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思考乐教育
SCHOLAR
EDUCATION

SCHOLAR EDUCATION GROUP

思考樂教育集團

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1769)

POSITIVE PROFIT ALERT

This announcement is made by Scholar Education Group (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review and analysis on the consolidated management accounts of the Group for the year ended 31 December 2023 and other information currently available to the Board, the Group expects to record a net profit of not less than RMB80.0 million, which is an increase of not less than 47.0% as compared to a net profit of RMB54.4 million for the year ended 31 December 2022 (the “**Last Year**”). The Board would also highlight that the expected net profit for the year ended 31 December 2023 has factored in share option benefit expenses of approximately RMB8.0 million (Last Year: nil) and net loss from the live commerce business of RMB12.0 million (Last Year: nil), and no significant expenses are expected to be incurred in 2024 as the live commerce business was ceased by the end of 2023. Excluding the share option benefit expenses and net loss from the live commerce business, the Group expects to record an adjusted net profit⁽¹⁾ of no less than RMB100.0 million, which is an approximately 83.8% increase as compared to the adjusted net profit of RMB54.4 million Last Year.

Note 1: This is a non-International Financial Reporting Standard measure. Adjusted profit of the Group is used to exclude the impact of non-operating items which affect the results presented in the financial statements but are not indicative of the operating performance of the Group, so as to provide the Shareholders and potential investors with useful supplementary information to assess the performance of the Group’s operations.

The expected net profit for the year ended 31 December 2023 was mainly attributable to (i) an increase in total tutoring hours, which in turn contributed to an increase in revenue, (ii) the Group's continued efforts in improving operation efficiency, and (iii) the increase in fair value gain on financial assets as compared with the Last Year.

The principal business of the Group had remained profitable and had shown momentum of positive growth in the year of 2023. The Group has strived to promote business transformation in recent years, and has launched non-academic literacy programmes since autumn 2021, which have shown promising results. In addition, the Group has also actively explored new opportunities, including launching the educational tour business and international courses, etc. The Group believes that the new business initiatives will broaden the revenue base of the Group and contribute to its long-term development.

The information contained in this announcement is based on the preliminary review and assessment by the management of the unaudited management accounts of the Group that have not been reviewed by the Company's audit committee or the independent auditors and are subject to finalisation and necessary adjustments (if any).

The Board expects that the annual results announcement of the Company for the year ended 31 December 2023 will be published in March 2024 and that the corresponding 2023 annual report will be published subsequently in accordance with the requirements of the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
SCHOLAR EDUCATION GROUP
CHEN QIYUAN
Chairman and Executive Director

Hong Kong, 27 February 2024

As at the date of this announcement, the Board comprises:

Executive Directors

Mr. Chen Qiyuan
Mr. Qi Mingzhi
Ms. Li Ailing
Ms. Leng Xinlan

Independent Non-executive Directors

Mr. Huang Victor
Mr. Yang Xuezhi
Ms. Yim Ka Man

Non-executive Director

Mr. Shen Jing Wu