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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 Board, including the Group’s unaudited consolidated management accounts, the Group is expected to record (i) a revenue of not less than RMB1,660 million for the six months ended June 30, 2023, representing an increase of not less than 14.4% as compared to the revenue of approximately RMB1,451 million for the same period last year, and (ii) a net profit of not less than RMB65 million for the six months ended June 30, 2023, compared to a net loss of approximately RMB391.8 million for the same period last year, thereby achieving a turnaround from loss to profit. In addition, the adjusted net profit (non-IFRS measure), which is defined as profit for the period excluding share-based payments, fair value losses on financial liabilities at fair value through profit or loss, loss on settlement of financial liabilities at fair value through profit or loss, and listing expenses, is expected to be not less than RMB270 million for the six months ended June 30, 2023, compared to the adjusted net profit (non-IFRS measure) of approximately RMB95.6 million for the same period last year.

The Board believes that the substantial improvement in the Group’s financial results for the six months ended June 30, 2023 is mainly attributable to the combined effect of the following factors:

- (1) an increasing number of student candidates as a result of the intense competition in the job market, and the sustaining strength of the Group’s integrated online and offline teaching model, which resulted in an expected increase in revenue for the six months ended June 30, 2023 as compared to the same period last year;

- (2) the optimization of the Group's staff structure and offline business network, leading to higher utilization and efficiency, as well as lower staff costs and offline teaching space costs, which resulted in an expected increase in the overall gross profit margin for the six months ended June 30, 2023 as compared to the same period last year; and
- (3) the automatic conversion of convertible preferred shares issued in the Group's pre-listing equity financing into ordinary shares upon the completion of the listing on January 9, 2023, which resulted in an expected significant decrease in the fair value losses of financial liabilities at fair value through profit or loss for the six months ended June 30, 2023 as compared to the same period last year.

The Board hereby reminds the shareholders and potential investors of the Company that the information set out in this announcement is based on a preliminary assessment with reference to the information currently available to the Board and has not been reviewed or audited by the audit committee of the Company and the independent auditors of the Company, respectively, and may differ with the actual interim results for the six months ended June 30, 2023 of the Group. Shareholders and potential investors of the Company are advised to read carefully the interim results announcement of the Group for the six months ended June 30, 2023, which is expected to be published in August 2023 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 13, 2023

*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.*