any of its subsidiaries had entered into (i) any agreement that will or may result in our Company issuing Shares; or (ii) any agreement requiring our Company to enter into any agreement specified in (i).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF OUR COMPANY

Neither our Company nor any of its subsidiaries had purchased, sold or redeemed any other listed securities of our Company (including sale or transfer of treasury shares as defined in the Listing Rules) during the Reporting Period. 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.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands that would oblige our Company to offer new Shares on a pro rata basis to existing Shareholders.

REPORT OF THE DIRECTORS

PERMITTED INDEMNITY PROVISION

Pursuant to article 164(1) of the Articles of Association, the Directors shall be indemnified and secured harmless out of the assets and profits of our Company from and against all actions, costs, charges, losses, damages and expenses which they or any of the Directors shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts; and none of them shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to our Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to our Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto; provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the Reporting Period, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of our Group.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

During the Reporting Period, the following transactions carried out by our Group and the connected persons of our Company constituted non-exempt continuing connected transactions of our Company pursuant to Chapter 14A of the Listing Rule:

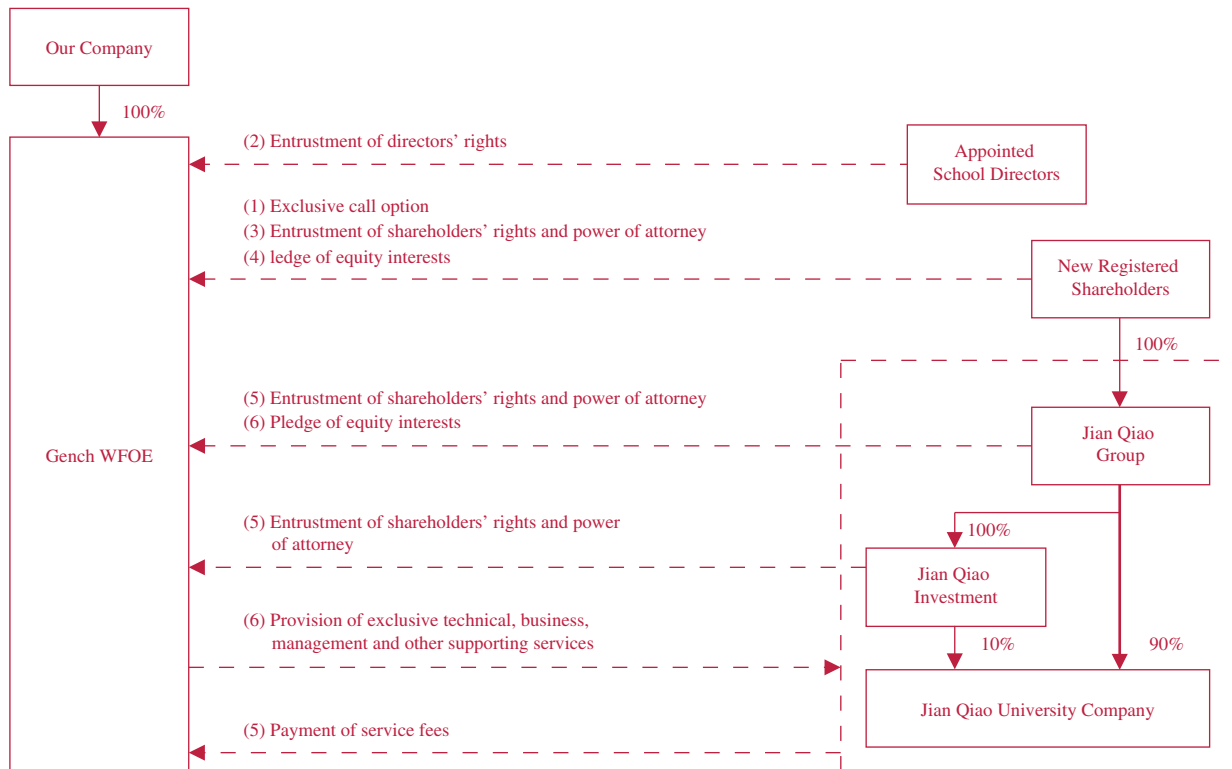
New Contractual Arrangements

A. Overview

The PRC laws and regulations currently restrict the operation of formal higher education to sino-foreign ownership, in addition to imposing a qualification requirement on the foreign owners. As a result, upon internal restructuring of our Group as described in the announcement of our Company dated 20 January 2021, our Group, through our wholly-owned subsidiary, Gench WFOE, the New PRC Affiliated Entities and the New Registered Shareholders entered into the New Contractual Arrangements such that we can conduct our business operations indirectly in the PRC through the New PRC Affiliated Entities while complying with applicable PRC law and regulations. The New Contractual Arrangements, as a whole, are designed to provide our Group with effective control over the financial and operational policies of the New PRC Affiliated Entities, to the extent permitted by PRC law and regulations, the right to acquire the equity interest and/or school sponsor's interest in the New PRC Affiliated Entities through Gench WFOE. As we operate our education business indirectly through the New PRC Affiliated Entities and we do not hold any direct equity interest or school sponsor's interest in the New PRC Affiliated Entities, the New Contractual Arrangements were entered into on 29 January 2021 pursuant to which all material business activities of the New PRC Affiliated Entities are instructed and supervised by our Group through Gench WFOE, and all economic benefits arising from such business of the New PRC Affiliated Entities are transferred to our Group.

REPORT OF THE DIRECTORS

The following simplified diagram illustrates the flow of economic benefits from the New PRC Affiliated Entities to our Group stipulated under the New Contractual Arrangements:



“ ————— ” denotes direct legal and beneficial ownership in the equity interest

“ - - - - - ” denotes New Contractual Arrangements

B. Summary of the Material Terms of the New Contractual Arrangements

The New Contractual Arrangements consist of a series of agreements, including the New Business Cooperation Agreement, the New Exclusive Technical Service and Management Consultancy Agreement, the New Exclusive Call Option Agreement, the New Directors’ Rights Entrustment Agreement, the New Directors’ Power of Attorney, the New Shareholders’ Rights Entrustment Agreement (I), the New Shareholders’ Rights Entrustment Agreement (II), the New Shareholders’ Power of Attorney (I), the New Shareholders’ Power of Attorney (II), the New Spouse Undertakings, the No Spouse Undertaking, and the New Equity Pledge Agreements, each of which is an integral part of the New Contractual Arrangements. For summary of material terms of these agreements, please refer to the announcement of our Company dated 20 January 2021.

C. Business Activities of the New PRC Affiliated Entities

The business activities of the New PRC Affiliated Entities of our Group, namely the School Holders and Jian Qiao University Company, are primarily to offer higher educational services to our Group’s students.

REPORT OF THE DIRECTORS

D. Significance and Financial Contributions of the New PRC Affiliated Entities

Pursuant to the New Contractual Arrangements, our Group obtains control over and derives the economic benefits from the New PRC Affiliated Entities. The table below sets out the financial contribution of the New PRC Affiliated Entities to our Group, including revenue, net profit and total assets of the New PRC Affiliated Entities consolidated into our Group's financial statements pursuant to the New Contractual Arrangements:

	Significances and financial contribution to our Group					
	Revenue for the year ended		Net profit for the year ended		Total assets as at	
	31 December		31 December		31 December	
	2024	2023	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
New PRC Affiliated Entities	944,443	909,947	171,225	242,491	3,624,675	3,477,312

Note:

- (1) include Shanghai Jian Qiao University, a private non-enterprise unit established on 28 June 2000 and de-registered on 9 August 2021.

E. Regulatory Update

1. Qualification Requirement

The foreign investor in a Sino-foreign joint venture private school offering higher education must be a foreign educational institution with relevant qualification and high quality of education (the "Qualification Requirement"). Foreign portion of the total investment in a Sino-foreign joint venture private school should be below 50% and the establishment of these schools is subject to approval of education authorities at the provincial or national level. We are committed to working towards meeting the Qualification Requirement. We have adopted a specific plan and taken concrete steps which our Company believes to be meaningful endeavors to demonstrate compliance with the Qualification Requirement. Please also refer to the section headed "Contractual Arrangements" in the Prospectus for our Group's efforts and actions undertaken to comply with the Qualification Requirement.

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

2. Foreign Investment Law

The Foreign Investment Law, which took effect on 1 January 2020, replaced the Law on Sino-Foreign Equity Joint Ventures, the Law on Sino-Foreign Contractual Joint Ventures and the Law on Foreign-Capital Enterprises and became the legal foundation for foreign investment in the PRC.

REPORT OF THE DIRECTORS

Conducting operations through contractual arrangements has been and will be further adopted by many PRC-based companies, including us, to obtain and maintain necessary licenses and permits in the industries that are currently subject to foreign investment restrictions or prohibitions in China. The Foreign Investment Law does not explicitly stipulate contractual arrangements as a form of foreign investment. As advised by our PRC Legal Advisors, since contractual arrangements are not specified as foreign investment under the Foreign Investment Law, and if the future laws, regulations and rules do not incorporate contractual arrangements as a form of foreign investment and the operation of higher education is still in the Negative List, the New Contractual Arrangements as a whole and each of the agreements comprising the New Contractual Arrangements will not be affected and will continue to be legal, valid and binding on the parties.

Notwithstanding the above, there are possibilities that future laws, administrative regulations or provisions of the State Council may stipulate contractual arrangements as a way of foreign investment, and then whether the New Contractual Arrangements will be recognized as foreign investment, whether the New Contractual Arrangements will be deemed to be in violation of the foreign investment access requirements and how the New Contractual Arrangements will be handled are uncertain.

If the operation of higher education institutions is no longer in the Negative List and our Group can legally operate the education business under the PRC laws, Gench WFOE will exercise the equity call option under the New Exclusive Call Option Agreement to acquire the equity interest in the New PRC Affiliated Entities and unwind the New Contractual Arrangements subject to re-approval by the relevant authorities.

F. Risks Associated with the New Contractual Arrangements

1. Loss sharing and Economic Risks of our Company

In the event that the New PRC Affiliated Entities incur any loss or encounter any operational crisis, Gench WFOE may, but is not obliged to, provide financial support to the New PRC Affiliated Entities.

None of the agreements constituting the New Contractual Arrangements provide that our Company or its wholly-owned PRC subsidiary, Gench WFOE, is obligated to share the losses of the New PRC Affiliated Entities or provide financial support to the New PRC Affiliated Entities. Further, the New PRC Affiliated Entities shall be solely liable for its own debts and losses with assets and properties owned by it.

Under PRC laws and regulations, our Company or Gench WFOE, is not expressly required to share the losses of the New PRC Affiliated Entities or provide financial support to the New PRC Affiliated Entities. Despite the foregoing, given that the New PRC Affiliated Entities' financial condition and results of operations are consolidated into our Group's financial condition and results of operations under the applicable accounting principles, our Company's business, financial condition and results of operations would be adversely affected if the New PRC Affiliated Entities suffer losses. However, due to the restrictive provisions contained in the New Contractual Arrangements as disclosed in the respective paragraphs headed "(1) New Business Cooperation Agreement" and "(3) New Exclusive Call Option Agreement" in the announcement dated 20 January 2021, the potential adverse effect on Gench WFOE and our Company in the event of any loss suffered from the New PRC Affiliated Entities can be limited to a certain extent.

2. Limitations in Exercising the Option to Acquire Ownership in the New PRC Affiliated Entities

Our Group may incur substantial cost on our part to exercise the option to acquire the equity interest in the New PRC Affiliated Entities. Pursuant to the New Exclusive Call Option Agreement, Gench WFOE or its designated purchaser has the exclusive right to purchase all or part of the equity interest in the New PRC Affiliated Entities at the lowest price permitted under the PRC laws and regulations.

REPORT OF THE DIRECTORS

In the event that Gench WFOE or its designated purchaser acquires such equity interest and the relevant PRC authorities determine that the purchase price for acquiring the equity interest is below market value, Gench WFOE or its designated purchaser may be required to pay enterprise income tax with reference to the market value such that the amount of tax may be substantial, which could materially and adversely affect our business, financial condition and results of operations.

3. *The PRC government may find that the New Contractual Arrangements do not comply with applicable PRC laws and regulations*

If the New Contractual Arrangements that establish the structure for operating the Group's China business are found to be in violation of any PRC laws or regulations in the future or fail to obtain or maintain any of the required permits or approvals, the relevant PRC regulatory authorities, including the Ministry of Education, which regulates the education industry, would have broad discretion in dealing with such violations.

4. *The New Registered Shareholders may have conflicts of interest with the Group*

The New Registered Shareholders may potentially have conflicts of interest with us and breach their contracts or undertakings with us if it would further their own interest or if they otherwise act in bad faith. In the event that such conflict of interest cannot be resolved in our favor, we would have to rely on legal proceedings which could result in disruption to our business and we are subject to any uncertainty as to the outcome of such legal proceedings.

5. *The New Contractual Arrangements may not be as effective in providing control over the New PRC Affiliated Entities as direct ownership*

The Group has relied and expects to continue to rely on the New Contractual Arrangements to operate the majority of our education business in China. The New Contractual Arrangements may not be as effective in providing us with control over the New PRC Affiliated Entities as direct ownership of equity interest ownership. If the parties under such New Contractual Arrangements refuse to carry out our directions in relation to everyday business operations, we will be unable to maintain effective control over the operations of the New PRC Affiliated Entities. If we were to lose effective control over the New PRC Affiliated Entities, certain negative consequences would result, including our being unable to consolidate the financial results of the New PRC Affiliated Entities with our financial results.

6. *The New Contractual Arrangements may be subject to scrutiny by the PRC tax authorities and additional tax may be imposed*

Under PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities. We could face material and adverse tax consequences if the PRC tax authorities determine that the New Exclusive Technical Service and Management Consultancy Agreement we have with the New PRC Affiliated Entities does not represent an arm's length price and adjust any of those entities' income in the form of a transfer pricing adjustment. In addition, PRC tax authorities may have reason to believe that Gench WFOE or the New PRC Affiliated Entities are dodging their tax obligations, and we may not be able to rectify such incident within the limited timeline required by PRC tax authorities. As a result, the PRC tax authorities may impose late payment fees and other penalties on us for under-paid taxes, which could materially and adversely affect our business, financial condition and results of operations.

REPORT OF THE DIRECTORS

7. *Our Company does not have any insurance which covers the risks relating to the New Contractual Arrangements and the transactions contemplated thereunder*

The insurance of our Group does not cover the risks relating to the New Contractual Arrangements and the transactions contemplated thereunder, and our Group has no intention to purchase any new insurance in this regard. If any risk arises from the New Contractual Arrangements in the future, such as those affecting the enforceability of the New Contractual Arrangements and the relevant agreements for the transactions contemplated thereunder and the operation of our Group, the results of our Group may be adversely affected. However, our Group will monitor the relevant legal and operational environment from time to time to comply with the applicable laws and regulations. In addition, there are relevant internal control measures to reduce the operational risk.

G. Changes to the New Contractual Arrangements

Development during the Reporting Period

As disclosed in the announcement of the Company dated 16 July 2024, six directors of Jian Qiao University Company (namely, Mr. Zhou Xingzeng (周星增), Mr. Zheng Xiangzhan (鄭祥展), Mr. Shi Yinjie (施銀節) and Ms. Xia Yu (夏雨) (collectively “Relevant Outgoing Directors”), Mr. Yang Junhe (楊俊和) and Ms. Zhang Jane) resigned and five new directors (namely, Mr. Zhao Donghui (趙東輝), Mr. Zhang Zhen (張震), Mr. Zhao Leihong (趙雷洪), Mr. Ding Zheyin (丁哲寅) and Mr. Zhou Tianming (周天明) (collectively, “Relevant New Directors”)) were therefore appointed as directors of Jian Qiao University Company and the list of directors has been filed with the Shanghai Municipal Education Commission on 10 July 2024. Among these six outgoing directors, Mr. Zhou Xingzeng resigned due to his personal health reasons; Mr. Zheng Xiangzhan and Mr. Shi Yinjie resigned due to their old age; Ms. Xia Yu resigned due to the work allocation within the Group that she has been appointed as a supervisor of Jian Qiao University Company; Mr. Yang Junhe resigned in order to pursue other business endeavors outside the Group; and Ms. Zhang Jane resigned due to expiration of her term of service.

As a result of the aforesaid change of directors of Jian Qiao University Company, (i) all Relevant Outgoing Directors are no longer required to comply with the relevant agreements under the New Contractual Arrangements upon their resignations, and (ii) all Relevant New Directors have entered into their power of attorney (“POAs”) upon their appointments. The scope of power of attorney under the POAs are the same as the directors’ power of attorney currently in place under the New Contractual Arrangements. In addition, under the POAs, each of the Relevant New Directors agreed to be bound by the rights and obligations of the directors’ rights entrustment agreement currently in place under the New Contractual Arrangements. Save for the aforesaid, there has been no change to the New Contractual Arrangements. For more details, please refer to the announcement of the Company dated 16 July 2024.

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

REPORT OF THE DIRECTORS

H. Unwinding of the New Contractual Arrangements

As at the date of this annual report, there has not been any unwinding of any New Contractual Arrangements, nor has there been any failure to unwind any New Contractual Arrangements when the restrictions that led to the adoption of the New Contractual Arrangements are removed. For more details, please refer to the section headed “Termination of the New Contractual Arrangements” of the announcement of our Company dated 20 January 2021. In the event that the PRC regulatory environment changes and all of the Qualification Requirement, the Foreign Ownership Restriction and the Foreign Control Restriction are removed (and assuming there are no other changes in the relevant PRC laws and regulations), Gench WFOE will exercise the equity call option in full to hold all of the interest in our New PRC Affiliated Entities and unwind the New Contractual Arrangements accordingly as permitted by the applicable PRC laws and regulations at the relevant time.

Compliance with the New Contractual Arrangements

Our Group has adopted the following measures to ensure the effective operation of our Group with the implementation of the New Contractual Arrangements and our compliance with the New Contractual Arrangements:

- (a) major issues arising from the implementation and compliance with the New Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to the Board, if necessary, for review and discussion on an occurrence basis;
- (b) the Board will review the overall performance of and compliance with the New Contractual Arrangements at least once a year;
- (c) our Company will disclose the overall performance and compliance with the New Contractual Arrangements in its annual reports and interim reports to update the Shareholders and potential investors;
- (d) our Company and our Directors undertake to provide periodic updates in our annual and interim reports regarding the qualification requirement and our status of compliance with the Foreign Investment Law; and
- (e) our Company will engage external legal advisors or other professional advisors, if necessary, to assist the Board to review the implementation of the New Contractual Arrangements, review the legal compliance of Gench WFOE and the New PRC Affiliated Entities to deal with specific issues or matters arising from the New Contractual Arrangements.

In addition, notwithstanding that certain executive Director (namely, Mr. Zhao Donghui) is also the New Registered Shareholder, we believe that our Directors are able to perform their roles in our Group independently and our Group is capable of managing its business independently under the following measures:

- (a) the decision-making mechanism of the Board as set out in the Articles of Association includes provisions to avoid conflict of interest by providing, amongst other things, that in the event of conflict of interest in such contract or arrangement which is material, a Director shall declare the nature of his or her interest at the earliest meeting of the Board at which it is practicable for him or her to do so, and if he or she is to be regarded as having material interest in any contracts or arrangements, such Director shall abstain from voting and not be counted in the quorum;
- (b) each of our Directors is aware of his/her fiduciary duties as a Director which requires, amongst other things, that he/she acts for the benefits and in the best interests of our Group;
- (c) we have appointed three independent non-executive Directors, comprising over one-third of the Board, to provide a balance of the number of interested and independent Directors with a view to promoting the interests of our Company and our Shareholders as a whole; and

REPORT OF THE DIRECTORS

- (d) we will disclose in our announcements, circulars, annual and interim reports in accordance with the requirements under the Listing Rules regarding decisions on matters reviewed by the Board (including independent non-executive Directors) relating to any business or interest of each Director and his associates that competes or may compete with the business of our Group and any other conflicts of interest which any such person has or may have with our Group.

For the year ended 31 December 2024, the Board had reviewed the overall performance of the New Contractual Arrangements and believes that our Group had complied with the New Contractual Arrangements in all material respects.

Confirmation of Independent Non-executive Directors

The independent non-executive Directors reviewed the New Contractual Arrangements on an annual basis and confirmed that, during the Reporting Period:

- (i) the New Contractual Arrangements have been entered into in the ordinary and usual course of business of our Group;
- (ii) the New Contractual Arrangements are on normal commercial terms;
- (iii) the New Contractual Arrangements have been entered into in accordance with relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;
- (iv) the transactions carried out during the year ended 31 December 2024 have been entered into in accordance with the relevant provisions of the New Contractual Arrangements, and have been operated so that the profit generated by our New PRC Affiliated Entities have been substantially retained by our Group; and
- (v) no dividends or other distributions have been made by our New PRC Affiliated Entities to School Holders which are not otherwise subsequently assigned or transferred to our Group.

Confirmation of Auditor of Our Company

Ernst & Young, the Company's auditor, was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

After performing the procedures related to continuing connected transactions, Ernst & Young confirmed that:

- a. nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Board;
- b. nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- c. with respect to the disclosed continuing connected transactions with the PRC Affiliated Entities under the contractual arrangements, nothing has come to their attention that causes them to believe that dividends or other distributions have been made by the PRC Affiliated Entities to the holders of the equity interests of our company which are not otherwise subsequently assigned or transferred to our Group.

REPORT OF THE DIRECTORS

RELATED PARTY TRANSACTIONS

Details of the related party transactions entered into by our Group during the year ended 31 December 2024 are set out in note 31 to the consolidated financial statements. The related party transactions described in note 31(2) to the consolidated financial statements were connected transactions exempt from the connected transaction requirements under Rule 14A.76(1) of the Listing Rules. “Directors’ and chief executive’s remuneration” described in note 8 to the consolidated financial statements were continuing connected transactions exempt from the connected transaction requirements under Rule 14A.76(1) or 14A.95 of the Listing Rules.

Our Company confirmed that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules for the Reporting Period.

ENVIRONMENTAL PROTECTION AND SOCIAL RESPONSIBILITIES

As a responsible and leading higher educational service supplier, our Group is committed to protecting the environment and fulfilling social responsibility in order to achieve our goals in sustainable development. We adopt a comprehensive approach in environmental management and climate change mitigation by carrying out green and low-carbon operation in our University, minimizing the negative impact of our Group’s business operating activities on the environment and strictly complying with the applicable environmental laws and regulations.

We understand that our employees are our valuable assets. Our Group is dedicated to providing a fair, equal, healthy and safe working environment to our employees. We offer competitive remuneration and benefits to our employees and provide them various promoting opportunities, strong academic and research atmosphere, and the international training programs, etc.

Our Group cares about our students and is committed to providing various effective communication channels to our students and establishing a healthy and safe campus. We strive to maintain a good relationship with our suppliers and other relevant stakeholders to establish a sustainable supply chain in excellent quality. We are dedicated to contributing to society and livelihood by fully engaging in charity activities and community services together with our employees and our students for community care and development.

As far as the Board and the management are aware, our Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of our Group. During the year ended 31 December 2024, there was no material breach of or non-compliance with applicable laws and regulations by our Group.

Please refer to the Environmental, Social and Governance Report in this annual report for more details.

DONATIONS

During the Reporting Period, the charitable and other donations made by our Group amounted to RMB122,000.

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 the Company on 4 June 2025. Such proposal is subject to the approval by the Shareholders at the forthcoming AGM.

On 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.

REPORT OF THE DIRECTORS

REVIEW OF ANNUAL RESULTS BY THE AUDIT COMMITTEE

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, has reviewed our Group's audited consolidated financial statements for the year ended 31 December 2024.

CORPORATE GOVERNANCE PRACTICE

Our Company is committed to maintaining high standards of corporate governance practices. Information on the corporate governance practices adopted by our Company is set out in the section headed "Corporate Governance Report" of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to our Company and to the best knowledge of the Directors, at least 25% of our Company's total issued Shares, the prescribed minimum percentage of public float approved by the Stock Exchange and permitted under the Listing Rules, was held by the public at all times for the Reporting Period and up to the date of this annual report.

AUDITOR

Ernst & Young was appointed as our Company's auditor for the year ended 31 December 2024. The accompanying financial statements prepared in accordance with IFRS Accounting Standards have been audited by Ernst & Young. Ernst & Young shall retire at the AGM and, being eligible, will offer itself for re-appointment. A resolution for the re-appointment of Ernst & Young as our Company's auditor will be proposed at the AGM. The auditor has not changed in the past three financial years.

TAX RELIEF AND EXEMPTION

Our Company is not aware of any tax relief and exemption available to the Shareholders by reason of their holding of our Company's securities.

RECOMMENDATION TO CONSULT PROFESSIONAL TAX ADVICE

If the shareholders of our Company are not sure about the tax effect on the purchase, holding, sale, trading or exercise of any rights attached to the relevant Shares of our Company, they are recommended to consult independent experts for advice.

On behalf of the Board

Shanghai Gench Education Group Limited

Zhao Donghui

Chairman

Shanghai, China, 28 March 2025

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

Our 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 under 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 Reporting Period. Our Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

GENCH'S CULTURE

The Company firmly believes that our purpose, values and strategies are aligned with our culture. We remain steadfast in upholding our core values: “Thanksgiving, Return, Loving, Responsibility”, take “building bridges for students to achieve success, for teachers to fulfill their career goals, and for society to satisfy its need for educated talents (為學生建成才之橋，為教師建立業之橋，為社會建育人之橋)” as its mission, and strive to achieve our vision of building the University into a first-class private university in China with more distinctive characteristics and international influence. We have adhered to our core strategies — “integration, internationalisation and digitization” and our quality policy of “People-oriented, Moral Education Prioritised, Law-Abiding, Strict Management”. For details of our core strategies, please refer to the “Management Discussion and Analysis” section of this annual report. The Board strives to adhere to the principles of good corporate governance and adopt sound corporate governance practices to promote such culture by focusing on areas such as internal control, fair disclosure, and accountability to all shareholders.

THE BOARD

Responsibilities, accountabilities and contributions of the Board and senior management

The Board is responsible and accountable for the overall leadership of our Group, oversees our Group’s strategic decisions and monitors business and performance. The Board is also responsible for establishing the purpose, values and strategy of our Group and ensuring that they are aligned with the culture of our Group. The Board has delegated the authority and responsibility for day-to-day management and operation of our Group to the senior management of our Group. To oversee particular aspects of our Company’s affairs, the Board has established three Board committees including the Audit Committee, the Remuneration Committee and the Nomination Committee. The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference. All Directors have carried out duties in good faith and in compliance with applicable laws and regulations, and have acted in the interests of our Company and the Shareholders at all times.

Non-executive Directors

Non-executive Directors (including independent non-executive Directors) should make a positive contribution to the development of our Company’s strategy and policies through independent, constructive and informed comments.

The responsibilities of non-executive Directors include, but are not limited to, the following:

- participating in Board meetings to bring an independent judgement to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct;
- taking the lead where potential conflicts of interests arise for other Directors;
- serving on the Board Committees, if invited; and
- scrutinising our Group’s performance in achieving agreed corporate goals and objectives, and monitoring performance reporting.

CORPORATE GOVERNANCE REPORT

Directors' and Senior Management's Liability Insurance and Indemnity

Our Company has arranged appropriate liability insurance to indemnify the Directors and senior management of our Company for their liabilities arising out of corporate activities. The insurance coverage will be reviewed on an annual basis.

Board Composition

As at 31 December 2024, the Board comprises two executive Directors, three non-executive Directors and three independent non-executive Directors. The biographies of the Directors are set out under the section headed "Directors and Senior Management" in this annual report.

During the Reporting Period, the Board has met at all times the requirements under rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

Our Company has also complied with rule 3.10A of the Listing Rules relating to the appointment of independent non-executive Directors representing at least one-third of the Board.

Each independent non-executive Director should inform our Company as soon as possible if there is any change of circumstances which may affect his/her independence as set out in Rule 3.13 of the Listing Rules. No such notification was received during the Reporting Period. Our Company considers all the independent non-executive Directors to be independent because they were free from any business or other relationship which could affect their ability to discharge their duties independently.

Save as disclosed in the Directors' biographies set out in the section headed "Directors and Senior Management", none of the Directors have any personal relationship (including financial, business, family or other material or relevant relationship) with any other Director and chief executive.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

As regards the CG Code provision requiring directors to disclose the number and nature of offices held in public companies or organisations and other significant commitments as well as the identity of the public companies or organisations and the time involved to the issuer, the Directors have agreed to disclose their commitments and any subsequent change to our Company in a timely manner.

Induction and Continuous Professional Development

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of our Company's operations and businesses as well as his/her responsibilities under relevant statutes, laws, rules and regulations. Our Company also arranges regular seminars to provide Directors with updates on latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on our Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The company secretary of our Company has from time to time updated and provided written training materials relating to the roles, functions and duties of a Director.

CORPORATE GOVERNANCE REPORT

The attendance record of professional training received by the Directors for the year ended 31 December 2024 is as follows:

Name of Director	Nature of continuous professional development programmes
Mr. Zhao Donghui	A/B
Mr. Ding Zheyin	A/B
Ms. Li Huihui (<i>Appointed on 29 August 2024</i>)	A/B
Mr. Du Jusheng (<i>Resigned on 29 August 2024</i>)	A/B
Mr. Ye Qionghai	A/B
Ms. Zhao Jiaqiao	A/B
Mr. Chen Baizhu	A/B
Mr. Hu Rongen	A/B
Ms. Liu Tao	A/B

Notes:

- A: Attending seminars and/or meetings and/or forums and/or briefings
- B: Reading materials relevant to corporate governance, director’s duties and responsibilities, listing rules and other relevant ordinances

Chairman and Chief Executive

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and performed by different individuals.

Mr. Zhao Donghui is the chairman of the Board and is responsible for overall management and strategic development of our Group, while Mr. Zheng Xiangzhan (resigned on 29 August 2024) or Mr. Zhou Tianming (appointed on 29 August 2024) is the chief executive officer and is responsible for overall operation of our Group. As a result, the roles of the chairman and chief executive are separate and performed by two different individuals.

The chairman provides leadership for the Board and takes the lead to ensure the Board acts in the best interests of our Company. The responsibilities of the chairman include, but are not limited to, the following:

- ensuring all Directors are properly briefed on issues arising at Board meetings;
- ensuring that Directors receive, in a timely manner, adequate information, which are accurate, clear, complete and reliable;
- providing leadership for the Board and ensuring that the Board works effectively and performs its responsibilities, and that all key and appropriate issues are discussed by the Board in a timely manner;
- ensuring that good corporate governance practices and procedures are established;
- encouraging all Directors to make full and active contributions to the Board’s affairs;
- ensuring sufficient time for discussion of issues among Directors;
- ensuring that Board decisions fairly reflect Board consensus;
- at least annually hold meetings with the independent non-executive directors without the presence of other Directors;

CORPORATE GOVERNANCE REPORT

- enhancing effective communication with shareholders and ensure the views of shareholders are communicated to the Board as a whole; and
- facilitating the effective contribution of non-executive Directors (including independent non-executive Directors) in particular and ensuring constructive relations between executive Directors and non-executive Directors (including independent non-executive directors).

Dividend Policy

The dividend policy of our Company (the “Dividend Policy”) is in place to ensure that the Board maintains an appropriate procedure on declaring and recommending the dividend payment of our Group. Accordingly, the Dividend Policy aims to allow Shareholders to participate in our Company’s profits whilst preserving our Company’s liquidity to capture future growth opportunities. The declaration and recommendation of dividends is subject to the decision of the Board after considering our Company’s ability to pay dividends. The Board has complete discretion on whether to recommend and/or pay a dividend, subject to Shareholders’ approval, where applicable. Even if the Board decides to recommend and pay dividends, the form, frequency and amount will depend upon the operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions, the Laws and the Articles of Association, and other factors affecting our Group. The Board shall review and reassess the Dividend Policy and its effectiveness in its sole and absolute discretion on a regular basis or as required.

Appointment and Re-election of Directors

During the Reporting Period, Mr. Du Jusheng resigned and Ms. Li Huihui has been appointed as a non-executive Director, effective from 29 August 2024.

Ms. Li Huihui has obtained legal advice from a firm of solicitors qualified to advise on Hong Kong law on 3 September 2024. She has acknowledged her obligations as a director of a listed issuer.

Each of Mr. Zhao Donghui and Mr. Ding Zheyin, being the executive Directors, has entered into a service contract with our Company for an initial fixed term of three years commencing from 27 December 2023.

Each of Mr. Ye Qionghai and Ms. Zhao Jiaqiao, being the non-executive Directors, has entered into a letter of appointment with our Company for an initial fixed term of one year commencing from 27 December 2023. Ms. Li Huihui, being the non-executive Director, has entered into a letter of appointment with our Company for an initial fixed term of one year commencing from 29 August 2024.

Each of the independent non-executive Directors has entered into a letter of appointment with our Company for an initial fixed term of one year commencing from the Listing Date.

All the service contracts and letters of appointment of Directors will continue thereafter until terminated by not less than three months’ notice in writing served by either party on the other, which notice shall not expire until the end of the fixed term. Save as aforesaid, none of the Directors has a service contract or letter of appointment with our Company or any of its subsidiaries (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

Pursuant to the Articles of Association, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

CORPORATE GOVERNANCE REPORT

The re-appointment of an independent non-executive Director (e.g. an independent non-executive Director who has served for more than nine years) at annual general meeting of the Company shall be subject to any other requirements that may be required by the Listing Rules from time to time.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition and making recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors. Directors should be aware that they must be able to contribute sufficient time and attention to the affairs of our Company before accepting their appointment.

Board Meetings

Our Company adopts the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

For other Board and Board Committee meetings, reasonable notice is generally given. The agenda and accompanying board papers are despatched to the Directors or Board Committee members at least three days before the meetings to ensure that they have sufficient time to review the papers and are adequately prepared for the meetings. When Directors or Board Committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman prior to the meeting. Minutes of meetings are kept by the company secretary of our Company with copies circulated to all Directors for information and records.

Minutes of the Board meetings and Board Committee meetings are recorded in sufficient detail about the matters considered by the Board and the Board Committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board Committee meeting are sent to the Directors for comments within a reasonable time after the date on which the meeting is held. Minutes of the Board meetings are open for inspection by Directors.

The attendance records of each Director at the Board and the general meetings of our Company held during the year ended 31 December 2024 are set out in the table below:

Name of Director	Attended/Eligible	Attendance/Number
	to attend the Board meeting	of general meeting held during a Director's tenure
Mr. Zhao Donghui	4/4	1/1
Mr. Ding Zheyin	4/4	1/1
Mr. Du Jusheng (<i>Resigned on 29 August 2024</i>)	2/2	1/1
Ms. Li Huihui (<i>Appointed on 29 August 2024</i>)	2/2	0/0
Mr. Ye Qionghai	4/4	1/1
Ms. Zhao Jiaqiao	4/4	1/1
Mr. Chen Baizhu	4/4	1/1
Mr. Hu Rongen	4/4	1/1
Ms. Liu Tao	4/4	1/1

Apart from regular Board meetings, the Chairman also held a meeting with the independent non-executive Directors, without the presence of other Directors during the Reporting Period.

CORPORATE GOVERNANCE REPORT

Delegation by the Board

The Board reserves its decision for all major matters of our Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at our Company's expense and are encouraged to access and to consult with our Company's senior management independently, the Board has reviewed and is satisfied with the implementation and effectiveness of such mechanism.

The daily management, administration and operation of our Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

Securities Transactions By Directors

Our Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions since its Listing on 16 January 2020. 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 Reporting Period.

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.

DIVERSITY

Board Diversity

Our Company has adopted a Board diversity policy (the "Board Diversity Policy") which sets out the objective and approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board. The Board Diversity Policy provides that our Company should endeavor to ensure that the Board members have the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of our Group's business strategy. Pursuant to the Board Diversity Policy, selection of candidates for Directors will be based on a range of measurable objectives, including but not limited to professional experience, gender, age, culture, independence, educational background, knowledge, expertise and length of service. The Nomination Committee will: (1) report annually, in the corporate governance report contained in our annual report, on the Board's composition under diversified perspectives, and monitor the implementation of our Board Diversity Policy; and (2) review our Board Diversity Policy, as appropriate, to ensure effectiveness of the policy and discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

The Nomination Committee has conducted their annual review of the Board's composition and the implementation of our Board Diversity Policy. Considering multiple measurable objectives including but not limited to professional experience, gender, age, culture, independence, educational background, knowledge, expertise and length of service, it considered that board diversity was achieved. As at 31 December 2024, three out of eight members of the Board are female Directors. Gender diversity as required under Rule 13.92 of the Listing Rules was also achieved as the Board is not a single gender board.

CORPORATE GOVERNANCE REPORT

Workforce Diversity

The Board also recognises the importance of diversity at the workforce level. The gender ratio in our workforce as at 31 December 2024 are as follows:

Total workforce (including senior management): 1,889 Male 42.56%; Female 57.44%

BOARD COMMITTEES

Audit Committee

Our Company established an audit committee with written terms of reference in compliance with the CG Code and Corporate Governance Report as set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are to review and supervise our financial reporting process and internal control system of our Group, and oversee the audit process, risk management process and external audit functions. The Audit Committee consists of three members, all of whom are independent non-executive Directors, namely, Ms. Liu Tao, Mr. Hu Rongen and Mr. Chen Baizhu. The chairman of the Audit Committee is Ms. Liu Tao.

During the year ended 31 December 2024, the Audit Committee mainly performed the following duties:

- reviewed our Group's the audited annual results for the year ended 31 December 2023 and the unaudited interim results for the six months ended 30 June 2024, and was of the opinion that the preparation of the relevant financial statements complied with the applicable accounting standards and requirements and that adequate disclosure has been made;
- reviewed the accounting principles and practices adopted by our Group, and recommended the appointment of the external auditors;
- review of the risk management and internal control systems, the effectiveness of our internal audit function;
- reviewed the corporate governance function; and
- assisted the Board in meeting its responsibilities for maintaining an effective system of internal control and risk management.

During the year ended 31 December 2024, two meetings were held by the Audit Committee. The attendance record of each member of the Audit Committee at the meetings of the Audit Committee is set out below:

Name of Director	Attendance/Number of Audit Committee meeting held during a Director's tenure
Ms. Liu Tao	2/2
Mr. Hu Rongen	2/2
Mr. Chen Baizhu	2/2

CORPORATE GOVERNANCE REPORT

Nomination Committee

Our Company established a nomination committee with written terms of reference in compliance with the CG Code and Corporate Governance Report as set out in Appendix C1 to the Listing Rules. The primary duties of the Nomination Committee are to make recommendations to the Board on the appointment of members of the Board. The Nomination Committee consists of four members (one executive Director and three independent non-executive Directors), namely, Mr. Zhao Donghui, Mr. Hu Rongen, Mr. Chen Baizhu and Ms. Liu Tao (Appointed on 28 March 2025). The chairman of the Nomination Committee is Mr. Zhao Donghui.

During the year ended 31 December 2024, the Nomination Committee mainly performed the following duties:

- reviewed the annual confirmations of independence submitted by the independent non-executive Directors and assessed their independence;
- reviewed the structure, size and composition of the Board and whether the composition of the Board complied with the requirements of the Board Diversity Policy;
- reviewed the background of the retiring Directors and determined whether the retiring Directors continues to meet the criteria to be re-elected in the annual general meeting of our Company on 30 May 2024, and made recommendations to the Board on the re-election of retiring Directors; and
- reviewed and made recommendations to succession planning of directors (in particular the chairman and chief executive).

During the year ended 31 December 2024, two meetings were held by the Nomination Committee. The attendance record of each member of the Nomination Committee at the meetings of the Nomination Committee is set out below:

Name of Director	Attendance/Number of Nomination Committee meeting held during a Director's tenure
Mr. Zhao Donghui	2/2
Mr. Hu Rongen	2/2
Mr. Chen Baizhu	2/2
Ms. Liu Tao (<i>Appointed on 28 March 2025</i>)	0/0

The Nomination Committee will identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships by considering factors including perspective, skills and experience that the individual can bring to the Board, and the contribution to diversity of the Board. And the Nomination Committee will make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive, taking into account our Company's corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future, together with the Board, as appropriate.

CORPORATE GOVERNANCE REPORT

Remuneration Committee

Our Company established a remuneration committee with written terms of reference in compliance with the CG Code and Corporate Governance Report as set out in Appendix C1 to the Listing Rules. The primary duties of the Remuneration Committee are to make recommendations to the Board on our Company's policy and structure concerning the remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy, to review and approve performance based remuneration by reference to corporate goals and objectives, to determine the terms of the specific remuneration package of each executive Director and senior management, to ensure none of the Directors determine their own remuneration, and to review and approve any material matter relating to the Share Award Scheme and the Share Option Scheme during the financial year. The Remuneration Committee consists of three members (one executive Director and two independent non-executive Directors), namely Mr. Hu Rongen, Ms. Liu Tao and Mr. Ding Zheyin. The chairman of the Remuneration Committee is Mr. Hu Rongen.

During the year ended 31 December 2024, the Remuneration Committee has mainly performed the following duties:

- reviewed our Group's remuneration policy and reviewed the performance of executive Directors and remuneration package of the executive Directors and senior management for the Reporting Period; and
- made recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

No material matters relating to Share Award Scheme and Share Option Scheme were reviewed and/or approved by the Remuneration Committee during the Reporting Period.

During the year ended 31 December 2024, two meetings were held by the Remuneration Committee. The attendance record of each member of the Remuneration Committee at the meetings of the Remuneration Committee is set out below:

Name of Director	Attendance/Number of Remuneration Committee meeting held during a Director's tenure
Mr. Hu Rongen	2/2
Mr. Ding Zheyin	2/2
Ms. Liu Tao	2/2

Remuneration of Directors and Senior Management

Details of the remuneration of each of the Directors and the five highest paid employees for the year ended 31 December 2024 as required to be disclosed pursuant to Appendix D2 to the Listing Rules are set out in notes 8 and 9 to the consolidated financial statements.

CORPORATE GOVERNANCE REPORT

Details of the remuneration by band of the members of the senior management (other than the Directors) of our Company for the year ended 31 December 2024 are set out below:

Remuneration band	Number of individual
Nil to HK\$1 million	3
Above HK\$1 million	1

Corporate Governance Function

The Board recognizes that corporate governance should be the collective responsibility of the Directors which includes:

- (a) to review and monitor our Company's policies and practices on compliance with legal and regulatory requirements;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;
- (c) to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors;
- (d) to develop and review our Company's policies and practices on corporate governance and make recommendations to the Board and report to the Board on matters;
- (e) to review our Company's compliance with the CG Code and disclosure in the corporate governance report; and
- (f) to review and monitor our Company's compliance with our Company's whistleblowing policy.

Board Independence

The Company has put in place mechanisms to ensure independent views and input are available to the Board, including but not limited to the following:

Board meetings: Independent non-executive Directors participate in the Board and/or Board Committee meetings (including Audit Committee, Remuneration Committee, and Nomination Committee) to bring independent views, advice and judgment on important issues relating to the Company (including strategy, policy, performance, accountability, resources, key appointments and standards of conduct), and take the lead on matters where potential conflicts of interests arise.

No equity-based remuneration for independent non-executive Directors with performance-related elements: Independent non-executive Directors receive remuneration for their role as member of the Board and Board Committees to attract and retain them to devote time and energy to the Company. Generally, no equity-based remuneration (e.g. share options) is granted to independent non-executive Directors with performance-related elements, and they are not entitled to participate in any share option schemes and share award schemes (if any), to avoid leading to bias in their decision-making and compromise their objectivity and independence.

Conflict of Interest: If a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter would be dealt with by a physical Board meeting rather than a written resolution and the individual is required to declare such interest and to abstain from voting. The matter would be considered at a Board meeting attended by Directors who have no material interest in the transaction.

Annual review of independent non-executive Directors' commitment and independence: Independent non-executive Directors' independence is assessed upon appointment, annually, and at any other time where the circumstances warrant reconsideration.

CORPORATE GOVERNANCE REPORT

Professional advice: All Directors may, upon reasonable request, seek advice from independent professional advisers in appropriate circumstances at the Company's expenses and are encouraged to access and to consult with the Company's senior management independently.

The Board has reviewed the implementation and effectiveness of the above mechanisms on an annual basis and is of the view that such mechanisms were effective during the year ended 31 December 2024.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements for the year ended 31 December 2024 which give a true and fair view of the affairs of our Company and our Group and of our Group's results and cash flows.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of our Company's financial statements, which are put to the Board for approval. Also, management provides all Directors with regular updates giving a balanced and understandable assessment of our Group's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon our Group's ability to continue as a going concern.

The statement by the auditor regarding their reporting responsibilities on the consolidated financial statements of our Company is set out in the section headed "Independent Auditor's Report" of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it is the responsibility of the Board for maintaining an adequate risk management and internal control systems and reviewing the effectiveness of such systems on an ongoing basis and annual basis.

The risk management and internal control systems of our Group are featured with a defined management structure with limits of authority and well-rounded policies and procedures, and are designed to facilitate effective and efficient operations, to ensure reliability of financial reporting and compliance with applicable laws and regulations, to identify and manage potential risks (including ESG risks), and to safeguard assets of our Group. Our Group's risk management and internal control systems are designed to provide reasonable, though not absolute, assurance against material misstatement or loss and to manage rather than eliminate the risk of failure to achieve business objectives.

The Board is responsible and has the general power to manage the operations of our University, and is in charge of managing the overall risks (including ESG risks) of our University. It is responsible for considering, reviewing and approving any significant business decision involving material risk exposures, such as our decision to expand our Group's school network into new geographic areas, to raise its tuition, and to enter into cooperative business relationships with third parties to launch new education programs. Also, our Group has made arrangements with banks to ensure that we are able to obtain credits to support our business operation and expansion.

CORPORATE GOVERNANCE REPORT

Our Company has established an internal audit department to carry out its internal audit functions by assisting the Board to implement our Group's risk management framework. The internal audit department is also required to review the continued connected transactions periodically and perform sampling inspections to ensure the internal control procedures were followed. The work of the internal audit department will be reviewed by the Audit Committee and the Board annually. For the Reporting Period, the Audit Committee, with reference to and based on the internal audit report issued by the internal audit department, conducted a review on the effectiveness of our Group's risk management and internal control systems, including financial, operational and compliance controls and risk management functions, adequacy of resources, qualifications and experience of staff of our Company's accounting, internal control and financial reporting functions, as well as those relating to the issuer's ESG performance and reporting, and training programmes and budget. The Board has considered and discussed the internal audit report issued by the internal audit department, the work conducted by the internal audit department and the independent auditor, the Audit Committee's view on our Group's risk management and internal control systems and their effectiveness. The Board and the Audit Committee are satisfied with the effectiveness and adequacy of the risk management and internal control of our Group.

In addition, the procedures on disclosure of inside information were in place to ensure that all relevant facts and circumstances that may have material effect on the share price of our Company are promptly assessed and that any material information which comes to the knowledge of any one or more officers of our Group is promptly identified, assessed and, if appropriate, escalated for the attention of the Board to determine whether a disclosure is required.

WHISTLEBLOWING POLICY

Our Company has a whistleblowing policy in place for employees and those who deal with our Company to raise concerns in confidence and anonymity. For details, please refer to our Company's Environmental, Social and Governance Report below.

ANTI-CORRUPTION POLICY

For details of our Company's anti-corruption policy, please refer to our Company's Environmental, Social and Governance Report below.

AUDITOR'S REMUNERATION

The remuneration for the audit and non-audit services provided by the auditors (Ernst & Young) to our Group during the year ended 31 December 2024 was approximately as follows:

Type of Services	Amount RMB
Audit services ⁽¹⁾ provided by Ernst & Young	2,000,000
Total	2,000,000

Note:

(1) There were no other non-audit services.

CORPORATE GOVERNANCE REPORT

COMPANY SECRETARY

Ms. Zhang Zhimo is the company secretary of the Company, who is responsible for advising the Board on corporate governance matters and ensuring that the Board policies and procedures, as well as the applicable laws, rules and regulations are followed. For biographies of Ms. Zhang Zhimo, please refer to the section headed “Directors and Senior Management” of this annual report.

For the year ended 31 December 2024, Ms. Zhang Zhimo has undertaken not less than 15 hours of relevant professional training in compliance with rule 3.29 of the Listing Rules.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

Our Company considers that effective communication with the Shareholders is essential for enhancing investor relations and understanding of our Group’s business, performance and strategies. Our Company also recognizes the importance of timely and nonselective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

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

To promote effective communication, our Company adopts a shareholders’ communication policy which aims at establishing a two-way relationship and communication between our Company and the Shareholders and maintains a website of our Company at www.genchedugroup.com, where up-to-date information on our Company’s business operations and developments, financial information, corporate governance practices and other information are available for public access. The Board has conducted the annual review of the implementation and effectiveness of the shareholders’ communication policy of our Company, and concluded that the policy was implemented effectively during the Reporting Period.

SHAREHOLDERS’ RIGHTS

To safeguard Shareholders’ interests and rights, a separate resolution will be proposed for each issue at general meetings, including the election of individual Directors.

All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of our Company and the Stock Exchange in a timely manner after each general meeting. The chairman of general meetings will ensure that an explanation is provided of the detailed procedures for conducting a poll and answer any questions from shareholders on voting by poll.

CORPORATE GOVERNANCE REPORT

Convening of extraordinary general meeting and putting forward proposals

Shareholders may put forward proposals for consideration at a general meeting of our Company according to the Articles of Association. Any one or more members holding as at date of deposit of the requisition not less than one-tenth of the paid-up capital of our Company carrying the right of voting at general meetings of our Company shall at all times have the right, by written requisition to the Board or company secretary of our Company, to require an extraordinary general meeting of our Company to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition.

As regards proposing a person for election as a Director, the procedures are available on the website of our Company.

Enquiries to the Board

Shareholders who intend to put forward their enquiries about our Company to the Board could send their enquiries to Ms. Zhang Zhimo, the company secretary of our Company at No. 1111, Huchenghuan Road, Pudong New Area, Shanghai, PRC.

CHANGE IN CONSTITUTIONAL DOCUMENTS

In order to provide the Board with the power to declare dividends out of share premium of the Company and bring the existing Articles of Association in line with the latest legal and regulatory requirements in relation to the expanded paperless listing regime and the electronic dissemination of corporate communications by listed issuers and the relevant amendments made to the Listing Rules which took effect from 31 December 2023, a special resolution of the Shareholders was passed on 30 May 2024 to adopt the third amended and restated articles of association of the Company with effect from the same date. The third amended and restated articles of association of the Company are available on the website of the Stock Exchange and the website of the Company.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THE REPORT

The Company, together with its subsidiaries, are delighted to publish our environmental, social and governance report (the “Report”) for the year 2024 with an aim to disclose our Group’s environmental, social and governance performance in relation to corporate social responsibility and sustainable development.

BASIS FOR PREPARATION

The Report was prepared in accordance with the Environmental, Social and Governance Reporting Code (the “Code”) as set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”), the scope and content of which are also in compliance with the disclosure requirements of the “comply or explain” provisions in the Code. In addition, we disclose the risks and opportunities presented by climate change, as well as their potential impact on our operations in accordance with the “IFRS S2 Climate-related Disclosures” (the “IFRS S2”) issued by the International Sustainability Standards Board (ISSB).

REPORTING PRINCIPLES

Our Group has observed and applied the four reporting principles, namely, materiality, quantification, balance and consistency, set out in the Code in the preparation of the Report. We have communicated with key stakeholders to understand their degree of concern on the environmental, social and governance issues relating to our business, in order to determine the framework and content of the Report and prioritise the disclosures based on the principle of materiality. The Report has adopted the principles of quantification and consistency for the calculation. If there are any changes in the calculation method or any other relevant factors affecting a meaningful comparison in the future, we will clearly explain in the Report. Our reporting gives a view of our Group’s sustainability performance during the Reporting Period in a balanced and impartial manner.

SCOPE OF THE REPORT

The Report focuses on disclosing our Group’s overall and quantitative sustainability performance during the Reporting Period. Unless otherwise specified, the scope of the Report is consistent with that of our Group’s annual report for the year ended 31 December 2024, including our Company, Gench BVI, Gench HK, Gench US, Gench WFOE, Shanghai Wangting Logistics Management Service Co., Ltd.* (上海望亭後勤管理服務有限公司), Shanghai Wangting Catering Management Co., Ltd.* (上海望亭餐飲管理有限公司), Shanghai Wangting Business Management Co., Ltd.* (上海望亭商業管理有限公司), Shanghai Wangting Enterprise Services Co., Ltd.* (上海望亭企業服務有限公司), Jian Qiao Group, Jian Qiao Investment, Shanghai Jian Qiao University Co., Ltd., Shanghai Jianqiao Qihang Training School Co., Ltd.* (上海建橋啟航培訓學校有限公司), Shanghai Jianqiao Haishi Culture Communication Co., Ltd.* (上海建橋海石文化傳播有限公司) and Shanghai Jianqiao Culture Media Co., Ltd.* (上海建橋文化傳媒有限公司).

SOURCE OF DATA

All the data and cases in the Report come from the statistics reports and relevant documents of our Group. Our Group warrants that there are no false representations or misleading statements in the Report, and is responsible for the truthfulness, accuracy and completeness of the contents herein.

APPROVAL OF AND ACCESS TO THE REPORT

The Report has been considered and approved for publication by the board of directors (the “Board”) of the Group on 28 March 2025. The Report includes both Chinese and English versions. If there is any discrepancy, the Chinese version shall prevail. The electronic version of the Report is available at the section under the “Sustainable Development” on the official website of our Company (www.genchedugroup.com).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OPINIONS AND FEEDBACK

We attach high importance to your opinions and feedback on the Report. If you have any queries or suggestions, please feel free to contact us through the following channels:

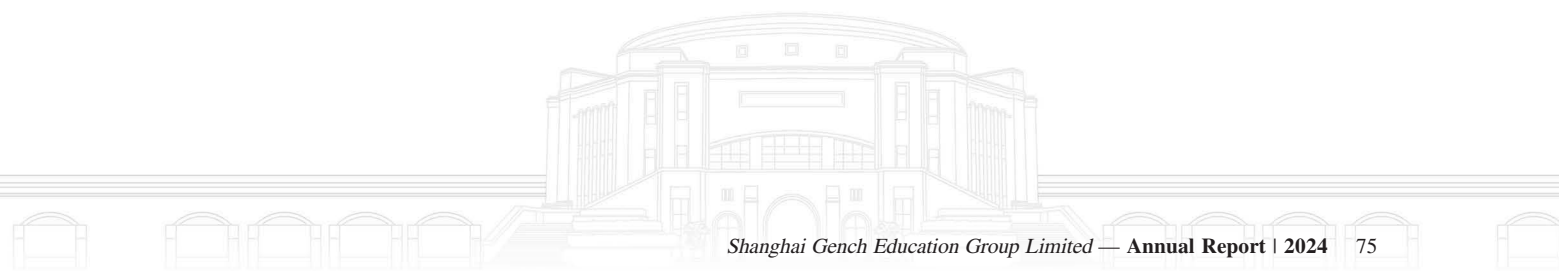
Address: 40th Floor, Dah Sing Financial Centre, No. 248 Queen’s Road East, Wan Chai, Hong Kong

E-mail address: ir@gench.edu.cn

1. RELEVANT HONOURS

Our Group has been working hard in respect of ESG work and has achieved remarkable results in 2024. Our ESG-related honours obtained during the year are as follows:

Awardee	Name of award	Issuing authority	Time of award
Shanghai Jian Qiao University	Shanghai Safe and Civilized Campus Award (2021-2022 School Year) (2021-2022學年上海市安全文明校園)	Shanghai Municipal Education Commission (上海市教育委員會)	March 2024
Shanghai Jian Qiao University	Lei Feng Spirit College Demonstration Education Base (雷鋒精神高校示範教育基地)	“Lei Feng” Magazine (《雷鋒》雜誌社)	April 2024
Shanghai Jian Qiao University	Advanced Institution in Promoting Employment of Shanghai Municipality (上海市促進就業先進集體)	Shanghai Municipal People’s Government (上海市人民政府)	May 2024
Shanghai Jian Qiao University	Contribution Award for Promoting Lei Feng Spirit in the New Era (新時代傳播雷鋒精神貢獻獎)	“Lei Feng” Magazine (《雷鋒》雜誌社)	September 2024
Labor Union Committee of Shanghai Jian Qiao University	National Model Workers’ Home (全國模範職工之家)	All-China Federation of Trade Unions (中華全國總工會)	September 2024
Shanghai Jian Qiao University	Best Service University for High-Quality Employment in 2024 (2024年度高質量就業最佳服務高校)	China Education Online (中國教育在線)	December 2024



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2. SUSTAINABLE DEVELOPMENT PLAN

2.1 FOURTEENTH FIVE-YEAR PLAN

This plan was formulated in accordance with the spirits of such documents as Outline of 2035 Vision Goal of PRC Modern Education (《中國教育現代化2035遠景目標綱要》), Outline of the Fourteenth Five-Year Plan for the National Economic and Social Development in Shanghai, the Education Modernisation in Shanghai by 2035, the Fourteenth Five-Year Plan for Educational Reform and Development in Shanghai, and the Plan for the Construction of a National Core Area for Pilot Integration of Industry and Education in Lingang New Area of China (Shanghai) Pilot Free Trade Zone. This plan will also serve as an important programmatic document in the formulation of sustainability management policies and strategies by our Group.

2.2 GOAL OF DEVELOPMENT

Fourteenth Five-Year Goal: Through integration, internationalisation and digitalisation strategies, we will strive to achieve a more enhanced application-oriented talent training system, increasingly internationalised school operation, more distinguished integration of industry and education, and comprehensively improved quality of talent cultivation, and will further strengthen our school operation at the end of the Fourteenth Five-Year Plan, thereby building a top-tier private university in China.

2.3 POSITIONING OF DEVELOPMENT

- **Positioning in education level:** We will insist on the education positioning of a university of applied technology to carry out multi-level application-oriented higher education which is based on applied undergraduate education
- **Positioning in talent cultivation:** We will insist on cultivating innovative, versatile and high-quality applied technical talents with international visions
- **Positioning in service orientation:** We will keep a foothold in Lingang, integrate with Pudong, serve Shanghai and radiate the Yangtze River Delta
- **Positioning in social role:** We will take sustainable development of human society as our goal, advocate low-carbon living, strengthen environmental protection, focus on energy conservation and consumption reduction, and adhere to social welfare

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2.4 KEY DEVELOPMENT TASKS

- Constructing a green and low-carbon campus and maintaining garden campus, safe campus and civilized campus
- Safeguarding health and safety of faculty and students
- Campus digital transformation
- Transformation into an industry-education integrated university and shift to the “college-operated school” model
- Improving overall quality of students
- Promoting international exchanges and cooperation
- Facilitating community development and participating in voluntary services and charity activities
- Managing school according to law and compliance operation
- Establishing a scientific HR management mechanism

3. SUSTAINABILITY GOVERNANCE

3.1 STATEMENT OF THE BOARD

Our Group has established a sustainability governance structure to strengthen the management of sustainable development. The Board is responsible for the overall supervision of the sustainable development of our Group, and conducts regular discussion, review and check on our Group’s management approach, strategies, risks, performance and progress in respect of environmental, social and governance aspects. The Board has approved our Group to set up an Environmental, Social and Governance Committee (“ESG Committee”) and authorised it to supervise and promote the implementation of various environmental, social and governance issues. Under the authority of the Board, the Committee will consider the opinions collected during the communication with various stakeholders and the results of the materiality assessment when formulating the environmental, social and governance management approach and strategies, to determine our Group’s sustainability focus and priorities, and submit the same for approval and confirmation by the Board. The Board and the ESG Committee have met regularly or through communication tools to discuss the above matters and review the progress of annual work and key work on energy conservation and emission reduction in line with the Group’s goals relating to environment, society and governance to monitor and improve the work of sustainable development. Currently, the Group has regarded addressing climate changes as a top priority and has made efforts to integrate climate-related issues into its daily operations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

3.2 GOVERNANCE STRUCTURE

The Group's sustainability governance structure is built on good corporate governance and strict ethical standards.



(1) Board

The Board is responsible for setting the overall policy and approach for ESG matters. The Board listens to material issues of sustainable development, climate-related risk opportunities and their impacts, as well as progress towards the achievement of relevant targets reported by the ESG Committee at the regular Board meeting. The Board is also responsible for monitoring our risk management, regularly assessing and analysing various risks in our business operations, including climate-related risks, and reviewing management procedures.

(2) ESG Committee

The Group's ESG Committee is chaired by our company secretary, Ms. Zhang Zhimo. Other members are from various departments to ensure employees with different backgrounds and varying levels of expertise, seniority and business functions are incorporated. We have developed a rational performance assessment system to actively encourage our employees to take part in our Group's sustainability initiatives.

The ESG Committee develops and reviews strategies and management approaches related to sustainability and climate change in accordance with the overall ESG policy guidelines set by the Board. It is responsible for setting sustainability-related targets, assessing and reviewing them on a regular basis, and monitoring the implementation of relevant programs. It is also responsible for identifying material risks and opportunities, assessing their impact on the Group's business model, value chain and finance, identifying material issues, and prioritizing ESG-related communication and engagement programs. The ESG Committee provides regular feedback to the Board, and at least once a year, through the Chairman of the Committee, reporting to the Board on the material issues of sustainability, climate-related risks and opportunities, their effects, and updates on the progress toward achieving related objectives.

The ESG Committee is also responsible for the preparation of the annual ESG Report to ensure that the report fully reflects the Company's efforts and achievements in sustainability.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

(3) Functional Departments Responsible for Various Issues

The implementation of the Group's sustainability strategy relies on functional departments responsible for various issues, which form the grassroots level for strategy execution. These departments, guided by the sustainability and climate change strategies and management approaches established by the ESG Committee, are responsible for developing and executing specific action plans for targeted issues, aiming to ensure that the Company's sustainability performance meets the established targets. These departments are required to report regularly to the ESG Committee on the progress of their work, including KPI data and sustainability effectiveness in their respective areas of responsibility. Additionally, these departments are tasked with communicating directly with relevant stakeholders to gather their views and feedback on the Group's sustainability issues through methods such as questionnaires.

3.3 BUSINESS INTEGRATION AND BUDGETING

The Group has integrated sustainability and climate change initiatives into the decision-making at functional level of Shanghai Jian Qiao University under our Group. The logistics and security office, assets management office and other departments of our Group have also incorporated sustainability and climate change strategy into their annual budgets, for which the Board is willing to provide funds and resources to the ESG Committee.

3.4 RISK MANAGEMENT

Risk management is very crucial in the daily management of the Group. We have established a sound management structure and internal control system to ensure the effectiveness of governance, which guides our enterprise risk management process. We conduct the risk assessment at least once a year, and as led by the quality and planning office of our University and facilitated by an external consultant, we conduct a "top-down, bottom-up and all levels combined" risk identification exercise to determine the new risk areas for further research and evaluate the impact on our business, whilst analyzing the existing risks from a new perspective. For details of our risk management, please refer to the "Corporate Governance Report" in the annual report.

We proactively address and identify potential risks encountered in our business, including climate-related risks. For the management of climate-related risks, please refer to "4.3 CLIMATE-RELATED RISK MANAGEMENT".

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3.5 CORPORATE SUSTAINABILITY POLICY

In addition to extensive development of our education cause, our Group also actively fulfills its corporate social responsibilities. In order to effectively promote sustainable development, we have established the following measures against various environmental and social impacts:



In order to comprehensively promote the construction of green and low-carbon campus and establish a long-term mechanism, in July this year, the Group led by the Energy Management Office prepared the Action Plan for Low-Carbon Construction of Shanghai Jian Qiao University 2024 (《上海建橋學院2024年低碳建設行動方案》) to accelerate the promotion and application of energy-saving and carbon-reducing advanced technologies, and to ensure that the whole university will form a consensus and make efforts to create a model school for ecological civilization in Shanghai. Meanwhile, the Group has successively completed the revision and improvement of energy management related regulations and systems and incorporated the ISO quality system control, such as “Duties of the Energy Management Office (《能源管理辦公室職責》)”, “Duties of Energy Management Supervisors (《能源管理督導員職責》)”, “Measures for the Management of Energy and Water Resources (《能源和水資源管理辦法》)”, “Measures for the Management of Electricity and Water Charges (《水電收費管理辦法》)”, “Operational Rules for the Use of Electricity, Water and Gas (《水電氣使用操作細則》)”, and “Regulations on the Management of Air Conditioner Use (《空調使用管理規定》)”, etc., so as to ensure that the energy management is organized in a rules and regulations-based manner.

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3.6 STAKEHOLDER ENGAGEMENT

It is an integral part of our daily operations to communicate with various stakeholders and promote their participation in sustainable development governance. Our Group regularly engages with its stakeholders in appropriate ways so that we can understand their expectations and demands and actively respond to their concerns through our operations in respect of the environment, society and governance. Stakeholder groups and their methods of engagement are as follows:



Shareholders/investors:

- General meeting
- Interim and annual reports and other announcements
- Corporate communication
- Results announcement
- Roadshow and reverse roadshow
- Investor meetings



Business partners:

- Strategic cooperation projects
- Exchange activities
- Meetings
- Visits



Communities and non-governmental organisations:

- Community activities
- Volunteer activities
- Donations
- Education funds/scholarships
- Seminars/lectures/workshops
- Meetings



Suppliers:

- Supplier management procedures
- Supplier/contractor appraisal system
- Field inspections
- Meetings



Students and parents:

- Feedback in class
- Online assessment on teachers
- Letters and visits
- “Principal Online” platform
- Phone calls and mailboxes
- Seminars and campus open day
- Regular visits and parents’ meetings



Teachers and other employees:

- Survey on employees’ views
- Work performance appraisals and interviews
- Group discussions
- Meetings and interviews
- Seminars/workshops/lectures
- Teacher/staff training



Governments and regulators:

- Meetings
- Consultations
- Lectures



Public:

- Official website
- Activities open to the public
- Media reports
- WeChat official accounts



Alumni:

- School website
- School alumni activities
- Media reports



Industry associations:

- Organisation of industry activities
- Consultations
- Lectures
- Visits

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3.7 MATERIALITY ASSESSMENT AND ANALYSIS

(1) *Material Issues on Sustainable Development*

For the purposes of our Group and our Report, materiality is defined as any factor that has a present or future impact on our ability to achieve our sustainable development vision. We have conducted a materiality assessment to identify the most material ESG issues and understand the significance of different issues to the sustainable operation and development of our business, while maintaining regular communications with our stakeholders. The steps of our materiality assessment during the Reporting Period are as follows:

1. Identifying key stakeholders and material ESG issues

- We identified our key stakeholders and 37 material ESG issues through consulting with external consultants and analyzing the business operations, development strategies and plannings.

2. Stakeholder engagement

- In 2024, we conducted online questionnaires, interviews and communications with 317 stakeholders to understand their concerns and expectations on our Group in respect of the environment, society and governance.

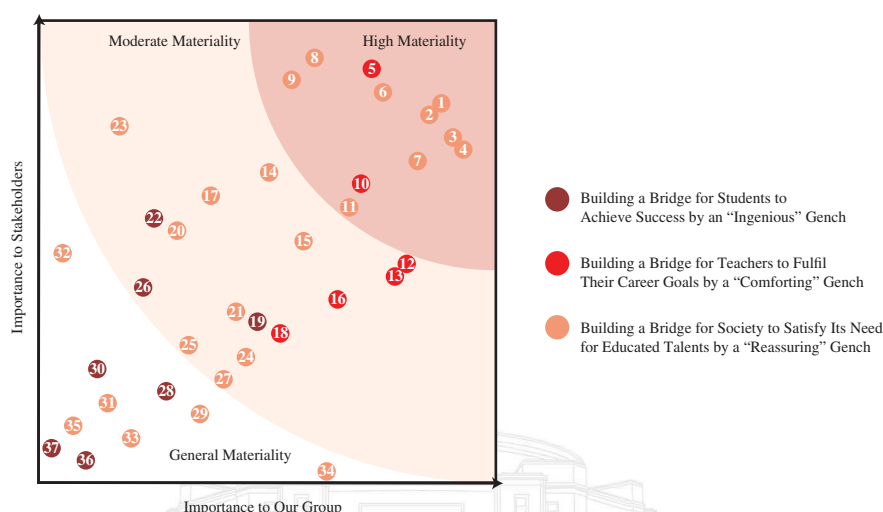
3. Rating key ESG issues

- By quantitative analysis of the results of stakeholder surveys and analyzing and prioritising various ESG issues, we identified 11 issues of high materiality, 16 issues of moderate materiality and 10 issues of general materiality.

4. Confirmation by the management of our Group

- We forwarded analysis results of material ESG issues to the Board to discuss the requirements that stakeholders are highly concerned about and adjust the Group's sustainability strategies and management policies as appropriate. We also provided feedback to the Board on other types of issues of stakeholders' concern and raised the Group's attention to other sustainability issues that are closely related to our stakeholders.

(2) *Materiality Matrix for ESG Issues*



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(3) Ranking of Material Issues

No.	ESG issues of high materiality	Responding sections
1	Health and safety assurance for students	Building a Bridge for Society to Satisfy Its Need for Educated Talents by a “Reassuring” Gench 7.2 Comprehensive logistics support
2	Personal information security	Building a Bridge for Society to Satisfy Its Need for Educated Talents by a “Reassuring” Gench 7.1 Robust compliant operation
3	Compliant operation and integrity	Building a Bridge for Society to Satisfy Its Need for Educated Talents by a “Reassuring” Gench 7.1 Robust compliant operation
4	Health and safety assurance for staff	Building a Bridge for Society to Satisfy Its Need for Educated Talents by a “Reassuring” Gench 7.2 Comprehensive logistics support
5	Nurturing virtues of teachers	Building a Bridge for Teachers to Fulfil Their Career Goals by a “Comforting” Gench 6.3 Well-established training system
6	Pandemic-related control measures	Building a Bridge for Society to Satisfy Its Need for Educated Talents by a “Reassuring” Gench 7.2 Comprehensive logistics support
7	Students’ Mental Health	Building a Bridge for Society to Satisfy Its Need for Educated Talents by a “Reassuring” Gench 7.2 Comprehensive logistics support
8	Campus anti-fraud management	Building a Bridge for Society to Satisfy Its Need for Educated Talents by a “Reassuring” Gench 7.2 Comprehensive logistics support
9	Green and environmentally-friendly	Building a Bridge for Society to Satisfy Its Need for Educated Talents by a “Reassuring” Gench 7.4 Environmentally-friendly green campus
10	Equal employment system	Building a Bridge for Teachers to Fulfil Their Career Goals by a “Comforting” Gench 6.1 Stringent employment standards
11	Campus facilities management	Building a Bridge for Society to Satisfy Its Need for Educated Talents by a “Reassuring” Gench 7.4 Environmentally-friendly green campus

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ESG issues of moderate materiality		Responding sections	
12	Support and care for staff	Building a Bridge for Teachers to Fulfil Their Career Goals by a “Comforting” Gench	6.2 Considerate care for staff
13	Staff training and personal development	Building a Bridge for Teachers to Fulfil Their Career Goals by a “Comforting” Gench	6.3 Well-established training system
14	Environmental education for staff and students	Building a Bridge for Society to Satisfy Its Need for Educated Talents by a “Reassuring” Gench	7.4 Environmentally-friendly green campus
15	Student satisfaction	Building a Bridge for Society to Satisfy Its Need for Educated Talents by a “Reassuring” Gench	7.6 Sincere exchange of opinions
16	Teaching team management	Building a Bridge for Teachers to Fulfil Their Career Goals by a “Comforting” Gench	6.1 Stringent employment standards
17	Water consumption and efficiency	Building a Bridge for Society to Satisfy Its Need for Educated Talents by a “Reassuring” Gench	7.4 Environmentally-friendly green campus
18	Employment interests and benefits	Building a Bridge for Teachers to Fulfil Their Career Goals by a “Comforting” Gench	6.1 Stringent employment standards 6.2 Considerate care for staff
19	Progression Rate and Employment Rate of Students	Building a Bridge for Students to Achieve Success by an “Ingenious” Gench	5.1 Excellent educational philosophy
20	Protection of intellectual property rights	Building a Bridge for Society to Satisfy Its Need for Educated Talents by a “Reassuring” Gench	7.1 Robust compliant operation
21	Utilisation of resources and materials	Building a Bridge for Society to Satisfy Its Need for Educated Talents by a “Reassuring” Gench	7.4 Environmentally-friendly green campus
22	Educational philosophy and goal	Building a Bridge for Students to Achieve Success by an “Ingenious” Gench	5.1 Excellent educational philosophy
23	Care for community	Building a Bridge for Society to Satisfy Its Need for Educated Talents by a “Reassuring” Gench	7.5 Social practices, volunteer services and public welfare activities
24	Communication with students and parents and handling of complaints	Building a Bridge for Society to Satisfy Its Need for Educated Talents by a “Reassuring” Gench	7.6 Sincere exchange of opinions
25	Energy consumption and efficiency	Building a Bridge for Society to Satisfy Its Need for Educated Talents by a “Reassuring” Gench	7.4 Environmentally-friendly green campus
26	Teaching resources	Building a Bridge for Students to Achieve Success by an “Ingenious” Gench	5.2 Rich teaching resources
27	Pollution and emission reduction	Building a Bridge for Society to Satisfy Its Need for Educated Talents by a “Reassuring” Gench	7.4 Environmentally-friendly green campus

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ESG issues of general materiality		Responding sections	
28	Teaching quality control and management	Building a Bridge for Students to Achieve Success by an “Ingenious” Gench	5.4 Strict quality management
29	Waste management	Building a Bridge for Society to Satisfy Its Need for Educated Talents by a “Reassuring” Gench	7.4 Environmentally-friendly green campus
30	Student skill development	Building a Bridge for Students to Achieve Success by an “Ingenious” Gench	5.6 Developing non-degree skills
31	Greenhouse gas emissions and management	Building a Bridge for Society to Satisfy Its Need for Educated Talents by a “Reassuring” Gench	4.4 Climate indicators and targets 7.4 Environmentally-friendly green campus
32	Participation in public welfare and charity	Building a Bridge for Society to Satisfy Its Need for Educated Talents by a “Reassuring” Gench	7.5 Social practices, volunteer services and public welfare activities
33	Responsible procurement (including assessment the environmental and social performance of suppliers)	Building a Bridge for Society to Satisfy Its Need for Educated Talents by a “Reassuring” Gench	7.3 Reciprocal supply management
34	Canteen catering quality	Building a Bridge for Society to Satisfy Its Need for Educated Talents by a “Reassuring” Gench	7.2 Comprehensive logistics support
35	Addressing climate change	Building a Bridge for Society to Satisfy Its Need for Educated Talents by a “Reassuring” Gench	4. Coping with climate change 7.2 Comprehensive logistics support 7.4 Environmentally-friendly green campus
36	Smart campus	Building a Bridge for Students to Achieve Success by an “Ingenious” Gench	5.7 Campus informatisation construction
37	Innovative teaching and research system	Building a Bridge for Students to Achieve Success by an “Ingenious” Gench	5.2 Rich teaching resources

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4. COPING WITH CLIMATE CHANGE

The Group is well aware that climate change is a common challenge for the world. In line with the national Plan 3060 (i.e., carbon neutrality and carbon peaking), the Group actively coordinates and responds to national policies to mitigate and address climate change in its daily operations through policies and measures on conserving energy, reducing emissions and consumption of natural resources, advocating green lifestyle and encouraging scientific research on green technologies. In the previous years, the Group has identified potential risks and opportunities arising from climate change with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). On this basis, we have made further reference in the year to “IFRS S2”, issued by the ISSB in June 2023, to help further assess the impact of climate-related matters and associated risks and opportunities.

4.1 GOVERNANCE

The Group’s sustainable development governance structure is also responsible for overseeing the response to climate change-related risks and opportunities, as detailed in “3.2 GOVERNANCE STRUCTURE”.

4.2 CLIMATE CHANGE-RELATED STRATEGIES

Under the oversight of the Group’s Board of Directors, addressing climate change has been integrated into our business development strategy, and the ESG Committee assists the Board in identifying, managing and monitoring climate-related risks and opportunities. We identify climate-related risks and opportunities in different time frames based on factors such as the Group’s geographic location and industry environment, with reference to the recommendations of the “Task Force on Climate-related Financial Disclosures (TCFD)”. We set the short, medium and long-term time frames to 2030, 2050 and 2080 respectively.

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(1) Identification of Climate-related Risks and Scenario Analysis

➤ Identification of climate-related risks

Climate-related physical risks			
Types of climate-related risks	Time frame	Potential impact on business model and value chain	Impact on current and anticipated financial position, financial performance and cash flows
<u>Acute risk:</u> Extreme weather or natural disasters occur. Our operating entities are located in coastal areas where extreme weather mainly includes typhoons, heavy rains, floods, etc.	Short-term	Increase in maintenance costs for campus facilities	<u>Current impact:</u> the cost related to the maintenance of campus facilities due to the typhoon during the year is approximately RMB1,337,148.53. <u>Anticipated impact:</u> given the unpredictability of force majeure events, it is unable to accurately assess the future financial impact. <u>Financial statement item:</u> administrative expenses
		Increase in health and safety risks for staff and students	<u>Current impact:</u> the cost of security related to typhoon impact during the year was approximately RMB16,547.36. <u>Anticipated impact:</u> it is expected that the relevant security costs will be less than RMB30,000 per year in the future. <u>Financial statement item:</u> administrative expenses
		Damages on the data storage center	Due to the lack of reasonable market fair value for reference, it is temporarily unable to accurately quantify the specific amount of data storage center (as an intangible asset).
		Increase in insurance costs	There is currently no impact on the financial position, financial performance and cash flow, but it doesn't exclude the need to purchase related insurance in the future.
<u>Chronic risk:</u> Higher average temperatures, rising sea levels, etc.	Long-term	Higher average temperatures will affect employee health and overall productivity	Accurate financial data and obvious financial impact are not yet available.
		Rising sea levels will cause damage to campus physical assets and incur additional costs	

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Climate-related transition risks			
Types of climate-related risks	Time frame	Potential impact on business model and value chain	Impact on current and anticipated financial position, financial performance and cash flow
Adoption of new policies by the government or other stakeholders to address climate change	Short-term	Additional operational and compliance costs incurred by the Company to meet the standards required by the policies	Accurate financial data and obvious financial impact are not yet available.
Investors are increasingly favoring companies that can better address climate changes	Short-term	Reputational risks arising from failure to respond effectively to policy requirements and investor preferences	
Control of indirect GHG emissions in the supply chain requires the selection of qualified suppliers	Short-term	Additional costs associated with selection of greener and more environmentally sustainable suppliers	

➤ Conducting scenario analysis

We have taken the first step in identifying the Group's exposure to climate-related risks and assessing their potential impact on the Group's business, value chain and finances. To enable stakeholders to understand the resilience of the Group's strategy and business model to climate-related changes, developments or uncertainties, we have taken into account the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), using the intermediate GHG emissions scenario (SSP2-4.5) and very high GHG emissions scenario (SSP5-8.5) of the Shared Socioeconomic Pathways, SSP in the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), thereby assessing the anticipated impact of the Group's climate-related physical risks under different scenarios; and have assessed the anticipated impact of the Group's climate-related transition risks using the Net Zero 2050 and Current Policies Scenarios adopted by the Phase IV Scenario of Network for Greening the Financial System (NGFS).

The scope of operations covered by our scenario analysis is consistent with the reporting scope of this ESG Report. For the key assumptions of the scenario analysis, we assume that the macroeconomic situation, the variables at the regional level, the variables at the company level, etc. do not change significantly in the short to medium term. Given the uncertainties we face in identifying the data associated with risk, we are currently unable to fully and accurately measure the impact on financial amounts. To this end, we use the following qualitative descriptions to assess the level of risk facing by the asset value and financial performance of our Group under different scenarios and plan mitigation strategies accordingly.

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① Climate-related physical risks

Types of risks	Risk variables	Level of risk		Responses
		SSP2-4.5 Scenario	SSP5-8.5 Scenario	
<u>Acute risk:</u> Extreme weather or natural disasters occur. Our operating entities are located in coastal areas, where extreme weather mainly includes typhoons, rainstorms, floods, etc.	Frequency of typhoons, rainstorms and floods	Short-term: low risk Medium-term: low risk Long-term: moderate risk	Short-term: low risk Medium-term: moderate risk Long-term: high risk	➤ The Group has established the “Measures for the Management of the Prevention of Flood and Typhoon” and the “Emergency Response Plan for Prevention of Flood and Typhoon”, to improve the Group’s overall ability to prevent flood, typhoon and natural disaster risks, thereby ensuring that the Group can properly and efficiently deal with emergencies of natural disasters, to protect the lives of teachers and students and the safety of school property, and to ensure the normal operation of teaching, scientific research and business
<u>Chronic risk:</u> Higher average temperatures, rising sea levels, etc.	Changes in the number of high-temperature days; and sea level rise trends	Short-term: low risk Medium-term: low risk Long-term: low risk	Short-term: low risk Medium-term: low risk Long-term: moderate risk	➤ Strengthen climate awareness education, cultivate environmental literacy among employees and students, and enhanced the overall ability to address climate change ➤ Promote the construction of green campus, implemented energy conservation and emission reduction measures, and improved the climate resilience and sustainability of campus facilities ➤ Work with communities to develop adaptive strategies and solutions

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② Climate-related transition risks

Types of risks	Risk variables	Level of risk		Responses
		NGFS Net Zero 2050 Scenario	NGFS Current Policies Scenario	
Adoption of new policies by the government or other stakeholders to address climate change	The number, intensity and financial impact of these policies	Short-term: low risk Medium-term: low risk Long-term: moderate risk	Short-term: low risk Medium-term: low risk Long-term: low risk	<ul style="list-style-type: none"> ➤ Pay close attention to development in policies and kept abreast of policy trends. Soughting to participate in the policy making process and provide industry insights and suggestions to the government through channels such as industry associations ➤ Adjust the Company's development strategy in real time according to the policy orientation to meet the development requirements of low-carbon economy
Investors increasingly prefer companies that can better address climate change	The number of investors who value factors of climate change	Short-term: low risk Medium-term: moderate risk Long-term: high risk	Short-term: low risk Medium-term: low risk Long-term: low risk	<ul style="list-style-type: none"> ➤ Actively disclose climate risks and emission reduction progress to enhance transparency ➤ Develop and implemented emission reduction strategies to enhance corporate sustainability ➤ Use green financial tools to attract climate-conscious investors

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Types of risks	Risk variables	Level of risk		Responses
		NGFS Net Zero 2050 Senario	NGFS Current Policies Senario	
To control indirect GHG emissions in the supply chain, qualified suppliers need to be selected	Cost of selection of and communications with suppliers	<p>Short-term: moderate risk</p> <p>Medium-term: high risk</p> <p>Long-term: high risk</p>	<p>Short-term: moderate risk</p> <p>Medium-term: moderate risk</p> <p>Long-term: moderate risk</p>	<ul style="list-style-type: none"> ➤ Set and enforced standards for supply chain emission, and requirements for environmental responsibility of suppliers ➤ Work with suppliers to reduce emissions and improve their environmental performance through monitoring and incentives ➤ Include environmental clauses in procurement contracts and promote technological innovation and continuous improvement in the supply chain ➤ Provide training and support to help suppliers improve their environmental awareness

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(2) Identification of Climate-related Opportunities

Types of climate-related opportunities	Time frame	Potential impact on business model and value chain	Impact on current and anticipated financial position, financial performance and cash flows	Responses
The Company improves resource utilization efficiency, and optimizes energy sources and operations management	Short-term	Guide the Company to use low-carbon energy and improve energy-saving technology	<p><u>Current impact:</u> the expenses related to improving low-carbon energy and energy-saving technologies, such as the renovation of hot water system, the construction of VRV and split air conditioning intelligent control system, was approximately RMB8.385 million in the year.</p> <p><u>Anticipated impact:</u> it is unable to make an accurate estimate of the amount of investment in the projected technical transformation.</p> <p><u>Anticipated benefits:</u> power consumption is expected to be saved by 2/3 per ton of hot water after the hot water system renovation; the construction of VRV and split air conditioning intelligent control system can make the future power saving level 20% higher.</p> <p><u>Financial statement item:</u> administrative expenses</p>	<p>➤ Continued to implement low-carbon energy conversion projects, such as replacing public vehicles with new energy vehicles, implementing renovation projects for water and electricity conservation, and gradually improved the energy-saving technology system</p>
		Procure the Company to actively build a monitoring platform for energy management	Due to the lack of reasonable market fair value as a reference, it is unable to accurately quantify the cost on building the monitoring platform for energy management (as an intangible asset).	<p>➤ Continued to develop and use the energy management monitoring platform to realize real-time monitoring, data analysis and intelligent regulation of campus energy use data, improved energy utilization efficiency and reduced energy consumption</p>
		Procure the Company to promote the concept of environmental protection and energy conservation among employees and students on campus	<p><u>Current impact:</u> the cost of organizing activities related to the promotion of environmental protection and energy conservation on campus in the year was approximately RMB4,637.55.</p> <p><u>Anticipated impact:</u> it is estimated that the annual expenses will be less than RMB10,000.</p> <p><u>Financial statement item:</u> administrative expenses</p>	<p>➤ Strengthen education on environmental protection and energy conservation, raised teachers and students' awareness of environmental protection and promote energy conservation and emission reduction on campus by holding various publicity activities and knowledge competitions</p>

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Types of climate-related opportunities	Time frame	Potential impact on business model and value chain	Impact on current and anticipated financial position, financial performance and cash flows	Responses
Economic or policy incentives to support low-carbon, energy saving and emission reduction	Medium-term	Introduction of new technology	Accurate financial data and obvious financial impact are not yet available.	<ul style="list-style-type: none"> ➤ Establish a green technology innovation fund to support the research and development of low-carbon projects by teachers and students ➤ Formulated relevant policies to attract external enterprises to cooperate and jointly promote new technologies for energy conservation and emission reduction
		Access to subsidy funds	Accurate financial data and obvious financial impact are not yet available.	<ul style="list-style-type: none"> ➤ Actively follow up the policy guidance of relevant government departments and explored potential policy dividends

We will regularly review and assess climate-related risks and opportunities arising in different time frames, maintain open communication with stakeholders, and explore strategies to enhance our resilience in the face of climate-related risks and timely seize climate-related opportunities.

(3) Climate-related Transition Plan

In a changing global environment, we are well aware of the importance of the climate-related transition plan to achieve sustainable development, and the Group has been actively responding to the national green development strategy to promote the low-carbon transition. Please refer to the section “7.4 ENVIRONMENTALLY-FRIENDLY GREEN CAMPUS” for details on our specific measures to promote the low-carbon transition.

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4.3 CLIMATE-RELATED RISK MANAGEMENT

The Group has written in the section “4.2 CLIMATE CHANGE-RELATED STRATEGIES” that we have identified climate-related risks in different time frames with reference to the Recommendations of the “Task Force on Climate-related Financial Disclosures (TCFD)”. We assessed its potential impact on the Group’s business model and value chain in a qualitative model, and its impact on the Group’s current and expected financial position, financial performance and cash flows in a combined qualitative and quantitative model. In addition, we conducted scenario analyses of climate-related physical risks and transition risks respectively, and assessed the expected situation of the risk level facing by the Group’s assets value and financial performance in a qualitative mode. Through the scenario analysis, we prioritized the climate-related risks in order to efficiently allocate resources to the top-tier risks, ensuring the effectiveness of risk management.

4.4 CLIMATE INDICATORS AND TARGETS

The Group firmly believes that fair disclosure of indicators and targets related to sustainable development is very important. In response to the National 3060 Plan and to contribute to energy conservation and emission reduction in the education sector, we have set short-term and medium to long-term climate-related targets for the current year and intend to implement measures in accordance with the established plans in the future, as well as to assess the achievement of the targets and environmental performance on a regular basis. In the future, we will continue to strengthen our climate-related indicators, report on the progress of our future work in a timely manner and outline our work plan to disclose reliable indicators and targets in future reports.

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(1) GHG Emissions

The Group regularly monitors GHG emissions and measures them using the control method so that we have full control of all factors that can affect GHG emissions. Our organisational boundaries for measuring GHG emissions are consistent with the reporting scope of this report and the operating boundaries are shown below:

Entities	Activities	Scope of emission
The Group	Emissions from fuel combustion in fixed equipment (greening machinery on campus, canteen cooking) ⁽¹⁾	Scope 1
The Group	Emissions from fuel combustion of motor vehicles (light vehicles, buses operated on campus) ⁽²⁾	Scope 1
The Group	Leakage of refrigerants into the air resulting in GHG emissions ⁽³⁾	Scope 1
The Group	Offsetting of GHG emissions by planting trees on campus ⁽⁴⁾	Scope 1
The Group	Total electricity purchased in the course of operations ⁽⁵⁾	Scope 2
The Group	GHG emissions resulting from the disposal of solid waste from construction projects in the course of operations by third parties for landfill treatment ⁽⁶⁾	Scope 3

⁽¹⁾ For the calculation of emissions from fuel combustion of fixed equipment, please refer to the “Cross-Sector Tools: GHG Emissions from Stationary Combustion” in the “Greenhouse Gas Protocol Website” published in “Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)” and “IPCC’s Sixth Assessment Report”.

⁽²⁾ For the calculation of emissions from fuel combustion of motor vehicles, please refer to the “Environmental Protection Department’s Guidelines for Accounting and Reporting of Greenhouse Gas Emissions and Removals from Buildings (Commercial, Residential or Public Use) in Hong Kong” and “IPCC’s Sixth Assessment Report”.

⁽³⁾ For the calculation of GHG emissions from leakage of refrigerants into the air, please refer to the “Cross-Sector Tools: Refrigeration and Air-Conditioning Equipment” in the “Greenhouse Gas Protocol Website” published in the “Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)” and “IPCC’s Sixth Assessment Report”.

⁽⁴⁾ For calculating the offsetting of GHG emissions from planting trees on campus, please refer to the “Environmental Protection Department’s Guidelines for Accounting and Reporting of Greenhouse Gas Emissions and Removals from Buildings (Commercial, Residential or Public Use) in Hong Kong”.

⁽⁵⁾ For the calculation of GHG emissions from consumption of electricity in operations, please refer to the “Announcement on Releasing Carbon Dioxide Emission Factors for Electricity in 2022” issued by the Ministry of Ecology and Environment of the People’s Republic of China.

⁽⁶⁾ For the calculation of GHG emissions resulting from the removal of solid waste from construction projects in the course of operations by third parties for landfill treatment, please refer to the “RTI (Research Triangle Institute) International -Greenhouse Gas Emissions Estimation Methodologies for Biogenic Emissions from Selected Source Categories: Solid Waste Disposal, Wastewater Treatment, Ethanol Fermentation”.

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The types of greenhouse gas in our statistical scope cover carbon dioxide, methane and nitrous oxide, which are converted to metric tonnes of CO₂ equivalent for consolidation based on the global warming potentials provided by the “IPCC’s Sixth Assessment Report”. During the year, the Group’s GHG emissions were detailed as follows:

Indicators	Units	Data of GHG emissions
Scope 1 GHG emissions	metric tonnes of CO ₂ equivalent	1,953.74
Scope 2 GHG emissions	metric tonnes of CO ₂ equivalent	17,795.94
Scope 3 GHG emissions	metric tonnes of CO ₂ equivalent	658.23
Total GHG emissions	metric tonnes of CO ₂ equivalent	20,407.90
Total GHG emissions intensity	metric tonnes of CO ₂ equivalent/number of staff and student	0.79

Each year, our Energy Management Office makes reasonable projections of activity data for each of the operating boundaries for the coming year, based on the Group’s future operations and planning for energy saving and emission reduction initiatives. The ESG Committee evaluates the projected activity data, measures the possible impact on our GHG emission targets based on the evaluated activity data, and sets relevant quantitative and qualitative targets, which are regularly evaluated and reviewed, and reported to the Board. The Board is responsible for monitoring the overall performance and process of the Group’s sustainable development. If, in the course of actual operations, the original targets need to be adjusted, the Group will conduct timely assessments and transparently update the targets to ensure that they are in line with our sustainable development strategy.

The Group considers total GHG emission intensity as our primary indicator of GHG emissions. When formulating future GHG emission targets, the types of GHGs covered and the calculation methodology are aligned with current and past reporting years, and cover Scope 1 and Scope 2 of the stated operating boundary. Currently, setting targets for Scope 3 GHG emissions does not satisfy the principle of being “available to the Group without undue cost or effort at the reporting date”, and we will continue to improve the completeness of Scope 3 emissions accounting in the future.

We have set the following goals considering the year 2024 as the benchmark year:

Indicators	Short-term goal (2025)	Medium to long-term goal
Total GHG emissions intensity (including Scope 1 and Scope 2) (metric tonnes of CO ₂ equivalent/number of staff and student)	15% higher than that of the benchmark year ⁽¹⁾	Reducing total GHG emissions intensity

For the medium to long-term goals, the Group has adopted a series of measures to mitigate GHG emissions, for details of which, please refer to the section “7.4 ENVIRONMENTALLY-FRIENDLY GREEN CAMPUS”.

⁽¹⁾ It is derived from the expected increase in GHG emissions from the operation of Phase 4 of the campus, which is scheduled to be in full operation from 2025 onwards, as well as the ongoing emission reduction initiatives.

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(2) Climate-related Risks and Opportunities

The impact of the Group's climate-related risks and opportunities on the Group's current and expected financial and cash flows, as well as the level of risk facing by the Group's asset value and financial performance under different scenarios derived from the scenario analysis, are set out in the section "4.2 CLIMATE CHANGE-RELATED STRATEGIES". The Group currently has not made quantitative disclosures on the amount and percentage of assets or business activities that are susceptible to different climate risks and opportunities, and we will strive to enhance the relevant disclosure in the future.

(3) Industry Indicators

We identify key industry indicators related to the Group's business model and activities: intensity of total energy consumption and intensity of total water consumption by referring to industries with similar operating models in the "Industry Disclosure Guidelines" under IFRS S2. The energy and water consumption for the current year is set out in "APPENDIX I: ENVIRONMENTAL KEY PERFORMANCE INDICATORS". For the above industry indicators, we have set the following goals considering the year 2024 as the benchmark year:

Indicators	Short-term goals (2025)	Medium and long-term goals
Intensity of total energy consumption (MWh/number of staff and student)	16% higher than that of the benchmark year ⁽¹⁾	Reduce the intensity of total energy consumption
Intensity of total water consumption (m ³ /number of staff and student)	13% lower than that of the benchmark year ⁽²⁾	Reduce the intensity of total water consumption

For the medium to long-term goals, the Group has implemented a series of measures to mitigate energy consumption and water consumption, for details of which, please refer to the section "7.4 ENVIRONMENTALLY-FRIENDLY GREEN CAMPUS".

(4) Others

For climate-related capital use, internal carbon pricing, use of carbon credits and compensation policies, the Group has not yet formulated specific plans and set relevant indicators and targets. We will make plans according to the actual situation in the future.

⁽¹⁾ It is derived from the expected increase in the total energy consumption in the operations based on the full operation of Phase 4 of the campus in 2025, as well as the ongoing emission reduction initiatives.

⁽²⁾ In the benchmark year, the intensity of total water consumption is higher than that in the previous year due to the delayed holidays of students, the water demand for the construction of the Phase 4 of the campus, the renovation of the hot water system of the student apartment and the increase in water for greening irrigation. It is estimated that the above factors will be excluded in 2025, and the above target data will be obtained by integrating the factors such as the full operation of the Phase 4 of the campus and the continuous promotion of water-saving measures.

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5. BUILDING A BRIDGE FOR STUDENTS TO ACHIEVE SUCCESS BY AN “INGENIOUS” GENCH

PRESENTATION OF HONOURS OF OUR STUDENTS

By virtue of our excellent educational philosophy and rich teaching resources, students of Gench Education have made historic breakthroughs in many disciplines competitions in 2024. In 2024, the number of students winning prizes at provincial and ministerial level and above reached 2,451, representing an increase of 27.5% over the previous year. The major national awards are as follows:

Name of award	Level of competition	Level of award	Organiser	Time of award
The Third Session of National University Innovation Competition for Digital Intelligent Business Decision (全國第三屆高校數智化商業決策創新大賽)	State-level	9 first prizes 3 second prizes 5 third prizes	The Commerce Economy Association of China (中國商業經濟學會)	January 2024
Huawei ICT Competition 2023-2024 (華為ICT大賽2023-2024)	State-level	1 third prize	Huawei Technologies Co. LTD (華為技術有限公司)	March 2024
The 15th Session of Lanqiao Cup National Talent Competition for Software and Information Technology professionals (第十五屆藍橋杯全國軟體和信息技术專業人才大賽)	State-level	1 first prize 1 third prize 1 award of excellence	Talent Exchange Centre of the Ministry of Industry and Information Technology (工業和信息化部人才交流中心) and the Organising Committee of Lanqiao Cup Competition (藍橋杯大賽組委會)	June 2024
The 8th Session of “Milan Design Week – Exhibition of Outstanding Works by Faculty and Students from Chinese Design Disciplines” (第八屆「米蘭設計周——中國高校設計學科師生優秀作品展」)	State-level	2 third prizes	Organizing Committee of Exhibition of Outstanding Works by Faculty and Students from Chinese Design Disciplines in Milan Design Week (米蘭設計周中國高校設計學科生優秀作品展組織委員會)	June 2024
2024 16th Session of National Advertising Art Competition for College Students (2024第16屆全國大學生廣告藝術大賽)	State-level	1 award of excellence	Shanghai Division Organizing Committee of National College Students Advertising Art Competition (全國大學生廣告藝術大賽上海賽區組委會)	July 2024
The 17th Session of China College Student Computer Design Competition (第十七屆中國大學生電腦設計大賽)	State-level	3 second prizes 3 third prizes	China College Student Computer Design Competition Organising Committee (中國大學生電腦設計大賽組織委員會)	July-August 2024
The 17th Session of National Social Practice and Technology Competition for College Students in respect of Energy Conservation and Emission Reduction (第十七屆全國大學生節能減排社會實踐與科技競賽)	State-level	1 first prize 3 second prizes 2 third prizes	Organizing Committee of National Social Practice and Technology Competition for College Students in respect of Energy Conservation and Emission Reduction (全國大學生節能減排社會實踐與科技競賽委員會)	August 2024

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Name of award	Level of competition	Level of award	Organiser	Time of award
The 7th Session of National Embedded Chip and System Design Competition for College Students – Application Track Competition (第七屆全國大學生嵌入式晶片與系統設計競賽應用賽道大賽)	State-level	1 third prize	China Electronics Society (中國電子學會)	August 2024
2024 National College Students Computer System Ability Competition – Operating System Design Competition (2024年全國大學生計算機系統能力大賽-操作系統設計賽)	State-level	1 first prize	National College Computer Education Committee (全國高等學校計算機教育委員會) and Organizing Committee of National College Students Computer System Ability Competition (中國大學生計算機系統能力大賽組織委員會)	August 2024
The 12th Session of “Future Designer” • National University Digital Art Design Competition (第十二屆未來設計師·全國高校數字藝術設計大賽)	State-level	6 first prizes 7 second prizes 19 third prizes	Talent Exchange Centre of the Ministry of Industry and Information Technology (工業和信息化部人才交流中心)	August 2024
The 18th Session of China Good Creativity and National Digital Art Design Competition (18屆中國好創意暨全國數字藝術設計大賽)	State-level	1 second prize 1 third prize	China Electronic Video Industry Association (中國電子視像行業協會) and Organizing Committee of China Good Creativity and National Digital Art Design Competition (中國好創意暨全國數字藝術設計大賽組織委員會)	August 2024
2024 APMCM Asia Pacific College Students Mathematical Contest in Modeling (Chinese) (2024年APMCM亞太地區大學生數學建模競賽(中文賽))	State-level	1 third prize	China Association for the Promotion of International Science and Technology Internet of Things Working Committee (中國國際科技促進會物聯網工作委員會), Beijing Image and Graphics Society (北京圖像圖形學學會) and Organizing Committee of Asia Pacific College Students Mathematical Contest in Modeling (亞太地區大學生數學建模競賽組織委員)	August 2024
The 3rd National Health Service and Management Education Forum and “Xunkang Cup” National College Students Health Management Scenario Simulation Sandtable Competition (第三屆全國健康服務與管理教育論壇暨「尋康杯」全國大學生健康管理情景模擬沙盤大賽)	State-level	1 first prize	Guidance of Chinese Geriatric Society (中國老年醫學學會指導) and College Education Branch of Chinese Geriatric Society (中國老年醫學學會院校教育分會)	November 2024

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Name of award	Level of competition	Level of award	Organiser	Time of award
“Xuechuang Cup” Comprehensive Simulation Competition of Innovation and Entrepreneurship for College Students (「學創杯」大學生創新創業綜合模擬大賽)	State-level	1 first prize	Organizing committee of “Xuechuang Cup” Comprehensive Simulation Competition of Innovation and Entrepreneurship for College Students (「學創杯」大學生創新創業綜合模擬大賽組委會)	November 2024
The 10th Session of National College Students Physics Experiment Competition (Innovation), 2024 (2024年第十屆全國大學生物理實驗競賽(創新))	State-level	2 third prizes 1 award of excellence	Physics Discipline Group under Joint Conference of National Experimental Teaching Demonstration Center (國家級實驗教學示範中心聯席會物理學科組)	December 2024

5.1 EXCELLENT EDUCATIONAL PHILOSOPHY

Our Group takes “Thanksgiving, Return, Loving, Responsibility” as its motto, and “building bridges for students to achieve success, for teachers to fulfil their career goals, and for society to satisfy its need for educated talents (為學生建成才之橋，為教師建立業之橋，為社會建育人之橋)” as its mission. With the quality policy of “People-oriented, Moral Education Prioritised, Law-Abiding, Strict Management”, our University provides students with quality education centering on applied talent cultivation. We centre on the target of applied talent cultivation, closely integrating with the economic and social development of the Yangtze River Delta, Shanghai and Pudong, and promoting the integrated development of “Industry • Education • City” based on the Lingang New Area.

With the cultivation of application-oriented talents as the core, the Group has formulated the competency of graduates (eight core qualities), which is the concrete embodiment of the realization of the goal of our school for cultivating application-oriented high-quality talents. Our school has also built an all-factor, deep-seated and diversified system of deep integration of production and education, formed a training feature of deep integration of production and education for applied talents of “enrollment as employment, employment upon graduation, quick adaptability to positions and sustainable development”. Our school seeks the common development concept of close docking with industries and enterprises, explores the construction of an applied technology-oriented university, and realizes the goal of co-construction and sharing of school-enterprise resources and win-win results.

During the year, our excellent educational philosophy is mainly reflected in the following aspects:

(1) Fully Implementing the Fundamental Task of Fostering Virtue through Education, and Promoting the Coordinated Development of Ideological and Political Courses and Curriculum-based Ideological and Political Education
As a demonstration school in Shanghai for the comprehensive reform of “Three-in-one Education (三全育人)”, our University focuses on the implementation of the fundamental task of moral education, integrates education resources and strengths, taps education elements, and plays a role in education in various aspects such as curriculum and scientific research. Adhering to moral education as the first priority, our school comprehensively promotes the coordinated development of ideological and political courses and curriculum-based ideological and political education. Our school’s focus on ideological and political construction has achieved remarkable results: in 2024, our school had 2 additional municipal ideological and political demonstration courses, built a total of 16 school-level ideological and political demonstration majors, 146 school-level ideological and political demonstration courses, formed 2 case-sets of ideological and political related courses, approved 11 provincial and ministerial level ideological and political demonstration courses, and 7 provincial and ministerial level ideological and political demonstration teaching teams.

(2) Continuing to Promote Connotative Development through the Two-pronged Approach of “Teaching Style and Learning Style”

- Since 2018, we have held the “Teaching Festival” for seven consecutive years, practicing the philosophy of “orientation towards students and output, and continuous improvement (學生中心、產出導向、持續改進)”, and have carried out more than 100 activities such as professional construction and curriculum construction. The “Teaching Festival” in 2024 focused on the construction of quality culture, highlighted the improvement of teaching quality, consolidated the position of teaching center through the exchange of professional construction experience, curriculum ideological and political discussion, teaching observation and teaching discussion and other activities, and promoted the teaching style.
- Launched in 2021, the “Academic Atmosphere Festival” focuses on the construction of long-term excellent study style. In the year, the “Academic Atmosphere Festival” injected vitality into the construction of study style, improved education and teaching satisfaction, and laid a solid foundation for the comprehensive development of students through a series of activities such as teacher and student discussions, “immersive classroom” demonstration class construction, and “Say NO to failing” symposium.
- In the year, our school also carried out special activities to improve ability of classroom teaching, implemented the teaching concept of “learning as the center and teaching as the leading (以學為中心、以教為主導)”, carried out the teaching evaluation oriented by students’ learning results, and realized the synchronous improvement of classroom activity, student participation and teaching effectiveness. Teaching promotes learning and learning evaluates teaching, which complement each other and continuously promote the quality of our school’s connotation development.

(3) Deepening the Reform of Talents Cultivation Model to Meet the Diversified Learning Needs from Students

- We set up pilot classes for reform of talent cultivation. Guided by the “Four New (四新)” concept, our school focuses on emerging industries and innovates interdisciplinary, cross-departmental and cross-professional talent cultivation models. Relying on competitive majors, it has set up three pilot reform classes, namely digital trade, integrated circuit equipment and intellectual and art innovation. It has built a system of “professional courses integrating industry and education + characteristic general education”, and cooperated with 16 leading enterprises in the industry to gather social forces for collaborative education.
- Micro-majors have been actively set up. According to the “Implementation Plan for Micro-profession Construction of Shanghai Jian Qiao University (Trial) (《上海建橋學院微專業建設實施方案(試行)》)”, our school has successfully set up four micro-majors, namely, cyber space security, live broadcast e-commerce and digital intelligent entrepreneurship, international affairs English, and self-media creation and application, thereby improving the complexity of students’ knowledge structure and the matching degree with social needs.
- Our school offers “Global Voyage Talent Program (啟航人才班)” and “Elite Scholars Prep Program (俊雅人才班)” for students studying abroad and taking the entrance examination for postgraduate studies, respectively, to support students’ further study and broaden their employment channels. “Global Voyage Talent Program (啟航人才班)” provided guidance on study abroad and IELTS training for students who intend to study abroad for postgraduate studies. Since its inception in 2021, the three sessions have enrolled 236 students. Among 76 students in the first session, 36 have been admitted to overseas universities, and 26 have been admitted to QS Top 100 universities. The “Elite Scholars Prep Program (俊雅人才班)” helped students taking the postgraduate entrance examination in China, providing training and guidance, and enrolled 216 students in this academic year.



The Graduation Ceremony of the First “Global Voyage Talent Program”
(首屆啟航人才班畢業典禮)

(4) Establishing a Mechanism for Nurturing Quality Talents and Promoting Quality and Efficient Employment of Graduates

- Our school has held autumn campus recruitment activities in Shanghai for four consecutive years, digging into school-enterprise cooperation resources, paying special attention to the blue ocean market of employment, making good use of the digital economy, and opening up new fields and new tracks of employment. We dug into the employment needs of students, actively connected with enterprises, and accurately delivered employment information to key groups “point-to-point” according to educational level, professional characteristics, job categories and other job information, achieving a high matching degree between graduates and enterprises. For the graduates of 2024, we held 28 online and offline job fairs, attended by more than 5,500 enterprises, provided more than 17,000 jobs, visited 100 enterprises online and offline, and created more than 1,300 jobs.
- Our University has always attached great importance to employment, and has gathered the strength of all staff to build a work pattern of employment promotion, which is personally deployed by the main leaders, directed by the responsible leaders, implemented by the department leaders, promoted by all departments, and actively participated by teachers and students. We regularly released employment information, conducted in-depth employment research in the college, and held special meetings to improve the effectiveness of work.
- In addition, by strengthening employment guidance, our University guides and encourages graduates to pursue employment and career development in western regions and grassroots areas. The number of students enlisting in the army, participating in “Three Branches and One Support (三支一扶)”, working as community workers, and students specially recruited has always been among the highest among universities in Shanghai.

It is because of this excellent teaching concept that our school has sent nearly 74,000 qualified graduates to the society since its establishment. The employment rate of graduates of our University in 2024 was 99.10%, and the employment rate of graduates has been stable at more than 98% in recent years. Among the graduates of the year 2024, 118 were successfully admitted to graduate schools, accounting for 21.20% of the total number of students admitted to double first-class universities. 363 of them studied abroad, of which 85 entered the top 50 universities of the QS World University Rankings and 119 entered the top 100 universities. In June of this year, our University was awarded the title of “Advanced Institution in Promoting Employment of Shanghai Municipality” by Shanghai Municipal Government. In December, our University won the honorary title of “Best Service University for High-quality Employment in 2024” in the education ceremony themed “High-quality Employment” sponsored by China Education Online.

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5.2 RICH TEACHING RESOURCES

(1) Teaching Facilities and Teaching Conditions

Our University has a site area of approximately 532,600 sq.m., with a gross floor area of approximately 565,000 sq.m. In-campus facilities include (i) classrooms, laboratories and training studios, conference halls, gymnasiums, outdoor sports venue, libraries, administrative offices, canteens and student dormitories, as well as multimedia classrooms, language rooms and quality recording and broadcasting classrooms. Among them, the library has a collection of 1,778,600 paper books and 79,400 electronic periodicals. Meanwhile, our University is actively building a smart campus and building a cloud intelligent teaching platform, with 51 smart classrooms in operation; (ii) 11 research institutes (teams), including digital design and simulation research center, artificial intelligence application research and development center, jewelry technology and art research center, digital economy research center, and international business research center; (iii) a large integrated gymnasium, a track field, a football field, a basketball court, a tennis court, a volleyball court, a golf practicing area and so on; and (iv) through years of construction, our University has achieved full wireless network coverage, and has successively built informatisation platforms, such as scientific research management information system, personnel management system, teaching management system, library management system, student management system, card management system and logistics service system, to build a digital campus.

(2) Major Setting, Curriculum Construction and Development of Teaching Materials

Our University has 14 secondary colleges, including the Business College, the College of Mechanical and Electronic Engineering, the College of Journalism and Communications, the College of Information Technology, the College of Foreign Languages, the College of Art Design, the College of Jewelry, the College of Health Management, the School of Marxism, the Vocational College, the International Design College, the College of International Education, the College of Education, and the College of Continuing Education.

As of 31 December 2024, our University offered 40 undergraduate programs and 10 junior college programs, covering 7 disciplines of economics, management, literature, engineering, science, art and pedagogy. At present, our University has 1 major with national characteristics, 1 MOE pilot reform major, 1 national excellent course, 14 awards in teaching achievement in Shanghai, 15 first-class undergraduate majors in Shanghai, 1 leading plan on construction of first-class undergraduate in Shanghai, 5 pilot majors for application-oriented undergraduates in Shanghai, 3 majors with characteristics in Shanghai, 31 first-class courses in Shanghai, 12 excellent courses in Shanghai, 3 quality online courses in Shanghai, 2 model English courses in Shanghai, 131 key courses in Shanghai and 16 key teaching reform projects in Shanghai, etc.

In terms of major development, we follow the “Implementation Plan for the Reform of Majors of Shanghai Jian Qiao University”, continuously adjust and optimize the discipline and major structure, give priority to the development of majors with school-running advantages and meeting the needs of society, and adjust the disciplines that do not meet the needs of national construction and regional economic development. In the 2023-2024 academic year, the majors of Japanese language and tourism management have passed the new Liberal Arts Education certification of the Yangtze River Delta, and the application for certification was also submitted for the majors of international economics and trade. In this academic year, our University commissioned a third-party expert group to evaluate and improve 35 undergraduate majors in accordance with the “Measures for the Administration of the Evaluation on the Undergraduate Majors of Shanghai Jian Qiao University”. Through reviewing reports, field visits and seminars, problems were identified and feedback was given to guide the optimization and construction of the majors. In addition, in accordance with the “Implementation Plan for Micro-profession Construction of Shanghai Jian Qiao University (Trial)”, our University has set up four micro-majors, including cyberspace security, thereby enhancing students’ knowledge complexity and better meeting the needs of society.

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In terms of curriculum construction, the Group actively aligns with the national and Shanghai first-class curriculum construction standards, and combines the orientation of the school's talent training goals to carry out curriculum construction. In the year, we have achieved good results in curriculum construction. In 2024, our University has 28 key courses for municipal colleges and universities, ranking 7th in the city and becoming the only private university among the top ten. By 2024, the number of municipal first-class undergraduate courses approved by our University in Shanghai has reached 31. So far, we have built 46 provincial-level high-quality online open courses, three MOOC (Massive Open Online Courses) courses and 1,248 SPOC (Small Private Online Course) courses. In addition, we have actively grasped the development opportunities of artificial intelligence, and comprehensively promoted the construction of AI+ courses and teaching innovation. Based on the discipline characteristics of each school, we have explored the construction of 70 AI+ courses, covering seven colleges. In 2024, our University has successfully approved 9 AI+ courses in the application of Shanghai key courses. Meanwhile, our University actively organized AI+ course construction training, constantly improved teachers' intelligent teaching ability, and laid a solid foundation for promoting the intelligent transformation of education and teaching data.

In terms of textbook development, our University has strengthened textbook management, revised the "Textbook Management Measures", implemented a strict textbook review mechanism, highlighted the characteristics of application-oriented undergraduate courses, and strengthened the planning, project approval and publication of textbooks.

(3) School-enterprise Cooperation and Industry-education Integration

Deep integration of industry and education, as the basic feature of application-oriented universities, plays an irreplaceable and decisive role in improving the quality of talents cultivation, supporting the innovation and entrepreneurship of teachers and students, gathering high-quality educational resources, promoting the transformation of scientific and technological achievements, enhancing local service capabilities, and enhancing the core competitiveness and comprehensive influence. The transformation into a university featuring integration of industry and education is a major strategy for our University's future development and a major task for our medium and long-term development.

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Our Group closely combined the economic and social development of the Yangtze River Delta, Shanghai and Pudong District, and promoted the integration development of “Industry, Education and City” based on Lingang New Area. Shanghai Jian Qiao University has been approved as one of the first batch of pilot units in Shanghai to cultivate high-skilled talents through school-enterprise cooperation, the private university counselor training base in Shanghai, one of the first batch of 14 “City-wide Industry-education Associations” in Shanghai, one of the first batch of entrepreneurial guidance stations for universities in Shanghai, one of the first batch of Shanghai municipal-level key modern industrial colleges, one of the first batch of high-tech talents cultivation (practical training) bases in Pudong New Area, and the integration base of production and education in Lingang New Area of China (Shanghai) Pilot Free Trade Zone. Our University has also been approved by the Ministry of Education for 2 innovation bases of integration of production and education, and 34 collaborative education projects of production and education. The CNC training base of the College of Mechanical and Electronic Engineering of our University is a national demonstration CNC training base. In addition, there are two on-campus demonstration bases for the integration of production and education, namely Nanlin Integrated Circuit Demonstration Base for the integration of production and education and Intelligent Manufacturing System Innovation Center, which realize the relocation of the entire production line of the factory to school, and also act as on-campus practice bases for microelectronics science and technology, intelligent manufacturing engineering and other majors of our school, with a capacity of 100 students for internship and practical training.



Industry-education Integration Base for Integrated Circuit Packaging and Testing

We continue to deepen the reform of the model of talent cultivation with the integration of industry and education, which has become a feature of the application-oriented education development of our University. Since beginning of the Fourteenth Five-Year Plan, the Group has worked with Lingang Group, Shanghai Industrial Automation Instrument Research Institute, Shanghai Nanlin Integrated Circuit Company and other companies to further promote the integration of production and education. We have established different forms of cooperative relations with more than 100 enterprises and institutions such as ZTE, Disney, Haichang Group, Yuyuan Group, Dh Splendia Jewelry, iFlyTek, Shanghai Electric, Yongda Automobile and Oriental Satellite TV, etc., to achieve school-enterprise cooperation in cultivating talents. We also initiated the establishment of Lingang Industrial College with Lingang Group. As a governing unit, we joined hands with social resources in Lingang area to promote the integration of production and education in colleges and universities, and actively promoted the construction of the main bearer area of the national demonstration zone of integration of production and education in Lingang New Area.

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In September 2024, the Group made a major decision on “transforming into an industry-education integrated university”. According to the plan, our University would strive to build an industry-education integration model with “one core, two wings, three integrations, and four scenarios (一體兩翼三融四境)” (“one core” means to promote the establishment of independent legal entities for secondary colleges under Shanghai Jian Qiao University Co., Ltd. (海建橋學院有限責任公司); “two wings” means to realize the double delivery of talent cultivation and engineering projects; “three integrations” means the integration of elements, channels and resources; “four scenarios” means to build an ecosystem that integrates four scenarios of “production, learning, research and innovation”) as the main content, to achieve the talent cultivation goal of the “enrollment as employment, employment upon graduation, quick adaptability to positions and sustainable development”, promoting each major to carry out at least one close cooperation, and each college to carry out at least one property rights cooperation. By 2030, the transformation into an integrated industry-education university will be completed, and by 2035, the distinctive features of an integrated industry-education university will enrich the bright background of an application-oriented university, making our University a nationally recognized top-tier application-oriented private university.

5.3 CONTINUOUSLY UPGRADING CAMPUS FACILITIES

In addition to the hardware and software related to teaching, we have been continuously upgrading other facilities related to campus life, and striving to improve the experience of students and staff. For example, in recent years, we continued to actively introduce well-known chain restaurant brands on campus, including HEYTEA, McDonald's, Manner Coffee, Luckin Coffee, MIXUE Ice Cream & Tea, Sweetseven, Honeymoon Dessert, Babi Mantou, etc. Teachers and students can enjoy a variety of delicious food and drinks in their busy work and study. Meanwhile, we have also upgraded the multi-storey dining hall to provide safe, convenient, rich, intelligent, warm and high-quality catering services for our staff and students.

We have also set up a large express service center, a number of vending machines, telephone booths, Fengchao cleaning shop-in-shops, I'm Coming online ordering and other service facilities on campus to facilitate the campus life of faculty and students.



Campus Express Service Center



Renovation and Upgrading of Canteens

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Self-service Vending Machines on Campus



Online Ordering

5.4 STRICT QUALITY MANAGEMENT

The Group has established the quality policy of “People-oriented, Moral Education Prioritised, Law-Abiding, Strict Management” according to its school orientation and talent cultivation objectives. With the eight core qualities as the core, the Group has built a system for cultivating applied talents with “core qualities, competence-based, result-oriented and continuous improvement” based on the concept of OBE and relying on professional development of the “national standard” and the “ISO 9001 quality management system”. The Group has also established corresponding quality standards that are consistent with all aspects of education and teaching, and has set up a quality management system mainly based on the ISO 9001 quality management system documents, covering all functional departments of our University. There are currently 909 effective system documents.



Quality Management System Certificate

The Group actively cultivates and builds a quality culture that fully reflects the requirements of “self-consciousness, self-reflection, self-discipline, self-examination and self-correction”, which embodies the characteristics of Gench and has established a quality evaluation-feedback-continuous improvement mechanism based on the PDCA concept. Relying on the internal teaching quality assurance organisations at the university and college levels, our University has implemented whole-process by carrying out regular teaching inspections, listening to lectures by leading cadres, supervisory inspections, student evaluations on teachers, feedback from student informants, and evaluation of teaching by graduates, forming a favourable atmosphere for all staff to participate in quality control. Meanwhile, through conducting evaluation and accreditation of the

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majors, and graduation quality tracking and evaluation, it promoted the construction and cyclical improvement to enhance majors quality through evaluation. In addition to daily quality control, the Group has also conducted the internal audit, management audit and external audit through ISO 9001 quality management system, which has formed a mechanism of self-discovery, self-correction and self-improvement management. The Group continued to integrate the school's total quality management system with the key links of education and teaching and the external evaluation of the government, and build a quality evaluation system featuring the "trinity" of self-evaluation, government evaluation and third-party evaluation.

In addition, we took the "plan for building an excellent Gench" as the starting point to coordinate the school's comprehensive reform, transformation and development, actively promoted the teaching reform of application-oriented talents cultivation and the teaching staff construction, constantly strengthened the cultivation of students' eight core qualities, and strove to improve the school's governance ability and level.

5.5 OPEN EXTERNAL EXCHANGES

The Group actively adapted to the national opening-up strategy, actively promoted international education, broadened students' international horizons, and solidly promoted the objectives of the Fourteenth Five-Year Plan. We are the first private university in Shanghai to obtain the qualification of international students' enrollment, and have been newly listed as a government scholarship funded university for foreign students in Shanghai. We have carried out close cooperation and exchanges with many overseas universities, covering business, electromechanical, information, art, design, jewelry, language and other professional fields, and formulated relevant management measures to ensure that all projects are promoted in an orderly manner, with remarkable results, which has formed a vivid and active international exchange and cooperation atmosphere.

(1) Seizing the Opportunities of Opening-up and Accelerating the Pace of "Going Global"

The Group vigorously promotes the internationalization of education and supports the "going global" of international cooperation majors. We actively maintain the established circle of friends, and have various types of cooperation projects with a number of universities around the world, such as Vaughan College of Aeronautics and Technology, Massey College, Paris International School of Luxury Management, Teesside University, Plymouth University, Kyoto Graduate School of Information Science and Technology, Myongji University, Korea and so on. In 2024, 176 students from our University went to partner universities to participate in undergraduate double degree programs, bachelor's or master's programs, short-term study programs, summer study Tours, etc. In addition, we continued to expand overseas partner schools and increase the international influence of our University. We have signed or renewed school-level letters of intent for friendship and cooperation with a total of 12 universities, including Southeast University of Applied Sciences in Finland and Chungnam National University in Korea.

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(2) Organizing a Close Cooperation Network and Strengthening the Efforts of “Bringing in”

The Group actively responds to the “Belt and Road” Initiative and makes continuous efforts to achieve a higher level of opening up to the outside world. In 2024, the Group accepted a total of 367 visitors in 49 foreign-related activities, and hosted 28 foreign-related lectures and forums with a total of 59 visitors. In June, we undertook the visiting group of “Comoros Digital Transformation Workshop (科摩羅數位化轉型研修班)”, a foreign aid project of the Ministry of Commerce. 20 local government officials came to our University to learn about the cooperation experience in the digital field, and to experience the characteristics of Chinese university education and the high-level development of Lingang New Area on site. This is one of the groups that came to our school after the establishment of the “Training Base of the United Nations Institute for Training and Research Shanghai International Training Center for Foreign Aid Projects (聯合國訓練研究所上海國際培訓中心援外專案實訓基地)”.



Delegates of Comoros Digital Transformation Workshop Visiting Our School



Visitors Exploring the Digital Media Technology Lab

The Group also supports the overseas dissemination of Chinese Go culture, and organizes Chinese Go courses during summer vacation every year. In the 9th summer Go course this year, we attracted 35 participants from 7 countries, including the United States, Russia, Mongolia, Kazakhstan, South Korea, Singapore and Ecuador. In addition, a delegation of 20 teachers and students from Myongji University in South Korea also came to our school to organize the first Go cultural exchange meeting with teachers and students of the Go department.



On-site Summer Go Course



Graduation Ceremony of Summer Go Course

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(3) *Employing Multiple Resources to Promote Cross-cultural exchanges*

The Group further deepened cross-strait educational cooperation and academic exchanges, and enhance mutual learning between young people on both sides of the Strait. In the summer of the year, more than 300 campers from club students of our University and young friends from Taiwan came to Shanghai Jian Qiao University to carry out the “Same Notes 2024 – Sea Gathering Camp (同源音符2024 — 海上匯研習營)”, which covers in-depth exchanges between young club members on both sides of the Taiwan Strait, short video competitions and other activities, and builds a platform for communication and spiritual connection for young people on both sides of the Taiwan Straits. It also further demonstrated the positive contribution of Shanghai Jian Qiao University in promoting cultural exchanges and cooperation between the two sides.



Sea Gathering Camp



Students Visiting Nanhuizui Sea View Park

In addition, we held a cross-Straits university exchange symposium, and conducted in-depth exchanges with representatives of six universities in Taiwan, including Hongguang University of Science and Technology, in terms of personnel training and professional development, to explore cooperation opportunities and discuss integrated development.

In June, we co-organized the “Seminar on Sino-foreign Cooperation and Exchange between Universities in the New Era (高校新時期中外合作與交流研討會)” with University of Shanghai for Science and Technology, and organized delegations of universities and colleges from various provinces and cities to visit the Planning and Exhibition Center of Dishui Yun Hall, etc., to have in-depth discussions on international education and international talent cultivation, and to promote the high-quality development of Sino-foreign cooperation and exchange between universities and colleges in the new era.

5.6 DEVELOPING NON-DEGREE SKILLS

Our University has set up the College of Continuing Education, and we have formulated and revised the “Regulations for the Administration of Non-Degree Education in Shanghai Jian Qiao University (《上海建橋學院非學歷教育管理辦法》)” according to the relevant requirements of the Ministry of Education and the Shanghai Municipal Education Commission (上海市教育委員會). We are committed to serving lifelong learning, meeting diverse needs, adhering to the public nature of education, and promoting all-round development. As a training base for high-skill talents in Shanghai, we provide talent support and education services for regional economic and social development, through cultivating high-quality application-oriented talents by vocational skills training and social training.

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In skills development, we build a system for cultivation of high-quality application-oriented talents, through a competency-based and results-oriented method that highlights core qualities and continuous improvement. Leveraging the platform of the university pilot base for vocational continuing education, of the Shanghai “dual system”, we deepened internal construction, realizing the goal of the “double enhancements” in vocational skills and the “double certifications” in academic and skills. We optimized the professional setup, innovated the training system, strengthened skills development, promoted the construction of digital learning resources, consolidated the foundation for the cultivation of high-quality application-oriented talents, improved the supply capacity of continuing education, built a multi-field and cross-age lifelong education system, promoted the integration of production and education, and cooperated with schools and enterprises to educate students, so as to meet the diversified learning needs of all sectors of society.

(1) Non-degree Education and Training Services

The Group adheres to central task of serving teachers and students, through improving non-degree course services, increasing the coverage and participation, while enhancing service quality. In the year, we provided non-degree course services such as public service and postgraduate entrance examination, with 107 student participants. From July to August, we held various themed training camps with a total of 516 participants and 148,608 class hours.

In 2024, 2,410 graduates of our University have registered for the Vocational Skills Evaluation (Level 3) of Shanghai Municipal Human Resources and Social Security Bureau, covering 6 job categories such as baby-sitter, nurse and Internet marketer, closely meeting the needs of enterprises. Our school has completed 100,000 class hours of training throughout the year to ensure that students fully master the skills. In the same year, 75 teachers participated in the evaluation of vocational skills competition, involving three types of jobs, such as baby-sitter and Internet marketer, to help build a “double position” teacher team. In addition, 365 teachers and students participated in the special training of artificial intelligence data annotation, 338 of them passed the exam, with a pass rate of 92.6%, and provided examination services for 125 students from Shanghai Maritime University and Shanghai University of Electric Power.

We also actively promoted the construction of college evaluation institutions, applied for semiconductor discrete devices and integrated circuit assembly and commissioning, and developed question banks. At present, the existing examination sites cover e-commerce professional, Internet marketing professional and so on. In the future, we will continue to expand the scope of evaluation services, provide teachers and students with convenient and efficient services, and support the realization of 1+X talent cultivation goal.

(2) Developing the Training Management System for Non-degree Education

The College of Continuing Education of the Group has set up a special working group responsible for the specific promotion and implementation of vocational skills evaluation. In the meantime, it strengthened the system construction and established a sound training management system, including but not limited to the “Training Management Regulations”, “Training Teacher Management Regulations”, “Student Attendance and Evaluation System”, etc., to provide a solid guarantee for the standardization of training. In the process of project implementation, it strictly followed the system requirements, regularly monitored and evaluated the training progress, teaching quality and feedback from students, and timely adjusted and optimized the training plan to ensure the maximum effect of skill training and talent cultivation. Meanwhile, it regularly organized internal review and held special meetings on continuously improving work, thereby constantly optimizing the management process and enhancing service efficiency.

In order to ensure the quality of training and examination, multiple effective measures have been taken, such as strengthening the pre-examination training, providing detailed examination services, and equipping the head teacher with follow-up services, so as to improve the overall passing rate of students to obtain the corresponding vocational skills certificate, enhance the core competitiveness of employment, and lay a solid foundation for their future career development.

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5.7 CAMPUS INFORMATISATION CONSTRUCTION

In 2024, the Group's Information Technology Office continued to work in accordance with the requirements of the "Outline of the Development Plan during the Fourteenth Five-Year Plan Period of Shanghai Jian Qiao University (《上海建桥学院「十四五」期间发展规划纲要》)" , while closely focusing on the urban digital transformation of Shanghai and the educational informatization transformation of the Ministry of Education. It has achieved certain results in accelerating the pace of digital transformation, continuously promoting the cultivation and construction of Shanghai informatization benchmark school, and improving informatization support. Specific measures cover the following aspects:

(1) Leveraging our Own Development Strengths and Building a Smart Campus with Gench Characteristics

01 Building Smart Classrooms to Realize Remote Smart Lectures

In the year, we upgraded our existing teaching facilities in stages and added 40 smart classrooms. Equipped with high-definition camera systems, smart audio devices and high-speed Internet connections, these classrooms support high-quality remote teaching and playback functions to meet diverse teaching needs. By integrating big data analysis and artificial intelligence technology, smart classrooms are able to track and analyze students' learning behavior, progress and effectiveness in real time, and provide teachers with personalized teaching feedback, the layout of which also accelerated the construction of a "Cloud Gench" teaching resource bank and offered new possibilities for campus modernization exploration. The construction of smart classrooms not only improves teaching efficiency and quality, but also serves as a demonstration project for future classroom transformation.

02 Building a Large Data Screen and Exploring the Whole School's One-screen Overview

We built a comprehensive data display platform, namely data cockpit, to improve the ability of data visualization. The first phase of construction of the platform covers several key areas such as personnel, teaching, students, assets, logistics management and teaching operations. The real-time data display and analysis function allows users to quickly understand key indicators and trends, providing data support for decision-making. For example, data synchronization was realized for the logistics management screen and our school's main entrance and exit gate system, providing real-time display of access control events, and function of sensitive personnel library management.



Large Screen of Logistics Data

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03 *Building a New Petition Platform and Optimizing the Feedback Mechanism for Communications on Campus*

The newly built “7788 Petition Platform” connected the relevant information of the 7788 special website of our University, standardized the process of complaint and petition handling, which made the communication between school leaders and teachers and students more smooth, enhanced the transparency of information, greatly improved the efficiency and quality of complaint and petition handling, and synchronized the real-time update and sharing of information.

04 *Upgrading Educational Administration System to Practice Results-oriented Education*

To efficiently implement the OBE integrated talent cultivation services, scientific evaluation was made on the degree of achievement of professional graduation requirements. Our educational administration system was updated in terms of training program, teaching syllabus and score management. We established OBE talent cultivation and course teaching management system and teaching quality monitoring system to assist professional accreditation, construction and teaching evaluation through information technology.

05 *Launching the Online Insurance System, and Reconstructing the Work-study System*

To improve the efficiency of the medical office and work-study management of our school, we successfully launched the medical insurance insurance system, which simplified the insurance process and transformed the traditional offline work into an efficient online operation. By the end of 2024, we had initiated 2 insurance projects, with a total of 48,180 documents. In addition, the work-study system was also restructured, which enabled administrators to easily set the budget, and the administrators of each department to publish the recruitment positions, so that students can start work after submitting their resumes and passing an interview. The system also supports the generation of monthly working hour cost reports, providing a strong guarantee for the standardization and efficiency of work-study work.

(2) *Serving Teachers and Students Practically with Heart-warming Services*

01 *Promoting the One-network Process (一網通辦) to Improve the Experience of Teachers and Students*

During the year, we improved the OA system into the One-network Process (一網通辦), and continued to configure related matters and processes, such as the application for the use of seal certificates, the application for the temporary establishment of school activities, and the school administrative document. As of December 19, 2024, more than 7,000 matters have been handled, which has improved service efficiency, facilitated teachers and students, and strengthened departmental coordination and management level.

02 *Improving the Logistics Platform to Optimize the Accommodation Experience for Teachers and Students*

We upgraded the system for management of logistics issues and dormitories, and integrated all student dormitories, teacher apartments and guest houses which are connected with the real estate data of the big data center. We optimized the dormitory scoring system, students’ inquiries via mobile terminals, and counselors’ monitoring via PC terminals, and gained additional data analysis functions. We developed a smart dormitory service screen to display announcements and multimedia information, and updated the use of washing machines and shoe washing machines in real time to improve students’ life experience.

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03 *Reconstructing the Welcome System to Optimize the Freshman Registration Experience*

The welcome system has been comprehensively reconstructed to address the shortcomings, and improve its performance and safety. In the year, we focused on optimizing key modules such as dormitory buying, fee payment, dormitory allocation, and new students' book selection, which effectively met the demand for new students. In addition, we have automated the process by assigning student numbers in advance through the academic affairs system and deep data matching with the big data center. The new system has shortened the orientation process from the original three to four weeks to just three days, greatly improving the efficiency and quality of orientation work.

04 *Carrying out Information-based Training and Question Answering*

The Group actively dealt with informatization-related training, question response and basic services. In respect of the upgrading of information systems, through extensive training, the new faculty and staff have a better understanding of the information services we provide, and further improve the information literacy. In terms of demand response and basic services, we have created an online support group for information technology matters respectively for faculty and staff and students, so that they can timely raise all kinds of questions encountered, and achieve timely feedback. Meanwhile, we constructed the new version of the information system WeChat official accounts, uploaded the existing operation manual and frequently asked questions to the official accounts, and regularly maintained the automatic reply function and the number of followers has reached 31,892 at present.

At the end of the year, our Group also carried out a sample survey on the satisfaction of information work for faculty and students, in order to obtain real feedback from users and help future improvement.

(3) *Contributing to Campus Security*

01 *Standardizing the Management of Third-party Personnel and Strengthening Campus Safety Management*

We developed an intelligent third-party personnel management system to improve campus security management. The new system strengthens identity and qualification verification, and implements multi-level approval to ensure the authenticity of information. The system is connected with the face library to realize the automatic entrance and exit of face recognition. The system also manages the qualification certificates of external personnel, such as health certificates and security certificates, and updated the status of certificates in real time.

02 *Handling of Security Incident*

In 2024, in the face of escalating cyber attacks, our cyber security team followed the principle of “quick response and effective handling” to ensure campus cyber security and maintain the stability of teaching and administrative systems. The team handled the 20 threat alerts reported by the Shanghai Education Network Security Platform in a timely manner, and successfully completed the network security guarantee task during the important period of the year. After each incident, the team conducted in-depth analysis, optimized firewall strategies, and implemented proactive defense measures.

03 *Optimizing Security Device Deployment and Website Security Evaluation*

By upgrading network security equipment such as firewall, IPS and WAF, the Group has built a strong security protection system, and regularly maintained and updated security patches to ensure high stability and protection capability of the campus network. Meanwhile, the website group of our University has passed a comprehensive security evaluation and obtained the level 3 certification of grade protection.

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6. BUILDING A BRIDGE FOR TEACHERS TO FULFIL THEIR CAREER GOALS BY A “COMFORTING” GENCH

HONOURS OF TEACHERS

Under our Group’s rigorous employment standards, the considerate care and comprehensive training system we provide have stimulated employees’ enthusiasm for work and enhanced their work competence, which enables our employees to win numerous honours and awards every year. Some honours received by the teaching staff of our Group in 2024 are set out in the table below:

Name of award	Level of award	Level of competition	Awarding unit	Time of award
The 4th Session of “Zhihuishu Cup” Course-related Ideological and Political Demonstration Case Teaching Competition — Ordinary Undergraduate Education Track (第四屆「智慧樹杯」全國課程思政示範案例教學大賽普通本科教育賽道)	4 Second Prizes	National level	National Level Course-related Ideological and Political Teaching Research Demonstration Center (國家級課程思政教學研究示範中心), Shandong Province Higher Education Course-related Ideological and Political Research Center (山東省高等學校課程思政研究中心), zhihuishu.com (智慧樹網)	September 2024
2024 National Private Colleges Sport Union Teaching Skills Competition for PE Teachers (2024年全國民辦高校體育聯盟體育教師教學能力大賽)	1 First Prize	National level	National Private Colleges Sport Union (全國民辦高校體育聯盟)	December 2024
The 6th Session of Smart Teaching Competition for Teachers from Normal Universities and Colleges of Yangtze River Delta (第六屆長三角師範院校教師智慧教學競賽)	2 First Prizes	Yangtze River Delta regional level	Organizing Committee of Smart Teaching Competition for Teachers from Normal Universities and Colleges of Yangtze River Delta (長三角師範院校教師智慧教學和師範生教學基本功大賽組委會)	November 2024
The 4th Session of Shanghai University Teachers’ Teaching Innovation Competition (第四屆上海市高校教師教學創新大賽)	1 First Prize, 4 Outstanding Prizes	Shanghai municipal-level	Shanghai Municipal Education Commission (上海市教育委員會)	April 2024
The 6th Teaching Competition for Young University Teachers in Shanghai (第六屆上海高校青年教師教學競賽)	3 Third Prizes	Shanghai municipal-level	CPC Shanghai Municipal Education and Health Working Committee (中共上海市教育衛生工作委員會), Shanghai Municipal Education Commission (上海市教育委員會), Shanghai Municipal Federation of Trade Unions (上海市總工會)	June 2024

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Name of award	Level of award	Level of competition	Awarding unit	Time of award
2024 Shanghai Vocational Schools Skills Competition – Teaching Capability Match – Vocational Team (2024年上海市職業院校技能大賽教學能力比賽高職組)	1 Second Prize, 2 Third Prizes	Shanghai municipal-level	Shanghai Municipal Education Commission (上海市教育委員會)	July 2024
The 6th Shanghai Normal Students Teaching Basic Skills Competition (第六屆上海師範生教學基本功大賽)	3 First Prizes, 1 Second Prize, 13 Third Prizes	Shanghai municipal-level	Shanghai Municipal Education Commission (上海市教育委員會)	November 2024
The 6th Session of Shanghai Smart Teaching Competition for Teachers from Normal Universities and Colleges (第六屆上海師範院校教師智慧教學大賽)	1 First Prize, 4 Second Prizes, 4 Third Prizes	Shanghai municipal-level	Shanghai Municipal Education Commission (上海市教育委員會)	November 2024
The Exhibition Activities for Completion of the 2024 Development Grant Programme for Young University Teachers in Shanghai (2024年上海高校青年教師培養資助計畫結項展示活動)	1 Grand Prize, 1 Third Prize, 2 Excellence Awards	Shanghai municipal-level	Shanghai Municipal Education Commission (上海市教育委員會), Shanghai Education Development Foundation (上海市教育發展基金會)	December 2024

6.1 STRINGENT EMPLOYMENT STANDARDS

Our Group strictly abides by the Labour Contract Law of the People's Republic of China, Management of Labour Work and Personnel in Shanghai, Provisions on the Prohibition of Using Child Labour and other relevant laws and regulations that have a significant impact on us and are related to compensation and dismissal, recruitment and promotion, working hours, leaves and holidays, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. We have established a comprehensive employment management system with a range of employment-related system documents including Human Resources Management Procedures, Administrative Measures for Recruitment of Teachers and Staff, Administrative Measures for Annual Assessment of Teachers and Staff, Administrative Measures for Attendance of Teachers and Staff and Provisional Disciplinary Measures for Violation of Discipline by Teachers and Staff. The Human Resources Management Procedures regulates a complete employment management system, including human resources planning, recruitment and employment, promotion, attendance and appraisal, training and development, remuneration and rewards and punishment, and resignation. System documents, such as the Administrative Measures for Attendance of Teachers and Staff and Principles on Schedule Arrangement and Implementation Measures, regulate the working hours and vacations of teachers and staff.

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Overview of Employment Process:



Recruitment

We strictly implement the recruitment process according to the annual recruitment plan and recruitment system. Our Group treats employees and candidates on an equal basis, and never discriminates against them due to gender, age, marital status, race, religion, etc.



Induction

Candidates are required to provide proof of identity, academic qualifications, skills, and employment during the interview. The HR department verifies the originals of the relevant supporting documents to ensure the authenticity of the candidate's identity and qualifications. We will immediately terminate the employment of any candidate whose identity information is found to be untrue. We will sign a labor contract with the successful candidate, which stipulates the salary, benefits and holidays available to the employees. Forced labour is strictly prohibited. If any violation is found, we will deal with it strictly according to law. We will regularly review the employment system to ensure that there is no child labour or forced labour. (During the year, our Group did not have any cases of hiring of child labour or forced labour, which highlights our strict employment system.)



Performance Appraisal

In order to correctly evaluate the moral and aptitude performance and work performance of the teachers and staff, we have formulated the Administrative Measures for Annual Assessment of Teachers and Staff, Ethics Assessment Measures of Teachers and Staff, Measures for Selection and Administration of Outstanding Teaching Staff (Qingyun Prize), Measures for Selection and Administration of Excellent Departmental Chairpersons, Administrative Measures for Selection and Administration of Outstanding Teaching Prize, Administrative Measures for Selection and Administration of Outstanding Counselors, and Measures for Selection and Implementation of the Teaching Staff (Lei Feng Prize) to encourage teachers and staff to devote themselves to their duties, cultivate morality and improve their work efficiency and performance, and to become good teachers and staff with ideals and beliefs, moral sentiments, solid learning, and a heart of love and benevolence. The results of the annual assessment of teachers and staff are used as the basis for awards, promotions, advancement and salary promotions.

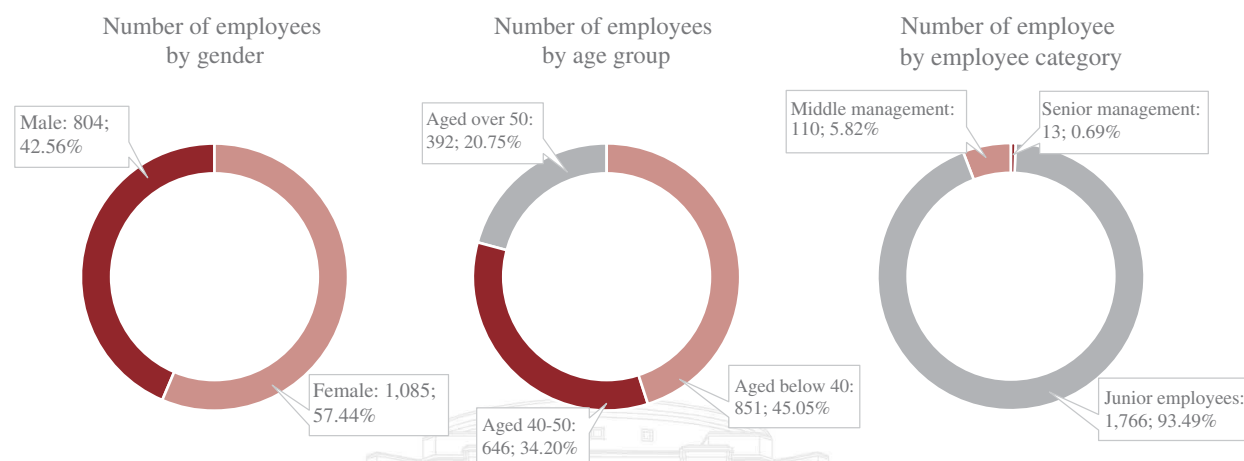


Resignation

We are concerned about the retention of every employee and have formulated the Administrative Measures for the Resignation of Teachers and Staff. When a teacher or staff submits his or her resignation, the head of the college or department will meet and communicate with him or her, make efforts to retain the teacher or staff with good performance, and explore the possibility of improving his or her working environment, conditions and treatment.

Overview of Employees in 2024:

As of December 2024, the Group has a total of 1,889 employees. We highly value senior talents, as their valuable experience can enrich the qualifications of our staff team. In addition, we attach great importance to the diversification of our employees. The distribution of employees by gender, age group and employee category are shown in the figure below:



For details of employee turnover and occupational health and safety-related disclosures of the Group during the year, please refer to "APPENDIX II: SOCIAL KEY PERFORMANCE INDICATORS".

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6.2 CONSIDERATE CARE FOR STAFF

Employees are valuable assets to our Group in maintaining a quality education. As such, we are very concerned about the needs of our staff. To protect various welfare benefits of our teachers and staff, the newly-revised 2022 Collective Contract of Shanghai Jian Qiao University clearly stipulates the provisions on labour remuneration, labour insurance and welfare, physical examination standards, rehabilitation subsidy standards, contract management, awards and punishments, etc. of our teachers and staff, effectively safeguarding various welfare benefits of our teachers and staff. By upholding the teacher-centric development philosophy, our sponsors and management always attach great importance to the improvement of faculty treatment to promote high integration of our school's career development and our faculty's personal development.

In addition to the statutory five insurances and housing fund, we set up the "Charity Fund of Jian Qiao University" in September 2007, providing financial assistance to teachers and staff with serious illnesses and financial hardships, and delivering warmth to staff with difficulties or emergency each year, to reflect the care of Gench Education for teachers and staff and tide teachers and staff over financial hardships. In addition, to protect the interests of teachers and staff, and relieve teachers and staff of living hardships resulting from illness or hospitalisation, we subsidise the premiums for each teacher and staff member who participates in supplemental medical insurance. Our employees are entitled to sick leave, medical leave, wedding leave, bereavement leave, family leave, maternity leave, paternity leave, nursing leave for late childbirth and other leaves. In order to be sensitive to the needs of working mothers, female staff members with children under the age of one year are entitled to two breastfeeding breaks per day. Moreover, our employees are also entitled to holiday gifts, recreational activity subsidy and other benefits.

Our employees are entitled to free physical examination once a year, and every year, we will distribute cake vouchers to employees on their birthdays, and distribute holiday gifts to them in traditional Chinese festivals, like Spring Festival, Dragon Boat Festival and Mid-Autumn Festival etc. To adjust the physical and mental health of our faculty, every year eligible employees will be entitled to recreational subsidies during our summer recreational activities, for example, they can tour in mainland China and take a rest. We have also built comfortable "Teachers' Home" on our campus, which includes exercise room, fitness room, cafe, relief room etc., offering free coffee and tea, and providing rest and recreational spaces for our employees in all directions, so that they can take a rest after work.

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The Group organises the Badminton Association, Table Tennis Association, Walking Association, Chorus Association, Basketball Association, Football Association, SJQU-Gench Fashion Association and other cultural and sports associations to enrich the lives of our teachers and staff. In addition, we organise a number of festivals and recreational activities for our staff, such as New Year's parties for teachers and staff, staff sports meeting, flower arrangement activity, baking activity, mental health lectures (consulting), legal consultations, photography competitions, talent show activities, youth friendship and other activities to increase the sense of belonging, happiness and cohesion of employees.



Sports Meeting for Group Faculty



Annual Commendation & Spring Festival Evening



Rest Zone of Teachers' Home



Faculty Lunch Break Arts & Cultures Classroom

In addition, we sincerely respect and thank every retired faculty member who has worked hard for our construction and growth. We regularly hold activities for retired teachers and staff to return to the campus every year on Double Ninth Festival, arranging for retired teachers and staff to visit the new appearance of the campus, and organising themed seminar. The retired faculty members return with deep love to campus and share the good old days with each other, providing insights for the development of our University.

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Return Seminar on Double Ninth Festival



Return to Campus on Double Ninth Festival

Due to our sincere services to the faculty members and our faculty-centric persistence, plus the Teachers' Home favoured by faculty members, Shanghai Jian Qiao University wins the title of "China Model Workers' Home" during the year.

6.3 WELL-ESTABLISHED TRAINING SYSTEM

The Group put a special emphasis on the training and development of employees. In terms of teachers, we have formulated the Fourteenth Five-Year Plan for Teacher Team Development Goal, and established a comprehensive training system to provide appropriate training for teachers at different stages of development, so as to improve their professional level.

We have established corresponding in-service training and incentive policies for young and middle-aged core teachers, and formulated the Administrative Measures for the Implementation of Further Education Training for Teachers and Staff, the Measures for the Implementation of Domestic Visiting Scholar Programme for Young Teachers, the Measures for the Implementation of Overseas Visiting Scholar Programme for Teachers, the Measures for the Implementation of Industry-university-research Practice Programme for Teachers, the Measures for the Implementation of "Development Grant Programme for Young University Teachers in Shanghai", On-the-job PhD Management Measures, and the (Tentative) Administrative Measures for the High Level Talents Nurturing and Incentive Programme, to comprehensively strengthen the establishment of various talent teams. The specific training mechanism is as follows:

(1) Enhanced Training for New Teachers and Staff

The trainings are classified into three stages: basic teaching skills training, Gench characteristic teaching training, and teacher ethics and school rules training. From July to August this year, we organised a newbies training for new employees, covering school rules, teacher ethics, teaching basic skills, Gench characteristic teaching training and trial lecture assessment etc.

(2) Mentorship Mechanism for Young Teachers

We practise the "Mentorship Mechanism for Young Teachers", where very new young teacher is assigned middle-aged or elderly teachers with good ideological quality, high academic level and rich teaching experience as mentor, and a practical training plan is formulated to promote their access to new post and improve their teaching concepts and professional skills. We also implement the "Development Grant Programme for Young University Teachers in Shanghai", to fund excellent new young teachers in scientific research, and regularly hold project declaration training, so as to help them improve the writing quality of declaration materials.

(3) Multi-level and Multi-type Teacher Training System

We held various training programmes in multiple levels and types. In order to fully improve our faculty expertise and overall competence, we followed education rules and faculty growth rules, to build high level talents team, train young teachers, and improve the professional development level of all levels and all kinds of teachers, to effectively meet the new requirements of education implicit development in new era.

① Professional development projects for teachers

We select excellent teachers to visit scholars in high level and distinctive universities at home and abroad, so that they can timely keep abreast of and track the domestic and overseas cutting-edge trends and development tendency in education and teaching, so as to help them to improve teaching and research abilities and academic level. We also encourage teachers to participate in research and development, work or internship in enterprises, design institutes, research institutes and other units through various forms, so that under the guidance of relevant business experts, they enhance their professional practice ability, keep track of the industry dynamics and development tendency, and increase the qualities of teachers with “double-position”.

② Teachers reinforcing project

We select teachers to join in various training programmes organised by the teachers reinforcing projects of private universities, including teachers teaching skills training, teachers research capability training, “double-position” teachers professional training etc. During the year, 230 teachers took part in such reinforcing projects.

③ Doctoral education project

Our University provides financial support for teachers to study for doctoral degrees, creates a sound working and learning environment for doctoral candidate teachers, and provides academic leave for doctoral candidate teachers in order to give them sufficient time to complete their studies.

④ Teaching ability improvement project

We have established a teaching development centre to help teachers improve their teaching abilities. According to our development plan and the current status of the teaching force, we have developed and continuously improved the teachers professional development plan and system, and promoted the normalisation and institutionalisation of teachers training and nurturing work for the purpose of facilitating their sustainable professional development.

⑤ Summer vacation teachers study event

We recognize the diversified needs in teachers professional growth path, and have organized summer training activities for all teachers, including seven courses such as “digital quality and skills improvement”, “scientific quality improvement”, “mental health education capability improvement”, and “teachers teaching capability professional development”. During the year, totally 878 teachers took part in summer vacation teachers studies.

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(4) Selecting Core Talents, Building 4-kind Talents System

According to the Administrative Measures of Talents Plan in Shanghai and other documents, in the spirits of continuously nurturing high level faculty oriented to the demand of school development and faculty team building, during the year, we developed and issued the Administrative Measures (Tentative) on High Level Faculty Talents Nurturing Incentive Schemes (《高水準師資人才培育激勵計畫管理辦法(試行)》), to construct the “leading- outstanding – cadre – excellent” 4-tiered training system, and facilitate the establishment of a well-structured, lean and efficient teaching force.

(5) Establishing “Professional Development Groups for Teachers”

Our University has established special professional development groups for teachers focusing on teaching reform, discipline and major development and personal development to enable teachers help each other, create synergy and develop in teams.

(6) Revising the Measures for the Evaluation of Professional and Technical Posts to Facilitate the Promotion of Teachers’ Titles

According to the title reviewers of the Education Commission, in light of the actual condition of our school, our school has revised the Measures for the Evaluation of Professional and Technical Posts to create a fair and open environment for teachers to promote their professional titles, strengthen the assessment of teacher ethics and teaching ability, and added certain levels of teaching awards, excellent teaching materials, teaching team awards and other awards, which will smooth channel for teachers to promote their professional and technical titles, and is more conducive to the development of teachers’ careers.

(7) Training for Functional Department Staff

For employees in each functional department, we also regularly conduct internal training and encourage them to participate in external training programs to enhance their business capabilities and management standards. For instance, we encourage employees of the finance department to engage in continuing education programs for accounting, support employees of the company secretary’s office to attend training and forums on compliance governance, information disclosure and other aspects, motivate employees of the information technology office to participate in training related to information system development, motivate logistics property management personnel to participate in first aid and AED training and fire safety training etc., as well as encourage department staff to have more knowledge about sustainable development. We also conduct regular ESG-related training for the functional departments responsible for various issues.

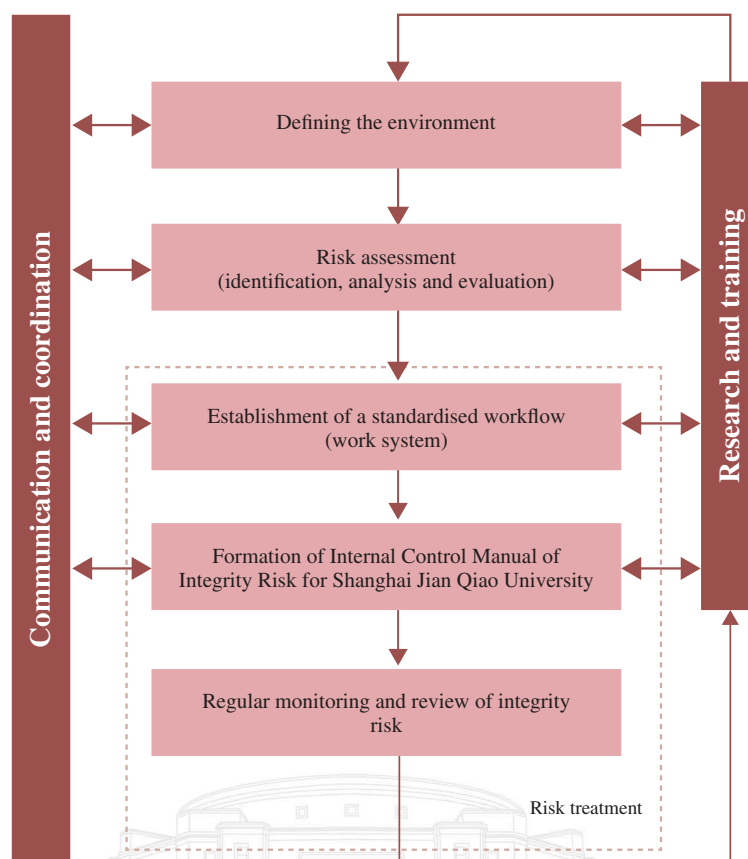
In 2024, the employees of the Group participated in various internal and external trainings, both online and offline, throughout the year, totalling 107,880.19 hours. For details of the trainings by gender, age group and employee category, please refer to APPENDIX II: SOCIAL KEY PERFORMANCE INDICATORS.

7. BUILDING A BRIDGE FOR SOCIETY TO SATISFY ITS NEED FOR EDUCATED TALENTS BY A “REASSURING” GENCH

7.1 ROBUST COMPLIANT OPERATION

(1) Integrity Supervision

Our Group adheres to clean and compliant operations, and strictly complies with the Criminal Law of the People’s Republic of China, Anti-Money Laundering Law of the People’s Republic of China, Guidelines for Integrity and Self-discipline of the Communist Party of China, the Guidance on Strengthening Integrity Risk Prevention and Control and other relevant Chinese laws, regulations and guidelines that have a significant impact on us and are related to the prevention of bribery, extortion, fraud and money laundering. In order to build an integrity and compliance culture for the whole Group, we have carried out the project of Construction of Integrity Risk Prevention and Control System of Shanghai Jian Qiao University, introducing risk management theory and modern quality management methods into our integrity risk prevention and control system, to control and supervise in power operation process. We have formulated Internal Control Manual of Integrity Risk for Shanghai Jian Qiao University, which divided our integrity risk internal control into school-level and business-level, and established the implementation flow chart of integrity risk project to effectively fight against fraud, corruption and abuse of power. We also formulated the Compilation Document of Integrity Risk Prevention and Control Related System for Shanghai Jian Qiao University, which is a compilation of all the system documents related to integrity risk prevention and control as a normative guideline for all teachers and staff to promote integrity in their daily business operations. In terms of mechanism construction, we implement the ISO 9001 quality management system, allowing the integrity risk prevention and control system to be properly implemented.



Implementation Flow Chart of Integrity Risk Project

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The year of 2024 was a critical year for the Group to realise the objectives of the Fourteenth Five-Year Plan and for the University to audit and assess the “evaluation welcoming and construction promotion”. Under the correct leadership of superior disciplinary inspection and regulatory authorities, the Group’s disciplinary inspection and regulation works constantly strengthened our disciplinary committee’s supervisory responsibilities, enhanced the construction of integrity risk prevention and control system, and provided strong guarantee for the full-scale development of the Group:

- ① Focusing on central works to conduct supervision and disciplinary performance, and pushing forward key decisions in place and in effect. The disciplinary inspection departments took part in the school’s “important decisions, important appointments or dismissals, important projects investment decisions, significant fund uses”, the school’s connected transactions etc., focusing on the supervision on sunshine students enrollment, school talents team building, undergraduate education & teaching audit & assessment among other important issues, to promote the key decisions to take roots and take effects.
- ② Enhancing supervision and disciplinary performance, and solidifying an integrity defence line. We insisted stringent disciplinary enforcement, strict compliance, timely interview and reminder for any problem found, and timely settlement of misconduct or illegal behaviour. In 2024, we signed 91 integrity commitment letters, covering entire middle management; we conducted 2 sessions of managers warning education, interviewed 15 managers before their taking office, and timely communicated typical negative cases to educate colleagues.
- ③ Continually innovating integrity risk prevention and control system and mechanism. We issued the Implementing Opinions of Shanghai Jian Qiao University Party Committee on the Reinforcement of Integrity Risk Prevention and Control, and established the integrity risk control leading team and inspection team to solidify integrity risk control training, and conducted the closed loop management on integrity risk control inspection. We held the 2024 integrity risk control inspection kickoff meeting, developed the work plan for the Notice of 2024 Integrity Risk Control Inspection, and inspected 13 functional departments with the control evaluation indicators of 46 risk points.
- ④ Building disciplinary inspection battlefield, and strengthening integrity culture construction. We put online the official website of disciplinary committee, with webpages of laws and policies, regulations, integrity education, integrity risk control, work dynamics, contact us etc., to highlight publicity and education, improve supervision efforts; we established disciplinary dialogue room, to enhance integrity cultural education. During the year, we held the “2024 Shanghai Jian Qiao University Integrity Culture Building Month” event, to exhibit the integrity culture works elaborated by our teachers and students, embodying our teachers and students’ recognition of integrity culture.
- ⑤ Improving supervisory system, and forming work synergy. We promoted the integration of all kinds of supervisory forces, programs, works, improved information sharing, question negotiation, long-term mechanism for all functions, formed supervisory synergy and improved supervisory efficiency continually. We conducted disciplinary inspection, audit, supervision, complaints, legal affairs for coordinated supervision, to construct a greater supervisory system. During the year, we held 2 coordinated supervision meetings, and issued the Synergy Mechanism of Shanghai Jian Qiao University for Disciplinary Inspection Supervision and Audit Supervision. During the year, we appointed audit office to conduct 2 audits on the financial responsibility of retired managers.
- ⑥ Strengthening the building of the disciplinary inspection and supervision team. We continued training on disciplinary inspection team. We held the “2024 Integrity Risk Prevention and Control Key Domain Training Meeting”, the “2024 Integrity Risk Prevention and Control Inspection Training Meeting”, visited Shanghai University of Medicine & Health Sciences, and three private higher education institutions in Fujian province, for disciplinary inspection survey, to further improve the theoretical qualities and professional level of our school’s integrity risk control personnel.

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- ⑦ Implementing precautionary measures and whistle-blowing procedures. The Group formulated the Anti-fraud Management System to implement our anti-fraud internal control mechanism. Under such mechanism, the Group established a whistle-blowing and complaint channel to prevent and discover anti-fraud circumstances, implemented control measures to reduce the occurrence of anti-fraud circumstances, and will take appropriate and effective remedies in response to damages caused by anti-fraud circumstances. Our staff at all levels and any party having a direct or indirect economic relations with the Company can report any actual or suspected fraud cases of the Company or its employees through whistle-blowing telephones, e-mails, letters or visits, including complaints about misdemeanour against professional ethics and any whistle-blowing allegation. The audit supervisory department is responsible for monitoring the whistle-blowing telephones, e-mails of the anti-fraud cases and the receipt of real-name or anonymous reports from employees and external third parties. The Audit Committee is the leading and main responsible body for our anti-fraud matters, which takes charge of the guidance of anti-fraud behaviour and continuous supervision of the anti-fraud matters.
- ⑧ Conducting anti-corruption training. In November this year, the Group provided anti-corruption training materials to directors and employees, and carried out a 2-hour anti-corruption training, which further strengthened the general anti-corruption awareness.

(2) Intellectual Property

The Group will always uphold the priority of respecting intellectual property and protecting the fruits of intellectual work, and strictly abide by the Intellectual Property Law of the People's Republic of China and other related laws and regulations, build a perfect intellectual property management system, covering the Administrative Measures on Intellectual Property and the Administrative Measures on School-Enterprise Cooperation among other system documents, for the purpose of practically maintaining the legitimate interests of the Group and researchers, motivating the teachers, students and employees' innovation enthusiasm and promote sci-tech progress.

Pursuant to the Administrative Measures on Intellectual Property, the University has the right to apply for patents for the inventions made by teachers, students and employees on job, who shall not use or transfer such patents once approved, without prior permission. Inventions made not on job shall be in the ownership of the inventors, to prevent infringement. In order to create research atmosphere and boost the transformation into an applied university, the University encouraged on-job invention patents once authorised according to the Implementation Measures to Encourage Sci-Tech Innovation and Social Services. During the year, we had fruitful innovations, for example, we applied for 40 patents, representing a year-on-year growth of 41.6%, and we currently had 820 authorized patents, 506 effective patents, including 18 invention patents, and 103 utility model patents. During the Reporting Period, we added 20 authorised patents, strongly promoting the technological progress of the industry.

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(3) Information Security

We are committed to protecting the privacy of our faculty, students and parents, and have formulated Implementation Measures on Disclosure (《信息公開實施辦法》), Implementation Measures on Disclosure of Teaching Information (《教學信息公開實施辦法》), Administrative Measures on Confidentiality and Administrative Measures on Records to strengthen the examination of security of Internet contents and confidentiality and management of data and effectively prevent the loss or leakage of information due to negligent management and to prevent theft. The following are the highlights of our information confidentiality efforts:

- ① Define classified and unclassified computers according to their purpose and employees should not take portable classified computers out of the office without permission;
- ② Important departmental personnel who are classified shall keep all mobile classified storage devices secure and shall not leave the school with them without permission;
- ③ Employees in each department should have the approval of the appropriate department head before they post any information online;
- ④ The confidential documents are classified according to their content and shall be properly maintained;
- ⑤ The management of the place where important and confidential documents are stored should be strengthened, and unrelated personnel should not be allowed to stay;
- ⑥ Upgrade the campus website group system and increase the level of security protection.

We strictly abide by the Regulations of the People's Republic of China for Safety Protection of Computer Information Systems, Norms on Personal Information Security under Information Security Technology (《信息安全技術個人信息安全規範》(GB/T 35273-2020)), Notice on the Development of Security Level Protection of Information Systems in Shanghai's Education Industry and other national and local laws and regulations and guidelines. In order to further improve the level of information security protection of our Group, we have formulated systematic documents such as the Administrative Measures for the Information Security in University and the Administrative Measures for the Information System to regulate the management of campus information and cyber security, strengthen and standardise the construction and management of information systems, make more efficient use of resources and ensure the security and stable operation of information systems.

(4) Data Governance

To enhance our governance and internal management of data, advance the development of data governance system and leverage on the role of data in propelling education and teaching reform and administrative effectiveness, we set up a dedicated big data centre. In order to promote digital transformation, strengthen the foundation of data governance and fully explore the potential of data, our big data centre continued to promote infrastructure construction and technological innovation, collaborated with external terms to build a data interaction platform, completed the construction of a dedicated data lake for the business system, and set up a mechanism for annual reporting of education data.

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In 2024, our big data centre further expanded the data lake scope of data centre; managed the daily increasing data and increase the scope of available standard data; paid attention to data security management, standardised data sharing process, continued data sharing, and provided data support for various information construction. In order to promote business data drive and enhance data visualisation, the big data centre completed the six core management data screens, namely, school integration, personnel management, teaching operation, students work, research management and assets management, completed the students value-added evaluation and teachers workload big data model, enhanced the data visualisation, and promoted the business data-driven education, teaching reform and the role of administrative management efficiency.

In addition, our big data centre continued data digging and analysis, analysed the satisfaction survey data from graduates and students in 2024, and wrote the “Satisfaction Survey Analysis Report”, to display the academic input, program study and education experience of students, as well as their comments and feedback on the school teaching management, resources and service supports, which would offer a valuable reference for the school to make specific improvement.

7.2 COMPREHENSIVE LOGISTICS SUPPORT

The Group cares about and prioritises the safety and health of our faculty and students. We strictly abide by the Food Safety Law of the People’s Republic of China, the Operating Rules on Food Safety in Catering Services, the School Hygiene Work Regulations, the Fire Control Law of the People’s Republic of China and other relevant laws and regulations, and formulated a comprehensive health and safety management system, from campus safety, food safety, health and safety education, emergency response plans and other systems and measures for our faculty and students to build a healthy and safe campus.

(1) Campus Safety Management

The Group has always attached great importance to the construction of a safe campus. In recent years, the Group focused on the construction of security projects such as Facial Recognition System for Campus Entrance and Exit, Intelligent Management of Dormitory Areas, and Campus Monitoring Upgrade and Transformation, and built a digital intelligent technical defense management system, which effectively improved the intelligent level of security management and emergency response capabilities, providing a strong guarantee for the construction of a “civilised campus” and a “safe campus”. Campus safety work involves many different areas. We have established a number of safety management measures for, among others, fire safety, dormitory safety and laboratory safety, to ensure the safety of teachers and students in an all-round way. Meanwhile, we have set up many emergency plans to quickly, efficiently respond to fire, dangerous chemical accident, first aid, campus incident, epidemic outbreak and other accidents.



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During the year, we actively conducted various publicising and implementation activities, such as anti-illegal electrical appliances, anti-telecom fraud on campus, student apartment “Six Ts” managements, fire safety, disaster prevention and reduction and other theme activities, as well as regular safety education promotion month, campus safety officer theme training.



National Disaster Prevention and Reduction Day Themed Activity Oriented to Entire Teachers and Students



Fire Safety Training and Firefighting Rehearsal



No Illegal Electrical Appliances in Dormitory Promotion



Campus Safety Officer Themed Training

(2) Campus Anti-fraud Initiatives

Campus anti-fraud is of profound significance to the maintenance of campus stability and the healthful development of education undertakings. The Group highly valued the campus anti-fraud management, and actively implemented campus telecommunication fraud prevention to enhance the anti-fraud awareness of teachers and students, which effectively curbed the high incidence of cases of telecommunication network fraud and safeguarded the safety and stability of the campus.

➤ Various telecommunication network fraud prevention publicity and education activities

For new students, we specially held “new semester” anti-fraud publicity events and “the first security class for newbies” themed seminars; for retired soldiers, we held special anti-fraud publicity; from October to November 2024, through the rule of law and safety education publicity month events, we invited experts to hold knowledge lectures, guided entire teachers and students to participate in the rule of law education courses; we conducted “anti-fraud knowledge turns”, “anti-fraud connect” and other interactive anti-fraud publicity activities, to further generalise the knowledge of anti-telecommunication fraud. The campus guarding students held regular anti-fraud activities in the cafeteria plaza., broadcast anti-fraud safety reminder packages, invited students to participate in questionnaires, and distributed anti-fraud promotional materials. We “carpet” popularised anti-fraud common knowledge, and as of November, 25,256 persons participated in the anti-fraud activities.

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➤ Larger publicity coverage, campus-wide “anti-fraud” climate

To further enlarge the coverage of telecommunication network fraud publicity, we hung propaganda banners and posters, set up publicity points and used display boards and electronic screens in densely populated places on campus, to carry out concentrated publicity, focusing on exposing the means, types, and harms of telecommunications network fraud. Through campus websites, WeChat official accounts, WeChat groups and other platforms, we led teachers and students to enhance their ability to identify telecommunication network fraud, and create campus-wide “anti-fraud” atmosphere. Through rule-of-law publicity contact groups, we issued monthly safety report, to ensure each secondary college could timely understand the case conditions of the university.

➤ School-police joint efforts for campus security defence line

We worked with local police to carry out anti-fraud work, established anti-fraud publicity groups, irregularly held anti-fraud lectures to the colleges with high crime rate, and promoted college anti-fraud new model, striving for anti-fraud education to “reach brains, alert minds, and prevent behaviours”, and jointly visit the victims of fraud in the campus with the community police to learn about the case, summarize experience, and continuously improve the work.



Campus Special Anti-fraud Publicity



School-Police Joint Anti-fraud Campus Event

(3) Campus Food Hygiene and Safety

The Group earnestly implemented Food Hygiene Law of the People’s Republic of China, the Implementing Rules of the Food Hygiene Law of the People’s Republic of China among other laws and regulations, and always took the campus food hygiene and safety work as the focus of work. The Group upheld the principle of “security management, prevention first”, to specify dedicated personnel responsible for the daily work of checking and recording, so as to ensure that the food safety work is solid and effective.

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According to the requirements of higher authorities' documents on food hygiene and safety in campus and taking into account our actual situation, the Group revised more detailed and feasible system documents, including: Management Measures for Canteens and Commercial Shops (《食堂及商業店鋪管理辦法》), Ordinances for Defaults in Catering and Commercial Daily Management (《餐飲及商業日常管理違約條例》), Emergency Response Plan for Catering and Commercial Service Centers (《餐飲及商業服務中心應急預案》), Score Sheets for Canteens' All-round and Quantitative Assessment Rules (《食堂360°量化考核細則評分表》), Score Sheets for All-round and Quantitative Assessments of Commercial Shops (《商業店鋪360°量化考核評分表》), and formulated the Integrity Civilisation Agreement (《廉潔文明協議書》), Four Safety Responsibility Statements (《四個安全責任書》), Detailed Rules of Food Sample Management (《食品留樣管理細則》), Checklist of Responsible Managers' Field Checkpoints (《包保幹部現場點位檢查記錄表》), Shanghai Jian Qiao University Six Ts Practical Training (《上海建橋學院六T實務培訓》) and other documents, to clarify the responsibilities of various departments and to co-ordinate their efforts to ensure that emergencies are dealt with effectively, and to enable the effective implementation of food safety in campus in accordance with laws and regulations.

To improve food safety management, we strictly implemented the Supervision and Management Regulations for Enterprises to Perform Food Safety Responsibilities (《企業落實食品安全主體責任監督管理規定》) and related requirements, established campus food safety leading team, practised target responsibility system, set up 3-tier management architecture, signed the Food Safety Accountability Letter (《食品安全責任書》) with all catering suppliers, and established the mechanism of food safety daily control, weekly inspection and monthly dispatch, with full and effective progress; we strictly carried out the information input of food safety traceability system, supervised the daily recording of food materials; We strictly controlled the procurement of food raw materials to ensure uniform channels and uniform quality for bulk procurement; we strengthened the management on food operators, ensure 100% of the catering and cooperative workers were holding health certificates; we paid high attention to professional knowledge training on food operators, held 15 sessions of training in total throughout the year; we insisted on daily check plus monthly overall check, to push forward merchants all-round inspection and evaluation. Through the above performance throughout the year, we achieved the target that campus cafeterias and commercial shops were "free from material food safety accident".



Campus Cafeteria "6Ts" Knowledge Lecture



Food Safety Knowledge Popularisation Lecture

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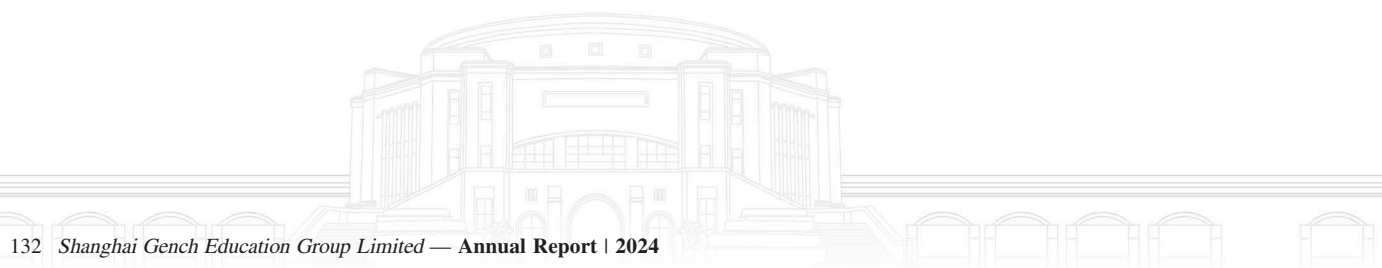
(4) Active Response to Climate Change, Campus Flood and Typhoon Prevention

➤ Preparedness for Flood and Typhoon Prevention

In 2024, with the order of Flood and Typhoon Prevention and Control Command, the Group initiated 21 flood and typhoon grade IV responses and 9 grade III responses in total. Shanghai was affected by typhoon for 4 times in total, namely, No. 3 Typhoon Gaemi on July 27, No. 13 Typhoon Bebinca on September 15, No. 14 Typhoon Prasan on September 19, and No. 21 Typhoon Connie on October 31. Since June 2024, the Group was in the flood and typhoon prevention period, the logistics and security office counted the flood and typhoon prevention materials on campus, and made supplement to any shortfall found in the checklist.

➤ Campus Safety Living Services during Typhoon Period

During the flood and typhoon prevention and control period, all departments of the Group jointly issued safety prevention notices, synchronously reinforced our supervision on living materials reserve, hygiene and disease control, food health and safety, dormitory zone safety and other work on campus, to ensure all measures and risk points were in security and control. All departments made full early warning and preparations, shut doors and windows, checked the piles on balconies, dredged the sewers, checked the outdoor cabinets, air-conditioners etc., and alerted teachers and students on campus. The logistics security office organized personnel to place flood prevention sandbags at key parts of flood control and platform prevention such as the entrance of underground garage. Our leaders and staff stationed on campus by shifts, timely arranged workers to drain rainwater from the inundated areas, and erect pedestrian bridges to ensure normal passage of teachers and students. After the typhoon event, we timely organised campus inspection, repair the damaged facilities and devices and ensure normal operation of campus.



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➤ Settlement of Affected Residents

The Group settled affected residents under the unified arrangements of superior authorities. During the year, the campus settlement point was initiated for three times, and settled over 1,000 residents during typhoon Bebinca and typhoon Prasan, settled over 200 residents during typhoon Connie. During the entire typhoon periods, the campus living order was effectively secured, without any material safety accident.



Series of Flood and Typhoon Prevention and Control on Campus

(5) Campus Disease Prevention and Control, Health Management and Medical Care

In order to strengthen the prevention and control of diseases and health management, we have formulated the Measures for the Implementation of the Detection, Information Record and Reporting of Infectious Diseases among Students to regulate the detection, information record and reporting of infectious diseases and to control the spread thereof, in a timely manner, and we formulated the Measures for the Implementation of Student Health Records to standardize the establishment of student health records and keep track of students' health conditions in real-time while at school.

In 2024, the Group newly built the Medical Centre, procured new office furniture, medical apparatus, auxiliary equipment and others; now the centre had 3 clinic rooms, with fully upgraded hardware conditions, and was put in operation in this May, significantly enhancing students' medical experience. Throughout the year, the centre received 23,630 visits, reviewed 20,971 sick leaves through the online health management system, without any material medical health accident; settled 34 epidemic emergency responses, and worked with authorities to make pandemic investigation and follow-up observation on close contacts (vaccinated 1,144 chickenpox victims, screened 323 Tuberculosis close contacts), without any campus outbreak during the year; in the second half of 2024, the centre organised 4,268 new students to participate in medical insurance schemes; the centre held Tuberculosis and alike epidemic control publicity education oriented to teachers and students, set up health stations, to fully increase our medical service guarantee.

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AED (Automatic Removal Ceremony) was equipped on the first floor of the centre, for self-service in emergency, to improve our emergency first aid capability and ensure the life safety of teachers and students. Meanwhile, the centre set up “Health Huts” equipped with blood pressure monitors, height and weight machines, AIDS urine self-testing instruments etc., to offer more humanised medical security services, facilitate teachers and students to conduct self-monitoring of their own health, and promote the overall improvement of medical service satisfaction.



Tuberculosis Control Popularisation Themed Event



First Aid Training

(6) Care for Teachers and Students' Mental Health

The Group is always paying great attention to staff and students' mental health. We set up a dedicated Mental Health Education and Counselling Center in 2003, which was recognized as the Shanghai Mental Health Education Standard Unit and Shanghai University Mental Health Education and Counselling Demonstration Centre in 2006 and 2021 respectively. The Mental Health Education and Counselling Center provides individual counselling, group counselling, mental health education, and mental health education practices for all teachers and students. Currently, there are 6 full-time mental health teachers, and 18 part-time teachers in the centre. During the year, we completed 52 classes in a total of 832 hours of teaching tasks for the course “Mental Health of University Students” (《大学生心理健康》), received 523 individual counselling sessions, and conducted 4 group counselling sessions.



Mental Health Education and Counselling Center

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Mental health education practices constitute an important path to campus mental health education. During the year, our practices mainly included the “525 mental health education season” in the first half of year and the “friends mutual help promotion month” in the second half of year. Moreover, we undertook “Shanghai private universities mental health education month”. In the “525 mental health education season”, we organised 819 sessions with over 58,000 person-times of participation, representing a participation percentage of 232%. Among the rating in Shanghai, our University won the “Excellent Organisation Award of the 2024 Shanghai School Mental Health Education Season”, and our single work “Deep Sea” won the second prize of the “2024 Shanghai School Mental Health Education Season- Psychodrama”. During the “friends mutual help promotion month”, we held the themed arts exhibition, where students created calligraphy, drawing and painting, video and creative designs among other works around the “anxiety and acceptance” theme. In the “Shanghai private universities mental health education month”, we held in a row the “Shanghai private universities students mental health education themed debate”, the “Shanghai private universities mental health education demonstrative courses teaching competition”, the “Shanghai private universities students mental crisis prevention and intervention workshop series”, the “Shanghai private universities mental health education knowledge skills competition” and other events, to better promote the exchange and improvement of private universities in mental health education.



Opening Ceremony of the Mental Health Education Season 2024



Mental Commissioner Skills Competition



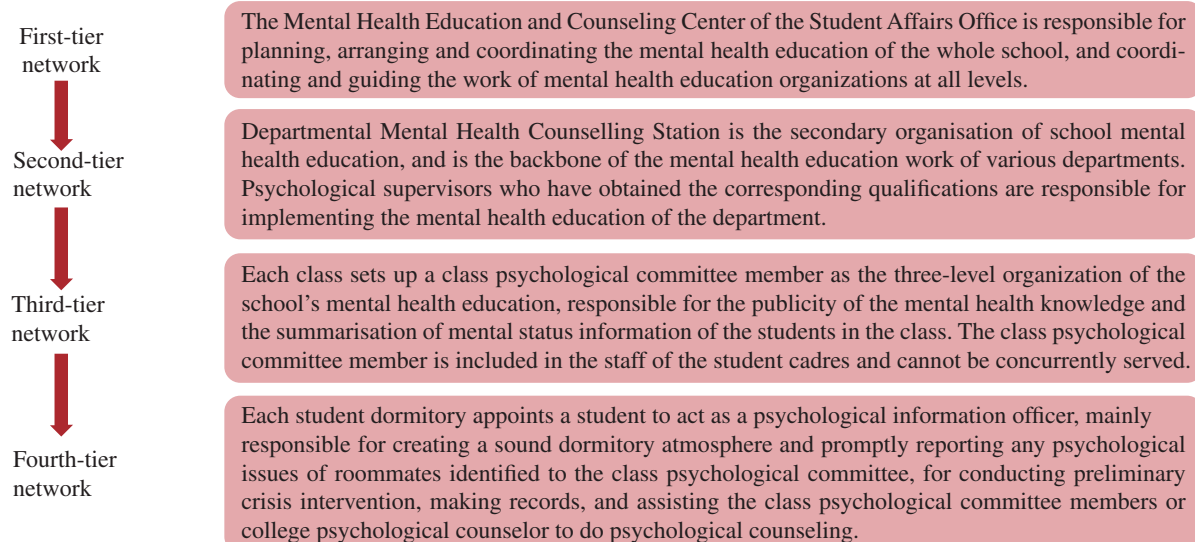
Teachers and Students Mental Health Knowledge Competition



Drawing Therapy Practice Training

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In addition, we developed the Administrative Methods on Students Mental Health Education and Crisis Intervention (《學生心理健康教育與危機干預管理辦法》), to enhance our management on students mental health education and mental crisis intervention, including the four-tier network for mental crisis intervention as below:



7.3 RECIPROCAL SUPPLY MANAGEMENT

Adhering to the concept of cooperation and mutual benefit, the Group is committed to establishing a stable, mutual benefiting cooperation relationship with suppliers. In line with the principle of “integrity, pragmatism, fairness, and efficiency”, the Group enhances our supply chain management, to improve our entire supply chain competitiveness and optimise our costs.

To standardise procurement procedures, enhance the quality and efficiency of suppliers, and ensure the quality of procured products and services, we have formulated system documents according to reality, such as Supplier Management Procedures and Procurement Management Procedures. On one hand, we conduct information registration, evaluation, and assessment of suppliers, so as to reduce supply chain risks in an all-round way, and improve procurement performance; on the other hand, we clarify the procurement procedures, standardise procurement behaviour, increase procurement efficiency and accuracy, to unite cost control and compliant operation.

During the year, we had a total of 428 qualified suppliers for product procurement. Our cooperation with suppliers is fully carried out in accordance with our supplier and procurement management system to ensure unified management. Our qualified suppliers are from many provinces and cities across the country, including 316 from Shanghai, 23 from Beijing, 29 from Jiangsu, 29 from Zhejiang, 9 from Guangdong, 5 from Anhui, 3 from Hubei, 3 from Chongqing, 2 from Fujian, 2 from Jiangxi, 2 from Shandong, and 1 from each of Henan, Shaanxi, Sichuan and Hainan, which ensures a diversified supply pipeline.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

(1) Supplier Inclusion in Management

We have established a robust supplier management system. The first is to establish the List of Suppliers, and decide whether to include a supplier based on its qualification, service quality, price, compliance with laws and regulations etc. The second is to enhance process control, clarify the entry standards, dynamically manage suppliers, regularly analyse supplier's problems, feed back to procurement procedure and form a benign circle. The third is to consider whether a supplier has a quality management system certificate, such as ISO 9001. To ensure the quality of suppliers, our procurement department office regularly evaluates the quality, cost performance, delivery capability and compliance rate of products or service provided by suppliers named in the List of Suppliers to form a mechanism of survival of the fittest.

We also encourage suppliers to fulfill their corporate social responsibilities, including whether they comply with environmental protection measures, supplier integrity, respect for labour achievements, prohibition of child labour in any form, employment equality, and non-violation of relevant laws and regulations.

(2) Procurement Procedures Optimisation

In accordance with the Procurement Management Procedures, our Group clarifies the application scopes for different forms of procurement, exercises strict control over the procurement full process and suppliers selection, to ensure that the products and services procured meet the specified requirements. We select suppliers in priority from the List of Qualified Suppliers, considering brand recognition, results, awards, price, qualification, after-sales service and environmental protection awareness among other factors. We have established an effective procurement oversight and information publicity mechanism to enhance the procurement transparency and integrity.

(3) Supplier Integrity and Safety Management

In order to ensure that our suppliers maintain integrity and self-discipline in engineering construction, we will sign the Integrity and Self-discipline Agreement with our suppliers, which strictly prohibits them from offering any benefits or financial rewards to our employees, confirming that all business transactions with us are in compliance with national laws and regulations and enterprise rules and regulations, to ensure that the products or services supplied to us are authentic and reliable, and any fraud and other illegal activities are prohibited. We have also signed a Safe and Civilised Construction Agreement with our contractors to ensure that they comply with health and safety related laws and regulations during construction.

(4) Green Procurement

We effectively prevent environmental pollution and resource wastage through green procurement. During procurement process, we consider both economic and environmental benefits, and prioritise environment-friendly, energy-saving and secure products. We also implement green supplier management, giving priority to suppliers with strong environmental awareness and good product quality. We actively promote green low carbon concepts in procurement process, fully considering environmental protection, resource saving, safety and health, cyclic low carbon and recycling.

7.4 ENVIRONMENTALLY-FRIENDLY GREEN CAMPUS

As a responsible higher education group, we have formulated the Corporate Sustainability Policy covering environmental protection, and strictly comply with relevant national laws and regulations, such as the Environmental Protection Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, Law of the People's Republic of China on the Prevention and Control of Soil Pollution, Law of the People's Republic of China on the Prevention and Control of Water Pollution, Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes and Energy Conservation Law of the People's Republic of China. We belong to the education industry and have a relatively small impact on the environment and natural resources. The major impacts are the consumption of electricity, the use of water, the use of school and office supplies, the production of waste from school, offices and canteens, and vehicle use. We have formulated a series of effective systems and measures to reduce air and greenhouse gas emissions, discharges into water and land, generation of hazardous and non-hazardous waste, and minimise the impact on the environment and natural resources in our daily business operations, so as to build a green campus to contribute to the protection of the environment. During the Reporting Period, there were no incidents related to non-compliance associated with the environment and emissions within our Group. Our measures to build an environmentally-friendly green campus are detailed below:

(1) Setting Energy Office, Building Green Campus Team

The Group set up energy office and other executive departments in priority, to carefully carry out sustainable development. In addition, we built a green campus team composed of teachers and students.

During the year, we launched an innovative construction for the faculty, selecting 36 excellent faculty members from various functions and secondary colleges to act as energy management supervisors in respective jurisdictions, realizing the full coverage of energy management for all user units, implementing the responsibilities of all energy-using entities, leveraging the role of energy management supervisors, and improving the level of energy management.



Opening Ceremony of Energy Saving & Environmental Publicity Month and Appointing Ceremony of Energy Management Supervisors

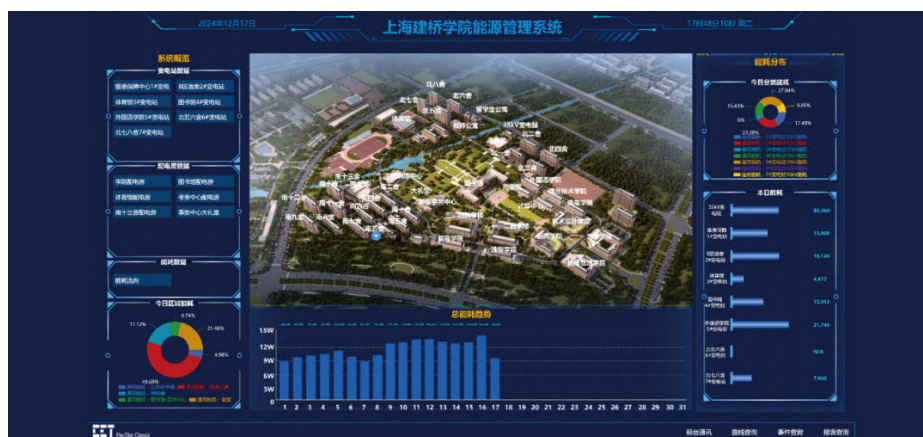
On one hand, the students team and the College of Mechanical and Electronic Engineering youth league subcommittee jointly conducted energy saving publicity events in ordinary course; on the other hand, the students team worked with the College of Mechanical and Electronic Engineering and the College of Creativity and Entrepreneurship to organise students to take part in National College Students Energy Saving & Emission Reduction Competition and Education Committee Youth Double Carbon Proposal Competition, and spare no efforts in implementing the energy saving projects.

With our improved energy management model, Shanghai Jianqiao University successfully passed the first round of review of energy measurement review for key energy consuming units in Shanghai this year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

(2) Enhancing Digitalisation, Building Energy Management & Monitoring Platform

To improve the digitalised energy management on campus, and make real time monitoring, analysis and smart control on campus energy data, we completed the development and launch of energy management & monitoring platform during the year. The platform enables electricity, water saving and other data monitoring and multi-dimensional analysis, for example, make sorting statistics and comparisons by different building zones, different time ranges, different device types etc., to analyse the power peak of a building in specific season or period of time, as a basis of developing corresponding energy-saving measures, and thus take specific optimising measures, to significantly increase energy efficiency and reduce energy consumption.



Our Energy Management & Monitoring Platform

(3) Energy-saving, Emission-reducing and Green, Environmentally-friendly Measures

Actively Promoting Renewable Resources, “PV+” Initiative

The Group is committed to expanding the application scale of renewable resources, improving the percentage of green clean energy in campus energy structure. The photovoltaic power generation project that was commenced in August. Upon completion, this project may expect to save 1,280 tonnes of coal, while reducing the carbon emission (Scope 2) generated by externally purchased electricity. In addition, the project will save numerous water resource which otherwise would be used in traditional thermal power plants, thus reducing the emissions of hydraulic ash discharge, waste water and thermal drainage accordingly. After the project is put into operation, not only standard coal will be saved, hazardous gas emission will be reduced, but also water pollution will be mitigated, which will play a demonstrative role in energy saving and emission reduction, bringing about significant social benefits.



Air Source Heat Pump in Place of Electric Water Heater

After more than a year of programme research, off-campus research, and pre- and post-renovation effect prediction, the Group renovated the hot water system of totally 2,000 dormitories in 6 student apartments, in the summer vacation of this year. After we replaced the electric water heater with air source heat pump, for each ton of hot water, we could save 2/3 of electricity. Meanwhile, in order to provide practical benefits to our students, we conducted a study on the charges and supply of hot water for bathing in more than 10 colleges and universities of different types in Shanghai, and organised a student hearing to discuss and determine the reasonable price of hot water.



Air-conditioning Smart Centralised Control System and Use Management

The Group installed the air-conditioning smart centralised control system in teaching buildings, office buildings and other venues, to increase the energy utilisation. In 2022, we mounted smart centralised control system for 71 air-conditioners in the campus, for a pilot, which ensured the rational use of air-conditioners, while saving 22% electrical energy. Seeing this result, in the winter vacation of 2024, we completed the mounting of smart centralised control system for 370 split-type air conditioners in our 4 teaching buildings; in summer vacation, we completed the system mounting for the 96 split-type air-conditioners and 760 VRV air-conditioners. The smart centralised control system can carry out unified and differential precise control of parameters such as cooling, heating, wind speed, and running time, so as to ensure appropriate temperature and protect the health of teachers and students. The system can also automatically check device status to prevent forgetting to turn off the air conditioner, and automatically calculate the running time, which is expected to result in additional power savings of over 20%.



In respect of management system, during the year, our energy office took the lead to design the Administrative Measures on the Utilisation of Air-conditioners in Shanghai Jian Qiao University (《上海建橋學院空調使用管理辦法》), to include the full life cycle into management, covering the air-conditioner application, procurement, mounting, use management, removal and scrapping. In daily management, for public teaching buildings, in principle we designed the turning on/off time according to the teaching schedule. For office buildings, we set the turning on/off time according to working hours. The foregoing measures of air-conditioner management can avoid electricity waste in the use of air-conditioners, increase management and service level, and reduce labour cost, as practically possible.

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Other Energy-saving, Water-saving Renovation Measures

- We implemented an energy-saving lighting renovation by using energy-saving light fixtures and intelligent sound controlled switches to reduce energy consumption. We gradually replaced incandescent and fluorescent lamps with LED fixtures. We optimized lighting design and power in indoor premises based on actual demand. We installed solar street lights in outdoor areas to utilize renewable energy and reduce electricity use.
- We renovated the greening original irrigation pumping station by using underground rainwater instead of tap water, which reduced approximately 10,000 to 20,000 tonnes of tap water a year. We also renovated the water pipes of the scenic pool by using river water instead of tap water, which saved approximately 1,500 tonnes of water a year.
- In order to save water consumption under normal use, we adjusted the water pressure of 1280 taps in the dormitory buildings, which saved 35,000 tonnes of tap water per year. In addition, we installed water pressure automatic regulator in different divisions of high-rise and multi-storey buildings to automatically adjust the water supply pressure.
- We replaced energy-saving stoves in canteens and stores on commercial streets, prohibited the use of outdated energy-intensive kitchen appliances, reduced gas energy consumption, and strengthened the maintenance of natural gas equipment and facilities to reduce unnecessary losses.

Promoting Green Transportation, Improving Supporting Facilities

- Enhancing official vehicle management: We adjusted the existing regulations on the use of official vehicles, raised the standards and requirements for official vehicle applications, strictly controlled the approval process and encouraged the staff to travel by shuttle buses and public transport.
- Enhancing shuttle bus management: We improved the efficiency of shuttle buses, rationalized the stopping points, strengthened education and training on energy saving and emission reduction for drivers to encourage them to maintain at economical speed, and required drivers to rationally plan the driving routes.
- Shift to energy-efficient vehicles: We considered purchasing new energy products when replacing vehicles in poor condition.
- Offer of energy-saving new travel mode: We placed public bicycles on campus, and provided a low-carbon and environmentally-friendly way of travel for staff and students.
- Improving green transportation supporting facilities: We actively promoted the projects for the expansion of electric charging units on campus. We built 40 electric vehicle charging units on campus in 2024. The current charging facilities can meet the charging demand, and we will build additional facilities in the future.



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Promoting Green Office

- Office lighting and equipment management: Use as much natural light as possible. Equip motion-sensing lights to prevent the light from being on for a long time. Do not use any high-power appliances in offices.
- Elevator use management: According to the habits of teachers, students and staffs on elevators, reasonably allocate the operation quantity and time periods of elevator. Advocate not using the elevator within three floors. Encourage to walk up or downstairs when permissible.
- Paper management in offices: Advocate paperless and electronic office, improve online applications and electronic forms, as well as online convene conferences. Improve personnel information consciousness and electronic devices level. Promote the use of environmentally-friendly recycled paper and other resource recycling products.

Emphasis on Campus Greening

The Group has carried out greening maintenance according to the construction requirements of the Garden Unit and received quarterly inspections by the Pudong New Area Greening Management Centre (浦東新區綠化事務管理中心), which are highly appreciated by experts. During the year, the campus has increased the greening area by more than 6,000 sq.m., of which 332 trees are planted, and more than 150 meters of fence vertical greening. The total greenery of the campus reaches 247,700 sq.m., and there are 253 species of plants on the campus, 35 species of various flowering plants, 20 species of grass and flowers in the main scenic area, and 180 species of indoor greenery.

Through the above comprehensive energy conservation and emission reduction planning and implementation actions, we have achieved good results in energy conservation, water conservation, and reduction in air emissions. The air emissions we generate are mainly from vehicles owned by the Group. Please refer to APPENDIX I: KEY PERFORMANCE INDICATORS for the energy and water consumption and vehicle air emissions data during the year. Regarding vehicle gas emission, we deem the year of 2024 as the benchmark year, planning to control vehicle gas emission density to be basically flat in short term, and reduce the vehicle gas emission density in middle to long term.

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(4) Waste Management and Resource Recycling

The Group has also developed specific measures in waste disposal and resource recycling. We have introduced a two-network integration device and on-site resource utilisation and harmless treatment machines for wet waste on campus to boost the efficiency of resource recovery and achieve direct conversion of wet waste into organic fertilisers suitable for greening. Regarding hazardous waste, electronic products are recycled by qualified recycling companies for treatment. We implemented a system of regular and fixed point classification of domestic waste, and arranged special waste sorting supervisors. In addition, the Group has also established a leading group for domestic waste sorting to strengthen leadership over domestic waste management, and formulated the Shanghai Jian Qiao University Domestic Waste Sorting Management Measures (《上海建橋學院生活垃圾分類管理辦法》) and the Shanghai Jian Qiao University Domestic Waste Sorting Incentives and Disincentives (《上海建橋學院生活垃圾分類獎懲辦法》) to strengthen the management of domestic waste in combination with the actual situation of the Group.



Campus Waste Sorting Station



Campus Harmless Waste Disposal Station

Regarding recyclables, we have strictly sorted, actively recycled and donated the used clothes and used books, for the recycling and reuse of resources. For example, every year, the Group will collaborate with Shengang Community to hold a public welfare donation activity for autumn and winter clothes in Tibet. During the year, we collected and donated more than 100 autumn and winter clothes, which expressed our actual actions in resources recycling.

Please refer to “APPENDIX I: ENVIRONMENTAL KEY PERFORMANCE INDICATORS” for our waste data for the year. Regarding waste data, we will deem the year of 2024 as the benchmark year, plan to reduce the production of hazardous waste and improve resource utilisation.

(5) Cherishing Food, Reducing Waste in Food and Beverage

We organised various activities and took a series of measures to prevent wasting of food and beverage, so as to develop the college students’ good habit of food-cherishing and food-saving.

Specific Measures	
➤	We launched the “clear your plate” campaign in campus, which was supervised and inspected by volunteers, and put up posters in all canteens to widely publicize and practice the concept of cherishing food and being thrifty and frugal.
➤	We regularly organized students and employees to learn and watch relevant videos, and effectively strengthened the law-abiding awareness of canteens and catering stores and the saving concept of teachers and students.
➤	Small dishes are offered and the amount of rice is controlled by canteens to ensure the foods are purchased, cooked and prepared according to the number of diners. High-quality ingredients have been selected to avoid waste due to poor taste. In addition, a new optional weighing mode has also been added to encourage on-demand pick-up. Monitor the amount of kitchen waste generated in the canteen, and reward canteens with significant reductions.
➤	We prepared meals based on the ordering information at the digital ordering platform to achieve precise food supply and reduce the waste of ingredients. Meanwhile, the variety and quantity of the supply have been adjusted in time according to the sales data of the catering data back-end system.
➤	We strengthened the construction of raw material procurement and storage functions of canteens, and enhanced the intensification and standardisation of canteen processing. We improved the information management of the food supply chain, established an electronic account system for procurement and inventory, and an online tracking system for food source, purchased ingredients in a planned way, thereby reducing waste of ingredient spoilage.
➤	We have set up the labour education practice base for college students and offered a compulsory course of Labour Education. Teachers and students work together in the fields. Only by personally participating in the production and labour, can students have profound experience of “Even ordinary foods like rice and porridge are the result of hard work (一粥一飯之不易)”, and learn to cherish and avoid wasting foods.

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(6) Emphasis on Environmentally-friendly Campus Education for Teachers and Students, Encouraging the Research and Development of Green and Low Carbon Patents

During the year, the Group held more than 10 themed green and environmental protection publicity and implementation events in creative forms and rich contents oriented to teachers and students. In terms of tobacco control, we carried out publicity activities such as “Clean Campus, Tobacco Control with Me” in conjunction with the important time of “World No Tobacco Day”, and popularised the knowledge of the hazards of tobacco to teachers and students through game interaction and interesting Q&A, so as to create a good atmosphere in a smoke-free campus. In terms of waste classification, we organised themed practices such as “Waste Classification for Beautiful Campus”, and held a classification knowledge competition, waste classification check-in activities, creative drawing etc., which effectively improved the awareness and practical ability of teachers and students in waste classification. In addition, we carried out the “Planting Trees in Gench” campus planting activity during the Tree Planting Festival, for teachers and students to plant trees on campus, which not only beautified the campus environment, but also enhanced the ecological and environmental awareness of teachers and students.

Through a series of publicity activities in various forms and rich contents, we effectively strengthened the education of teachers and students on the concept of green and environmental protection, cultivated their awareness of ecological civilisation, and laid a solid foundation for building a green campus.



“Planting Trees in Gench” Event



“Clean Campus, Tobacco Control with Me” Event



Regular Campus Tobacco Control Event



“Waste Classification for Beautiful Campus” Event

Meanwhile, we also attached great importance to the green and environmental protection innovation, mobilised teachers and students on campus to take active part in the establishment and patent R&D related to green and low-carbon development, initiated a number of national level projects, and won the Shanghai College Students Mechanical Engineering Innovation Competition, and various awards in the “Internet+” Shanghai Competition. For example, during the year, we initiated two national level innovation training programmes for colleges students, namely “Plastic Future – Waste Bottle 3D Recycling Project” and “Pure Spring Water Purification Technology”.

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7.5 SOCIAL PRACTICES, VOLUNTEER SERVICES AND PUBLIC WELFARE ACTIVITIES

(1) Practice the Volunteerism

Our Group took full use of the resource advantages of the private university, actively served for the society, enhanced its social service capability by serving the significant events, important venues in Shanghai, taking Lingang New Area's development as the opportunity, practiced with volunteer service actions based on Lei Feng spirit in the new era, improved the long-term mechanism of volunteer service and presented our talents cultivating results. In 2024, we carried out 84 volunteer service activities for the whole society, 138 events with a total of 23,984 people recruited and served for more than 256,540 people. Details are as follows:

We have been serving for the China International Import Expo (CIIE) for consecutive years, and have cumulatively deployed 745 "little leaves" volunteers for various posts. From 5 to 10 November 2024, in the 7th CIIE, our University was equipped with a total of 80 volunteers who are officially on duty to participate in the service guarantee work, and assumed the voluntary work such as guidance, inquiries, luggage storage, lost and found and people flow statistics in the main channel of the CIIE. In November, our volunteers won the special honour from the 7th CIIE Commercial & Foreign Affairs Support Group (Shanghai Municipal Commission of Commerce) – a thank-you letter and certain honorary certificates full of gratitude.



Gench Volunteers' Special Honours -- Thank-you Letter and Honorary Certificates from the 7th CIIE Commercial & Foreign Affairs Support Group

In other large-scale events in Shanghai, such as the ISU Four Continents Figure Skating Championships 2024, the Olympic Qualifier Series Shanghai 2024, the Shanghai Mass Sports Festival, and the World Aquatics Swimming World Cup Shanghai 2024, the young volunteers of our University have completed the relevant tasks excellently, demonstrating the volunteer service style of Gench students. During the year, our University once again became the university with the longest service time and the largest number of service times among the volunteer service teams for Astronomy Museum in Shanghai, with more than 2,100 people served throughout the year.

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In addition, in order to carry forward Lei Feng spirit and in response to the construction of “five new cities” in Shanghai, our Group has actively built the volunteer service model of “community + university”. Our University signed the volunteer service cooperation agreement with several communities in Lingang New Area. Considering the majors characteristics of our University, we connected with various neighborhood committees under such communities, established more than ten volunteer service groups, and provided more than 20 diverse volunteer service programmes for such communities, including interest courses for children, elderly services, health knowledge publicity, cultural and arts activities, mental health seminars, and so on. During the year, it has served and participated in 50 community volunteer services, with more than 500 participants.



Gench Volunteers for Olympic Qualifier Series 2024



Gench Volunteers for Elderly Service Centre



Gench Volunteers for Natural History Museum



Gench Volunteers for Astronomy Museum

We hold annual selection and commendation of Lei Feng Award, and we have awarded a cumulative total of more than 13,000 Lei Feng gold, silver and bronze medals to teachers and students who promote the spirit of Lei Feng for 21 consecutive years, integrating volunteer service into campus culture, and making compassion a shared value among teachers and students.



Lei Feng Spirit Medal

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(2) Fulfill Social Obligations

Every year, we carefully implement the voluntary blood donation task, complete the conscription plan, and actively participate in “Three Branches and One Support (三支一扶)”. In 2024, our University organized two large-scale blood donation activities, with a total of 2,297 people participating in blood donation, once again ranking among the top universities in Shanghai. A total of 85 university students were recruited by the military, including 3 female soldiers. 4 students participated in the China Western Development Program, and 4 participated in the “Three Branches and One Support (三支一扶)”.



New Conscripts Farewell in Spring 2024



Blood Donation Activities Organised by Gench 2024

(3) Emphasis on Public Welfare

The General Branch of China Democratic League Jian Qiao Campus (民盟建橋學院) is enthusiastic about public welfare and effectively performs its social service functions. Since the donation to the first Hope Primary School in Junan, Shandong in 2000, we have cooperated with the Shanghai Committee of the China Democratic League to gradually build Hope (Candlelight) Primary Schools. From 2000 to now, the reconstruction footprint has covered more than 40 schools in 25 provinces.

Since its online launch in November 2022, a total of 229 outstanding students have been selected to serve as college student tutors in the “Golden Pomegranate” dual-tutor exchange program of Shanghai Jian Qiao University, pairing up with 480 students from Gyantse Minhang Middle School to carry out assistance work in accordance with the overall requirements of “ideological guidance, life guidance, academic counseling, and psychological counseling” for students, exchanging more than 800 letters and carrying out dozens of activities. In the summer of 2024, we invited more than 20 representative teachers and students from Gyantse Minhang Middle School to Shanghai for study tour, and arranged college student tutors to Gyantse Minhang Middle School in Tibet to carry out offline activities, bringing along the clothes and school supplies donated by our University.



Shanghai Journey of 2024 “Golden Pomegranate” Program



Gyantse Representatives Visit Gench Lei Feng Museum

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In addition, every year we actively respond to the “Warm Clothes in Tibet” autumn and winter clothes donation initiative organised by Shengang Community in Nanhui New Town, in which we will collect more than 100 autumn/winter clothes sincerely for friends living in remote areas of Tibet.



Honorary Certificate of “Warm Clothes in Tibet”



Clothes Release Scene at Gyantse County Civil Affairs Bureau

(4) Serving for Regional Construction, Campus Hall Coverage

We have three patriotic education venues: Lei Feng Hall, National Policy Hall, and Party-building and Talents Cultivating Hall. The Lei Feng Hall is positioned to display the vivid image of Lei Feng in a diversified manner, show the practical results of our University’s moral education, and encourage the integration of the Lei Feng spirit into daily life. The National Policy Hall mainly shows the development of the political and economic system of China. The Party-building and Talents Cultivating Hall mainly shows the innovation practice of party building. Since their establishment, the three halls have received more than 80,000 visitors from various units around the country, becoming patriotism education bases with certain influence in Lingang and even Shanghai. During the year, the University won the title of “Lei Feng Spirit College Demonstration Education Base (雷鋒精神高校示範教育基地)” and the “Contribution Award for Promoting Lei Feng Spirit in the New Era (新時代傳播雷鋒精神貢獻獎)” issued by Lei Feng Magazine.



The first Lei Feng Museum Among Universities in Shanghai

7.6 SINCERE EXCHANGE OF OPINIONS

The Group regards the valuable opinions and comments of students and parents as an important way to improve the teaching quality of our University, attaches great importance to students' response to and evaluation of the teaching of a variety of courses, and has formulated the Administrative Measures on Students' Evaluation of Teachers. In the 13th week of each semester, we conduct online student evaluation through the Mycos Student Evaluation System, and establish a student information officer system, and hold regular student information officer meetings to collect students' comments on education and teaching. The results will be analysed statistically and provided to each college as a basis for the Outstanding Teaching Award; Meanwhile, an annual report on teaching quality and improvement will be completed and provided as a reference for teachers to make decisions on improving teaching and courses design. During the Reporting Period, our students gave our teachers a comprehensive teaching score of 94.44 points, showing a high degree of recognition on our teaching results.

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In order to strengthen our communication with students, parents and staff, to effectively collect their opinions, suggestions or complaints, and to protect the rights and interests of relevant stakeholders, we have formulated the Administrative Measures for Handling Opinions and Complaints. We have established various communication channels, with our University offices responsible for the management of comments, suggestions and complaints in university; and each department and college responsible for receiving and dealing with comments, suggestions and complaints from their respective operations and jurisdictions. In daily practice, we're committed to innovating and improving work methods, for the purpose of increasing work efficiency. We insist on information empowerment, and establish campus online complaint channel "Gench 7788" opinion feedback platform in high standard, guiding complainers to contact functional departments and secondary schools at first for settlement, make preliminary screening and diversion for the complaints, finish the full process of complaint receiving, processing and feedback, and effectively solve relevant contradictions and complaints in the grassroots.

The time limit for handling letters of petition generally refers to the State Council Regulation on Letters and Visits and the Regulations of Shanghai Municipality on Letters and Visits. Referrals are classified into two categories: 12345 platform and Guoxin (國信網) platform, the former should be processed within 7 days, and the latter should be processed within 30 days. During the Reporting Period, all letters were fully accepted and concluded on schedule, showing a relatively high level of satisfaction.

We vigorously promote student rights work. We will continue to carry out a series of service activities called "doing practical things for my classmates", establish and efficiently operate a three-level rights work system of "university-college-class" and an "online+offline" rights issue collection mechanism, rely on the "Principal Online" platform to carry out face-to-face communication between teachers and students, and regularly organize student representatives to participate in various types of rights symposiums, dialoguing face to face with NPC deputies and CPPCC members. During the year, through the "Principal Online" event, student representatives raised a total of 38 various rights and interests issues and suggestions, which were carefully studied and responded to by various functional departments. During the year, we further improved and implemented the Normalization Implementation Plan for Proposals and Suggestions by Student Representatives of Shanghai Jian Qiao University, which guides students to actively participate in the democratic construction and management of the school, enhances the initiative of the student union to organize and protect student rights, and serves the rights and interests of students in campus learning and life. In the 12th session of Student Congress smoothly convened at Shanghai Jian Qiao University, student representatives performed active duties, took full part in school democratic management, and submitted more than 100 proposals after extensive collection of students' opinions and full surveys, and finally established 15 exquisite proposals at the meeting, which were carefully studied and responded to by various functional departments. In addition, we enhanced the building of and the guidance for CPPCC mimicking students society, and organised the second "CPPCC mimicking" competition in Shanghai Jian Qiao University, so as to feel the people's democracy in the full process of practice, and nurture students' sense of social responsibility and practice innovation capability.



Principal's mailbox



Phone call



Visit



E-mail



Letter



Fax

Effective Communication Channels

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APPENDIX I: ENVIRONMENTAL KEY PERFORMANCE INDICATORS

Environmental Performance		Unit	2024
Vehicles' air emissions ⁽¹⁾	Nitrogen oxides (NO _x)	kg	423.62
	Sulphur oxides (SO _x)	kg	0.56
	Particulate matter (PM)	kg	39.11
Energy consumption ⁽²⁾	Total energy consumption	MWh	36,452.64
	Among which: Direct energy consumption	MWh	4,770.35
	Among which: Indirect energy consumption	MWh	31,682.28
	Energy Consumption Intensity	MWh/number of staff and student	1.41
	Natural gas consumption	m ³	407,922.00
	Intensity of natural gas consumption	m ³ /number of staff and student	15.78
	Gasoline consumption	litres	33,166.77
	Intensity of gasoline consumption	litres/number of staff and student	1.28
	Diesel consumption	litres	5,271.24
	Intensity of diesel consumption	litres/number of staff and student	0.20
	Power consumption	MWh	31,682.28
	Intensity of power consumption	MWh/number of staff and student	1.23
Water consumption	Total water consumption	m ³	1,244,189.00
	Intensity of total water consumption	m ³ /number of staff and student	48.14

⁽¹⁾ We refer to “How to Prepare an ESG Report — Appendix II: Reporting Guidance on Environmental KPIs” from the Hong Kong Stock Exchange to calculate air emissions from the Group’s vehicles.

⁽²⁾ The total energy consumption is the sum of total electricity consumption, natural gas consumption, gasoline consumption by fixed equipment and vehicles, and diesel consumption (in MWh). For relevant unit conversion factors, please refer to the Energy Statistics Manual from the International Energy Agency and the reference conversion coefficients for various energy sources to standard coal from the International Coal Network.

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Environmental Performance		Unit	2024
Hazardous waste	Total hazardous waste	metric tonnes	0.07
	Intensity of hazardous waste	kg/number of staff and student	0.003
	Hazardous waste recycled	metric tonnes	0.07
	Waste toner cartridge produced	pieces	955
	Waste toner cartridge recycled	pieces	955
	Waste computer produced	unit	825
	Waste computer recycled	unit	775
Non-hazardous waste	Total non-hazardous waste	metric tonnes	4,916.00
	Intensity of non-hazardous waste	metric tonnes/number of staff and student	0.19
	Non-hazardous waste recycled	metric tonnes	4,916.00
Paper consumption	Paper consumption	kg	17,231.58
	Intensity of paper consumption	kg/number of staff and student	0.67

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

APPENDIX II: SOCIAL KEY PERFORMANCE INDICATORS

Social Performance		Unit	2024
Distribution of employees			
All employees		person	1,889
Number of employee by gender	Male	person	804
	Female	person	1,085
Number of employee by employee category	Junior employees	person	1,766
	Middle management	person	110
	Senior management	person	13
Number of employee by age group	Below 40	person	851
	40-50	person	646
	Above 50	person	392
Number of employee by region	Employees in East China	person	1,889
Employee turnover			
Total turnover rate of employees		percentage	4.71%
Employee turnover rate by gender	Male	percentage	4.73%
	Female	percentage	4.70%
Employee turnover rate by age group	Below 40	percentage	6.58%
	40-50	percentage	1.86%
	Above 50	percentage	5.36%
Employee turnover rate by region	Employees in East China	percentage	4.71%
Employee training			
Percentage of employees trained to total number of employees		percentage	91.58%
Percentage of employees trained by gender	Male	percentage	41.79%
	Female	percentage	58.21%
Percentage of employees trained by employee category	Junior employees	percentage	93.35%
	Middle management	percentage	6.18%
	Senior management	percentage	0.46%
Average training hours per employee		hour	57.11
Average training hours per employee by gender	Male	hour	44.70
	Female	hour	66.30

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Social Performance		Unit	2024
Average training hours per employee by employee category	Junior employees	hour	55.25
	Middle management	hour	90.53
	Senior management	hour	27.53
Occupational health and safety			
Number of work-related fatalities in the past three years (including the reporting year)		person	0
Lost days due to work injury		Day	0
Anti-corruption			
Number of concluded corruption-related litigation cases against our Group or employees		Case	0

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

APPENDIX III: ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE INDEX

Contents of Indicators			Relevant Section
A. Environmental Category			
A1 Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	7.4 Environmentally-friendly green campus
	A1.1	The types of emissions and respective emissions data.	Appendix I: Environmental Key Performance Indicators
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) total GHG emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.4 Climate indicators and targets
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I: Environmental Key Performance Indicators
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I: Environmental Key Performance Indicators
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	4.4 Climate indicators and targets 7.4 Environmentally-friendly green campus
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	7.4 Environmentally-friendly green campus
A2 Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	7.4 Environmentally-friendly green campus
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Appendix I: Environmental Key Performance Indicators
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix I: Environmental Key Performance Indicators
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	4.4 Climate indicators and targets 7.4 Environmentally-friendly green campus

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Contents of Indicators			Relevant Section
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, and water efficiency target(s) set and steps taken to achieve them.	4.4 Climate indicators and targets 7.4 Environmentally-friendly green campus
	A2.5	Total packaging material used for finished products and, where appropriate, with reference to per unit produced.	It is not applicable because it is not involved in our Group business.
A3 Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	3.5 Corporate sustainability policy 4.2 Climate change-related strategies 7.4 Environmentally-friendly green campus
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	4.2 Climate change-related strategies 7.4 Environmentally-friendly green campus
A4 Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	3.5 Corporate sustainability policy 4.2 Climate change-related strategies
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	4.2 Climate change-related strategies 7.4 Environmentally-friendly green campus
B. Social Category			
B1 Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	6.1 Stringent employment standards 6.2 Considerate care for staff
	B1.1	Total workforce by gender, employment type, age group and geographical region.	Appendix II: Social Key Performance Indicators
	B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix II: Social Key Performance Indicators

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Contents of Indicators			Relevant Section
B2 Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	7.2 Comprehensive logistics support
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix II: Social Key Performance Indicators
	B2.2	Lost days due to work injury.	Appendix II: Social Key Performance Indicators
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	7.2 Comprehensive logistics support
B3 Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	6.3 Well-established training system
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management, etc.).	Appendix II: Social Key Performance Indicators
	B3.2	The average training hours completed per employee by gender and employee category.	Appendix II: Social Key Performance Indicators
B4 Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour.	6.1 Stringent employment standards
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	6.1 Stringent employment standards
	B4.2	Description of steps taken to eliminate such practices when discovered.	6.1 Stringent employment standards

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Contents of Indicators			Relevant Section
B5 Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	7.3 Reciprocal supply management
	B5.1	Number of suppliers by geographical region.	7.3 Reciprocal supply management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	7.3 Reciprocal supply management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	7.3 Reciprocal supply management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	7.3 Reciprocal supply management
B6 Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	7.1 Robust compliant operation 7.2 Comprehensive logistics support
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	It is not applicable because it is not involved in our Group's business.
	B6.2	Number of products and service-related complaints received and how they are dealt with.	7.6 Sincere exchange of opinions
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	7.1 Robust compliant operation
	B6.4	Description of quality assurance process and recall procedures.	5.4 Strict quality management
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	7.1 Robust compliant operation

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Contents of Indicators			Relevant Section
B7 Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to prevention of bribery, extortion, fraud and money laundering.	7.1 Robust compliant operation
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Appendix II: Social Key Performance Indicators
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	7.1 Robust compliant operation
	B7.3	Description of anti-corruption training provided to directors and staff.	7.1 Robust compliant operation
B8 Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	2. Sustainable development plan 7.5 Social practices, volunteer services and public welfare activities
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	7.5 Social practices, volunteer services and public welfare activities
	B8.2	Resources contributed to the focus area.	7.5 Social practices, volunteer services and public welfare activities

INDEPENDENT AUDITOR'S REPORT



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To the shareholders of Shanghai Gench Education Group Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Shanghai Gench Education Group Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 165 to 236, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the “IASB”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (“ISAs”) as issued by the International Auditing and Assurance Standards Board (“IAASB”). Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics for Professional Accountants* (the “Code”) issued by the Hong Kong Institute of Certified Public Accountants, as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our opinion on the accompanying consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS — *continued*

Key audit matter

How our audit addressed the key audit matter

Revenue recognition — tuition and boarding fees

Revenue mainly comprised the revenue from tuition and boarding fees from students amounting to RMB944 million for the year ended 31 December 2024, and these fees are generally received in advance prior to the beginning of each academic year. Tuition and boarding fees are recognised proportionately over the terms of the beneficial period for the students, where applicable. The portion of tuition and boarding fees received from students but not earned is recorded as contract liabilities. Due to the large volume of transactions processed and the significant amount of tuition and boarding fees and the risk of overstatement of revenue, we considered this as a key audit matter.

Relevant disclosures are included in notes 2.4, 5 and 23 to the consolidated financial statements.

Our audit procedures in relation to revenue recognition of tuition and boarding fees included:

- (i) Obtaining an understanding of, evaluating and testing the Group's key controls over the admission of students and collection of tuition and boarding fees;
- (ii) Checking the relevant official student records and the reconciliation of the total number of newly enrolled students during the year to the official student records registered with the relevant education authorities of the People's Republic of China;
- (iii) On a sampling basis, checking the relevant supporting documentation including the student payment records, official student records registered with the relevant PRC education authorities, and the payment remittance receipts of tuition and boarding fees; and
- (iv) Performing the re-calculation of the amounts of contract liabilities and the tuition and boarding fees recognised during the year in accordance with the terms of the beneficial period for the students, where applicable.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the the Management Discussion and Analysis on pages 8 to 23, which we obtained prior to the date of this audit report, and other sections of Annual Report not including the consolidated financial statements and our auditor's report thereon, which are expected to be made available after the date.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



INDEPENDENT AUDITOR'S REPORT

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS — *continued*

- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Hsu Lung Wu.

Ernst & Young

Certified Public Accountants

Hong Kong

28 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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	10	(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	12	RMB0.57	RMB0.72

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2024

	2024 RMB'000	2023 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

31 DECEMBER 2024

	Notes	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	2,407,320	2,318,467
Right-of-use assets	14	591,380	605,653
Other intangible assets	15	7,787	4,848
Long-term prepayments and other receivables	19	7,020	2,255
Deferred tax assets	16	150	131
Debt investments at fair value through other comprehensive income	17	131,037	—
Total non-current assets		3,144,694	2,931,354
CURRENT ASSETS			
Accounts receivable	18	11,748	9,590
Prepayments and other receivables	19	6,884	14,935
Financial assets at fair value through profit or loss	20	473,168	340,516
Cash and cash balances and time deposits	21	338,768	506,107
Total current assets		830,568	871,148
CURRENT LIABILITIES			
Other payables and accruals	22	250,394	259,782
Interest-bearing bank borrowings	24	163,000	72,652
Lease liabilities	14	846	1,251
Contract liabilities	23	512,885	511,183
Tax payable		48,955	90,994
Deferred income	25	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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2024

	Notes	2024 RMB'000	2023 RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	24	666,926	686,774
Lease liabilities	14	1,786	1,254
Deferred tax liabilities	16	7,621	—
Deferred income	25	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	27	3,677	3,677
Reserves	28	2,313,453	2,166,152
TOTAL EQUITY		2,317,130	2,169,829

Zhao Donghui
Director

Ding Zheyin
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2024

For the year ended 31 December 2024

	Attributable to owners of the parent						
	Issued capital	Share premium*	Share Award Scheme*	Capital reserve*	Statutory surplus reserves*	Exchange fluctuation reserve*	Retained profits*
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Note 27	Note 28(a)	Note 26	Note 28(b)	Note 28(c)		
As at 1 January 2024	3,677	347,505	(81,944)	184,787	243,979	4,914	1,466,911
Repurchase of shares	—	—	(2,560)	—	—	—	(2,560)
Profit for the year	—	—	—	—	—	—	223,618
Other comprehensive loss for the year:							
Exchange differences on translation of the financial statements	—	—	—	—	—	(1,622)	—
Total comprehensive income for the year	—	—	—	—	—	(1,622)	223,618
Appropriations to statutory surplus reserves	—	—	—	—	19,709	—	(19,709)
2023 final dividend declared	—	(35,990)	—	—	—	—	—
2024 interim dividend declared (Note 11)	—	(36,145)	—	—	—	—	—
As at 31 December 2024	3,677	275,370	(84,504)	184,787	263,688	3,292	1,670,820

For the year ended 31 December 2023

	Attributable to owners of the parent						
	Issued capital	Share premium*	Share Award Scheme*	Capital reserve*	Statutory surplus reserves*	Exchange fluctuation reserve*	Retained profits*
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Note 27	Note 28(a)	Note 26	Note 28(b)	Note 28(c)		
As at 1 January 2023	3,677	419,736	(80,091)	184,787	215,382	5,207	1,212,143
Repurchase of shares	—	—	(1,853)	—	—	—	—
Profit for the year	—	—	—	—	—	—	283,365
Other comprehensive loss for the year:							
Exchange differences on translation of the financial statements	—	—	—	—	—	(293)	—
Total comprehensive income for the year	—	—	—	—	—	(293)	283,365
Appropriations to statutory surplus reserves	—	—	—	—	28,597	—	(28,597)
2022 final dividend declared	—	(35,947)	—	—	—	—	—
2023 interim dividend declared (Note 11)	—	(36,284)	—	—	—	—	—
As at 31 December 2023	3,677	347,505	(81,944)	184,787	243,979	4,914	1,466,911

* These reserve accounts comprise the consolidated reserves of RMB2,313,453,000 (31 December 2023: RMB2,166,152,000) in the consolidated statement of financial position as at 31 December 2024.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2024

	Notes	2024 RMB'000	2023 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		298,331	379,332
Adjustments for:			
Finance costs	6	27,126	24,807
Interest income	5	(4,173)	(5,722)
Fair value gain on equity investments designated at fair value through profit or loss	5	—	(529)
Fair value gain on financial assets at fair value through profit or loss	5	(1,168)	(516)
Other interest income from financial assets at fair value through profit or loss	5	(6,018)	(2,298)
Other interest income from at fair value through other comprehensive income	5	(1,023)	—
Gain on disposal of items of property, plant and equipment	5	(188)	(99)
Gain on disposal of right-of-use assets	5	(19)	—
Government grants released	25	(46,192)	(48,095)
Provision for impairment of accounts receivable	7,18	2,279	2,286
Provision for impairment of other receivables	7,19	6,085	319
Depreciation of property, plant and equipment	7,13	101,633	79,889
Amortisation of other intangible assets	7,15	1,704	829
Depreciation of right-of-use assets	7,14(a)	15,646	15,583
		394,023	445,786
Decrease in inventories		—	105
Receipt of government grants		42,090	49,033
Decrease/(increase) in prepayments and other receivables		1,966	(207)
Increase in accounts receivable		(4,437)	(2,673)
(Decrease)/increase in other payables and accruals		(13,048)	16,906
Increase in contract liabilities		1,702	36,785
Increase in restricted cash		(8,369)	—
Cash generated from operations		413,927	545,735
Interest received	5	4,173	5,416
Tax paid		(109,150)	(83,404)
Net cash flows from operating activities		308,950	467,747

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2024

	Notes	2024 RMB'000	2023 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(187,830)	(253,068)
Additions to right-of-use assets		—	(248)
Proceeds from disposal of items of property, plant and equipment		406	237
Decrease in prepayments, deposits and other receivables		—	12,253
Payment for purchases of financial assets at fair value through profit or loss		(1,452,000)	(1,375,000)
Redemption of financial assets at fair value through profit or loss		1,326,534	1,037,298
Payment for purchases of debt investments at fair value through other comprehensive income		(130,014)	—
Repayment from an independent construction contractor for the construction of campus facilities		—	112,442
Receipt of government grants for property, plant and equipment		1,160	1,550
Proceeds from disposal of equity investments designated at fair value through profit and loss		—	1,614
Additions to other intangible assets		(4,643)	(2,149)
Increase in time deposits with original maturity of more than three months when acquired		(30,000)	—
Interest received		—	886
Net cash flows used in investing activities		(476,387)	(464,185)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repurchase of shares held for the Share Award Scheme		(2,560)	(1,853)
Lease payments including related interests	14(b)	(1,265)	(327)
New interest-bearing bank borrowings		143,500	41,523
Repayment of interest-bearing bank borrowings		(73,000)	(56,500)
Payment of dividends		(72,135)	(72,231)
Interest paid		(31,189)	(25,100)
Net cash flows used in financing activities		(36,649)	(114,488)
NET DECREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		506,107	617,520
Effect of foreign exchange rate changes, net		(1,622)	(487)
CASH AND CASH EQUIVALENTS AT END OF YEAR	21	300,399	506,107
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	21	308,768	506,107
Time deposits	21	30,000	—
Less: Time deposits with original maturity of more than three months when acquired	21	30,000	—
Restricted cash	21	8,369	—
CASH AND CASH EQUIVALENTS AS STATED IN THE STATEMENT OF CASH FLOWS	21	300,399	506,107

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

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

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

1. CORPORATE INFORMATION — *continued*

Information about subsidiaries — *continued*

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

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 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
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 tutorial services 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.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2. ACCOUNTING POLICIES

2.1 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.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2.1 BASIS OF PREPARATION — *continued*

Basis of consolidation — *continued*

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.

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

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.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ³
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> ³
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ²
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ²
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
Amendments to IAS 21	<i>Lack of Exchangeability</i> ¹
Annual Improvements to IFRS Accounting Standards — Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ²

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual/reporting periods beginning on or after 1 January 2027

⁴ No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19. Some of the Company's subsidiaries are considering the application of IFRS 19 in their specified financial statements.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS — *continued*

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and 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. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

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. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS — *continued*

Annual Improvements to IFRS Accounting Standards — Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- **IFRS 7 *Financial Instruments: Disclosures*:** The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **IFRS 9 *Financial Instruments*:** The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **IFRS 10 *Consolidated Financial Statements*:** The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **IAS 7 *Statement of Cash Flows*:** The amendments replace the term “cost method” with “at cost” in paragraph 37 of IAS 7 following the prior deletion of the definition of “cost method”. Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2.4 MATERIAL ACCOUNTING POLICIES

Fair value measurement

The Group measures its equity investments, certificates of deposit placed with licensed banks and wealth management products at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.



NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2.4 MATERIAL ACCOUNTING POLICIES — *continued*

Fair value measurement — *continued*

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than financial assets and deferred tax assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2.4 MATERIAL ACCOUNTING POLICIES — *continued*

Impairment of non-financial assets — *continued*

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

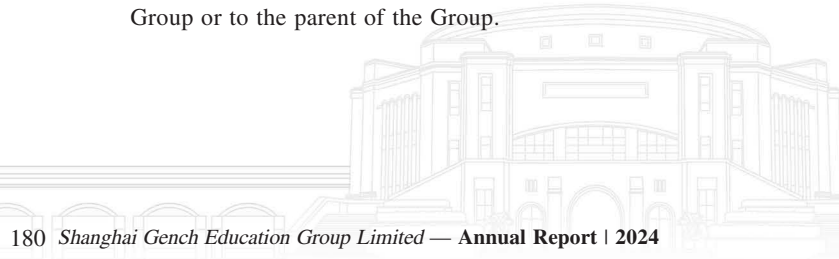
(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.



NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2.4 MATERIAL ACCOUNTING POLICIES — *continued*

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings and facilities	3.2%
Motor vehicles	9.5%
Furniture and fixtures	9.5% to 19.0%
Devices and equipment	9.5% to 31.7%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software is stated at cost less any impairment loss and is amortised on the straight-line basis over its estimated useful life of 5 years.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2.4 MATERIAL ACCOUNTING POLICIES — *continued*

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	50 years
Motor vehicles	2 to 3 years
Devices and equipment	4 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2.4 MATERIAL ACCOUNTING POLICIES — *continued*

Leases — *continued*

Group as a lessee — continued

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of accounts receivable that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Accounts receivable that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2.4 MATERIAL ACCOUNTING POLICIES — *continued*

Investments and other financial assets — *continued*

Initial recognition and measurement — continued

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2.4 MATERIAL ACCOUNTING POLICIES — *continued*

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 12 months past due.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2.4 MATERIAL ACCOUNTING POLICIES — *continued*

Impairment of financial assets — *continued*

General approach — continued

The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for accounts receivable which apply the simplified approach as detailed below.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For accounts receivable that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings and payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and interest-bearing bank borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2.4 MATERIAL ACCOUNTING POLICIES — *continued*

Financial liabilities — *continued*

Financial liabilities at amortised cost (other payables, and borrowings)

After initial recognition, other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in the statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2.4 MATERIAL ACCOUNTING POLICIES — *continued*

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.



NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2.4 MATERIAL ACCOUNTING POLICIES — *continued*

Income tax — *continued*

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

When the grant relates to neither an expense item nor an asset, it is released to the statement to the profit or loss upon receipt.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2.4 MATERIAL ACCOUNTING POLICIES — *continued*

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

a) Tuition and boarding fees

Tuition and boarding fees received are generally paid in advance prior to the beginning of each academic year, and are initially recorded as contract liabilities. Tuition and boarding fees are recognised proportionately over the relevant period of the applicable program. The portion of tuition and boarding payments received from students but not earned is recorded as contract liabilities and is reflected as a current liability as such amounts represent revenue that the Group expects to earn within one year. The academic year of the Group's school is generally from September to June of the following year.

The Group does not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

b) Education related services

Education related services include canteen management service, delivery service, examination service, scientific research service and training service.

Revenue from the canteen management service, delivery service and training service is recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. Revenue from the examination service and scientific research service is recognised at the point in time when the services are rendered.

c) Other services

Other services include revenue from technical consulting service and interior and renovation services that is recognised over time, using an input method to measure progress towards complete satisfaction of the services, because the customer simultaneously receives and consumes the benefits provided by the Group. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the services.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2.4 MATERIAL ACCOUNTING POLICIES — *continued*

Revenue recognition — *continued*

Revenue from contracts with customers — continued

d) Other income

Interest income is recognised, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset. Rental income is recognised on a time proportion basis over the lease terms.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Employee retirement benefits

Pension scheme

The employees of the Group's subsidiaries and schools which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries and schools operating in Mainland China are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2.4 MATERIAL ACCOUNTING POLICIES — *continued*

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Share-based payments

The Company operates the Share Award Scheme (as defined in note 26). Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value of the shares at the date at which they are granted. The fair value is measured at the market value of the shares, adjusted for the exclusion of expected dividends to be received in the vesting period.

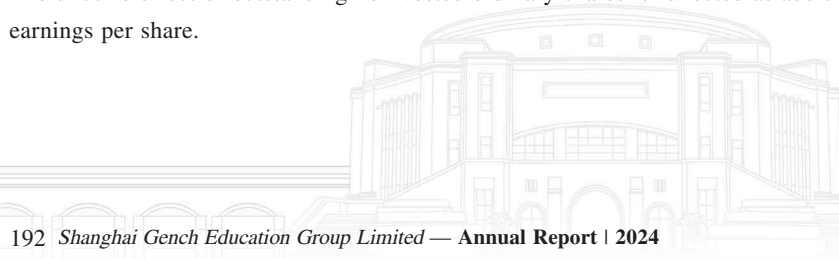
The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

The dilutive effect of outstanding non-vested ordinary shares is reflected as additional share dilution in the computation of earnings per share.



NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2.4 MATERIAL ACCOUNTING POLICIES — *continued*

Foreign currencies

These financial statements are presented in RMB. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The Company incorporated in the Cayman Islands uses the Hong Kong dollar as its functional currency. As the Group mainly operates in Mainland China, RMB is used as the presentation currency of the Company. As at the end of the reporting period, the assets and liabilities of the Company and certain overseas subsidiaries, which use currencies other than RMB as their functional currencies, are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES — *continued*

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Contractual arrangements

Certain subsidiaries are engaged in the provision of education services, which falls in the scope of "Catalogue of Restricted Foreign Investment Industries" and foreign investors are prohibited to invest in such business.

The Group exercises control over these subsidiaries and enjoys all economic benefits of certain subsidiaries through a series of contractual arrangements.

The Group considers that it controls these subsidiaries, notwithstanding the fact that it does not hold direct equity interest in the certain subsidiaries, as it has power over the financial and operating policies of certain subsidiaries and receives substantially all of the economic benefits from the business activities of these subsidiaries through the contractual arrangements. Accordingly, these subsidiaries have been accounted for subsidiaries during the year.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are disclosed below:

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.



NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES — *continued*

Estimation uncertainty — *continued*

Provision for expected credit losses on accounts receivable

The Group uses a provision matrix to calculate ECLs for accounts receivable. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the education sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's accounts receivable is disclosed in note 18 to the financial statements.

Useful lives and residual values of items of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in the production and provision of services, or from a change in the market demand for the product or service output of the asset, expected usage of the asset, expected physical wear and tear, care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or residual values of items of property, plant and equipment are different from previous estimation. Useful lives and residual values are reviewed at the end of the reporting period based on changes in circumstances. Further details of the property, plant and equipment are set out in note 13 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

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 RMB'000	2023 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

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

5. REVENUE, OTHER INCOME AND GAINS — *continued*

(i) Disaggregated revenue information

	2024 RMB'000	2023 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.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

5. REVENUE, OTHER INCOME AND GAINS — *continued*

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 (note 25)	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

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

7. PROFIT BEFORE TAX

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

	Notes	2024 RMB'000	2023 RMB'000
Cost of services provided		429,960	355,508
Employee benefit expense (including directors' and chief executive's remuneration (note 8)):			
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*	13	101,633	79,889
Depreciation of right-of-use assets*	14(a)	15,646	15,583
Amortisation of other intangible assets*	15	1,704	829
Lease payments not included in the measurement of lease liabilities	14(c)	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	18	2,279	2,286
Impairment of other receivables, net	19	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. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2024 RMB'000	2023 RMB'000
Fees	1,320	1,086
Other emoluments:		
Salaries, allowances and benefits in kind	1,834	2,620
Performance-related bonuses	—	400
Pension scheme contributions and social welfare	166	2
Subtotal	2,000	3,022
Total	3,320	4,108

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION — *continued*

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2024 RMB'000	2023 RMB'000
Mr. Chen Baizhu	220	216
Mr. Hu Rongen	220	216
Ms. Liu Tao	220	216
Total	660	648

(b) Executive directors and non-executive directors

Year ended 31 December 2024

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance- related bonuses RMB'000	Pension scheme contributions and social welfare RMB'000	Total remuneration RMB'000
Executive directors:					
— Mr. Zhao Donghui (iii)	—	1,008	—	—	1,008
— Mr. Ding Zheyin (iv)	—	826	—	166	992
Subtotal	—	1,834	—	166	2,000
Non-executive directors:					
— Mr. Du Jusheng (i)	146	—	—	—	146
— Ms. Li Huihui (ii)	74	—	—	—	74
— Mr. Ye Qionghai (viii)	220	—	—	—	220
— Ms. Zhao Jiaqiao (viii)	220	—	—	—	220
Subtotal	660	—	—	—	660
Total	660	1,834	—	166	2,660

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION — *continued*

(b) Executive directors and non-executive directors — *continued*

Year ended 31 December 2023

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance- related bonuses RMB'000	Pension scheme contributions and social welfare RMB'000	Total remuneration RMB'000
Executive directors:					
— Mr. Zhao Donghui (iii)	—	12	—	—	12
— Mr. Ding Zheyin (iv)	—	8	—	2	10
— Mr. Zhou Xingzeng (v)	—	1,000	200	—	1,200
— Mr. Zheng Xiangzhan (vi)	—	900	200	—	1,100
— Mr. Shi Yinjie (vii)	—	700	—	—	700
Subtotal	—	2,620	400	2	3,022
Non-executive directors:					
— Mr. Du Jusheng (i)	216	—	—	—	216
— Mr. Zhao Donghui (iii)	216	—	—	—	216
— Mr. Ye Qionghai (viii)	3	—	—	—	3
— Ms. Zhao Jiaqiao (viii)	3	—	—	—	3
Subtotal	438	—	—	—	438
Total	438	2,620	400	2	3,460

- (i) Mr. Du Jusheng resigned as a non-executive director of the Company effective from 29 August 2024.
- (ii) Ms. Li Huihui was appointed as a non-executive director of the Company effective from 29 August 2024.
- (iii) Mr. Zhao Donghui was re-designated from a non-executive director to an executive director of the Company, and was appointed as the chairman of the board effective from 27 December 2023.
- (iv) Mr. Ding Zheyin was appointed as an executive director of the Company effective from 27 December 2023.
- (v) Mr. Zhou Xingzeng resigned as the chairman of the board, an executive director of the Company effective from 27 December 2023.
- (vi) Mr. Zheng Xiangzhan resigned as an executive director of the Company effective from 27 December 2023.
- (vii) Mr. Shi Yinjie resigned as an executive director of the Company effective from 27 December 2023.
- (viii) Mr. Ye Qionghai and Ms. Zhao Jiaqiao were appointed as non-executive directors of the Company effective from 27 December 2023.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees for the year ended 31 December 2024 included two directors (2023: two directors who resigned as executive directors with effective from 27 December 2023), details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining three (2023: three) highest paid employees who are neither a director nor chief executive of the Company, are as follows:

	2024 RMB'000	2023 RMB'000
Salaries, allowances and benefits in kind	2,850	2,600
Performance-related bonuses	500	700
Pension scheme contributions and social welfare	260	327
Total	3,610	3,627

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Numbers of employees	
	2024	2023
HK\$1,000,001 to HK\$1,500,000	2	2
HK\$1,500,001 to HK\$2,000,000	1	1
Total	3	3

10. 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 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.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

10. INCOME TAX — *continued*

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

	2024 RMB'000	2023 RMB'000
Current — Mainland China	67,111	96,012
Deferred (note 16)	7,602	(45)
Total tax charge for the year	74,713	95,967

A reconciliation of tax expense 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 rate is as follows:

	2024 RMB'000	2023 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

11. DIVIDENDS

	2024 RMB'000	2023 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.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

12. 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 26) 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 RMB'000	2023 RMB'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	<u>223,618</u>	<u>283,365</u>
	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares used in the basic and diluted earnings per share calculations	<u>395,313,685</u>	<u>395,555,892</u>

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

13. PROPERTY, PLANT AND EQUIPMENT

	Buildings and facilities RMB'000	Motor vehicles RMB'000	Furniture and fixtures RMB'000	Devices and equipment RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2024						
At 31 December 2023 and 1 January 2024:						
Cost	2,324,539	13,465	48,838	99,061	284,535	2,770,438
Accumulated depreciation	(327,702)	(10,446)	(36,113)	(77,710)	—	(451,971)
Net carrying amount	<u>1,996,837</u>	<u>3,019</u>	<u>12,725</u>	<u>21,351</u>	<u>284,535</u>	<u>2,318,467</u>
At 1 January 2024, net of accumulated depreciation	1,996,837	3,019	12,725	21,351	284,535	2,318,467
Additions	13,602	4,142	2,744	12,975	157,241	190,704
Transfers	441,776	—	—	—	(441,776)	—
Disposal	—	(31)	(41)	(146)	—	(218)
Depreciation provided during the year	(82,579)	(1,022)	(3,433)	(14,599)	—	(101,633)
At 31 December 2024, net of accumulated depreciation	<u>2,369,636</u>	<u>6,108</u>	<u>11,995</u>	<u>19,581</u>	<u>—</u>	<u>2,407,320</u>
At 31 December 2024:						
Cost	2,779,917	17,002	51,480	110,654	—	2,959,053
Accumulated depreciation	(410,281)	(10,894)	(39,485)	(91,073)	—	(551,733)
Net carrying amount	<u>2,369,636</u>	<u>6,108</u>	<u>11,995</u>	<u>19,581</u>	<u>—</u>	<u>2,407,320</u>

As at 31 December 2024, the original cost of the Group's property, plant and equipment of RMB237,087,000 (2023: RMB236,965,000) was net off by the government grants received (note 25).

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

13. PROPERTY, PLANT AND EQUIPMENT — *continued*

	Buildings and facilities RMB'000	Motor vehicles RMB'000	Furniture and fixtures RMB'000	Devices and equipment RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2023						
At 31 December 2022 and 1 January 2023:						
Cost	2,312,326	13,617	45,605	84,355	899	2,456,802
Accumulated depreciation	(262,731)	(11,038)	(32,918)	(67,055)	—	(373,742)
Net carrying amount	<u>2,049,595</u>	<u>2,579</u>	<u>12,687</u>	<u>17,300</u>	<u>899</u>	<u>2,083,060</u>
At 1 January 2023, net of accumulated depreciation	2,049,595	2,579	12,687	17,300	899	2,083,060
Additions	—	1,204	3,333	15,048	295,849	315,434
Transfers	12,213	—	—	—	(12,213)	—
Disposal	—	(68)	(42)	(28)	—	(138)
Depreciation provided during the year	(64,971)	(696)	(3,253)	(10,969)	—	(79,889)
At 31 December 2023, net of accumulated depreciation	<u>1,996,837</u>	<u>3,019</u>	<u>12,725</u>	<u>21,351</u>	<u>284,535</u>	<u>2,318,467</u>
At 31 December 2023:						
Cost	2,324,539	13,465	48,838	99,061	284,535	2,770,438
Accumulated depreciation	(327,702)	(10,446)	(36,113)	(77,710)	—	(451,971)
Net carrying amount	<u>1,996,837</u>	<u>3,019</u>	<u>12,725</u>	<u>21,351</u>	<u>284,535</u>	<u>2,318,467</u>

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

14. LEASES

The Group as a lessee

The Group has lease contracts for various items of motor vehicles, devices and equipment used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of motor vehicles generally have lease terms between 2 and 3 years, while devices and equipment generally have lease terms of 4 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold land RMB'000	Devices and equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
At 1 January 2023	618,177	—	—	618,177
Additions	248	—	2,811	3,059
Depreciation charge	(15,266)	—	(317)	(15,583)
As at 31 December 2023 and 1 January 2024	603,159	—	2,494	605,653
Additions	—	3,550	—	3,550
Depreciation charge	(15,270)	(59)	(317)	(15,646)
Decrease arising from lease term termination	—	—	(2,177)	(2,177)
As at 31 December 2024	587,889	3,491	—	591,380

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2024 RMB'000	2023 RMB'000
Carrying amount at 1 January	2,505	—
New leases	3,550	2,811
Accretion of interest recognised during the year	38	21
Payments	(1,265)	(327)
Decrease arising from lease term termination	(2,196)	—
Carrying amount at 31 December	2,632	2,505
Analysed into:		
Within one year	846	1,251
In the second year	1,786	1,254

The maturity analysis of lease liabilities is disclosed in note 34 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

14. LEASES — *continued*

The Group as a lessee — *continued*

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2024 RMB'000	2023 RMB'000
Interest on lease liabilities	38	21
Depreciation charge of right-of-use assets	15,646	15,583
Expense relating to short-term leases (included in cost of sales and administrative expenses)	1,295	500
Total amount recognised in profit or loss	16,979	16,104

(d) The total cash outflow for leases is disclosed in note 29(b) to the financial statements.

The Group as a lessor

The Group leases its school campus area under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB9,605,000 (2023: RMB8,011,000), details of which are included in note 5 to the financial statements.

At 31 December 2024, the undiscounted lease payments receivable by the Group in the future periods under operating leases with its tenants are as follows:

	2024 RMB'000	2023 RMB'000
Within one year	8,217	6,928
In the second to fifth years, inclusive	16,743	13,184
After five years	2,400	3,383
Total	27,360	23,495

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

15. OTHER INTANGIBLE ASSETS

	2024 RMB'000	2023 RMB'000
Software		
Cost at 1 January, net of accumulated amortisation	4,848	751
Additions	4,643	4,926
Amortisation provided during the year	(1,704)	(829)
At 31 December	7,787	4,848
At 31 December:		
Cost	13,803	9,160
Accumulated amortisation	(6,016)	(4,312)
Net carrying amount	7,787	4,848

16. DEFERRED TAX

The movements in deferred tax assets during the year are as follows:

Deferred tax assets

	Amortisation RMB'000	Lease liabilities RMB'000	Impairment of financial assets RMB'000	Unrealised profit RMB'000	Total RMB'000
At 1 January 2023	16	—	70	—	86
Deferred tax credited/(charged) to profit or loss during the year (note 10)	(16)	626	58	—	668
At 31 December 2023 and 1 January 2024	—	626	128	—	754
Deferred tax credited/(charged) to profit or loss during the year (note 10)	—	(626)	10	141	(475)
At 31 December 2024	—	—	138	141	279

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

16. DEFERRED TAX — *continued*

Deferred tax liabilities

	Right-of-use assets RMB'000	Depreciation allowance in excess of related depreciation RMB'000	Total RMB'000
1 January 2023	—	—	—
Deferred tax charged to profit or loss during the year (note 10)	623	—	623
At 31 December 2023 and 1 January 2024	623	—	623
Deferred tax charged/(credited) to profit or loss during the year (note 10)	(623)	7,750	7,127
At 31 December 2024	—	7,750	7,750

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2024 RMB'000	2023 RMB'000
Gross deferred tax assets	279	754
Gross deferred tax liabilities	(129)	(623)
Net deferred tax assets	150	131
Gross deferred tax liabilities	7,750	623
Gross deferred tax assets	(129)	(623)
Net deferred tax liabilities	7,621	—

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

16. DEFERRED TAX — *continued*

Deferred tax assets have not been recognised in respect of the following items:

	2024 RMB'000	2023 RMB'000
Tax losses	20,530	20,899
Deductible temporary differences	5,545	—
Total	26,075	20,899

The Group has tax losses arising in Mainland China of RMB20,530,000 (2023: RMB20,899,000) that will expire in one to ten years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

The Group is liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008. The applicable rate is 10% for the Group.

At 31 December 2024, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the directors of the Company, the Group's fund will be retained in Mainland China for the expansion of the Group's operation, so it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amounts of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB1,723,562,000 as at 31 December 2024.

17. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024 RMB'000	2023 RMB'000
Other unlisted investment, at fair value	131,037	—

The other unlisted investments were certificates of deposit placed with licensed banks in Mainland China. They were classified as financial assets at fair value through other comprehensive income as they are held within a business model with the objective of both holding to collect contractual cash flows and selling.

The fair value of certificates of deposit placed with licensed banks is determined using valuation model for which not all inputs are observable and is within Level 2 of the fair value hierarchy (note 33).

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

18. ACCOUNTS RECEIVABLE

	2024 RMB'000	2023 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 RMB'000	2023 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 RMB'000	2023 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 services 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.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

18. ACCOUNTS RECEIVABLE — *continued*

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

Collective assessment	Past due				Total
	Less than 12 months	13 to 24 months	25 to 36 months	Over 36 months	
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

Collective assessment	Past due				Total
	Less than 12 months	13 to 24 months	25 to 36 months	Over 36 months	
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

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

18. ACCOUNTS RECEIVABLE — *continued*

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

Boarding fees receivable

31 December 2024

	Past due				Total
	Less than 12 months	13 to 24 months	25 to 36 months	Over 36 months	
Collective assessment					
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				Total
	Less than 12 months	13 to 24 months	25 to 36 months	Over 36 months	
Collective assessment					
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				Total
	Less than 12 months	13 to 24 months	25 to 36 months	Over 36 months	
Collective assessment					
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.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

19. PREPAYMENTS AND OTHER RECEIVABLES

	Notes	2024 RMB'000	2023 RMB'000
<i>Current portion:</i>			
Prepayments to suppliers		1,696	755
Receivables from staff	(i)	2,268	2,232
Loan to a third party	(ii)	6,200	6,200
Amounts due from related parties	32(3)	—	1,600
Other receivables and deposits	(i)	3,124	4,467
		13,288	15,254
Impairment allowance		(6,404)	(319)
Total		6,884	14,935
<i>Non-current portion:</i>			
Prepayment for property, plant and equipment and other intangible assets		7,020	2,255
Total		7,020	2,255

Notes:

- (i) Other receivables are unsecured, non-interest-bearing and have no fixed terms of repayment.
- (ii) As at 31 December 2024, the Group provided a loan to a third party with a principal of RMB6,200,000 (31 December 2023: RMB6,200,000) which bears interest at a rate of 6% per annum. The interest and the principal of the loan will be repaid in a lump sum at maturity.

The expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The amount of expected credit losses is updated at each reporting date to reflect the changes in credit risk since recognition. The loss rate applied as at 31 December 2024 was 55.2% (2023: 2.2%).

The movement in the loss allowance for impairment of other receivables is as follows:

	2024 RMB'000	2023 RMB'000
At beginning of year	319	—
Provision for impairment losses, net (note 7)	6,085	319
At end of year	6,404	319

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 RMB'000	2023 RMB'000
Unlisted investments, at fair value	473,168	340,516

The unlisted investments were wealth management products were placed with a licensed financial institution in Mainland China. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

The fair value of wealth management products is determined using valuation model for which not all inputs are observable and is within Level 2 of the fair value hierarchy (note 33).

21. CASH AND CASH BALANCES AND TIME DEPOSITS

	Note	2024 RMB'000	2023 RMB'000
Cash and bank balances		308,768	506,107
Time deposits	(i)	30,000	—
Subtotal		338,768	506,107
Less: Non-pledged time deposits with original maturity of more than three months when acquired		(30,000)	—
Restricted cash		(8,369)	—
Cash and cash equivalents		300,399	506,107

Note:

- (i) The time deposits held by the Group as of 31 December 2024 bear interest at 2.25% per annum with a duration of one year. These deposits are measured at amortised cost.

At 31 December 2024, the cash and bank balances and time deposits of the Group denominated in RMB amounted to RMB329,948,000 (2023: RMB498,825,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximated to their fair values.

As at 31 December 2024, the restricted cash of RMB8,369,000 was frozen by the People's Court due to lawsuits.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

22. 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.

23. 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 RMB'000	2023 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 RMB'000	2023 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.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

24. INTEREST-BEARING BANK BORROWINGS

	2024			2023		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Current portion of long term bank loans — secured	2.80–3.75	2025	163,000	3.5–3.85	2024	72,652
Subtotal — current			163,000			72,652
Non-current						
Bank loans — secured	2.80–3.75	2026-2038	666,926	3.5–3.85	2025-2038	686,774
Subtotal — non-current			666,926			686,774
Total			829,926			759,426

	2024 RMB'000	2023 RMB'000
Analysed into:		
Repayable within one year	163,000	72,652
Repayable in the second year	172,000	161,000
Repayable in the third to fifth years, inclusive	437,653	464,094
Repayable beyond five years	57,273	61,680
Total	829,926	759,426

The Group's bank borrowings are all denominated in RMB.

The Group's bank borrowings of RMB829,926,000 as at 31 December 2024 (2023: RMB759,426,000) were borrowings with floating interest rates.

As at 31 December 2024, the Group's bank borrowings of RMB666,403,000 (2023: RMB724,403,000) were secured by the Group's rights over tuition fees and boarding fees and the Group's bank borrowings of RMB163,523,000 (2023: RMB35,023,000) were secured by the Group's future rights over the income from the talent center.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

25. DEFERRED INCOME

	Notes	2024 RMB'000	2023 RMB'000
At beginning of year		8,783	9,803
Received during the year		43,250	50,583
Deduction of the carrying amount of the assets (note 13)	(1)	(122)	(3,508)
Deduction of the related expense	(2)	(26,310)	(24,963)
Recognised in other income (note 5)	(3)	(19,882)	(23,132)
At end of year		5,719	8,783
Current		2,913	1,031
Non-current		2,806	7,752
Total		5,719	8,783

- (1) The grants are related to the improvement of teaching facilities on certain special projects. Upon completion of the related projects, the grants related to an asset would be deducted from the carrying amount of the assets.
- (2) The grants are mainly related to the subsidies received from the government for the purpose of subsidising students and government promoted programs. Upon completion of the related activities, the grants would be released to profit or loss and deducted from the related expenditure to which they relate. Government grants received for which expenditure has not yet been undertaken are included in deferred income.
- (3) The grants mainly represent the tax refund from the local government recognised in other income and gains upon receipt. There are no unfulfilled conditions or contingencies relating to these grants.

26. 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.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

26. SHARE AWARD SCHEME — *continued*

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.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

27. SHARE CAPITAL

	2024	2023
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>

	2024 RMB'000	2023 RMB'000
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>

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

28. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 169 of the financial statements.

(a) Share premium reserve

The application of the share premium account is governed by the Companies Law of the Cayman Islands. Under the constitutional documents and the Companies Law of the Cayman Islands, the share premium is distributable as dividend on the condition that the Company is able to pay its debts when they fall due in the ordinary course of business at the time the proposed dividend is to be paid.

(b) Capital reserve

The capital reserve of the Group represents the capital contribution from the then equity holders of the Group's subsidiaries, after elimination of investments in subsidiaries.

(c) Statutory surplus reserves

Pursuant to the relevant laws in the PRC, the Company's subsidiaries in the PRC shall make appropriations from after-tax profit to non-distributable reserve funds as determined by the boards of directors of the relevant PRC subsidiaries. These reserves include the general reserve of the limited liability companies.

In accordance with the Company Law of the PRC, certain subsidiaries of the Group which are domestic enterprises are required to allocate 10% of their profit after tax, as determined in accordance with the relevant PRC accounting standards, to their respective statutory surplus reserves until the reserves reach 50% of their respective registered capital. Subject to certain restrictions set out in the Company Law of the PRC, part of the statutory surplus reserves may be converted to share capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Changes in liabilities arising from financing activities

	Lease liabilities RMB'000	Dividend payable RMB'000	Interest-bearing bank borrowings RMB'000	Interest payable RMB'000
At 1 January 2023	—	—	774,403	903
New leases	2,811	—	—	—
Cash flows used in financing activities	(327)	(72,231)	(14,977)	(25,100)
2022 final dividend declared	—	35,947	—	—
2023 interim dividend declared	—	36,284	—	—
Interest expense	21	—	—	24,786
Interest capitalised	—	—	—	179
At 31 December 2023	2,505	—	759,426	768
New leases	3,550	—	—	—
Decrease arising from lease term termination	(2,196)	—	—	—
Cash flows (used in)/from financing activities	(1,265)	(72,135)	70,500	(31,189)
2023 final dividend declared	—	35,990	—	—
2024 interim dividend declared	—	36,145	—	—
Interest expense	38	—	—	27,088
Interest capitalised	—	—	—	4,182
At 31 December 2024	2,632	—	829,926	849

(b) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2024 RMB'000	2023 RMB'000
Within operating activities	1,295	500
Within financing activities	1,265	327
Total	2,560	827

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

30. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	2024 RMB'000	2023 RMB'000
Property, plant and equipment	4,388	88,979

31. RELATED PARTY TRANSACTIONS

(1) Name and relationship:

The directors of the Group are of the opinion that the following parties/companies are related parties that had transactions or balances with the Group during the year:

Name of related party	Relationship with the Group
上海琪遇酒店管理有限公司 ("Qi Yu Hotel Management Co., Limited") (i)	A company controlled by a family member of Mr. Zhou Xingzeng
上海長九騏盛能源有限公司 ("Shanghai Changjiu Qisheng Energy Co., Limited") (ii)	A company controlled by Mr. Zhao Donghui
上海長九房地產開發有限公司 ("Shanghai Changjiu Real Estate Development Co., Limited")	A company controlled by Mr. Zhao Donghui

- (i) Qi Yu Hotel Management Limited has no longer been a related company of the Group since 15 June 2023.
- (ii) Shanghai Changjiu Qisheng Energy Co., Limited has no longer been a related company of the Group since 10 February 2025.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

31. RELATED PARTY TRANSACTIONS — *continued*

(2) Transactions with related parties:

	2024 RMB'000	2023 RMB'000
Services received from a related company		
Qi Yu Hotel Management Co., Limited	—	417
Advances to related companies		
Shanghai Changjiu Qisheng Energy Co., Limited	—	250
Shanghai Changjiu Real Estate Development Co., Limited	—	1,350
Total	—	1,600
	2024 RMB'000	2023 RMB'000
Repayment from related companies for the rental deposits		
Shanghai Changjiu Qisheng Energy Co., Limited	250	—
Shanghai Changjiu Real Estate Development Co., Limited	1,350	—
Total	1,600	—
Lease payments to related companies		
Shanghai Changjiu Qisheng Energy Co., Limited	40	39
Shanghai Changjiu Real Estate Development Co., Limited	288	288
Total	328	327

The transactions were carried out in accordance with the terms and conditions mutually agreed between the Group and its related parties with reference to the pricing obtained from the market.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

31. RELATED PARTY TRANSACTIONS — *continued*

(3) Outstanding balances with related parties:

	2024 RMB'000	2023 RMB'000
Trade in nature — current		
Due from related companies		
Shanghai Changjiu Qisheng Energy Co., Limited	—	250
Shanghai Changjiu Real Estate Development Co., Limited	—	1,350
Total	—	1,600
Lease liabilities		
Shanghai Changjiu Qisheng Energy Co., Limited	—	272
Shanghai Changjiu Real Estate Development Co., Limited	—	2,233
Total	—	2,505

The balances were unsecured, interest-free and repayable on demand.

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

	2024 RMB'000	2023 RMB'000
Short-term employee benefits	6,408	6,438
Pension scheme contributions	396	419
Total	6,804	6,857

Further details of directors' emoluments are included in note 8 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

32. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each reporting period are as follows:

31 December 2024

Financial assets

	Financial assets at fair value through profit or loss RMB'000	Financial assets at fair value through other comprehensive income RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Debt investments at fair value through other comprehensive income (note 17)	—	131,037	—	131,037
Financial assets at fair value through profit or loss (note 20)	473,168	—	—	473,168
Accounts receivable	—	—	11,748	11,748
Financial assets included in prepayments and other receivables (note 19)	—	—	5,188	5,188
Restricted cash	—	—	8,369	8,369
Time deposits	—	—	30,000	30,000
Cash and cash equivalents	—	—	300,399	300,399
Total	473,168	131,037	355,704	959,909

Financial liabilities

	Financial liabilities at amortised cost RMB'000	Total RMB'000
Financial liabilities included in other payables and accruals (note 22)	189,840	189,840
Interest-bearing bank borrowings	829,926	829,926
Total	1,019,766	1,019,766

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

32. FINANCIAL INSTRUMENTS BY CATEGORY — *continued*

31 December 2023

Financial assets

	Financial assets at fair value through profit or loss RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Financial assets at fair value through profit or loss (note 20)	340,516	—	340,516
Accounts receivable	—	9,590	9,590
Financial assets included in prepayments and other receivables (note 19)	—	14,180	14,180
Cash and cash equivalents	—	506,107	506,107
Total	340,516	529,877	870,393

Financial liabilities

	Financial liabilities at amortised cost RMB'000	Total RMB'000
Financial liabilities included in other payables and accruals (note 22)	196,892	196,892
Interest-bearing bank borrowings	759,426	759,426
Total	956,318	956,318

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

33. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

	Carrying amounts		Fair values	
	2024 RMB'000	2023 RMB'000	2024 RMB'000	2023 RMB'000
Financial assets				
Financial assets at fair value through profit or loss (note 20)	473,168	340,516	473,168	340,516
Debt investments at fair value through other comprehensive income (note 17)	131,037	—	131,037	—
Total	604,205	340,516	604,205	340,516
Financial liabilities				
Interest-bearing bank borrowings (note 24)	829,926	759,426	846,162	770,225

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

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

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

The fair values of the interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank borrowings was assessed to be insignificant as at the end of the reporting period.

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

33. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS — continued

Fair value hierarchy

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

Assets measured at fair value:

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
As at 31 December 2024				
Financial assets at fair value through profit or loss	—	473,168	—	473,168
Debt investments at fair value through other comprehensive income	—	131,037	—	131,037
Total	—	604,205	—	604,205

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
As at 31 December 2023				
Financial assets at fair value through profit or loss	—	340,516	—	340,516

The Group did not have any financial liabilities measured at fair value as at 31 December 2024 and 2023.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2023: Nil).

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

33. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS — continued

Fair value hierarchy — continued

Liabilities for which fair values are disclosed:

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
As at 31 December 2024				
Interest-bearing bank borrowings	—	846,162	—	846,162
As at 31 December 2023				
Interest-bearing bank borrowings	—	770,225	—	770,225

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Interest rate risk

The Group's exposure to risk of changes in market interest rates relates primarily to the Group's interest-bearing bank borrowings set out in note 24. The Group does not use derivative financial instruments to hedge interest rate risk. The Group manages its interest cost using variable rate bank borrowings.

The sensitivity analysis below has been determined based on the exposure to interest rates for the Group's variable rate bank loans and bank balances at the end of each reporting period and assumed that the amount outstanding at the end of each reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the years ended 31 December 2024 and 2023 would decrease/increase by RMB3,966,000 and RMB3,699,000, respectively. This is mainly attributable to the Group's exposure to interest rates on its bank balances and borrowing with variable rates.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES — *continued*

(b) Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets.

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
As at 31 December 2024					
Accounts receivable*	—	—	—	12,446	12,446
Financial assets included in prepayments and other receivables**	5,213	—	6,379	—	11,592
Restricted cash	8,369	—	—	—	8,369
Time deposits	30,000	—	—	—	30,000
Cash and cash equivalents	300,399	—	—	—	300,399
Total	343,981	—	6,379	12,446	362,806

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
As at 31 December 2023					
Accounts receivable*	—	—	—	10,102	10,102
Financial assets included in prepayments and other receivables**	14,499	—	—	—	14,499
Cash and cash equivalents	506,107	—	—	—	506,107
Total	520,606	—	—	10,102	530,708

* For accounts receivable to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 19 to the financial statements.

** The credit quality of the financial assets included in prepayments and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES — *continued*

(b) Credit risk — *continued*

Further quantitative data in respect of the Group's exposure to credit risk arising from accounts receivable are disclosed in note 18 to the financial statements.

Since the Group trades only with recognised and creditworthy customers, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. From the large number of diversified customers (students), there is no significant concentration of credit risk by customers.

(c) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank borrowings. Cash flows are closely monitored on an ongoing basis.

The maturity profile of the Group's financial liabilities as at the end of reporting period, based on contractual undiscounted payments, is as follows:

	On demand RMB'000	Less than 3 months RMB'000	3 to 12 months RMB'000	Over 1 year RMB'000	Total RMB'000
31 December 2024					
Lease liabilities	—	—	937	1,873	2,810
Financial liabilities included in other payables and accruals (note 22)	189,840	—	—	—	189,840
Interest-bearing bank borrowings	—	30,369	156,770	712,456	899,595
Total	189,840	30,369	157,707	714,329	1,092,245
	On demand RMB'000	Less than 3 months RMB'000	3 to 12 months RMB'000	Over 1 year RMB'000	Total RMB'000
31 December 2023					
Lease liabilities	—	328	982	1,270	2,580
Financial liabilities included in other payables and accruals (note 22)	196,892	—	—	—	196,892
Interest-bearing bank borrowings	—	7,976	95,659	754,610	858,245
Total	196,892	8,304	96,641	755,880	1,057,717

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES — *continued*

(d) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 2023.

The Group monitors capital using a gearing ratio, which is total debt divided by total equity. Total debt includes interest-bearing bank borrowings. Total equity represents equity attributable to owners of the parent. The gearing ratios as at the end of the reporting periods were as follows:

	2024 RMB'000	2023 RMB'000
Interest-bearing bank borrowings	829,926	759,426
Total debt	829,926	759,426
Total equity	2,317,130	2,169,829
Gearing ratio	35.8%	35.0%

35. CONTINGENT LIABILITIES

During the year ended 31 December 2024, the supplier for the construction of certain campus facilities filed two claims to the People's Court of Pudong New Area in Mainland China against Shanghai Jian Qiao University Co., Ltd. for overdue payments of construction costs with a total amount of RMB8,256,000 and the interest arising from the overdue payments of construction costs of approximately RMB113,000. As at 31 December 2024, two bank accounts of Shanghai Jian Qiao University Co., Ltd. amounted to RMB8,369,000 were frozen by People's Court of Pudong New Area as requested by the plaintiff.

As of the date of approval of the financial statements, 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.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS		
Investments in subsidiaries	—*	—*
Total non-current assets	—	—
CURRENT ASSETS		
Due from fellow subsidiaries	139,861	221,195
Prepayments and other receivables	140	390
Cash and cash equivalents	8,820	6,878
Total current assets	148,821	228,463
CURRENT LIABILITIES		
Other payables and accruals	248	119
Due to fellow subsidiaries	4,414	3,959
Total current liabilities	4,662	4,078
NET CURRENT ASSETS	144,159	224,385
TOTAL ASSETS LESS CURRENT LIABILITIES	144,159	224,385
NET ASSETS	144,159	224,385
EQUITY		
Issued capital	3,677	3,677
Reserves (Note)	140,482	220,708
TOTAL EQUITY	144,159	224,385

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

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY — *continued*

Note:

A summary of the Company's reserves is as follows:

	Share premium RMB'000	Share Award Scheme RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 31 December 2022 and 1 January 2023	419,736	(80,091)	1,696	(35,307)	306,034
Repurchase of shares	—	(1,853)	—	—	(1,853)
Loss for the year	—	—	—	(10,157)	(10,157)
Other comprehensive loss for the year					
Exchange differences on translation of the financial statements	—	—	(1,085)	—	(1,085)
Total comprehensive loss for the year	—	—	(1,085)	(10,157)	(11,242)
2022 final dividend declared	(35,947)	—	—	—	(35,947)
2023 interim dividend declared	(36,284)	—	—	—	(36,284)
At 31 December 2023 and 1 January 2024	347,505	(81,944)	611	(45,464)	220,708
Repurchase of shares	—	(2,560)	—	—	(2,560)
Loss for the year	—	—	—	(8,861)	(8,861)
Other comprehensive income for the year					
Exchange differences on translation of the financial statements	—	—	3,330	—	3,330
Total comprehensive loss for the year	—	—	3,330	(8,861)	(5,531)
2023 final dividend declared	(35,990)	—	—	—	(35,990)
2024 interim dividend declared	(36,145)	—	—	—	(36,145)
At 31 December 2024	275,370	(84,504)	3,941	(54,325)	140,482

37. 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.

38. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 28 March 2025.

DEFINITION

“affiliate(s)”	with respect to any specific person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AGM”	the annual general meeting of our Company
“Appointed School Directors”	nine directors (representing more than two-thirds of the board being the quorum required for approving material decisions) of Jian Qiao University Company, being Mr. Zhu Ruiting, Mr. Yu Xiaoguang, Ms. Chen Wei, Mr. Xu Haogang, together with other five directors appointed on 10 July 2024, namely, Mr. Zhao Donghui, Mr. Zhang Zhen, Mr. Zhao Leihong, Mr. Ding Zheyin and Mr. Zhou Tianming
“Articles of Association”	the articles of association of our Company as amended, supplemented or otherwise modified from time to time
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Audit Committee”	the audit committee of our Company
“Board”	the board of Directors of our Company
“Board Committee(s)”	the Audit Committee, the Remuneration Committee and the Nomination Committee
“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 annual report, Hong Kong, the Macau Special Administrative Region and Taiwan, China
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	Shanghai Gench Education Group Limited
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of our Company
“Foreign Investment Law”	the Foreign Investment Law of the PRC (中華人民共和國外商投資法), as enacted by the 13th National People’s Congress on 15 March 2019, which came into effect on 1 January 2020

DEFINITION

“Gench WFOE”	Wangting Education Technology (Shanghai) Limited (望亭教育科技(上海)有限公司), a limited liability company established under the laws of the PRC on 31 October 2018, which is wholly-owned by our 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\$” or “HKD”	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 our 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”	the listing of our Shares on the Main Board of the Stock Exchange
“Listing Date”	16 January 2020, since which our Shares have been listed on the Main Board
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
“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

“Mr. Zhao”	Mr. Zhao Donghui, the chairman, an executive Director and a Shareholder of our Company
“Negative List”	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)》), which became effective on 1 November 2024
“New Business Cooperation Agreement”	the business cooperation agreement entered into by and among Gench WFOE, the New Registered Shareholders and the New PRC Affiliated Entities dated 29 January 2021
“New Contractual Arrangements”	collectively, (1) the New Business Cooperation Agreement, (2) the New Exclusive Technical Service and Management Consultancy Agreement, (3) the New Exclusive Call Option Agreement, (4) the New Directors’ Rights Entrustment Agreement, (5) the New Directors’ Powers of Attorney, (6) the New Shareholders’ Rights Entrustment Agreement (I), (7) the New Shareholders’ Rights Entrustment Agreement (II), (8) the New Shareholders’ Powers of Attorney (I), (9) the New Shareholders’ Powers of Attorney (II), (10) the New Spouse Undertakings, (11) the No Spouse Undertaking, and (12) the New Equity Pledge Agreements, further details of which are set out in the section headed “New Contractual Arrangements” in this annual report
“New Directors’ Powers of Attorney”	directors’ powers of attorney executed by the Appointed School Directors dated 29 January 2021, 24 June 2022, 6 January 2023 and 10 July 2024, respectively
“New Directors’ Rights Entrustment Agreement”	directors’ rights entrustment agreement entered into by and among Jian Qiao University Company, Gench WFOE and the Appointed School Directors dated 29 January 2021
“New Equity Pledge Agreements”	collectively, (1) the equity pledge agreement entered into by and among the New Registered Shareholders, Jian Qiao Group and Gench WFOE, and (2) the equity pledge agreement entered into by and among the School Holders and Gench WFOE dated 29 January 2021
“New Exclusive Call Option Agreement”	the exclusive call option agreement entered into by and among Gench WFOE, the New PRC Affiliated Entities and the New Registered Shareholders dated 29 January 2021
“New Exclusive Technical Service and Management Consultancy Agreement”	the exclusive technical service and management consultancy agreement entered into by and among Gench WFOE and the New PRC Affiliated Entities dated 29 January 2021

DEFINITION

“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
“New Shareholders’ Powers of Attorney (I)”	the shareholders’ rights entrustment agreement entered into by and among the New shareholders’ powers of attorney executed by the New Registered Shareholders and Jian Qiao Group dated 29 January 2021
“New Shareholders’ Powers of Attorney (II)”	shareholders’ powers of attorney executed by the School Holders dated 29 January 2021
“New Shareholders’ Rights Entrustment Agreement (I)”	Registered Shareholders, the School Holders and Gench WFOE dated 29 January 2021
“New Shareholders’ Rights Entrustment Agreement (II)”	the shareholders’ rights entrustment agreement entered into by and among Jian Qiao University Company, the School Holders and Gench WFOE dated 29 January 2021
“New Spouse Undertakings”	collectively, the undertakings executed by the spouses of relevant New Registered Shareholders dated 29 January 2021
“No Spouse Undertaking”	the no spouse undertaking dated 29 January 2021 executed by Ms. Huang Chunlan
“Nomination Committee”	the nomination committee of our Company
“PRC Legal Advisors”	Commerce & Finance Law Offices, our legal advisors as to the laws of the PRC
“Prospectus”	the prospectus of our Company dated 31 December 2019
“Remuneration Committee”	the remuneration committee of our 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

DEFINITION

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and supplemented from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of our Company
“Share Award Scheme”	the share award scheme adopted by our Company on 11 December 2020
“Share Option Scheme”	the share option scheme adopted by our Company on 19 December 2019
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules. For the avoidance of doubt, the subsidiaries of our Company include the School Holders and our University
“substantial shareholders”	has the meaning ascribed to it under the Listing Rules
“University”, “our University” or “Shanghai Jian Qiao University”	a university in the PRC operated as a private non-enterprise unit under the name of “Shanghai Jian Qiao University” (上海建橋學院) from 28 June 2000 to 9 August 2021 and as a limited liability company under the name of “Shanghai Jian Qiao University Co., Ltd.”* (上海建橋學院有限責任公司) since 10 August 2021, with the short name of “Shanghai Jian Qiao University” (上海建橋學院) in the relevant private school operating permit
“US\$” or “USD”	United States dollars, the lawful currency of the United States
“Yangtze River Delta”	comprises Jiangsu, Zhejiang, Anhui and Shanghai in the PRC
“%”	per cent

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.