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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 six months ended 30 June 2023 and other information currently available to the Board, the Group expects to record a net profit not less than RMB40.0 million, as compared to a net loss of RMB32.8 million for the six months ended 30 June 2022 (the “**Last Period**”). The Board would also highlight that the expected net profit for the six months ended 30 June 2023 has factored in share option benefit expenses of approximately RMB3.6 million (Last Period: nil).

The expected net profit for the six months ended 30 June 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 decrease in fair value loss on financial assets as compared with the Last Period.

The principal business of the Group had remained profitable in the first half of 2023. The Group has strived to promote business transformation, and has launched non-academic literacy programmes since autumn 2021, which have shown promising results. In addition, the Group has also explored new opportunities and launched its livestreaming e-commerce business, which is expected to contribute to the long-term development of the Group.

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 interim results announcement of the Company for the six months ended 30 June 2023 will be published in August 2023 and that the corresponding 2023 interim 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, 10 August 2023

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

Executive Directors

Mr. Chen Qiyuan (*chairman*)

Mr. Qi Mingzhi (*chief executive officer*)

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 (*vice chairman*)