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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

HIGHLIGHTS

The Board is pleased to announce the consolidated results of the Group for the year ended 31 December 2025. These results have been reviewed by the Company's audit committee.

FINANCIAL HIGHLIGHTS

	For the year ended 31 December			Percentage change
	2025 RMB'000	2024 RMB'000	Change RMB'000	
Revenue	785,580	852,327	(66,747)	(7.8)%
Gross profit	154,014	333,392	(179,378)	(53.8)%
(Loss)/profit for the year attributable to owners of the Company	(77,718)	145,645	(223,363)	(153.4)%
<i>Non-IFRS measure:</i>				
Adjusted (loss)/profit for the year attributable to owners of the Company (Note 1)	<u>(41,940)</u>	<u>175,716</u>	<u>(217,658)</u>	<u>(123.9)%</u>
(Loss)/earnings per Share				
	<i>RMB cents</i>	<i>RMB cents</i>	<i>RMB cents</i>	
Basic	(14.10)	26.68	(40.78)	(152.9)%
Diluted	(14.10)	26.08	(40.19)	(154.1)%
<i>Non-IFRS measure:</i>				
Adjusted (loss)/earnings per Share (Note 2)				
Basic	(7.61)	32.19	(39.80)	(123.6)%
Diluted	<u>(7.61)</u>	<u>31.47</u>	<u>(39.08)</u>	<u>(124.2)%</u>

Note 1: The Company defines its adjusted (loss)/profit attributable to owners of the Company as its (loss)/profit for the year attributable to owners of the Company after adjusting for the item which was not indicative of the Company's operating performances, including the share-based compensation expenses in 2025 of approximately RMB35.8 million (2024: RMB30.0 million).

Note 2: The Company defines the adjusted (loss)/earnings per share as (loss)/earnings per share calculated by using adjusted (loss)/profit for the year attributable to owners of the Company.

Adjusted (loss)/profit for the year attributable to owners of the Company

Non-IFRS Measures

To supplement the Group's consolidated financial statements that are presented in accordance with IFRS, the Company also uses adjusted (loss)/profit for the year attributable to owners of the Company and adjusted (loss)/earnings per share as additional financial measures. The Company presents these financial measure because they are used by the Company's management to evaluate the Group's financial performance by eliminating the impact of items that the management does not consider to be indicative of the Group's underlying performance. The management of the Company also believes that such non-IFRS measures provide Shareholders and investors of the Company with additional information in understanding and evaluating the Group's consolidated results of operations in the same manner as the management of the Company does and in comparing financial results across accounting periods and to those of the Company's peer companies. Such non-IFRS measures have limitations as an analytical tool, and Shareholders and investors of the Company should not consider them in isolation from, or as substitutes for the analysis of, the Company's results of operations or financial condition as reported under IFRS.

The following table reconciles the Group's adjusted (loss)/profit for the year attributable to owners of the Company presented to the most directly comparable financial measure calculated and presented in accordance with IFRS:

	Year ended 31 December		Percentage Change
	2025	2024	
	<i>RMB'000</i>	<i>RMB'000</i>	
(Loss)/profit for the year attributable to owners of the Company	(77,718)	145,645	(153.4)%
Add:			
Share-based compensation expenses (<i>Note 1</i>)	<u>35,778</u>	<u>30,071</u>	19.0%
Adjusted (loss)/profit for the year attributable to owners of the Company	<u>(41,940)</u>	<u>175,716</u>	(123.9)%

Notes:

- (1) Share-based compensation expenses: These expenses were incurred in connection with the share options and shares award granted to the employees of the Group, which are recognised over the share options' and share awards' respective vesting period starting from the grant date to the vesting date. These expenses are non-cash and are not directly relevant to the Group's operating performance.

Adjusted (loss)/earnings per Share

The following table reconciles the Group's adjusted (loss)/earnings per Share presented to the most directly comparable financial measure calculated and presented in accordance with IFRS:

(a) *Adjusted basic (loss)/earnings per share*

Adjusted basic (loss)/earnings per share is calculated by dividing the adjusted earnings for the year by the weighted average number of ordinary shares in issue for the year.

	2025	2024
Adjusted (loss)/earnings attributable to owners of the Company (in RMB thousands)	<u>(41,940)</u>	<u>175,716</u>
Weighted average number of ordinary shares in issue (thousand shares) ⁽ⁱ⁾	551,041	545,893
Adjusted basic (loss)/earnings per share (expressed in RMB cents per share)	<u>(7.61)</u>	<u>32.19</u>

- (i) Adjusted basic (loss)/earnings per share is calculated by dividing the adjusted (loss)/profit for the year attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the years ended 31 December 2025 and 2024.

(b) *Adjusted diluted (loss)/earnings per share*

Adjusted diluted (loss)/earnings per share adjusts the figures used in the determination of adjusted (loss)/basic earnings per share to take into account:

- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

	2025	2024
Adjusted diluted (loss)/earnings per share (expressed in RMB cents per share)	<u>(7.61)</u>	<u>31.47</u>
Weighted average number of shares used as the denominator:		
	2025	2024
Weighted average number of ordinary shares used as the denominator in calculating basic (loss)/earnings per share	551,041,000	545,893,000
Adjustments for calculation of adjusted diluted (loss)/earnings per share:		
Share options	<u>—</u>	<u>12,470,000</u>
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating adjusted diluted (loss)/earnings per share	<u>551,041,000</u>	<u>558,363,000</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Business overview

During the year ended 31 December 2025, the Group continued to make progress in its strategic development in Guangdong Province. In particular, the programmes in Guangzhou have gained a high level of recognition from parents and students, and have initially shown encouraging results. The enrollment at the new learning centers in Guangzhou is currently strong, and overall operations are exceeding expectations. The Group has therefore enhanced its business strategy and exploration of new businesses, including the expansion of its geographical coverage and the opening of new literacy learning centres in additional cities. As the business in these new additional cities are undergoing a rapid ramp-up period, these new learning centers offer a large number of trial courses at lower tuition fees than regular courses, successfully attracting a large number of students who are interested in the educational services of the Group. These trial courses have subsequently converted students into paying students for the same courses. Therefore, the revenue from these new learning centers was relatively low in the ramp-up period, while related costs (such as rental expenses and salaries and benefits) incurred in the usual course of business increased significantly compared with last year, resulting in a short-term negative impact on the Group's gross profit and net profit. Additionally, some of the Group's investments in financial assets (amounting to RMB19.8 million) and prepayments and other receivables (amounting to RMB5.0 million) were not redeemed upon maturity due to default of the relevant counterparties, which in turn led to fair value losses and impairment losses on these assets.

During the year ended 31 December 2025, the Group's revenue had decreased to RMB785.6 million, representing a decrease of 7.8% as compared to last year. For the year ended 31 December 2025, the Group recorded a net loss attributable to owners of the Company of RMB77.7 million, as compared to a net profit attributable to owners of the Company of RMB145.6 million for the year ended 31 December 2024.

The net loss attributable to owners of the Company for the year ended 31 December 2025 has factored in share-based compensation expenses of RMB35.8 million (last year: RMB30.0 million). Excluding the share-based compensation expenses, the Group recorded an adjusted net loss attributable to owners of the Company of RMB41.9 million, as compared to the adjusted net profit attributable to owners of the Company of RMB175.7 million last year.

Future Prospects and Development Strategies

The Group has launched our educational tour business and international courses. The Group believes these business initiatives have broadened and will continue to broaden the revenue base of the Group and contribute to its long-term development.

In addition, the Group will further consolidate the development of "Le Xue" (樂學), one of the Group's brands, which comprises of liberal education in respect of art, sports, painting, performance art, calligraphy, scientific literacy, Guo Xue (國學), logic training and international literacy with a view to fulfilling various needs of students and encouraging students to develop their hobbies and talents. By

providing them with quality services, children can achieve a balanced development in the five aspects of “ethics, intellect, physique, aesthetics and hard-work” and enjoy a healthy and all-rounded development.

Going forward, we will strive to promote the diversified development of the Group and utilise our brand influence and reputation, as well as the extensive management experience and industry knowledge of the management team, to actively explore new business opportunities in different fields, expand the revenue base and maximise returns for the shareholders of the Company. In addition, we will continue to employ stringent cost control measures to maintain a healthy cash flow of the Company. We will also develop technology and make appropriate use of the technological development of artificial intelligence to continuously enhance the quality of our services and operational efficiency to support the long-term development of the Group.

Financial review

1. Revenue

	Year ended 31 December		Percentage Change
	2025	2024	
	RMB'000	RMB'000	
Non-academic literacy programme and others	683,734	766,817	(10.8)%
Tutoring programme	<u>101,846</u>	<u>85,510</u>	19.1%
Total	<u>785,580</u>	<u>852,327</u>	(7.8)%

The following table sets forth the student enrollments and tutoring hours delivered by types of education services for the years indicated based on the Group’s internal records:

	Year ended 31 December				Percentage Change	
	2025		2024			
	Student enrollments	Tutoring hours	Student enrollments	Tutoring hours		
Non-academic literacy programme	313,639	7,734,552	348,523	8,692,591	(10.0)%	(11.0)%
Tutoring programme	<u>45,205</u>	<u>1,111,852</u>	<u>37,483</u>	<u>935,748</u>	20.6%	18.8%
Total	<u>358,844</u>	<u>8,846,404</u>	<u>386,006</u>	<u>9,628,339</u>	(7.0)%	(8.1)%

The Group’s revenue decreased by 7.8% from RMB852.3 million for the year ended 31 December 2024 to RMB785.6 million for the year ended 31 December 2025. This decrease was primarily due to decreases in the total student enrollments and tutoring hours for the year ended 31 December 2025.

2. *Cost of sales*

The Group's cost of sales increased by 21.7% from RMB518.9 million for the year ended 31 December 2024 to RMB631.6 million for the year ended 31 December 2025. This increase was primarily due to increases in teacher compensation and amortisation of right-of-use assets, primarily contributed by the increase of the total number of the Group's learning centres as a result of the expansion of the Group's learning centre network in additional cities.

3. *Gross profit and gross profit margin*

As a result of the foregoing, the gross profit of the Group decreased by 53.8% from RMB333.4 million for the year ended 31 December 2024 to RMB154.0 million for the year ended 31 December 2025. The gross profit margin of the Group decreased from 39.1% for the year ended 31 December 2024 to 19.6% for the year ended 31 December 2025.

4. *Selling expenses*

The selling expenses of the Group increased by 28.7% from RMB12.6 million for the year ended 31 December 2024 to RMB16.3 million for the year ended 31 December 2025. The increase was primarily due to the increase in advertising and exhibition expenses.

5. *Administrative expenses*

The administrative expenses of the Group increased by 23.0% from RMB127.9 million for the year ended 31 December 2024 to RMB157.3 million for the year ended 31 December 2025. This increase was mainly due to increase in administrative personnel expenses, in line with the growth of the Group's business in additional cities.

6. *Research and development expenses*

The research and development expenses of the Group decreased by 3.1% from RMB26.5 million for the year ended 31 December 2024 to RMB25.7 million for the year ended 31 December 2025. The decrease was primarily due to the decrease in research and development personnel expenses relating to the development of its teaching materials and learning products.

7. *Other income*

The other income of the Group decreased by 18.2% from RMB11.1 million for the year ended 31 December 2024 to RMB9.1 million for the year ended 31 December 2025. The decrease was primarily due to a decrease in finance income of RMB2.4 million.

8. *Other (losses)/gains — net*

The Group recorded other net losses of RMB26.8 million for the year ended 31 December 2025 as compared with the other net gains of RMB14.5 million for the year ended 31 December 2024, primarily attributable to: (i) the fair value loss on financial assets at fair value through profit or loss of RMB14.0 million (2024: fair value gain of RMB14.2 million), (ii) increase in fair value losses on investment properties of RMB4.1 million, (iii) an increase in exchange losses of RMB2.3 million, (iv) an increase in net losses on disposals of property, plant and equipment of RMB2.4 million, (v) an increase in deposits losses of RMB1.4 million; and (vi) the impairment loss on investments in associates of RMB2.8 million.

9. *Finance costs*

The finance costs of the Group increased by 25.2% from RMB10.3 million for the year ended 31 December 2024 to RMB12.9 million for the year ended 31 December 2025, primarily due to the increases in interest expenses on lease liabilities.

10. *(Loss)/profit before income tax*

As a result of the foregoing, the Group recorded a loss before income tax of RMB81.7 million for the year ended 31 December 2025 as compared with the profit before income tax of RMB181.0 million for the year ended 31 December 2024.

11. *Income tax credit/(expense)*

The Group recorded an income tax credit of RMB3.8 million for the year ended 31 December 2025 as compared with income tax expense of RMB35.5 million for the year ended 31 December 2024. The income tax credit was primarily due to the recognition of deferred tax assets.

12. *(Loss)/profit for the year attributable to owners of the Company*

As a result of the foregoing, the Group recorded a loss for the year attributable to owners of the Company of RMB77.7 million for the year ended 31 December 2025 as compared with the profit for the year attributable to owners of the Company of RMB145.6 million for the year ended 31 December 2024.

Liquidity, financial resources and capital structure

The total equity of the Group as at 31 December 2025 was RMB803.4 million (2024: RMB634.8 million). The Group generally finances its operation with internally generated cash flows. As at 31 December 2025, the Group's cash and cash equivalents increased by 21.0% from RMB390.7 million as at 31 December 2024 to RMB472.7 million. The increase in cash and cash equivalents for the year ended 31 December 2025 was primarily attributable to the net cash inflow from operating activities and financing activities. As at 31 December 2025, the current assets of the Group amounted to RMB711.6 million (2024: RMB556.0 million), including RMB178.7 million (2024: RMB111.8 million) in financial assets at fair value through profit or loss and other financial assets at amortised cost, and RMB474.9 million (2024: RMB392.4 million) in bank balances and restricted cash, and other current assets of RMB58.1 million (2024: RMB51.8 million). The current liabilities of the Group amounted to RMB601.8 million (2024: RMB480.3 million), of which RMB286.0 million (2024: RMB241.1 million) are contract liabilities, RMB94.9 million (2024: RMB83.2 million) are lease liabilities, RMB70.0 million (2024: RMB40.0 million) are bank borrowings and RMB150.8 million (2024: RMB116.0 million) are other current liabilities. As at 31 December 2025, the Group had RMB70.0 million (2024: RMB40.0 million) of bank borrowings, all of which were variable rate borrowings, denominated in RMB and wholly repayable within one year. The gearing ratio of the Group as at 31 December 2025 was 8.7% (2024: 6.3%), based on the bank borrowings divided by the equity attributable to the shareholders. As at 31 December 2025, the Group had net current assets of RMB109.9 million (2024: RMB75.8 million).

Treasury management policy

The treasury management policy of the Group is to utilise surplus cash reserves to invest in low-risk wealth management products to generate income without interfering with the Group's business operations or capital expenditures. With the aim of controlling risks to the Group, the Group generally invests in low and medium risk and short-term (generally with maturity periods not more than one year) wealth management products, including but not limited to: (i) low-risk, principal-protected unit trusts, structured deposits and other financial instruments issued by trust companies and commercial banks based in the PRC and the United States of America; (ii) money market instruments such as certified deposits and currency funds; (iii) debt instruments such as sovereign debt, central bank-issued debts and various debt funds; and (iv) listed and unlisted securities. The chairman of the Board is mandated by the Board to make investment decisions within the pre-determined limit. Subject to the approval of the chairman of the Board, who approves all investment contracts, the treasury department of the Group is responsible for the overall execution of the Group's investment decisions. The treasury department is also responsible for tracking the underlying investments of the wealth management products held by the Group and analysing the performance of the investments of the Group. If the treasury department identifies any risk associated with the wealth management products, the Group will take immediate action to manage its risk exposure. The investments of the Group are monitored from time to time, and professional agencies will be appointed to perform review and audit of such investments if deemed necessary. The treasury department also reviews the Group's cash position, operating cash requirements and potential investment opportunities on a monthly basis, and is also

responsible for preparing monthly investment plans and cash budgets. The monthly investment plans and cash budgets are approved by the vice president of treasury department of the Group, the chairman of the Board, and, if necessary, the Board, taking into account whether the proposed investment plans would have any negative impact on the Group's cash position and operating cash requirements. The personnel of the treasury department of the Group are required to strictly follow the approved monthly investment plans to execute the Group's treasury management policy.

Foreign exchange exposure

The majority of the Group's revenue and expenditures are denominated in RMB. Most of the cash and bank deposits of the Group as at 31 December 2025 and 2024 were denominated in RMB. The Group currently does not have any foreign currency hedging policies. The management will continue to monitor the Group's foreign exchange risk exposure and consider adopting prudent measures as appropriate.

Material acquisitions and disposals and significant investment

As disclosed in the announcement of the Company dated 4 November 2025, the Group entered into the agreement with Shenzhen Huaxia Junyong Robotics Technology Co., Ltd. pursuant to which the parties agreed to establish a joint venture company for the research and development of educational artificial intelligence robots. The Group has contributed in cash RMB115.5 million, accounting for 30% of the registered capital of the joint venture company, over which it exercises significant influence and accounted for as an investment in associate.

Save as disclosed in this announcement, there was no significant investment held, material acquisition and disposal of subsidiaries, associates and joint ventures by the Company for the year ended 31 December 2025. The Group will endeavour to keep abreast of the changing market conditions and proactively identify investment opportunities with a view to broadening its revenue base and enhancing its future financial performance and profitability. The Directors are confident in the future growth of the Company. As at 31 December 2025, none of the investments held by the Group were direct equity investments in any investee company nor individually exceeds 5% of the total assets of the Group as at 31 December 2025.

Save as disclosed in this announcement, the Group did not have any plans for significant investments as at 31 December 2025.

Contingencies

As at 31 December 2025, the Group did not have material contingent liabilities, guarantees or litigations or claims of material importance, pending or threatened against any member of the Group (2024: nil).

Pledge of assets

The Group did not have any material pledge of assets as at 31 December 2025 and 2024.

Employees and remuneration policies

The Group adheres to a strong belief that one of the most valuable assets of a corporation is its employees. The Group values its human resources and recognises the importance of attracting and retaining qualified staff for its continuing success.

The Group employed a total work force of 2,946 employees as at 31 December 2025 (2024: 2,973 employees). The Group's remuneration policies are in line with the prevailing market practices and are determined on the basis of performance and experience of the individual concerned. The Group has been constantly reviewing staff remuneration packages to ensure it is competitive in the market.

Dividends

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (for the year ended 31 December 2024 (HK\$0.07 per Share)).

Subsequent events

Purchase of Shares pursuant to the Share Award Scheme

During the period from 2 January 2026 to 29 January 2026 (both days inclusive), the trustee of the Group's Share Award Scheme bought a total of 4,550,000 Shares of the Company from the market at a total consideration of HK\$9,547,000 (equivalent to RMB 8,688,000) which are currently held for the purpose of satisfying share awards that may be granted under the Share Award Scheme.

Save as disclosed above, there were no other material events that occurred subsequent to 31 December 2025.

Pre-emptive Rights

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands that would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

Public Float

Based on the information publicly available to the Company, the Company continues to meet the prescribed public float under the Listing Rules.

SCOPE OF WORK ON THIS ANNUAL RESULTS ANNOUNCEMENT BY AUDITOR

The figures in respect of the Group's consolidated balance sheet, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this annual results announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on this annual results announcement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Notes</i>	Year ended 31 December	
		2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
Revenue	5	785,580	852,327
Cost of sales	8	<u>(631,566)</u>	<u>(518,935)</u>
Gross profit		154,014	333,392
Selling expenses	8	(16,248)	(12,626)
Administrative expenses	8	(157,314)	(127,934)
Research and development expenses	8	(25,653)	(26,471)
Other income	6	9,093	11,115
Net impairment losses on financial assets		(4,987)	(433)
Other (losses)/gains — net	7	<u>(26,778)</u>	<u>14,503</u>
Operating (losses)/profit		(67,873)	191,546
Finance costs	9	(12,932)	(10,333)
Share of net loss of investments accounted for using the equity method		<u>(906)</u>	<u>(256)</u>
(Loss)/profit before income tax		(81,711)	180,957
Income tax credit/(expense)	10	<u>3,762</u>	<u>(35,451)</u>
(Loss)/profit for the year		<u>(77,949)</u>	<u>145,506</u>
(Loss)/profit and total comprehensive income for the year attributable to:			
— Owners of the Company		(77,718)	145,645
— Non-controlling interests		<u>(231)</u>	<u>(139)</u>
		<u>(77,949)</u>	<u>145,506</u>
(Loss)/earnings per share (expressed in RMB cents per share)			
— Basic	11	<u>(14.10)</u>	<u>26.68</u>
— Diluted	11	<u>(14.10)</u>	<u>26.08</u>

CONSOLIDATED BALANCE SHEET

		As at 31 December	
		2025	2024
	Notes	RMB'000	RMB'000
Assets			
Non-current assets			
Property, plant and equipment		143,591	110,746
Right-of-use assets	12	441,400	351,831
Investment properties		98,883	100,885
Intangible assets		10,444	10,791
Deferred tax assets		46,431	20,881
Prepayments and other receivables		27,683	28,826
Investments in associates		116,205	4,404
Financial assets at fair value through profit or loss		53,416	54,168
Other financial assets at amortised cost		—	88,852
Total non-current assets		938,053	771,384
Current assets			
Prepayments and other receivables		58,050	51,822
Other financial assets at amortised cost		91,520	10,321
Financial assets at fair value through profit or loss		87,153	101,519
Restricted cash		2,109	1,702
Cash and cash equivalents		472,746	390,677
Total current assets		711,578	556,041
Total assets		1,649,631	1,327,425
Equity			
Share capital	13	4,614	3,840
Share premium		318,318	107,941
Shares held for employee share scheme		(3,340)	(28,308)
Treasury shares		—	(2,366)
Other reserves		77,778	69,779
Retained earnings		406,506	484,224
Capital and reserves attributable to owners of the Company		803,876	635,110
Non-controlling interests		(498)	(267)
Total equity		803,378	634,843

		As at 31 December	
		2025	2024
	<i>Notes</i>	RMB'000	RMB'000
Liabilities			
Non-current liabilities			
Lease liabilities		224,317	203,802
Deferred tax liabilities		<u>20,227</u>	<u>8,513</u>
Total non-current liabilities		<u>244,544</u>	<u>212,315</u>
Current liabilities			
Contract liabilities		285,987	241,092
Trade and other payables	15	125,216	74,557
Current income tax liabilities		25,618	41,428
Borrowings		70,000	40,000
Lease liabilities		<u>94,888</u>	<u>83,190</u>
Total current liabilities		<u>601,709</u>	<u>480,267</u>
Total liabilities		<u>846,253</u>	<u>692,582</u>
Total equity and liabilities		<u>1,649,631</u>	<u>1,327,425</u>

1. GENERAL INFORMATION

Scholar Education Group (the “**Company**”) was incorporated on 7 February 2018 in the Cayman Islands as an exempted company with limited liability under the laws of the Cayman Islands. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries and PRC Consolidated Affiliated Entities (as defined below) (collectively referred to as the “**Group**”) are principally engaged in the provision of private education services in the People’s Republic of China (the “**PRC**” or “**China**”).

Mr. Chen Qiyuan is the ultimate controlling shareholder of the Company.

The Company’s ordinary shares have been listed on The Stock Exchange of Hong Kong Limited since 21 June 2019 (the “**Listing**”).

The consolidated financial statements are presented in Renminbi (“**RMB**”), and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

The consolidated financial statements were approved for issue by the Board of Directors of the Company on 31 March 2026.

2. BASIS OF PREPARATION AND REORGANISATION

Prior to the reorganisation (as defined below), the Listing Business was mainly carried out by Shenzhen Scholar Culture and Education Technology Development Co., Ltd. (深圳市思考樂文化教育科技發展有限公司) (“**Shenzhen Scholar**”) a limited liability company established in Shenzhen, the PRC, and its subsidiaries (the “**PRC Consolidated Affiliated Entities**”).

On 9 April 2018, FengYe (Shenzhen) Science and Technology Co., Ltd. (楓燁(深圳)科技有限公司) (“**Shenzhen Fengye**”), which is wholly owned by the Company, entered into various agreements (the “**Structured Contracts**”) with Shenzhen Scholar and its owners, under which all economic benefits arising from the business and operations of the PRC Consolidated Affiliated Entities are transferred to Shenzhen Fengye. Accordingly, the PRC Consolidated Affiliated Entities are treated as controlled structured entities of Shenzhen Fengye and ultimately controlled by the Company (the “**Reorganisation**”).

The consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards as issued by the IASB (“**IFRS Accounting Standards**”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets at fair value through profit or loss (“**FVPL**”) and investment properties, which are carried at fair value.

The preparation of consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

The material accounting policies applied in the preparation of these consolidated financial statements have been consistently applied to all the years presented, unless otherwise stated.

The Group will continue to implement measures before the Structured Contracts are unwound, with an aim to further enhance its control over the PRC Consolidated Affiliated Entities. The Company is not aware of any non-performance of the Structured Contracts or non-compliance with such aforementioned measures as at the date of this report. As advised by the Group's PRC legal counsel, the Group did not violate existing PRC laws and regulations and the Structured Contracts are legally enforceable for the year ended 31 December 2025 and up to the date of this report. The directors will continue to closely monitor the development of laws and regulations and will make further appropriate adjustment of its business model whenever needed to ensure comply with the new relevant policies. Based on cashflow projections for a period of not less than 12 months after 31 December 2025, the directors are in the opinion that the Group's available source of funds is sufficient to fulfil its financial obligations as when fall due in the coming twelve months from 31 December 2025. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

3. ACCOUNTING POLICIES

(a) Amended standards adopted by the Group

The Group has applied the following amended standards for its annual reporting period commencing 1 January 2025:

Amendments to IAS 21	Lack of exchangeability
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The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) New standards and interpretations not yet adopted

Certain new and amendments to standards and interpretations have been issued but are not yet effective and have not been early adopted for 31 December 2025 reporting period by the Group. The Group has already commenced an assessment of the impact of these amendments, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the directors, no significant impact on the financial performance and positions of the Group is expected when they become effective, except for IFRS 18 will have an impact on presentation.

4 FAIR VALUE ESTIMATION

The table below analyses the Group's financial instruments carried at fair value by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities, which already incorporate the market's assumptions with respect to changes in economic climate such as rising interest rates and inflation, as well as changes due to ESG risk (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs or ESG risk gives rise to a significant unobservable adjustment) (Level 3).

Financial instruments at fair value as at 31 December 2025 and 2024 were as follows:

2025	Level 1 <i>RMB'000</i>	Level 2 <i>RMB'000</i>	Level 3 <i>RMB'000</i>	Total <i>RMB'000</i>
Assets				
Wealth management products	—	24,507	62,646	87,153
Unlisted equity investments in Mainland China	—	—	53,416	53,416
	<u>—</u>	<u>24,507</u>	<u>116,062</u>	<u>140,569</u>
2024	Level 1 <i>RMB'000</i>	Level 2 <i>RMB'000</i>	Level 3 <i>RMB'000</i>	Total <i>RMB'000</i>
Assets				
Wealth management products	—	9,734	86,565	96,299
Listed equity investments in Mainland China	5,220	—	—	5,220
Unlisted equity investments in Mainland China	—	—	54,168	54,168
	<u>5,220</u>	<u>9,734</u>	<u>140,733</u>	<u>155,687</u>

5. REVENUE AND SEGMENT INFORMATION

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Private education services and others	<u>785,580</u>	<u>852,327</u>

Operating segments are defined as components of an enterprise engaging in business activities for which separate financial information is available that is regularly evaluated by the Group's chief operating decision makers ("CODM") in deciding how to allocate resources and assess performance. The Group's CODM has been identified as the Board of Directors, who reviews consolidated results when making decisions about allocating resources and assessing performance of the Group.

The Group's principal market is in Guangdong Province of the PRC. Most of the Group's revenue and operating profit are derived within Guangdong Province, and most of the Group's operations and non-current assets are located in Guangdong Province. Accordingly, no geographical segment information is presented.

As a result of evaluation by CODM, the CODM considers that the Group is operated and managed as a single operating segment of private education services for the year ended 31 December 2025.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Recognised over time		
— Private education services and others	<u>785,580</u>	<u>852,327</u>

The Group has a large number of customers, and no single customer accounted for more than 10% of the Group's total revenue during the year.

6. OTHER INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Sub-lease — net ^(a)	220	440
Rental income from operating leases	3,044	2,634
Finance income	4,766	7,202
Government grants	<u>1,063</u>	<u>839</u>
	<u>9,093</u>	<u>11,115</u>

(a) The Group sub-leases a portion of its teaching centres to the third party, pricing of sub-lease income was determined with reference to the actual rental expense with terms agreed by both parties.

7. OTHER (LOSSES)/GAINS — NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Fair value (losses)/gains on financial assets at FVPL	(13,972)	14,238
Fair value losses on investment properties	(5,170)	(1,043)
Lease modification	1,414	1,942
Net losses on disposals of property, plant and equipment	(2,593)	(151)
Deposits losses	(1,731)	(361)
Compensation charges	(852)	(176)
Net foreign exchange losses	(2,769)	(481)
Impairment loss on investments in associates	(2,793)	—
Others	<u>1,688</u>	<u>535</u>
	<u>(26,778)</u>	<u>14,503</u>

8. EXPENSES BY NATURE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Employee benefit expenses	624,166	493,131
Depreciation and amortisation	111,603	97,672
Property management expenses	16,219	13,498
Teaching materials	13,268	12,981
Advertising and exhibition expenses	12,200	10,349
Maintenance cost	7,173	7,169
Utilities	7,518	6,388
Entertainment and activities expenses	4,057	5,656
Office expenses	6,376	5,553
Other taxes	5,110	5,364
Professional service fees	4,635	5,176
Rental expenses	959	5,035
Auditors' remuneration		
— Audit services	1,940	1,530
— Non-audit services	325	903
Travel and transportation	1,157	1,511
Recruitment expenses	3,170	1,191
Others	<u>10,905</u>	<u>12,859</u>
	<u><u>830,781</u></u>	<u><u>685,966</u></u>

9. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest expenses on bank borrowings	883	949
Interest expenses on lease liabilities	<u>12,049</u>	<u>9,384</u>
	<u><u>12,932</u></u>	<u><u>10,333</u></u>

10. INCOME TAX (CREDIT)/EXPENSE

	2025 RMB'000	2024 RMB'000
Current tax		
— Current tax on profits for the year	10,074	28,789
Deferred income tax		
— (Increase)/decrease in deferred income tax	<u>(13,836)</u>	<u>6,662</u>
	<u>(3,762)</u>	<u>35,451</u>

11. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the (loss)/earnings for the year by the weighted average number of ordinary shares in issue for the year.

	2025	2024
(Loss)/earnings attributable to owners of the Company (in RMB thousands)	<u>(77,718)</u>	<u>145,645</u>
Weighted average number of ordinary shares in issue (thousand shares) ⁽ⁱ⁾	551,041	545,893
Basic (loss)/earnings per share (expressed in RMB cents per share)	<u>(14.10)</u>	<u>26.68</u>

(i) Basic (loss)/earnings per share is calculated by dividing the (loss)/profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the years ended 31 December 2025 and 2024.

(b) Diluted (loss)/earnings per share

Diluted (loss)/earnings per share adjusts the figures used in the determination of basic (loss)/earnings per share to take into account:

- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

	2025	2024
Diluted (loss)/earnings per share (expressed in RMB cents per share)	<u>(14.10)</u>	<u>26.08</u>

Weighted average number of shares used as the denominator:

	2025	2024
Weighted average number of ordinary shares used as the denominator in calculating basic (loss)/earnings per share	551,041,000	545,893,000
Adjustments for calculation of diluted (loss)/earnings per share: Share options	<u>—</u>	<u>12,470,000</u>
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted (loss)/earnings per share	<u>551,041,000</u>	<u>558,363,000</u>

12. RIGHT-OF-USE ASSETS AND LEASES**(a) Amounts recognised in the consolidated balance sheet**

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Right-of-use assets*		
Land use rights	132,423	80,079
Properties	<u>308,977</u>	<u>271,752</u>
	<u>441,400</u>	<u>351,831</u>
Lease liabilities		
Current	94,888	83,190
Non-current	<u>224,317</u>	<u>203,802</u>
	<u>319,205</u>	<u>286,992</u>

* Additions to the right-of-use assets during the year ended 31 December 2025 was RMB103,002,000 (for the year ended 31 December 2024: RMB175,289,000).

(b) Amounts recognised in the consolidated statement of comprehensive income

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Depreciation charge of right-of-use assets		
— Properties	78,535	74,727
— Land use rights	<u>4,818</u>	<u>2,533</u>
	<u>83,353</u>	<u>77,260</u>
Interest expense (included in finance costs)	12,049	9,384
Expense relating to short-term leases (included in administrative expenses and cost of sales)	<u>959</u>	<u>5,035</u>

13. SHARE CAPITAL

	<u>Authorised</u>			<u>Issued</u>		
	Number of ordinary shares	Nominal value		Number of ordinary shares	Nominal value	
		<i>USD</i>	<i>RMB</i>		<i>USD</i>	<i>RMB</i>
Balance at 1 January 2024	1,000,000,000	1,000,000	6,860,633	555,700,000	555,700	3,774,897
Share option scheme-exercise of option	<u>—</u>	<u>—</u>	<u>—</u>	<u>9,169,050</u>	<u>9,169</u>	<u>65,414</u>
Balance at 31 December 2024	<u>1,000,000,000</u>	<u>1,000,000</u>	<u>6,860,633</u>	<u>564,869,050</u>	<u>564,869</u>	<u>3,840,311</u>
Balance at 1 January 2025	1,000,000,000	1,000,000	6,860,633	564,869,050	564,869	3,840,311
Issuance of new shares (a)	—	—	—	110,000,000	110,000	780,212
Cancellation of shares	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,088,000)</u>	<u>(1,088)</u>	<u>(6,907)</u>
Balance at 31 December 2025	<u>1,000,000,000</u>	<u>1,000,000</u>	<u>6,860,633</u>	<u>673,781,050</u>	<u>673,781</u>	<u>4,613,616</u>

(a) In October 2025, a total of 110,000,000 new shares had been placed to certain independent third parties at a price of HK\$2.2 per share, the net proceeds from which were approximately RMB220,961,000.

14. DIVIDENDS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Proposed final dividend per share: 2025: nil; 2024: HK\$0.07	<u>—</u>	<u>36,507</u>

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (for the year ended 31 December 2024 (HK\$0.07 per Share)).

15. TRADE AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables ^(a)	3,813	3,723
Employee benefits payables	90,566	33,773
Other taxes payables	9,993	13,944
Interest payables	29	29
Other payables	<u>20,815</u>	<u>23,088</u>
	<u>125,216</u>	<u>74,557</u>

(a) Trade payables are primarily related to the purchase of books and other teaching materials for education. The credit terms of trade payables granted to the Group are usually 3 months.

As at 31 December 2025 and 2024, the aging analysis of trade payables based on the invoice date was as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
3 months or less	697	1,077
3 to 6 months	2,780	2,330
6 months to 1 year	<u>336</u>	<u>316</u>
	<u>3,813</u>	<u>3,723</u>

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of the Shareholders and to enhance corporate value and accountability.

1. Compliance with the CG Code on Corporate Governance Practices

For the year ended 31 December 2025, the Company had complied with all applicable code provisions set out in the CG Code contained in Appendix C1 to the Listing Rules.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices.

2. Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own securities dealing code to regulate all dealings by Directors and relevant employees of securities in the Company and other matters covered by the Model Code.

Specific enquiry has been made of all the Directors and the relevant employees and they have confirmed that they had complied with the Model Code for the year ended 31 December 2025.

3. Audit Committee

The Company has established an audit committee with written terms of reference in accordance with the Listing Rules and the CG Code. The primary duties of the audit committee are to review and supervise the financial reporting, risk management and internal controls system of the Group, review the fairness of the connected transactions of the Company and to advise the Board. The audit committee comprises three independent non-executive Directors, namely, Ms. Yim Ka Man, Mr. Yang Xuezhi and Prof. Zhang Wenjun. Ms. Yim Ka Man is the chairman of the audit committee. The audit committee of the Board has reviewed the accounting principles and practices adopted by the Group and discussed risk management, internal control and financial reporting matters with management including a review of the consolidated financial statements and annual results for the year ended 31 December 2025 of the Group.

4. Purchase, Sale or Redemption of the Company's Listed Securities

On 31 December 2025, the Company cancelled 1,088,000 Shares repurchased from 16 November 2023 to 25 April 2024. The Directors considered that such cancellation would enhance the earnings per share and increase the net asset value per share attributable to the Shareholders.

The Trustee also made share purchase on the Stock Exchange pursuant to the Share Award Scheme Rules and the Trust Deed. During the Reporting Period, the Trustee purchased 1,548,000 Shares on the market and at a total consideration of HK\$4,752,000.

Save as disclosed above, neither the Company nor any of its subsidiaries or consolidated affiliated entities purchased, sold or redeemed any listed securities of the Company for the year ended 31 December 2025.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at <http://www.skledu.com>. The annual report of the Group for the year ended 31 December 2025 will be published on the aforesaid websites and will be dispatched to the Company's shareholders in due course.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Board”	the board of Directors
“CG Code”	Corporate Governance Code contained in Appendix C1 to the Listing Rules
“Company”	Scholar Education Group, a company incorporated in the Cayman Islands on 7 February 2018
“Director(s)”	the director(s) of the Company
“Group”	the Company with its subsidiaries and consolidated affiliated entities
“IFRS”	International Financial Reporting Standards
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Share Award Scheme”	the share award scheme of the Company adopted by the Board on 28 December 2020 constituted by the Share Award Scheme Rules
“Share Award Scheme Rules”	the rules relating to the Share Award Scheme, as approved and adopted by the Board on the Adoption Date in its present form or as amended from time to time
“Share(s)”	ordinary share(s) of US\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“Share Option Scheme”	the share option scheme approved and adopted by the Company on 3 June 2019, which was terminated immediately upon the adoption of the Company’s Share Scheme on 27 February 2024, provided that any granted and unexercised options made under the Share Option Scheme immediately before its termination shall continue to be valid and exercisable in accordance with the terms of the grant and the Share Option Scheme Rules
“Share Option Scheme Rules”	the rules relating to the Share Option Scheme in its present form or as amended from time to time
“Share Scheme”	the share scheme of the Company approved by the Shareholders on 27 February 2024
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust Deed”	a trust deed dated 28 December 2020 and entered into between the Company as settlor and the Trustee as trustee (as restated, supplemented and amended from time to time)
“Trustee”	Kastle Limited, and any additional or replacement trustees, being the trustee or trustees for the time being declared in the Trust Deed

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

Hong Kong, 31 March 2026

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. Yang Xuezhi
Ms. Yim Ka Man
Prof. Zhang Wenjun

This announcement contains forward-looking statements relating to the business outlook, estimates of financial performance, forecast business plans and growth strategies of the Group. These forward-looking statements are based on information currently available to the Group and are stated herein on the basis of the outlook at the time of this announcement. They are based on certain expectations, assumptions and premises, some of which are subjective or beyond control of the Group. These forward-looking statements may prove to be incorrect and may not be realised in the future. Underlying these forward-looking statements are a large number of risks and uncertainties. In light of the risks and uncertainties, the inclusion of forward-looking statements in this announcement should not be regarded as representations by the Board or the Company that the plans and objectives will be achieved. Furthermore, this announcement also contains statements based on the Group’s management accounts, which have not been audited by the Group’s auditor. Shareholders and potential investors should therefore not place undue reliance on such statements.