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Minsheng Education Group Company Limited
民生教育集团有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1569)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2025:

- The total revenue of the Group was approximately RMB1,649.6 million, representing a decrease of approximately 15.3% as compared to the year ended 31 December 2024, such decrease was mainly due to the decrease in the revenue of online education segment due to the market condition during the Reporting Period.
- The net loss of the Group was approximately RMB729.1 million, the loss was mainly due to (i) the impairment of goodwill and intangible assets of online education entities of approximately RMB548.2 million; and (ii) the net impairment losses on financial assets of approximately RMB140.2 million.

As at 31 December 2025:

- The total assets of the Group were approximately RMB10,788.6 million; and the cash reserves of the Group were approximately RMB3,396.1 million.
- The Group's gearing ratio which is calculated by dividing total interest bearing bank and other borrowings by total equity, was approximately 49.4%.

The board (the “**Board**”) of directors (the “**Director(s)**”) of Minsheng Education Group Company Limited (the “**Company**”) is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively referred to as the “**Group**” or “**we**”) for the year ended 31 December 2025 (the “**Reporting Period**”) together with the comparative figures for the year ended 31 December 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
REVENUE	4	1,649,589	1,947,208
Cost of sales		<u>(1,080,309)</u>	<u>(1,076,963)</u>
Gross profit		569,280	870,245
Other income and gains	4	148,579	149,536
Selling expenses		(122,792)	(180,299)
Administrative expenses		(414,659)	(482,985)
Impairment losses on financial assets, net		(140,199)	(22,826)
Other expenses, net		(574,999)	(185,894)
Finance costs		<u>(131,794)</u>	<u>(136,366)</u>
(LOSS)/PROFIT BEFORE TAX	5	(666,584)	11,411
Income tax (expense)/credit	6	<u>(62,530)</u>	36,307
(LOSS)/PROFIT FOR THE YEAR		<u>(729,114)</u>	<u>47,718</u>

	<i>Note</i>	2025 RMB'000	2024 RMB'000
OTHER COMPREHENSIVE INCOME			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of financial statements		<u>41,684</u>	<u>(26,892)</u>
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods		<u>41,684</u>	<u>(26,892)</u>
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of financial statements of the Company		<u>(8,917)</u>	<u>5,845</u>
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods		<u>(8,917)</u>	<u>5,845</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		<u>32,767</u>	<u>(21,047)</u>
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		<u><u>(696,347)</u></u>	<u><u>26,671</u></u>
(Loss)/profit attributable to:			
Owners of the parent		(744,274)	1,190
Non-controlling interests		<u>15,160</u>	<u>46,528</u>
		<u><u>(729,114)</u></u>	<u><u>47,718</u></u>
Total comprehensive (loss)/income attributable to:			
Owners of the parent		(713,962)	(18,232)
Non-controlling interests		<u>17,615</u>	<u>44,903</u>
		<u><u>(696,347)</u></u>	<u><u>26,671</u></u>
(LOSSES)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT:			
Basic and diluted (RMB)	7	<u><u>(0.1765)</u></u>	<u><u>0.0003</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		3,482,206	3,470,600
Right-of-use assets		830,492	853,148
Goodwill		1,758,089	2,229,574
Other intangible assets		58,486	163,352
Investment in an associate		–	–
Financial assets at fair value through profit or loss		17,166	13,729
Deferred tax assets		11,231	38,999
Restricted bank deposits		768,621	–
Other non-current assets		263,975	263,687
		<hr/>	<hr/>
Total non-current assets		7,190,266	7,033,089
CURRENT ASSETS			
Inventories		5,416	9,374
Trade receivables	8	218,792	383,851
Prepayments, other receivables and other assets		639,306	643,632
Financial assets at fair value through profit or loss		107,301	107,301
Restricted bank deposits		383,896	557,868
Cash and cash equivalents		2,243,600	2,520,311
		<hr/>	<hr/>
Total current assets		3,598,311	4,222,337
CURRENT LIABILITIES			
Trade payables	9	427,954	500,533
Contract liabilities	10	896,349	835,155
Other payables and accruals	11	675,735	776,711
Dividend payables		206,117	210,798
Deferred income		14,733	19,139
Interest-bearing bank and other borrowings		1,656,706	910,937
Loans from the ultimate holding company		173,648	163,437
Tax payable		38,267	47,078
		<hr/>	<hr/>
Total current liabilities		4,089,509	3,463,788
		<hr/>	<hr/>
NET CURRENT (LIABILITIES)/ASSETS		(491,198)	758,549
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,699,068	7,791,638
		<hr/>	<hr/>

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
NON-CURRENT LIABILITIES		
Deferred income	212,237	227,922
Interest-bearing bank and other borrowings	934,382	1,287,387
Other long term liability	232,898	243,359
Deferred tax liabilities	<u>78,380</u>	<u>94,978</u>
 Total non-current liabilities	 <u>1,457,897</u>	 <u>1,853,646</u>
 Net assets	 <u>5,241,171</u>	 <u>5,937,992</u>
EQUITY		
Equity attributable to owners of the parent		
Share capital	322	322
Reserves	<u>4,321,967</u>	<u>5,035,913</u>
 Non-controlling interests	 <u>4,322,289</u> <u>918,882</u>	 5,036,235 <u>901,757</u>
 Total equity	 <u>5,241,171</u>	 <u>5,937,992</u>

NOTES TO FINANCIAL STATEMENTS

31 December 2025

1. CORPORATE AND GROUP INFORMATION

Minsheng Education Group Company Limited (the “**Company**”) was incorporated in the Cayman Islands on 13 December 2005 as an exempted company with limited liability under the laws of the Cayman Islands. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. During the year, the Company and its subsidiaries (collectively referred to as the “**Group**” or “**we**”) were principally engaged in providing on-campus and online educational services in the People’s Republic of China (the “**PRC**”).

In the opinion of the Directors, the immediate holding company and the ultimate holding company of the Company is Minsheng Group Company Limited, which was incorporated in the British Virgin Islands.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (“**IFRSs**”) (which include all International Financial Reporting Standards, International Accounting Standards (“**IASs**”) and interpretations) as issued 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 an equity investment at fair value through profit or loss and contingent consideration for business combination, 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.

Going concern

The Group recorded net current liabilities of RMB491,198,000 as at 31 December 2025. Included therein were the contract liabilities of RMB896,349,000 as at 31 December 2025, which will be settled by education services provided by the Group.

In view of the net current liabilities position, 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 a going concern. Taking into account the financial resources available to the Group, including the internally generated funds from operation and existence of sufficient facility of RMB827,471,000 as of 31 December 2025 and RMB618,636,000 as of the date of this announcement, of which RMB208,835,000 has been withdrawn during the subsequent period, and the management’s capacity in calibrating the rate of the Group’s operational expansion, the Directors are of the opinion that the Group is able to meet in full its financial obligations as and when they fall due for the foreseeable future and it is appropriate to prepare the audited consolidated financial statements on a going concern basis.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to IAS 21 Lack of Exchangeability for the first time for the current year’s financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and has two reportable operating segments as follows:

- (a) on-campus education
- (b) online education

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, non-lease-related finance costs as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Year ended 31 December 2025

	On-campus education RMB'000	Online education RMB'000	Total RMB'000
Segment revenue (note 4)			
Sales to external customers	1,395,708	253,881	1,649,589
Intersegment sales	—	4,405	4,405
Total segment revenue	1,395,708	258,286	1,653,994
<i>Reconciliation:</i>			
Elimination of intersegment sales		(4,405)	(4,405)
Revenue			<u>1,649,589</u>
Segment results	365,624	(846,591)	(480,967)
Interest income			16,719
Corporate and other unallocated expenses			(71,278)
Finance costs (other than interest on lease liabilities)			<u>(131,058)</u>
Loss before tax			<u>(666,584)</u>

	On-campus education RMB'000	Online education RMB'000	Total RMB'000
Segment assets	10,843,285	1,580,902	12,424,187
<i>Reconciliation:</i>			
Elimination of intersegment receivables			(1,706,137)
Corporate and other unallocated assets			<u>70,527</u>
Total assets			<u><u>10,788,577</u></u>
Segment liabilities	3,556,751	2,342,921	5,899,672
<i>Reconciliation:</i>			
Elimination of intersegment payables			(1,706,137)
Corporate and other unallocated liabilities			<u>1,353,871</u>
Total liabilities			<u><u>5,547,406</u></u>
Other segment information			
Impairment losses recognised in profit or loss	1,712	686,657	688,369
Depreciation and amortisation	193,087	50,536	243,623
Capital expenditure	<u>203,343</u>	<u>4,304</u>	<u>207,647</u>
Year ended 31 December 2024			
	On-campus education RMB'000	Online education RMB'000	Total RMB'000
Segment revenue (note 4)			
Sales to external customers	1,394,292	552,916	1,947,208
Intersegment sales	<u>–</u>	<u>1,537</u>	<u>1,537</u>
Total segment revenue	1,394,292	554,453	1,948,745
<i>Reconciliation:</i>			
Elimination of intersegment sales			<u>(1,537)</u>
Revenue			<u><u>1,947,208</u></u>
Segment results	442,019	(224,825)	217,194
Interest income			14,454
Corporate and other unallocated expenses			(85,418)
Finance costs (other than interest on lease liabilities)			<u>(134,819)</u>
Profit before tax			<u><u>11,411</u></u>

	On-campus education <i>RMB'000</i>	Online education <i>RMB'000</i>	Total <i>RMB'000</i>
Segment assets	10,463,743	2,516,331	12,980,074
<i>Reconciliation:</i>			
Elimination of intersegment receivables			(1,729,057)
Corporate and other unallocated assets			<u>4,409</u>
Total assets			<u><u>11,255,426</u></u>
Segment liabilities	3,515,987	2,426,207	5,942,194
<i>Reconciliation:</i>			
Elimination of intersegment payables			(1,729,057)
Corporate and other unallocated liabilities			<u>1,104,297</u>
Total liabilities			<u><u>5,317,434</u></u>
Other segment information			
Impairment losses recognised in profit or loss	1,431	161,515	162,946
Depreciation and amortisation	181,433	105,456	286,889
Capital expenditure	<u>360,630</u>	<u>23,755</u>	<u>384,385</u>

Geographical information

During the year, all of the Group's revenue was generated in the Chinese mainland and over 90% of its long-term assets/capital expenditure were located/incurred in the Chinese mainland. Accordingly, no geographical information is presented.

Information about major customers

No revenue derived from services provided to a single customer accounted for 10% or more of the total revenue of the Group during the year.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<i>Revenue from contracts with customers</i>		
Tuition fees	1,270,734	1,274,884
Boarding fees	124,974	119,408
Distance education services – platform services	11,721	93,875
Distance education services – educational support services	62,424	217,245
Teacher training services	31,655	40,412
Online courses services	14,128	18,308
Commission income	14,388	23,043
Sales of books	33,208	31,642
Examinations and assessments	4,298	4,350
Other education business	82,059	124,041
	<u>1,649,589</u>	<u>1,947,208</u>
<i>Other income and gains</i>		
Investment income from short-term investments measured at fair value through profit or loss	15,239	29,181
Fair value gain on financial assets at fair value through profit or loss, net	5,010	4,851
Rental income:		
Fixed lease payments	16,459	8,303
Variable lease payments	2,814	2,122
	<u>19,273</u>	<u>10,425</u>
Bank interest income	16,719	14,454
Government grants		
– Related to assets	18,136	19,232
– Related to income	46,085	43,690
Others	28,117	27,703
	<u>148,579</u>	<u>149,536</u>
Total other income and gains	<u>148,579</u>	<u>149,536</u>

Disaggregated revenue information for revenue from contracts with customers

Year ended 31 December 2025

Segments	On-campus education RMB'000	Online education RMB'000	Total RMB'000
Timing of revenue recognition			
<i>Revenue recognised over time:</i>			
Tuition fees	1,270,734	–	1,270,734
Boarding fees	124,974	–	124,974
Distance education services – platform services	–	11,721	11,721
Distance education services – educational support services	–	62,424	62,424
Teacher training services	–	31,655	31,655
Online courses services	–	14,128	14,128
Examinations and assessments	–	4,298	4,298
Other education business	–	82,059	82,059
<i>Revenue recognised at a point in time:</i>			
Commission income	–	14,388	14,388
Sales of books	–	33,208	33,208
Total	<u>1,395,708</u>	<u>253,881</u>	<u>1,649,589</u>

Year ended 31 December 2024

Segments	On-campus education RMB'000	Online education RMB'000	Total RMB'000
Timing of revenue recognition			
<i>Revenue recognised over time:</i>			
Tuition fees	1,274,884	–	1,274,884
Boarding fees	119,408	–	119,408
Distance education services – platform services	–	93,875	93,875
Distance education services – educational support services	–	217,245	217,245
Teacher training services	–	40,412	40,412
Online courses services	–	18,308	18,308
Examinations and assessments	–	4,350	4,350
Other education business	–	124,041	124,041
<i>Revenue recognised at a point in time:</i>			
Commission income	–	23,043	23,043
Sales of books	–	31,642	31,642
Total	<u>1,394,292</u>	<u>552,916</u>	<u>1,947,208</u>

5. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging/(crediting):

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Depreciation of property, plant and equipment	179,486	175,035
Less: amount matched with other long term liability	<u>7,746</u>	<u>8,010</u>
	<u>171,740</u>	<u>167,025</u>
Amortisation of other intangible assets	30,748	72,549
Lease payments not included in the measurement of lease liabilities	6,063	13,789
Depreciation of right-of-use assets	33,389	39,305
Less: amount matched with other long term liability	<u>2,288</u>	<u>2,748</u>
	<u>31,101</u>	<u>36,557</u>
Research and development costs	49,250	84,682
Impairment of goodwill	471,485	42,125
Auditor's remuneration	4,300	5,800
Employee benefit expense (including directors' remuneration):		
Wages and salaries	604,571	626,606
Equity-settled share option expense	16	63
Pension scheme contributions (defined contribution schemes)	<u>137,781</u>	<u>124,489</u>
	<u>742,368</u>	<u>751,158</u>
Foreign exchange differences, net	8,713	3,511
Impairment of other intangible assets	76,685	97,995
Impairment of financial assets:		
Impairment of trade receivables, net	140,259	11,711
Impairment of financial assets included in prepayments, other receivables and other assets, net	<u>(60)</u>	<u>11,115</u>
	<u>140,199</u>	<u>22,826</u>
Investment income from short-term investments measured at fair value through profit or loss	(15,239)	(29,181)
Bank interest income	(16,719)	(14,454)
Fair value gain from an equity investment at fair value through profit or loss	(5,010)	(6,103)
Fair value loss from contingent consideration at fair value through profit or loss	-	1,252
Loss/(gain) on disposal of items of property, plant and equipment and right-of use assets, net	1,617	(382)
Donation expenses	<u>10,929</u>	<u>8,799</u>

6. INCOME TAX

The major components of the income tax expense/(credit) for the Group are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current – Chinese Mainland income taxes		
Charge for the year	57,131	45,485
(Overprovision)/underprovision in prior years	(5,771)	576
Deferred	<u>11,170</u>	<u>(82,368)</u>
Total	<u><u>62,530</u></u>	<u><u>(36,307)</u></u>

7. (LOSSES)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic (losses)/earnings per share is based on the (loss)/profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 4,217,720,000 (2024: 4,217,720,000) outstanding during the year.

No adjustment has been made to the basic (losses)/earnings per share amounts presented for the years ended 31 December 2025 and 2024 in respect of a dilution as the impact of the share option had an anti-dilutive effect on the basic (losses)/earnings per share amounts presented.

The calculations of basic and diluted (losses)/earnings per share are based on:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
(Losses)/earnings		
(Loss)/profit attributable to ordinary equity holders of the parent, used in the basic and diluted (losses)/earnings per share calculation	<u>(744,274)</u>	<u>1,190</u>
	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic and diluted (losses)/earnings per share calculation	<u><u>4,217,720,000</u></u>	<u><u>4,217,720,000</u></u>

8. TRADE RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	414,188	438,988
Impairment	<u>(195,396)</u>	<u>(55,137)</u>
Net carrying amount	<u><u>218,792</u></u>	<u><u>383,851</u></u>

An ageing analysis of the trade receivables as at the end of the reporting year, based on the transaction date and net of loss allowance, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	132,633	295,130
1 to 2 years	70,452	78,513
2 to 3 years	12,831	9,360
Over 3 years	<u>2,876</u>	<u>848</u>
Total	<u><u>218,792</u></u>	<u><u>383,851</u></u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At beginning of year	55,137	43,426
Impairment losses, net (<i>note 5</i>)	<u>140,259</u>	<u>11,711</u>
At end of year	<u><u>195,396</u></u>	<u><u>55,137</u></u>

9. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the Reporting Period, based on the invoice dates, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	110,274	407,255
1 to 2 years	235,688	86,539
2 to 3 years	76,821	6,714
Over 3 years	5,171	25
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Total	427,954	500,533
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10. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

	31 December 2025 <i>RMB'000</i>	31 December 2024 <i>RMB'000</i>	1 January 2024 <i>RMB'000</i>
<i>Short-term advances received from customers</i>			
Tuition fees	744,262	685,090	661,854
Boarding fees	86,682	77,899	70,491
Distance education service fees	8,653	8,888	49,020
Other education business	56,752	63,278	51,594
	<hr/>	<hr/>	<hr/>
Total	896,349	835,155	832,959
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11. OTHER PAYABLES AND ACCRUALS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Accrued bonuses and other employee benefits	82,822	87,901
Payables for catering services	8,156	20,368
Payables for purchase of property, plant and equipment	195,502	281,677
Payables for management fees	47,728	48,727
Miscellaneous expenses received from students	152,257	138,234
Tuition fees received from students	46,776	62,043
Other tax payable	6,829	34
Payables for audit fee	5,062	4,133
Payables for interest	5,956	2,429
Refund liabilities	620	568
Consideration payable for business combination	42,225	42,225
Payables to the non-controlling shareholder of subsidiaries	20,000	20,000
Other payables	61,802	68,372
	<hr/>	<hr/>
Total	<u>675,735</u>	<u>776,711</u>

12. DIVIDEND

The Board does not recommend the payment of any dividend in respect of the year (2024: Nil).

13. EVENTS AFTER THE REPORTING PERIOD

There were no significant events taken place subsequent to 31 December 2025 and up to the date of approval of these financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a leading “Internet +” vocational education group in China. In addition to its integrated vocational education service capabilities of “Enrollment – Assessment – Teaching – Practical Training – Examination – Employment”, the Group continued to gather resources of learning services and resources of employment services, and continuously improved the comprehensive ability of employment services for talents, connecting colleges, students and enterprises to realize data interoperability and precise matching employment services for talents. At present, the Group has perfected the layout of the following business sectors: (i) on-campus education, (ii) online education services, (iii) vocational ability improvement and training, (iv) education informatization services, (v) human resources services, (vi) examination and evaluation services, and (vii) international education services.

As of 31 December 2025, the Group operated and managed 10 schools (including 7 higher education institutions, 2 secondary vocational schools and 1 high school) in Chongqing, Shandong, Yunnan and Inner Mongolia with the total number of students of approximately 100,000 (of which full time undergraduate students amounted to approximately 65,000), cooperated with more than 1,500 colleges and universities, brought together approximately 950 human resources companies and approximately 47,000 employers, linked approximately 3.5 million C-end users and approximately 4.35 million jobs, served students and users at the total scale of more than 50 million, and formed an online + offline vocational education network and talent employment service system covering the whole nation.

Major update during the Reporting Period

1. *The number of newly enrolled students at the Group’s colleges has steadily increased.*

During the Reporting Period, due to the increasing demand for higher education, the Group’s colleges attracted a large number of students by providing professional faculty, high-quality professional courses, abundant experimental and training platforms, and beautiful campus environments. As of 31 December 2025, the Group’s colleges had approximately 27,000 full-time newly enrolled students, representing a year-on-year increase of approximately 20.0%, of which approximately 22,000 were newly enrolled undergraduate students, representing a year-on-year increase of approximately 28.0%.

2. *The Group’s colleges focus on high-quality development and have achieved remarkable teaching results.*

As of 31 December 2025,

- (a) the Group’s undergraduate colleges had 2 provincial and ministerial level or above first-class disciplines, 2 key disciplines, 2 key cultivation disciplines, 15 first-class majors and 76 first-class courses, and had the only provincial key discipline among private colleges and universities in Yunnan Province.

- (b) Dianchi College had added 5 new national first-class undergraduate courses. In 2025, Dianchi College ranked second among private colleges and universities in China and ranked first among private colleges and universities in Yunan Province in term of the total number of national first-class courses.
- (c) Chongqing College of Humanities, Science and Technology is a project construction unit for master's professional degree postgraduate education in Chongqing. It successfully passed the undergraduate teaching qualification assessment of the PRC Ministry of Education. Seven teacher training programs, including preschool education, musicology, ideological and political education, Chinese language and literature, English, mathematics and applied mathematics, and fine arts, all successfully passed the second-level certification of teacher training programs in ordinary higher education institutions by the PRC Ministry of Education.
- (d) in the 2025 Best Chinese Universities Ranking of Shanghai Ranking (overall ranking), Chongqing College of Humanities, Science and Technology rose to 17th from 33rd in 2021.

3. *Faculty and students from the Group's colleges have repeatedly achieved excellent results in national competitions*

During the Reporting Period, the Group's colleges achieved remarkable results in cultivating innovative practical abilities. Faculty and student teams repeatedly won awards in international, national, and provincial competitions, showcasing the Group's fruitful achievements in talent development. In 2025, the Group's colleges achieved outstanding results in competitions such as the "10th World Traditional Wushu Championships (第十屆世界傳統武術錦標賽)", the "Asian Art Film Festival (亞洲藝術電影節)", the "2nd Asian University Student Creative Design Exhibition (第二屆亞洲大學生創意設計展)", the "2025 Hans Christian Andersen (International) Art Award (2025安徒生(國際)藝術獎)", and the "2025 UK International Art and Design Competition (2025英國國際藝術設計大賽)", winning nearly a thousand municipal and higher-level honors, and totaling over 5,000 individuals.

4. *The Group will continue to invest in technological infrastructure to promote the digital education and teaching.*

During the Reporting Period, the Group identified "AI-enabled education" as one of its strategic priorities. The Group has spent a total of approximately RMB500 million on education related R&D for the past five years, and the Group leverages its resources and digital technologies to comprehensively promote the digitalization of its education system, including the construction of digital campuses, the enhancement of teachers' digital technology capabilities, and the digitalization of teaching and learning. Through teacher training, co-development of demonstration courses, and typical application cases, the Group is driving the intelligent development of education and teaching in over 1,500 partner institutions nationwide.

FUTURE OUTLOOK

The “Suggestions of the CPC Central Committee on Formulating the 15th Five-Year Plan for National Economic and Social Development (《中共中央關於制定國民經濟和社會發展第十五個五年規劃的建議》)” emphasizes the “integrated development of education, science and technology, and talent”, proposing to “coordinate the construction of a strong education nation, a strong science and technology nation, and a strong talent nation”. The Group’s colleges will continue to strengthen the supporting role of education in science and technology and talent development, and improve the level of talent cultivation through the deep integration of technological innovation and industrial development. Looking forward into the future, the Group will continue to adopt the following development strategies:

1. *Continue to increase resource investment and firmly follow the path of high-quality development in higher education.*

The Group’s colleges will continue to increase resource investments and optimize the teaching environment and equipment. Over the past five years, the Group has invested at least RMB 1.5 billion in campus infrastructure at its affiliated institutions.

Furthermore, the Group’s colleges will continue to strengthen their professional teaching teams, provide students with high-quality teaching services, promote high-quality employment for students, and cultivate high-quality applied specialists for the nation.

2. *Continue to promote the integration of education and industry, and strengthen the cultivation of application-oriented talents.*

Leveraging its ecological advantages in industry cooperation, the Group connects its educational resources with regional industrial clusters, deepens the integration of industry and education, develops distinctive majors and curriculum systems through school-enterprise cooperation, establishes a collaborative education mechanism, and forms a virtuous cycle of “demand-training-employment”.

3. *Continue to promote the integration of education and high technology to empower talent development.*

The Group’s online education entities have consistently explored and developed technologies such as big data, cloud computing, and artificial intelligence to enhance the digitalization of education. Digital education technologies and products will provide students and users with more precise learning solutions and support services, enabling teachers to teach and manage more efficiently. In the future, the Group will accelerate the widespread application of big data and artificial intelligence in its business areas to empower talent development and continuously improve digital education service capabilities.

4. *Continue to build a digital service platform ecosystem for “learning, employment, and entrepreneurship”*

The Group will continue to provide digital services to various schools and educational training institutions and comprehensively promote the digitalization and intelligentization of learning, employment, and entrepreneurship services, achieving full coverage of academic education and seamless integration from entry to exit, encompassing enrollment, assessment, teaching, examinations, practical training, employment, and entrepreneurship.

FINANCIAL REVIEW

Revenue

Revenue represents the value of services rendered during the Reporting Period. The Group derives revenue primarily from providing on-campus education and online education services to students and users.

The total revenue decreased by approximately 15.3% to approximately RMB1,649.6 million for the year ended 31 December 2025 from that of approximately RMB1,947.2 million for the year ended 31 December 2024, which was mainly due to the decrease in the revenue of online education segment due to the market condition during the Reporting Period.

Cost of sales

Cost of sales consists primarily of teaching staff costs, depreciation and amortization, cost of cooperative education, utilities and other costs.

The cost of sales slightly increased by approximately 0.3% from approximately RMB1,077.0 million for the year ended 31 December 2024 to approximately RMB1,080.3 million for the year ended 31 December 2025. This increase was primarily due to the expansion of the teaching team of the colleges of the Group which led to the increase in the relevant expenses during the Reporting Period.

Gross profit

The gross profit decreased by approximately 34.6% from approximately RMB870.2 million for the year ended 31 December 2024 to approximately RMB569.3 million for the year ended 31 December 2025, and gross profit margin decreased from approximately 44.7% to approximately 34.5%, which was mainly due to the decrease in the revenue of online education as stated above.

Other income and gains

Other income and gains consist primarily of government grants, interest income, rental income, etc.

Other income and gains slightly decreased by approximately 0.6% from approximately RMB149.5 million for the year ended 31 December 2024 to approximately RMB148.6 million for the year ended 31 December 2025. This decrease was primarily due to the decrease in investment income received by the Group during the Reporting Period.

Selling expenses

Selling expenses consist primarily of salaries and other benefits for our staff who are in charge of student recruitment and promoting, promoting expenses and student recruitment expenses and marketing cost of the online education entities.

Selling expenses decreased by approximately 31.9% from approximately RMB180.3 million for year ended 31 December 2024 to approximately RMB122.8 million for the year ended 31 December 2025, which was mainly due to (i) decrease in and optimisation of the structure of sales and marketing staff; and (ii) decrease in promoting and marketing cost of the online education entities during the Reporting Period.

Administrative expenses

Administrative expenses primarily consist of the salaries and other benefits for general and administrative staff, office-related expenses, depreciation and amortization of office buildings and equipment, environment and health expenses and travel and transportation expenses.

Administrative expenses decreased by approximately 14.1% from approximately RMB483.0 million for the year ended 31 December 2024 to approximately RMB414.7 million for the year ended 31 December 2025 due to the effective control of the administrative expenses enforced by the Group during the Reporting Period.

Other expenses, net

Other expenses consist primarily of expenses relating to goodwill and intangible assets impairment.

Other expenses increased substantially by approximately 209.3% from approximately RMB185.9 million for the year ended 31 December 2024 to approximately RMB575.0 million for the year ended 31 December 2025. This increase was mainly due to the goodwill and intangible assets impairment of the Group's online education entities during the Reporting Period.

Finance costs

Finance costs mainly include interests on interest-bearing bank and other borrowings.

Finance costs decreased by approximately 3.4% from approximately RMB136.4 million for the year ended 31 December 2024 to approximately RMB131.8 million for the year ended 31 December 2025, which was mainly due to the optimization of the financing cost of the interest-bearing bank and other borrowings by the Group during the Reporting Period.

Income tax expense

Income tax expense was approximately RMB62.5 million for the year ended 31 December 2025, as compared with an income tax credit of approximately RMB36.3 million for the year ended 31 December 2024. This change was effected by the fact that deferred tax assets in relation to deductible temporary differences expected not to be utilized were reversed during the Reporting Period.

Loss for the year

As a result of the above factors, the Group recorded a net loss of approximately RMB729.1 million for the year ended 31 December 2025, while the Group recorded a net profit of approximately RMB47.7 million for the year ended 31 December 2024.

Adjusted net (loss)/profit

The Group defines its adjusted net (loss)/profit as its profit or loss for the year after adjusting for those items which are not indicative of the Group's operating performances (as presented in the table below). This is not an IFRSs measure. The Group has presented this item because the Group considers it an important supplemental measure of the Group's operational performance for use by the Group's management as well as analysts or investors. The (loss)/profit and adjusted net (loss)/profit of the Group for the periods presented are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
(Loss)/profit for the year	(729,114)	47,718
Add:		
Unrealised exchange loss	8,796	4,948
Share option expenses	16	63
Amortisation of intangible assets due to consolidation	21,096	50,645
Change in fair value gain	(5,010)	(6,103)
Impairment of intangible assets due to consolidation	64,636	81,601
Adjustment in relation to fair value change on contingent consideration	—	1,252
Adjusted net (loss)/profit	<u>(639,580)</u>	<u>180,124</u>

Adjusted net loss for the Reporting Period was approximately RMB639.6 million as compared with the net profit for the year ended 31 December 2024 of approximately RMB180.1 million.

FINANCIAL AND LIQUIDITY POSITION

Net current assets and liabilities

As at 31 December 2025, the Group had net current liabilities of approximately RMB491.2 million, which primarily consisted of cash and bank balances and interest-bearing bank and other borrowings. The current assets as at 31 December 2025 decreased to approximately RMB3,598.3 million from approximately RMB4,222.3 million as at 31 December 2024. The decrease in the current assets was primarily attributable to a reduction in of cash and cash equivalents and restricted bank deposits during the Reporting Period.

The current liabilities increased from approximately RMB3,463.8 million as at 31 December 2024 to approximately RMB4,089.5 million as at 31 December 2025. The increase in the current liabilities was primarily attributable to the increase in contract liabilities and interest-bearing bank and other borrowings during the Reporting Period.

Capital commitments

The Group had the following capital commitments at the end of the Reporting Period:

	2025	2024
	RMB'000	RMB'000
Contracted, but not provided for:		
Equipment	77,698	86,627
Buildings	406,295	164,569
Acquisition of a private school and companies	91,800	91,800
	<u>575,793</u>	<u>342,996</u>

At the end of the Reporting Period, the Group did not have significant capital commitments that were authorized but not contracted for (2024: Nil).

Capital expenditure

The capital expenditure of the Group for the year ended 31 December 2025 was approximately RMB207.6 million, which was primarily used for (i) the construction of the Group's school buildings, facilities, land acquisition; and (ii) the upgrade of software, hardware and facilities of the Group's online education entities.

Interest-bearing bank and other borrowings

The Group's interest-bearing bank and other borrowings primarily consist of short-term working capital loans to supplement our working capital and finance our expenditure and long-term project loans for the continuous development of our school buildings and facilities.

The bank loans and other borrowings amounted to approximately RMB2,591.1 million as at 31 December 2025, denominated in Renminbi, United States dollar ("US\$") and Hong Kong dollar ("HK\$"). As at 31 December 2025, our bank loans and other borrowings bore effective interest rates ranging from 2.2% to 10.0% per annum. The loan of Chongqing Zhenzhi Zhiye Co., Ltd.* (重慶臻智置業有限責任公司) (a wholly-owned subsidiary of Chongqing Electronic Information College) amounted to RMB5.6 million, with interest rates ranging from 15%-24% per annum.

The Group maintains a balance between continuity of funding and flexibility through generated cash flows from operating activities and other borrowings. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

Contingent liabilities

Grant of option in relation to the acquisition of 49% of issued share capital of Leed International

Minsheng Vocational Education Company Limited (“**Minsheng Vocational**”) and Leed Education Holding Limited, National Education Holding Limited and Hyde Education Holding Limited (collectively, the “**Vendors**”) are in dispute over a put option for the sale of 49% shares in Leed International Education Group Inc. (“**Leed International**”) under the Share Purchase Agreement (the “**SPA**”) entered into between the parties in 2018, and have been undergoing arbitration (“**HKIAC Arbitration**”) before the Hong Kong International Arbitration Center (“**HKIAC**”). The Vendors claimed for an inflated exit price of RMB2,180,735,567.50 to sell its 49% shares in Leed International to Minsheng Vocational, whereas Minsheng Vocational disagreed with the Vendors’ interpretation of the SPA and denied that the relevant clause of the SPA was validly exercised. HKIAC issued a partial award (the “**Partial Award**”) on 6 February 2026, which provides that specific performance of the relevant clause of the SPA shall be ordered together with payment of damages, if any, by Minsheng Vocational for breach of the SPA and such consequential relief including interest as may be just. Subsequent to HKIAC Arbitration proceedings and resulting decision pursuant to the Partial Award, the Company has obtained new facts and evidence which demonstrate the Vendors have breached the terms of the SPA that required the parties to the agreement to be in compliance with both Chinese and foreign laws. As a result, the Company is in the process of challenging the Partial Award, on the basis that the ensuing arbitration proceedings initiated under such SPA following the non-compliance shall be corrected or set aside. Having sought independent legal advice, the Directors are of the view that the Partial Award contains defects in both law and fact. On the basis of substantial and reasonable grounds, it is probable that the Partial Award may be corrected or even set aside. In light of the latest developments following the Partial Award and the recommendations of the professional legal team, the Directors are actively pursuing all necessary and appropriate legal measures to safeguard the Company’s legitimate interests. The Directors are confident that these legal measures will result in a favourable outcome. Accordingly, the Directors consider that the possibility of a significant outflow of economic benefits from the Group arising from the aforesaid arbitration is remote. As at 31 December 2025, the Group made no provision related to the aforesaid arbitration.

Update on provision of loans to Leed National Education Technology (Beijing) Limited

In February 2019 and June 2019, Chongqing Yuecheng Zhiyuan Education Technology Company Limited (“**Chongqing Yuecheng**”) extended loans in an aggregate principal amount of RMB400,000,000 to Leed National Education Technology (Beijing) Limited (a company designated by the Vendors, “**Leed National**”) and 49% shares in Leed International held by Vendors has been charged as the guarantee under the loan agreements. In May 2023, the Vendors and Leed National filed a request for arbitration (the “**CIETAC Arbitration**”) with China International Economic and Trade Arbitration Commission (“**CIETAC**”) claiming that the obligation to repay the principal of RMB400,000,000 and corresponding unpaid interest under the loan agreements has been extinguished and Chongqing Yuecheng and Minsheng Vocational were not entitled to enforce the charge following the effective exercise of the put option by the Vendors at an exercise price of RMB2,180,735,567.50 and the set-off clause under the loan agreements. In August 2023, Chongqing Yuecheng and Minsheng Vocational filed a counter-claim for arbitration, requesting for an award for the repayment by Leed National to Chongqing Yuecheng of the principal amount totaling RMB400,000,000 under the loan agreement, together with the corresponding unpaid interest and additional late payment fees. As at the date of this annual results announcement, the arbitration with CIETAC is still in progress.

In May 2023, the Vendors filed an originating summons with the Grand Court of the Cayman Islands to apply for an interim injunction to restrain Minsheng Vocational from taking any steps to enforce a series of share charges (the “**Share Charges**”) over 49% of the issued share capital of Leed International. In August 2023, a conditional and time-limited injunction order was issued by the Grand Court of the Cayman Islands (the “**Injunction Order**”). The Company had filed an appeal to the Court of Appeal of the Cayman Islands to set aside the Order, and applied for leave to further appeal to the Judicial Committee of the Privy Council during from September 2023 to March 2025, which were not successful. As at the date of this annual results announcement, Minsheng Vocational remained restrained from enforcing the Share Charges pursuant to the Injunction Order, while the CIETAC Arbitration was not yet decided. Therefore, the outstanding principal and corresponding unpaid interest and the charge are still subsisted.

For further details of the provision of loans and the disputes, please refer to the announcements of the Company dated 26 December 2018, 4 January 2019, 27 June 2019, 28 July 2023, 3 September 2023 and 10 February 2026. If there are any progress in related matters, the Company will issue further announcements in due course to inform Shareholders and potential investors of the Company of the latest situation.

Pledge of assets

As at 31 December 2025, certain of the Group’s buildings and equipment with a net carrying amount of approximately RMB77.5 million (31 December 2024: RMB79.2 million) and time deposits amounting to RMB1,139.9 million (31 December 2024: RMB551.3 million) were pledged to secure bank loans and other borrowings.

The carrying value of the Group’s buildings and equipment held under sale and leaseback arrangements as at 31 December 2025 was RMB487.3 million (2024: RMB251.5 million). Leased assets were pledged as security for the related sale and leaseback liabilities.

Foreign exchange exposure

The majority of the Group’s revenue and expenditures are denominated in RMB. As at 31 December 2025, certain bank balances were denominated in US\$ and HK\$. The Group currently does not have any foreign currency hedging policy. The management will continue to monitor the Group’s foreign exchange risk exposure and consider adopting prudent measures as appropriate.

Gearing ratio

The gearing ratio, which is calculated by dividing total interesting bearing bank and other borrowings by total equity, increased to approximately 49.4% as at 31 December 2025 from approximately 37.0% as at 31 December 2024. The increase was mainly due to the (i) decrease in goodwill and other intangible assets; and (ii) increase in the interest-bearing bank and other borrowings of the Group during the Reporting Period.

Significant investments, material acquisitions and disposals

During the year ended 31 December 2025, the Group did not have any significant investments, material acquisitions and/or disposals of subsidiaries, associates and joint ventures.

As of the date of this announcement, the Group did not have any future plans for material investments or capital assets.

Salary increment for employees, training and development

As at 31 December 2025, the Group has approximately 6,600 employees (2024: Approximately 6,700 employees).

In 2025, in order to motivate our faculty staff for better work performance, the Group has reviewed and increased the salaries of certain employees. The increment in salaries is based on their performance, experience and prevailing industry practices, with all compensation policies and packages reviewed on a regular basis. As required by the PRC laws and regulations, we participate in various employee social security plans for our employees that are administered by local governments, including pension, medical, maternity, work-related injury, unemployment insurance and housing provident fund.

In addition, the Group provides training programs to its existing and newly recruited employees and/or sponsors its employees to attend various job-related training courses.

CORPORATE GOVERNANCE CODE

The Company is committed to the establishment of good corporate governance practices and procedures with a view to be a transparent and responsible organization which is open and accountable to the shareholders of the Company (the “**Shareholders**”). The Board strives for adhering to the principles of corporate governance and has adopted sound corporate governance practices to meet the prevailing legal and commercial standards, focusing on areas such as internal control, fair disclosure and accountability to all the Shareholders to ensure the transparency and accountability of all operations of the Group. The Company believes that effective corporate governance is the foundation to create more value for the Shareholders. The Board will continue to review and improve the corporate governance practices of the Group from time to time to ensure that the Group is led by an effective Board in order to optimize return for the Shareholders.

Throughout the year ended 31 December 2025, the Company has complied with the applicable code provisions set out in Appendix C1 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has also adopted the model code for securities transactions by directors of listed issuers (the “**Model Code**”) set out in Appendix C3 of the Listing Rules as its code of conduct regarding securities transactions by the Directors.

Having made specific enquiry with all the Directors, it is confirmed that all the Directors have complied with the required standard set out in the Model Code regarding securities transactions by the Directors throughout the year ended 31 December 2025.

FINAL DIVIDEND

The Board does not declare any final dividend for the Reporting Period (For the year ended 31 December 2024: Nil).

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including the sale of treasury shares) during the Reporting Period.

As at 31 December 2025, the Company did not hold any of treasury shares.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) has reviewed and discussed with the management in relation to the accounting principles and practices adopted by the Company, the Group’s internal controls and financial report matters, and the Company’s policies and practices on corporate governance. The annual results of the Group for the year have been reviewed by the Audit Committee.

REVIEW OF PRELIMINARY ANNOUNCEMENT OF RESULTS BY THE INDEPENDENT AUDITORS

The figures in respect of the Group’s consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025 and the related notes thereto as set out in the preliminary announcement have been agreed by the Company’s auditor to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by the Company’s auditor, Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards in Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.minshengedu.com>). The annual report for the Reporting Period containing all the information required by Appendix D2 to the Listing Rules will be dispatched to the Shareholders and available on the above websites in due course.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to express my sincere gratitude to the Group's management and staff members for their dedication and hard work and our Shareholders for their trust and support.

By order of the Board
Minsheng Education Group Company Limited
Li Xuechun
Chairman

Hong Kong, 27 March 2026

As at the date of this announcement, the executive Directors are Mr. Li Xuechun, Ms. Zhang Weiping, Mr. Zuo Yichen and Mr. Lam Ngai Lung, the non-executive Directors are Ms. Xu Wenya and Ms. Li Yanping, and the independent non-executive Directors are Mr. Chan Ngai Sang, Kenny, Mr. Yu Huangcheng and Mr. Wang Wei Hung, Andrew.

In this announcement, the English translation of company or entity names in Chinese which are marked with "" is for identification purpose only.*