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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 year ended December 31, 2023, the Group is expected to record (i) revenue of not less than RMB3,000.0 million for the year ended December 31, 2023, as compared to revenue of approximately RMB2,810.4 million for the year ended December 31, 2022, and (ii) a net profit attributable to shareholders of the Company of not less than RMB166.0 million for the year ended December 31, 2023, as compared to a net loss of approximately RMB2,087.3 million for the year ended December 31, 2022. 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, and listing expenses, is expected to be not less than RMB420.0 million for the year ended December 31, 2023, as compared to the adjusted net profit (non-IFRS measure) of approximately RMB191.5 million for the year ended December 31, 2022.

The Board considers that the substantial enhancement in the Group’s financial results for the year ended December 31, 2023 was mainly attributable to the combined effect of the following factors:

- (1) the strong demand for recruitment examination tutoring in 2023. Despite the impact on the timing of students to participate in our tutoring courses as a results of the earlier scheduling of major recruitment examinations in 2023, the Group, leveraging

its advantaged online course products and the online small-class teaching model and integrated online and offline small-class teaching model, achieved a steady increase in average revenue per small-class paying student and a continuous enhancement of the brand image of the Group and the reputation among the students; and

- (2) the advantage in high efficiency of the Group's online technology supports and the continuous optimization of the cost structure. The teaching efficiency empowered by AI technology and other online technologies has improved significantly, and continuously deepening integration of online and offline teaching models has improved the level of standardization of the course products and ensured the consistent quality of teaching, which has reduced the Group's demand for classroom-based tutoring venues. Having considered that the operational efficiency has been continuously optimized and the expenses have remained stable, it is expected that a considerable increase in the overall gross profit margin and net profit margin for the year ended December 31, 2023 will be recorded as compared to the gross profit margin and net profit margin for year ended December 31, 2022.

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 annual results for the year ended December 31, 2023 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 annual results for the year ended December 31, 2023. Shareholders and potential investors of the Company are advised to read carefully the annual results announcement of the Company for details on the consolidated financial information of the Group for the year ended December 31, 2023, which is expected to be published in March 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, February 26, 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.*