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Fenbi Ltd.

粉笔有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2469)

POSITIVE PROFIT ALERT

This announcement is made by Fenbi Ltd. (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) pursuant to the Rule 13.09 of 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 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on the preliminary assessment of the information currently available to the Company, including the Group’s unaudited consolidated management accounts for the six months ended June 30, 2024, the Group is expected to record (i) revenue of not less than RMB1,610 million for the six months ended June 30, 2024, and (ii) a net profit of not less than RMB255 million, representing an increase of no less than 212.9% as compared to a net profit of approximately RMB81.5 million for the six months ended June 30, 2023. In addition, the adjusted net profit (non-IFRS measure), which is defined as profit for the period excluding share-based payments and fair value losses on financial liabilities at fair value through profit or loss, is expected to be not less than RMB327 million for the six months ended June 30, 2024, representing an increase of no less than 13.5% as compared to the adjusted net profit (non-IFRS measure) of approximately RMB288.0 million for the six months ended June 30, 2023.

The Board considers that the enhancement in the Group’s financial results for the six months ended June 30, 2024 was mainly attributable to the combined effect of the following factors:

- (1) benefited from our steadfast and long-term investment in technology, the utilization of AI and other online technologies in tutoring and course products of the Group has increasingly realized the Group’s advantages in the efficiency of instructor utilization, resulting in a sustained increase of per-instructor revenue;

- (2) the operating efficiency empowered by technology has improved significantly, with staff cost decreased as compared to the corresponding period last year. It is expected that the overall gross profit margin and net profit margin for the six months ended June 30, 2024 will increase as compared to those of the corresponding period last year; and
- (3) the share-based payments recognized by the Group based on different vesting service periods significantly decreased for the six months ended June 30, 2024.

The Board would like to remind the shareholders and potential investors of the Company that the Company is still in the process of finalizing its interim results for the six months ended June 30, 2024 and the information set out in this announcement is based on a preliminary assessment with reference to the information currently available to the Company and has not been reviewed or audited by the Company's independent auditors. Such information may differ with the Group's actual interim results for the six months ended June 30, 2024. Shareholders and potential investors of the Company are advised to read carefully the interim results announcement of the Company for details on the consolidated financial information of the Group for the six months ended June 30, 2024, which is expected to be published in August 2024 in accordance with 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
Fenbi Ltd.
ZHANG Xiaolong
Chairman

Hong Kong, July 25, 2024

As at the date of this announcement, the Board comprises Mr. ZHANG Xiaolong and Mr. WEI Liang as executive Directors; Mr. LI Yong and Mr. LI Xin as non-executive Directors; Mr. QIU Dongxiao Larry, Mr. YUEN Kai Yiu Kelvin and Ms. YUAN Jia as independent non-executive Directors.