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 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 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 year ended 31 December 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 year ended 31 December 2019 in preparation for the listing of the Company in June 2019; and (ii) the employee benefit expenses in relation to the share options granted to the employees of the Group in September 2019; and (iii) 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), all 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 60% as compared with that for the year ended 31 December 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 by optimising the operations and management of its learning centre network. In particular, the number of learning centres operated by the Group increased from 54 as at 31 December 2018 to 100 as at 31 December 2019, which significantly contributed to the increase in student enrolment and total tutoring hours.

It is expected that, taking into account the aforementioned Effects, the Group's net profit after tax from continuing operations for the year ended 31 December 2019 would increase significantly by not less than 30% from that for the year ended 31 December 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 finalisation and necessary adjustments (if any).

The annual results announcement of the Group for the year ended 31 December 2019 is expected to be published in March 2020 and the corresponding 2019 annual 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, 5 February 2020

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