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DASHAN EDUCATION HOLDINGS LIMITED

大山教育控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9986)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

HIGHLIGHTS			
	For the year ended 31 December		Increase/ (Decrease)
	2024	2023	
Revenue (<i>RMB'000</i>)	118,489	54,854	116%
Loss for the year attributable to owners of the Company (<i>RMB'000</i>)	(24,865)	(49,985)	(50%)
Basic loss per Share (<i>RMB cents</i>)	(3.23)	(6.49)	(50%)
	31 December 2024	31 December 2023	Increase/ (Decrease)
Total assets (<i>RMB'000</i>)	194,806	268,086	(27%)
Equity attributable to owners of the Company (<i>RMB'000</i>)	99,424	167,666	(41%)
Net assets per Share (<i>RMB</i>) (<i>Note</i>)	0.13	0.21	(38%)

Note: Net assets per Share is arrived at by dividing the equity attributable to owners of the Company by the number of issued Shares as at the end of the year.

ANNUAL RESULTS

The Board hereby announces the consolidated results of the Group for FY2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	NOTES	2024 RMB'000	2023 RMB'000
Revenue	4	118,489	54,854
Cost of sales and services rendered		<u>(84,599)</u>	<u>(45,845)</u>
Gross profit		33,890	9,009
Other income	5	12,581	1,532
Other gains and losses, net	5	(10,084)	(10,681)
Selling and marketing expenses		(5,199)	(3,867)
Administrative expenses		(58,740)	(44,118)
Share of results of associates		(4,993)	(6,918)
Finance costs		<u>(726)</u>	<u>(540)</u>
Loss before tax		(33,271)	(55,583)
Income tax (expense)/credit	6	<u>(368)</u>	<u>1,076</u>
Loss for the year		<u>(33,639)</u>	<u>(54,507)</u>
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Share of associates' exchange differences on translation of foreign operations		<u>1,306</u>	<u>1,139</u>
Total comprehensive expense for the year		<u><u>(32,333)</u></u>	<u><u>(53,368)</u></u>

	<i>NOTES</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Loss for the year attributable to:			
Owners of the Company		(24,865)	(49,985)
Non-controlling interests		(8,774)	(4,522)
		<u>(33,639)</u>	<u>(54,507)</u>
Total comprehensive expense for the year attributable to:			
Owners of the Company		(23,559)	(48,846)
Non-controlling interests		(8,774)	(4,522)
		<u>(32,333)</u>	<u>(53,368)</u>
Loss per share			
	8		
– Basic (<i>RMB cents</i>)		(3.23)	(6.49)
– Diluted (<i>RMB cents</i>)		(3.23)	(6.49)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	<i>NOTES</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment		44,949	46,329
Investment properties		4,130	4,739
Goodwill		26,441	26,441
Interests in associates		41,866	39,303
Other intangible assets		4,263	8,941
Long-term deposits and prepayments		–	11,636
Rental deposits		1,153	1,159
		122,802	138,548
Current assets			
Trade receivables	9	1,264	1,360
Financial assets at FVTPL		4,000	9,864
Prepayments, deposits and other receivables		14,656	9,281
Restricted bank deposits		65	50
Bank balances and cash		52,019	108,983
		72,004	129,538
Current liabilities			
Trade payables	10	111	122
Other payables and accrued charges		12,884	29,503
Contract liabilities		86,257	71,906
Borrowings		2,320	–
Tax liabilities		487	90
Lease liabilities		10,845	10,623
		112,904	112,244
Net current (liabilities)/assets		(40,900)	17,294
Total assets less current liabilities		81,902	155,842

	<i>NOTES</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Non-current liabilities			
Lease liabilities		12,977	15,113
Deferred tax liabilities		1,066	2,235
		<u>14,043</u>	<u>17,348</u>
Net assets		<u>67,859</u>	<u>138,494</u>
Capital and reserves			
Share capital		7,223	7,223
Reserves		92,201	160,443
		<u>99,424</u>	<u>167,666</u>
Equity attributable to owners of the Company		99,424	167,666
Non-controlling interests		(31,565)	(29,172)
		<u>67,859</u>	<u>138,494</u>
Total equity		<u>67,859</u>	<u>138,494</u>

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law Act of the Cayman Islands on 30 November 2018 and its shares have been listed on the Main Board of the Stock Exchange on 15 July 2020 (the “**Listing**”). The addresses of the Company’s registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal places of business in Hong Kong and PRC are Unit 1510, 15/F, YF Life Centre, 38 Gloucester Road, Wan Chai, Hong Kong and 19th Floor, Guoxin Plaza, Crossroad of Zhongzhou Avenue and Minghong Road, Jinshui District, Zhengzhou, Henan Province, the PRC, respectively.

The principal activity of the Company is investment holding. The Group is principally engaged in (i) the provision of extracurricular programmes for personal attainment in arts, sports and dancing targeting children and teenagers; (ii) overseas education consultation services in the PRC; (iii) training services for teaching staff; (iv) other consultancy services; and (v) the provision of brand operation and management services for entities.

The ultimate and immediate holding company is Lucky Heaven International Limited, a limited company incorporated in the British Virgin Islands, which is controlled by Mr. Zhang Hongjun.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company and most of its subsidiaries.

2. BASIS OF PREPARATION AND PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Going concern assessment

As at 31 December 2024, the Group had net current liabilities of RMB40,900,000, mainly including bank balances and cash of RMB52,019,000 and contract liabilities of RMB86,257,000.

Given the Group changed its business model during prior years and these new businesses are at beginning stage, the directors of the Company still have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The directors of the Company consider that the Group can continue as going concern as (i) the Group is in healthy liquidity position, with sufficient bank balances and cash held by the Company and its subsidiaries with direct or indirect equity interest; and (ii) the stable operating cash flows of the new businesses. Accordingly, the Group continues to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Contractual arrangements

Due to regulatory restrictions on foreign ownership in the operation of education institutions in the PRC, the Group conducts a substantial portion of its education business in the PRC through Zhengzhou Jinshui Dashan Technology Training Company Limited* (鄭州市金水區大山科技培訓有限公司) (“**Dashan Training**”) and its subsidiaries (collectively the “**Consolidated Affiliated Entities**”).

Zhengzhou Dashan Yunxiao Technology Company Limited* (鄭州大山雲效科技有限公司) (“**WFOE**”), a wholly-owned subsidiary of the Company, Dashan Training, Zhengzhou Jingguang Dashan Training School Company Limited* (鄭州京廣大山培訓學校有限公司) (“**Jingguang Dashan**”), a wholly-owned subsidiary of Dashan Training, and shareholders of Dashan Training entered into a series of contractual agreements (“**Contractual Arrangements**”) on 12 January 2020 which enable WFOE and the Group to:

- exercise effective financial and operational control over the Consolidated Affiliated Entities;
- exercise equity holders’ voting rights of the Consolidated Affiliated Entities;

- receive substantially all of the economic benefits generated by the Consolidated Affiliated Entities in consideration for the technical services, management support and consulting services necessary for the primary and secondary after-school education business and brand name licensing and advisory services business provided by WFOE;
- obtain an exclusive option to purchase all or part of the equity interests in the Consolidated Affiliated Entities directly and indirectly held by the shareholders of Dashan Training for the minimum amount of consideration permitted by the applicable PRC laws and regulations, under circumstances in which WFOE or its designated third party is permitted under PRC laws and regulations to own all or part of the equity interests of the Consolidated Affiliated Entities. In addition, the Consolidated Affiliated Entities are not allowed to, among others, distribute any reasonable return or other interest or benefit to the shareholders of Dashan Training without WFOE’s prior written consent; and
- the shareholders of Dashan Training unconditionally and irrevocably pledged all of their equity interests in Dashan Training, respectively, to WFOE to guarantee the performance of, among others, the obligations of Dashan Training, the shareholders of Dashan Training and the Consolidated Affiliated Entities under the Contractual Arrangements.

The Company does not have any equity interest in the Consolidated Affiliated Entities. However, as a result of the Contractual Arrangements, the Company has power over the Consolidated Affiliated Entities, has rights to variable returns from its involvement with the Consolidated Affiliated Entities and has the ability to affect those returns through its power over the Consolidated Affiliated Entities and is therefore considered to have control over the Consolidated Affiliated Entities. Consequently, the Company regards the Consolidated Affiliated Entities as indirect subsidiaries pursuant to the Contractual Arrangements. The Group has consolidated the financial position and results of Dashan Training in the consolidated financial statements for the years ended 31 December 2024 and 2023.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2024. HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current and prior years.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position, and the presentation and the disclosures of the consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

Revenue

Disaggregation of revenue from contracts with customers is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Tuition fees income		
– provision of vocational education services	–	1,319
– provision of extracurricular programmes	39,495	29,011
– provision of training to teaching staff	53	541
Provision for brand operation and management services	27,252	–
Provision of overseas education consultation services	44,906	16,144
Provision of other consultancy services	5,662	6,270
Sales of books and teaching materials	737	546
Brand name licensing and related advisory services income	–	561
Others	384	462
	<u>118,489</u>	<u>54,854</u>
Timing of revenue recognition		
A point of time	72,895	16,690
Over time	45,594	38,164
Total	<u>118,489</u>	<u>54,854</u>

Segment information

Information reported to chief operating decision maker (i.e. the executive directors of the Company) (the “CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group’s operating and reportable segments under HKFRS 8 are as follows:

- the extracurricular programmes segment, engages in the provision of extracurricular programmes for personal attainment in arts, sports and dancing target children and teenagers in the PRC.
- the brand operation and management, acting as an agent to facilitate transactions for goods sold through e-commerce platform.
- the overseas education segment, acting as an agent to provide overseas education consultation services.
- the training and consultancy segment, engages in the provision of training to teaching staff and other consultancy services for education institutions, schools and other entities in the PRC.
- the “Others” segment, comprises, principally, brand name licensing and related advisory services, sales of books and materials, and the provision of vocational education services.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments:

	Extra- curricular programmes <i>RMB'000</i>	Brand operation and management <i>RMB'000</i>	Overseas education <i>RMB'000</i>	Training and consultancy <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2024						
Segment revenue	39,495	27,252	44,906	5,715	1,121	118,489
Segment results	(417)	(1,452)	(10,074)	1,640	(111)	(10,414)
Foreign exchange gains, net						379
Unallocated other income						11,302
Gain on disposal of subsidiaries						883
Fair value loss on financial assets at FVTPL						(6,474)
Unallocated corporate expenses						(23,228)
Share of results of associates						(4,993)
Finance costs						(726)
Loss before tax						(33,271)
Year ended 31 December 2023						
Segment revenue	29,011	–	16,144	6,811	2,888	54,854
Segment results	(1,412)	–	(6,898)	1,949	(6,740)	(13,101)
Foreign exchange gains, net						794
Unallocated other income						839
Gain on disposal of subsidiaries						144
Loss on deemed partial disposal of an associate						(4,372)
Fair value gain on financial assets at FVTPL						2,895
Unallocated corporate expenses						(35,324)
Share of results of associates						(6,918)
Finance costs						(540)
Loss before tax						(55,583)

Geographical information

The major operating entities of the Group are domiciled in the PRC. All of the Group's revenue are derived in the PRC for the years ended 31 December 2024 and 2023.

As at 31 December 2024 and 2023, all of the Group's non-current assets are located in the PRC.

Information about major customers

During the year, no revenue from individual customer contribute over 10% of the total revenue of the Group (2023: Nil).

5. OTHER INCOME AND OTHER GAINS AND LOSSES, NET

Other income

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Bank interest income	209	159
Government grants (<i>Note (a)</i>)	791	604
Interest income from financial assets at FVTPL	1	420
Interest income from long-term deposits	804	–
Rental income	288	161
Service fee income	488	188
Income from selling of software (<i>Note (b)</i>)	10,000	–
	<u>12,581</u>	<u>1,532</u>

Notes:

- (a) Various grants and subsidies were provided by the PRC local government authorities to the Group during the years ended 31 December 2024 and 2023. There are no unfulfilled conditions or contingencies relating to these government grants.
- (b) During the year ended 31 December 2022, the Group engaged a software development company in the PRC to develop its own software to facilitate the online education business (the “**Education Software**”). As the education situation which was predominantly traditional offline education, the directors of the Company decided to terminate the software development project in August 2023. The Group has charged the estimated value of the Education Software of RMB11,925,900 to the profit or loss during the year ended 31 December 2022 as research and development costs and included in “Content and information technology development and training expenses” line item in the consolidated statement of profit or loss.

During the year ended 31 December 2024, the Group entered into sales and purchase contract with the aforesaid software development company to sell the Education Software at a total cash consideration of RMB10,000,000.

Other gains and losses, net

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Foreign exchange gains, net	379	794
Impairment loss on property, plant and equipment	(1,923)	–
Impairment loss on investment properties	(503)	–
Impairment loss recognised on other receivables, net of reversal	(5,317)	(9,984)
Reversal of impairment loss/(impairment loss) recognised on trade receivables, net of reversal	1,024	(93)
Loss on deemed partial disposal of an associate	–	(4,372)
Fair value (loss)/gain on financial assets at FVTPL	(6,474)	2,895
Gain (loss) on disposal of property, plant and equipment	1	(65)
Gain on dissolution of a subsidiary	183	–
Gain on disposal of subsidiaries	883	144
Gain on derecognition of right-of-use assets and lease liabilities	1,663	–
	<u>(10,084)</u>	<u>(10,681)</u>

6. INCOME TAX EXPENSE/(CREDIT)

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current tax:		
PRC Enterprise Income Tax (“EIT”)	1,537	93
Deferred tax credit	<u>(1,169)</u>	<u>(1,169)</u>
Income tax expense/(credit)	<u><u>368</u></u>	<u><u>(1,076)</u></u>

7. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2024, nor has any dividend been proposed since the end of the reporting period (2023: Nil).

8. LOSS PER SHARE

The calculation of the basic and diluted loss per Share attributable to the owners of the Company is based on the following data:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Loss for the purposes of basic and diluted loss per Share:		
Loss for the year attributable to owners of the Company	<u><u>(24,865)</u></u>	<u><u>(49,985)</u></u>
	2024	2023
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share (<i>note</i>)	<u><u>770,539,891</u></u>	<u><u>770,600,000</u></u>

Note: The weighted average number of ordinary shares has been calculated taking into account the shares held by the Group under the Share Award Scheme.

No diluted loss per share for the year ended 31 December 2023 were presented as there were no potential ordinary shares in issue during the year ended 31 December 2023.

The effects of all potential ordinary shares are anti-dilutive for the year ended 31 December 2024.

9. TRADE RECEIVABLES

	31 December 2024 <i>RMB'000</i>	31 December 2023 <i>RMB'000</i>
Training and consultancy services fee receivables	1,358	2,696
Overseas education consultation services receivables	645	427
Less: impairment loss under ECL model	<u>(739)</u>	<u>(1,763)</u>
	<u><u>1,264</u></u>	<u><u>1,360</u></u>

An ageing analysis of the trade receivables, net of impairment loss under ECL model, as at the end of the reporting period, based on the transaction date is as follows:

	31 December 2024 RMB'000	31 December 2023 RMB'000
0 to 30 days	369	480
31 to 60 days	355	720
61 to 90 days	195	160
91 to 180 days	345	–
	<u>1,264</u>	<u>1,360</u>

10. TRADE PAYABLES

The credit period on purchase of books and teaching materials ranged from 0 to 60 days. The following is an aged analysis of trade payables presented based on the invoice dates at the end of the reporting period:

	31 December 2024 RMB'000	31 December 2023 RMB'000
0 to 30 days	<u>111</u>	<u>122</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Company is an investment holding company. Prior to March 2022, the Group was principally engaged in the provision of primary and secondary after-school academic education services in the PRC. The Group is currently principally engaged in (i) the provision of extracurricular programmes for personal attainment and overseas education consultation services; and (ii) the provision of brand operation and management, training services for teaching staff and other consultancy services.

As China's economy continues to develop, the increase in residents' disposable income, more and more parents are showing greater enthusiasm for financial investment in their children's education. In the context of the reform and opening-up and globalisation, social development puts forward new requirements for talents, high-quality talents with global vision and international competitiveness are more popular, therefore many parents with financial conditions will choose to send their children to study abroad. China has adhered to the policy of studying abroad in the new era of "supporting students studying abroad, encouraging students to return after graduation, freedom of movement, and playing a role", eventually promote the further development and growth of international education market.

With the Group's experience accumulated from years of dedication in education services business, it has formed a good reputation and influence among students and parents, and accumulated rich experience, resources, team and operational advantages. In the face of the changes in parents' needs for their children's education and the trend of China's education system reform, the Group is committed to building an ecosystem in international education field to provide one-stop all-scenario services for Chinese students participating in international education.

During the Reporting Period, the Group provided overseas education consultation services in major cities in Mainland China, such as Zhengzhou, Shenzhen, Hangzhou, Wuhan, Xi'an, for students intending to apply for further education abroad, and created revenue by collecting consultancy service fees. The Group typically provides consultancy services for students intending to apply for further education abroad by (i) collecting background and admission information of overseas higher educational institutions, (ii) assisting in formulating overseas study and college application plans, (iii) assisting in making the college applications, and (iv) assisting in making application for student visa.

During the Reporting Period, the Group established teaching centres in Zhengzhou and Beijing, recruited experienced tutors and trainers, provided extracurricular programmes for children and teenagers, covering dancing and sports, aiming to improve students' physical fitness and cultivate students' artistic literacy.

With the Group's extensive experience, resources and team advantages, the Group provided consulting services in brand operation and management, marketing promotion, event planning and other aspects to various entities.

FUTURE OUTLOOK

Going forward, the Group will continue to closely monitor the regulatory environment which may have material impacts on business operations and financial condition of the Group and would adjust its business plans and reallocate its resources in a timely manner. The Group will actively explore different business opportunities, expand the breadth and depth of the Group's business, in order to achieve the Group's business goals and generate greater returns for Shareholders.

According to figures released by the Ministry of Education of China, the total number of Chinese students studying abroad has increased year by year since the late 1980s and maintained a continuous and stable growth momentum. China remains the largest source of international students, with more than 1 million students studying in overseas higher educational institutions. Factors such as the increasing degree of globalisation, the pursuit of high-quality educational resources, the intensifying competition for employment and the need for economic development, have facilitated more qualified families and students to study abroad. The scale of China's international education industry continues to expand with the expansion of China's international student population. At the same time, the professional requirements of study abroad groups and families studying abroad have gradually increased. The scope of study abroad services has expanded from traditional visa applications, school selection, etc. to more areas such as language training, cultural exchanges, background improvement, academic guidance, etc.

The Group is committed to building an international education ecosystem, providing customers high quality and diversified comprehensive services, in order to meet the personalised needs of different customer groups at different stages. The Group plans to expand the overseas education consultation service centres by means of mergers and acquisitions, cooperation, new establishments, etc., to cover more overseas study groups and families. The Group will provide application guidance based on students' needs and goals, conduct professional planning based on students' personal academic background, interests and experiences, and future employment directions, design and customise college application plans for applicants, and provide comprehensive consulting services. Leverage on its overseas school network, the Group will also integrate its business resources in China to promote Chinese students to study abroad, have short-term exchanges or attend overseas study tour.

With the improvement of people's living standards and the emphasis on education, parents pay more attention to the comprehensive development and individual needs of their children. They hope that their children will not only master academic knowledge in learning process, but also cultivate various talents and qualities. In addition, international education attaches great importance to students' comprehensive quality, and quality education welcomes more development opportunities. The Group believes there will be increasing demand in the extracurricular programmes. The Group will follow the market development trend and regulatory requirements, to conduct extracurricular programmes in a standardised manner.

The Group will utilise its cumulative experience, resources and team advantages to communicate closely with customers, combine customer needs, enrich service varieties and content, and provide diversified professional consulting services in brand operation and management, marketing promotion, event planning and other aspects. The Group will cooperate with high-quality brands, use technology to reconstruct brand value chain, provide full chain empowerment for brands through digital innovation, continuously create value and achieve long-term growth. The Group will also increase its effort to broaden the market, and actively develop new customers while serving existing customers well.

FINANCIAL REVIEW

Revenue

The Group's total revenue for FY2024 amounted to approximately RMB118.5 million, representing an increase of approximately 115.8% as compared to that of approximately RMB54.9 million for FY2023. Such increase was primarily due to the increase in the revenue generated from the overseas education consultation services and brand operation and management services.

Cost of sales and services rendered

The Group recorded an increase in cost of sales and services rendered of approximately 84.7% from approximately RMB45.8 million for FY2023 to approximately RMB84.6 million for FY2024. Such increase was in line with the increase in revenue.

Gross profit and gross profit margin

The Group recorded a gross profit of approximately RMB33.9 million for FY2024, representing an increase of approximately 276.7% as compared with that of approximately RMB9.0 million for FY2023. The gross profit margin of the Group was approximately 28.6% for FY2024, as compared to that of approximately 16.4% for FY2023.

Other income

During FY2024, the Group's other income was approximately RMB12.6 million, representing an increase of approximately RMB11.1 million from approximately RMB1.5 million for FY2023. Such increase was mainly attributable to the income from the sale of software of RMB10.0 million in FY2024 (FY2023: Nil).

Other gains and losses, net

The Group's other gains and losses, net decreased by approximately RMB0.6 million from a loss of approximately RMB10.7 million for FY2023 to a loss of approximately RMB10.1 million for FY2024. Such losses primarily represented the impairment loss recognised on other receivables, net of reversal and fair value loss on financial assets at FVTPL.

Selling and marketing expenses

The Group's selling and marketing expenses increased by approximately 33.3% from approximately RMB3.9 million for FY2023 to approximately RMB5.2 million for FY2024. Such increase was in line with the increase in revenue.

Administrative expenses

The Group's administrative expenses increased by approximately 33.1% from approximately RMB44.1 million for FY2023 to approximately RMB58.7 million for FY2024. Such increase was mainly attributed to the increase in staff costs as a result of the business transformation, expansion and development of the Group, as well as the professional fees incurred in relation to the resumption of trading in the Shares.

Finance costs

The Group's finance costs increased by approximately RMB0.2 million from approximately RMB0.5 million for FY2023 to approximately RMB0.7 million for FY2024.

Taxation

For FY2024, the Group's income tax expenses were approximately RMB0.4 million, and for FY2023, the income tax credits were approximately RMB1.1 million.

Loss for the year

The Group recorded a loss of approximately RMB33.6 million for FY2024, representing a decrease of approximately 38.3% as compared with a loss of approximately RMB54.5 million for FY2023. Such decrease was primarily due to the increase in revenue and gross profit.

Loss per Share

The basic and diluted loss per Share amounted to approximately RMB3.23 cents for FY2024, while the basic and diluted loss per Share amounted to approximately RMB6.49 cents for FY2023.

FINANCIAL POSITION

Liquidity

As at 31 December 2024, the Group's net current liabilities amounted to approximately RMB40.9 million. As at 31 December 2023, the Group's net current assets amounted to approximately RMB17.3 million. Such transition was mainly due to the decrease in bank balances and cash.

The Group adopts prudent financial policies and closely monitors its financial position. The Group assesses its cash position from time to time to optimise the utilisation of its capital and may invest in different types of financial instruments to generate returns for the Group where appropriate.

Bank balances and cash

The Group's bank balances and cash are mainly denominated in RMB and HK\$. As at 31 December 2024, the Group's bank balances and cash amounted to approximately RMB52.0 million, representing a decrease of approximately 52.3% as compared to that of approximately RMB109.0 million as at 31 December 2023. Such decrease was mainly due to the utilisation of proceeds from the Listing.

Trade receivables

The Group reviews and monitors the level of trade receivables on a regular basis. As at 31 December 2024, the Group's trade receivables amounted to approximately RMB1.3 million (31 December 2023: approximately RMB1.4 million).

INDEBTEDNESS BORROWINGS

As at 31 December 2024, the Group's borrowings amounted to approximately RMB2.3 million (31 December 2023: Nil), which was calculated at a fixed interest rate.

Contingent liabilities

As at 31 December 2024, the Group did not have any material contingent liabilities (31 December 2023: Nil).

Gearing ratio

Gearing ratio is calculated based on total debt at the end of the respective year divided by total equity at the end of the respective year. Total debt represents bank loans and lease liabilities. As at 31 December 2024, the Group's gearing ratio was approximately 38.5% (31 December 2023: approximately 18.6%).

Current ratio

Current ratio is calculated based on the total current assets at the end of the respective year divided by the total current liabilities at the end of the respective year. As at 31 December 2024, the Group's current ratio was approximately 0.6 times (31 December 2023: approximately 1.2 times).

CAPITAL EXPENDITURES AND CAPITAL COMMITMENTS

During FY2024, the Group's capital expenditures amounted to approximately RMB19.1 million (FY2023: approximately RMB18.8 million), which were mainly expenditure on additions to property, plant and equipment.

The Group has financed its capital expenditures primarily through the cash generated from operations and equity fundraisings.

As at 31 December 2024, the Group had no capital commitments in respect of additions to property, plant and equipment (31 December 2023: Nil).

CHARGE ON ASSETS AND PLEDGE OF ASSETS

As at 31 December 2024, the Group did not have any charges on assets (31 December 2023: Nil) nor any of assets of the Group was pledged (31 December 2023: Nil).

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to cash flow interest rate risk due to variable interest rates on bank balances. The Group currently does not use any financial instruments to hedge its exposure to interest rate risk. However, the Group monitors interest rate risk and will consider hedging significant interest rate risk if necessary.

FOREIGN EXCHANGE RISK

Most of the Group's revenue and expenses are denominated in RMB. Most of the Group's bank balances and cash are denominated in RMB and HK\$. The Group currently does not use any financial instruments to hedge its exposure to foreign exchange risk. However, the Group monitors foreign exchange risk and will consider hedging significant foreign exchange risk if necessary.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during FY2024.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2024, the Group had 468 employees (including part-time staff) (31 December 2023: 360). Total staff-related costs, including Directors' emoluments, was approximately RMB68.2 million for FY2024 (FY2023: approximately RMB46.1 million).

The Group generally determines employees' compensation based on their qualification, experience, position and performance. The Group offer comprehensive compensation to the employees, including salary and performance bonus, and the Group has adopted the Share Option Scheme and the Share Award Scheme to reward the participants for their contribution to the Group. The Group also arranges on-the-job trainings relevant to the employees' job duties to update and further develop their skills and knowledge. Pursuant to relevant laws and regulations in the PRC, the Group participates in various employee social security plans that are organised by applicable local governments, including pension, medical, maternity, work-related injury and unemployment benefit plans.

EQUITY FUND RAISING ACTIVITIES AND USE OF PROCEEDS

For FY2024, the Company had not carried out any equity fund raising activities involving the utilisation of the general mandate granted at the annual general meeting of the Company held on 12 September 2024.

As at 31 December 2024, the Group had utilised the net proceeds from the Listing in the manner as set out in the table below:

Plan	Original allocation of net proceeds HK\$ million	Utilised net proceeds up to 29 August 2022 HK\$ million	Unutilised net proceeds as at 29 August 2022 HK\$ million	Revised allocation of unutilised net proceeds as at 29 August 2022 HK\$ million	Utilised net proceeds during the period from 29 August 2022 to 31 December 2023 HK\$ million	Utilised net proceeds for FY2024 HK\$ million	Unutilised net proceeds as at 31 December 2024 HK\$ million
Expansion of the provision of primary and secondary after-school academic education services and self-operated teaching centres network through organic growth	122.4	52.4	70.0	-	-	-	-
Expansion of geographic presence and scale of the provision of primary and secondary after-school academic education services in the PRC through the strategic acquisitions or setting up joint ventures	61.2	6.1	55.1	-	-	-	-
Expansion in education business outside the PRC	-	-	-	60.0	58.0	0.6	1.4
Expansion of education-related services, extracurricular programmes for personal attainment and vocational education through strategic acquisitions or setting up joint ventures	-	-	-	50.0	31.7	18.3	-
Expansion of education-related services, extracurricular programmes for personal attainment and vocational education through organic growth	-	-	-	15.1	6.6	4.4	4.1
Working capital purposes	20.4	14.4	6.0	6.0	6.0	-	-
Total	204.0	72.9	131.1	131.1	102.3	23.3	5.5

It is expected that the unutilised net proceeds will be used according to the intended plan by the end of 2025.

SHARE OPTION SCHEME

The Company adopted the Share Option Scheme on 18 June 2020. The Share Option Scheme will remain in force for a period of 10 years from the date of its adoption.

As at 1 January 2024 and 31 December 2024, the number of options available for grant under the Share Option Scheme was 80,000,000 and nil respectively. During FY2024, an aggregate of 80,000,000 options (FY2023: Nil) had been granted under the Share Option Scheme, no share option had been exercised, cancelled or lapsed under the Share Option Scheme. As at 1 January 2024 and 31 December 2024, the number of outstanding options under the Share Option Scheme was nil and 80,000,000 respectively.

SHARE AWARD SCHEME

The Company adopted the Share Award Scheme on 14 December 2020. The Share Award Scheme will remain in force for a period of 10 years from the date of its adoption.

As at 1 January 2024 and 31 December 2024, the number of Award Shares available for award under the Share Award Scheme were 68,984,000 and 75,000,000, respectively.

During FY2024, an aggregate of 5,000,000 Award Shares (FY2023: Nil) had been awarded under the Share Award Scheme.

During FY2024, an aggregate of 11,016,000 Award Shares (FY2023: 1,044,000 Award Shares) had lapsed, among which (i) an aggregate of 11,016,000 Award Shares lapsed as the group performance target for the years ended 31 December 2022 and 2023 was not met (FY2023: Nil); (ii) no Award Shares lapsed as the relevant grantees under the Share Award Scheme ceased to be employees of the Group prior to the vesting of the Award Shares (FY2023: 1,044,000 Award Shares).

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

There had been no purchase, sale or redemption by the Company or any of its subsidiaries of any listed securities of the Company during FY2024.

SIGNIFICANT INVESTMENTS HELD

The Group did not hold any significant investment as at 31 December 2024.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND INVESTMENTS IN CAPITAL ASSETS

The Group did not have any plans for material investments or investments in capital assets as at 31 December 2024.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for FY2024 (FY2023: Nil).

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

CORPORATE GOVERNANCE PRACTICE

Save as disclosed below, for FY2024 and up to the date of this announcement, the Company has complied with the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules so as to enhance the corporate governance standard of the Company. None of the Directors is aware of any information which would reasonably indicate that the Company has not been in compliance with the Corporate Governance Code for FY2024 and up to the date of this announcement.

Pursuant to Code Provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Prior to 27 September 2024, Mr. Zhang Hongjun served as the Chairman and the CEO. On 27 September 2024, Mr. Zhang Hongjun resigned as the CEO and Mr. Li Jing was appointed as the CEO.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions conducted by the Directors. After making specific enquires to all Directors, each of them has confirmed that they have complied with the required standards set out in the Model Code throughout FY2024.

AUDIT COMMITTEE

The Company has established the Audit Committee pursuant to Rules 3.21 and 3.22 of the Listing Rules, with written terms of reference in compliance with the requirements of the Corporate Governance Code, to review and supervise the effectiveness of the financial reporting systems and internal control systems of the Group. The Audit Committee comprises three independent non-executive Directors. The Audit Committee has reviewed the audited consolidated financial statements and annual results of the Group for FY2024 and expressed no disagreement with the accounting policies and principles adopted by the Group.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for FY2024 as set out in this announcement have been agreed by the Auditor, Zhonghui Anda CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for FY2024 as approved by the Board on 28 March 2025. The work performed by the Auditor in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Auditor on the preliminary announcement.

ANNUAL GENERAL MEETING

The Company will hold an annual general meeting on Friday, 6 June 2025. Notice of the forthcoming annual general meeting will be published and despatched to the Shareholders in accordance with the articles of association of the Company and the Listing Rules as soon as practicable.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 3 June 2025 to Friday, 6 June 2025, both days inclusive, during this period no transfer of Shares will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting, all share transfers accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 2 June 2025, for registration.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.dashanedu.com. The annual report of the Company for FY2024, in both English and Chinese versions, will be despatched to the Shareholders upon request, and will also be available on the same websites as mentioned above in due course.

EVENT AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, there were no significant events which had material effect on the Group subsequent to FY2024 and up to the date of this announcement.

APPRECIATION

We would like to thank the management of the Group and all the staff for their hard work and dedication, as well as Shareholders, business partners, banks and Auditor for their trust and support to the Group throughout the period. We will continue our efforts to strengthen our business and improve returns to Shareholders.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the same meanings set out below:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Auditor”	the auditor of the Company
“Award Shares”	award shares awarded under the Share Award Scheme
“Board”	the board of Directors
“Chairman”	the chairman of the Board
“China” or “PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“CEO”	the chief executive officer of the Company
“Company”	Dashan Education Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose issued shares are listed on the Main Board of the Stock Exchange with stock code 9986
“Corporate Governance Code”	the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules
“Director(s)”	the director(s) of the Company
“ECL”	expected credit losses
“FVTPL”	fair value through profit or loss
“FY2023”	the year ended 31 December 2023

“FY2024”, “Reporting Period” or “reporting period”	the year ended 31 December 2024
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on 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
“RMB”	Renminbi, the lawful currency of the PRC
“Share Award Scheme”	the share award scheme of the Company adopted on 14 December 2020
“Share Option Scheme”	the share option scheme of the Company adopted on 18 June 2020
“Shareholder(s)”	the holder(s) of the Share(s)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued and unissued share capital of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board
Dashan Education Holdings Limited
Chan Kwong On
Company Secretary

Hong Kong, 28 March 2025

As at the date of this announcement, the executive Directors are Mr. Zhang Hongjun, Mr. Li Jing and Mr. Shan Jingchao; and the independent non-executive Directors are Dr. Xie Xiangbing, Ms. Wang Yanxiao and Mr. You Huanyu.

* *For identification purpose only*