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思考乐教育

SCHOLAR EDUCATION GROUP
思考樂教育集團

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1769)

ANNOUNCEMENT
POSITIVE PROFIT ALERT

This announcement is made by Scholar Education Group (the "**Company**", together with its subsidiaries, 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 Future Ordinance (Chapter 571, the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders and potential investors of the Company that, based on the preliminary review and analysis of the consolidated management accounts of the Group for the six months ended 30 June 2019 and other information currently available to the Board, it is expected that, without taking into account the effects (the "**Effects**") of (i) the non-recurring listing expenses incurred for the six months ended 30 June 2019 in preparation for the listing of the Company in June 2019; and (ii) the adoption of International Financial Reporting Standard 16 — *Leases* with effect from 1 January 2019 (which resulted in the amortisation of right-of-use assets and interest recognised on lease liabilities), both of which are not directly attributable to the operating performance of the Group, the Group would record an increase in net profit after tax from continuing operations of not less than 50% as compared with that for the six months ended 30 June 2018. The Board considers that such increase was attributable to an improvement in operating performance primarily as a result of (i) an increase in total tutoring hours, which in turn contributed to an increase in revenue; and (ii) the Group's continued efforts in improving operation efficiency.

It is expected that, taking into account the aforementioned Effects, the Group's net profit after tax from continuing operations for the six months ended 30 June 2019 would not significantly deviate from that for the six months ended 30 June 2018.

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 finalization and necessary adjustments (if any).

The interim results announcement of the Group for the six months ended 30 June 2019 is expected to be published in August 2019 and the corresponding 2019 interim report will be published subsequently.

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, 18 July 2019

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

Executive directors
Mr. Chen Qiyuan *(chairman)*
Mr. Chen Hongyu
Mr. Qi Mingzhi *(chief executive officer)*
Mr. Xu Chaoqiang

Non-executive director
Mr. Shen Jing Wu *(vice chairman)*

Independent non-executive directors
Mr. Huang Victor
Dr. Liu Jianhua
Mr. Yang Xuezhi