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Fenbi Ltd.

粉筆有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2469)

PROFIT ALERT AND BUSINESS UPDATE

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 six months ended June 30, 2025, the Group is expected to record (i) revenue of not less than RMB1,472 million for the six months ended June 30, 2025, representing a decrease of no more than 9.7% as compared to the revenue of approximately RMB1,630 million for the six months ended June 30, 2024, primarily due to a decrease in the sales of tutoring services as a result of the continuing intense competition in the recruitment examination tutoring industry in China, and (ii) a net profit of not less than RMB215 million, representing a decrease of no more than 22.6% as compared to a net profit of approximately RMB278 million for the six months ended June 30, 2024. In addition, the adjusted net profit (non-IFRS measure), which is defined as profit for the period excluding share-based payments, is expected to be not less than RMB260 million for the six months ended June 30, 2025, representing a decrease of no more than 25.5% as compared to the adjusted net profit (non-IFRS measure) of approximately RMB349 million for the six months ended June 30, 2024, which was mainly attributable to a decrease of no more than 9.7% in the revenue.

In addition to the aforementioned financial performance, considering the recent business performance of the Company's AI products, the management is optimistic about the Company's growth prospects in the future:

The demand for recruitment examination tutoring remains strong, with the number of exam candidates rising year by year. By leveraging its mature capabilities of AI technology development and industry-specific online data that has been accumulated over a decade, the Company has developed the first AI vertical model specializing on recruitment examinations and has applied it to commercial use; with years of unique experience of content and product development, in April 2025, the Company launched the industry's first innovative AI-empowered Large-Class Course – AI-empowered Exam Drilling System Class (AI 刷題系統班), priced at RMB399. Unlike traditional large-class courses, the AI-empowered Exam Drilling System Class offers students the following unique learning experiences: 1. real-time data capture – AI model analyzes each student's learning data to make scientific plans and dynamic adjustments over the student's learning path; 2. timely customized learning tasks – through AI model's analysis, the AI-empowered Exam Drilling System Class precisely matches students with necessary live or recorded courses, transcending the rigid class formats of traditional models; and 3. dynamic adjustments of learning plans – AI model precisely recommends the most helpful exercises and various learning tasks to the students for achieving efficient drilling exercises.

AI-empowered Large-Class Course significantly enhances students' learning efficiency while optimizing the Company's resource utilization efficiency. Compared to the live class content provided by traditional large-class courses, AI-empowered Large-Class Course offers more efficient learning solutions based on data, thus significantly increasing the repurchase rate of students who take the examinations with multiple attempts, while addressing piracy issues.

As of June 30, 2025, the sales of the AI-empowered Exam Drilling Class had reached approximately 50,000 enrollments, generating revenue of approximately RMB20 million. According to the statistics of the Company, 90% of these students were previously registered and active users on the Company's products before 2025 but did not have the intention to pay for the courses until the AI-empowered Large-Class Course priced at RMB399 was launched. Compared to traditional large-class courses, the AI-empowered Exam Drilling System Class has distinctive features such as lower prices, stronger personalization for learning, higher efficiency, greater profit margins, and irreplaceable AI model analysis capabilities. The Company has been accelerating the development and deployment of an AI-empowered course product matrix for the phases of written examination, aiming to expand market share through a new AI-empowered Large-Class Course product system. Currently, the Company's AI-empowered Large-Class Course is only available for civil service examination subjects, while the Company plans to launch more AI-empowered Large-Class courses for additional subjects in 2025.

In relation to interviews, the Company has also launched a function of AI interview evaluation based on the aforementioned AI vertical models, offering students a new practice method for online interviews empowered by AI technology: AI models analyze the strengths, weaknesses, and room for improvement of students' interview responses based on uploaded video recordings, generate interview scores, and produce customized model answers, significantly boosting students' practice efficiency during the interview sessions. According to the analysis of the Company's management, the interview market has the basic features of high average order value, students' strong willingness to pay and intense practice demand from students. By offering extremely compelling cost effectiveness with a price significantly lower than mainstream interview class products, the AI interview evaluation practice tools are expected to gain market share and enjoy broad market prospects. The Company will gradually upgrade its AI interview evaluation products to actually help students improve their performance while accelerating the growth of AI interview business.

Under the AI wave, the prospects of AI application in the education industry are vast. The Company has established core competitiveness in the AI application field through its solid technical foundation, years of accumulated data barriers, mature large-class course systems, and a base of loyal students. After the introduction of AI technology, the Company will leverage market experience to continuously upgrade and improve its AI-empowered course product matrix. The Board believes that such first-mover competitive advantages and new AI-empowered course product systems will help the Company expand its market share, increase its revenue and improve its profit margins in the short term.

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 interim results for the six months ended June 30, 2025 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 or the audit committee of the Company. Such information may differ with the Group's actual interim results for the six months ended June 30, 2025. Shareholders and potential investors of the Company are advised to read carefully the interim results announcement of the Company for details on the consolidated financial information of the Group for the six months ended June 30, 2025, which is expected to be published by the end of August 2025 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, August 4, 2025

As at the date of this announcement, the Board comprises Mr. ZHANG Xiaolong and Mr. WEI Liang as executive Directors; and Mr. QIU Dongxiao Larry, Mr. YUEN Kai Yiu Kelvin and Ms. YUAN Jia as independent non-executive Directors.