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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 year ended 31 December 2022 and other information currently available to the Board, the Group expects to record a net profit not less than RMB50.0 million, as compared to a loss of RMB27.0 million for the year ended 31 December 2021.

The expected net profit for the year ended 31 December 2022 was mainly attributable to (i) the Group had not incurred one-off costs due to closure of certain learning centres as it had last year, and (ii) the decrease in fair value loss on financial assets as compared with the last year.

The principal business of the Group had remained profitable in 2022. The Group has strived to promote business transformation, and has launched non-academic literacy programmes since autumn 2021, which have shown promising results. The Group entered the brand new live commerce business at the end of 2022, and launched its first live streaming account, “Scholar GO” (思考樂GO), on the Douyin platform. This was a new attempt by the Group to tap into the new consumption industry. Leveraging the advantages of its brand, technology and resources and the existing talent, the Group will collaborate with top e-commerce and new media partners in the industry to develop a live-streaming e-commerce

knowledge based sales team with distinctive South China characteristics and established supply chain and anchors. The Group believes that the live commerce business will broaden the revenue base of the Group and contribute to its long-term development.

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 annual results announcement of the Company for the year ended 31 December 2022 will be published in March 2023 and that the corresponding 2022 annual 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, 13 March 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*)