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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)

### GRANT OF SHARE OPTIONS

The Board announces that on 6 February 2023, the Company granted Options to the Grantees (subject to acceptance) to subscribe for a total of 27,785,000 Shares pursuant to the share option scheme adopted by the Company on 3 June 2019.

The Board considers that the grant of Options will (i) attract, incentivise and reward the Grantees and (ii) provide additional incentives to the Grantees to achieve the objectives of further enhancing the value of the Group. The grant of the Options is expected to align the interests of the Grantees with that of the Company's shareholders by providing the Grantees with potential ownership in the Company, and reinforces the Grantees' commitment to render long term services to the Group, which is conducive to the continuous growth of the Group, in particular the rapid expansion of the Group's new livestreaming e-commerce business.

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**").

The board of directors (the "**Board**") of Scholar Education Group (the "**Company**", together with its subsidiaries and consolidated affiliated entities, the "**Group**") announces that on 6 February 2023, the Company granted share options (the "**Options**") to certain employees of the Group (the "**Grantees**"), subject to acceptance by the Grantees, to subscribe for a total of 27,785,000 ordinary shares of the Company (the "**Shares**") pursuant to the share option scheme adopted by the Company on 3 June 2019 (the "**Share Option Scheme**").

The Board considers that the grant of Options is in the interests of the Company and its shareholders as a whole, and will (i) attract, incentivise and reward the Grantees and (ii) provide additional incentives to the Grantees to achieve the objectives of further enhancing the value of the Group. The grant of the Options is expected to align the interests of the Grantees with that of the Company's shareholders by providing the Grantees with potential ownership in the Company, and reinforces the Grantees' commitment to render long term services to the Group, which is conducive to the continuous growth of the Group, in particular the rapid expansion of the Group's new livestreaming e-commerce business.

Details of the Options granted are as follows:

- Date of grant:** 6 February 2023
- Exercise price:** Each Option shall entitle its holder to subscribe for one Share at an exercise price of HK\$1.62 per Share, which is the highest of: (a) the closing price of HK\$1.53 per Share as stated in the Stock Exchange's daily quotations sheets on the grant date; (b) the average closing price of HK\$1.62 per Share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the grant date; and (c) the nominal value of US\$0.001 per Share.
- Number:** 27,785,000 Options, each entitling its holder to subscribe for one Share
- Vesting schedule:** Subject to the achievement of certain performance targets as described below, the Options will vest in three tranches:
- (i) 33% to be vested within fifteen (15) days after the date of publication of the annual results announcement of the Company for the year ending 31 December 2023 on the website of the Stock Exchange, provided that the vesting period shall be no less than 12 months as set out in Rule 17.03F of the Listing Rules;
  - (ii) 33% to be vested within fifteen (15) days after the date of publication of the annual results announcement of the Company for the year ending 31 December 2024 on the website of the Stock Exchange; and
  - (iii) the remaining 34% to be vested within fifteen (15) days after the date of publication of the annual results announcement of the Company for the year ending 31 December 2025 on the website of the Stock Exchange.

Unless otherwise determined by the Board, the portion of Options that has yet to vest according to the schedule above shall lapse.

**Performance targets:**

The vesting of each tranche of the Options as described above is subject to achievement of certain performance targets as determined by the Board at its sole and absolute discretion:

*Group level performance:*

The Board will assess the performance of the Group for the relevant year, including in particular key performance indicators, such as revenue and profit of the Group as a whole and of the applicable business. For Grantees that are involved in the livestreaming e-commerce business, the gross merchandise value, number of followers on e-commerce platform and number of paid orders of such business are among the key metrics tracked by the Group to gauge performance.

*Individual level performance:*

The Group has in place a standardised performance appraisal system for its employees to comprehensively evaluate their performance and contribution to the Group. The Company will determine whether the Grantees meet the individual performance target based on their performance appraisal results for the relevant year.

In case of partial achievement and satisfaction of the performance targets, the applicable Options may be vested in proportion to the performance targets actually achieved (or such proportion as resolved by the Board) for the relevant year and the unvested portion of the relevant tranche of the Options shall lapse.

**Exercise period:**

Options that have vested may be exercised at any time for a period of two years from the vesting date. All outstanding or unexercised Options shall lapse after 15 April 2028.

**Clawback mechanism:** Without prejudice to the terms of the Share Option Scheme, in the following events, any Options granted to the Grantee which are not yet vested shall immediately lapse, unless otherwise determined by the Board at its sole and absolute discretion:

- (i) the Grantee breaches any provision of the Share Option Scheme or the relevant grant letter;
- (ii) the Grantee violates any provisions of the articles of association or constitutional documents of the Company and/or the relevant member of the Group;
- (iii) the Grantee ceases to be an employee of the Group; or
- (iv) the Grantee has taken any action or omission that impairs the interests of the Group.

None of the grant will be subject to approval by the shareholders of the Company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, none of the Grantees is (i) a Director, chief executive or substantial shareholder of the Company, or an associate (as defined under the Listing Rules) of any of them, or otherwise a connected person of the Company; or (ii) a related entity participant or a service provider of the Company.

The grant would not result in the share options granted and to be granted to each Grantee in the 12-month period up to and including the date of such grant in aggregate to exceed 1% of the Shares in issue.

Upon granting of the Options, there are no more Shares available for future grant under the Share Options Scheme, subject to refreshment of the scheme mandate limit.

There are no arrangements for any member of the Group to provide financial assistance to the Grantees to facilitate the purchase of Shares subject to any of the Options.

By order of the Board  
**SCHOLAR EDUCATION GROUP**  
**CHEN QIYUAN**  
*Chairman and Executive Director*

Hong Kong, 6 February 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

Dr. Liu Jianhua

Mr. Yang Xuezhi

*Non-executive director*

Mr. Shen Jing Wu (*vice chairman*)