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)**

## INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

## HIGHLIGHTS

The Board is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 30 June 2026. These interim results are unaudited but have been reviewed by the Company's audit committee.

## FINANCIAL HIGHLIGHTS

| | **Unaudited For the six months ended 30 June** | | | |
|---|---|---|---|---|
| | **2026** | 2025 | **Change** | **Percentage change** |
| | ***RMB'000*** | *RMB'000* | *RMB'000* | |
| Revenue | **424,104** | 439,393 | (15,289) | (3.5)% |
| Gross profit | **107,006** | 150,558 | (43,552) | (28.9)% |
| Profit for the period attributable to owners of the Company | **12,757** | 62,933 | (50,176) | (79.7)% |
| *Non-IFRS measure:* | | | | |
| Adjusted profit for the period attributable to owners of the Company *(Note 1)* | **26,031** | 81,312 | (55,281) | (68.0)% |
| **Earnings per Share** | | | | |
| | ***RMB cents*** | *RMB cents* | *RMB cents* | |
| Basic | **1.93** | 11.42 | (9.49) | (83.1)% |
| Diluted | **1.93** | 11.18 | (9.25) | (82.7)% |
| *Non-IFRS measure:* | | | | |
| Adjusted earnings per Share *(Note 2)* | | | | |
| Basic | **3.94** | 14.75 | (10.81) | (73.3)% |
| Diluted | **3.93** | 14.45 | (10.52) | (72.8)% |

*Note 1:* The Company defined its adjusted profit attributable to owners as its profit for the period attributable to owners after adjusting for those items which were not indicative of the Company's operating performances, mainly including the share-based compensation expenses of approximately RMB13.3 million (six months ended 30 June 2025: RMB18.4 million) for the six months ended 30 June 2026.

*Note 2:* The Company defines the adjusted earnings per share as earnings per share calculated by using adjusted profit for the period attributable to owners of the Company.

**Adjusted profit for the period 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 net profit attributable to owners of the Company and adjusted earnings per share as additional financial measures. The Company presents these financial measures 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. The use of such non-IFRS measures has limitations as an analytical tool, and Shareholders and investors of the Company should not consider them in isolation from, or as substitute 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 profit for the periods attributable to owners of the Company presented to the most directly comparable financial measure calculated and presented in accordance with IFRS:

| | **Unaudited For the six months ended 30 June** | | |
|---|---|---|---|
| | **2026** | 2025 | **Percentage Change** |
| | ***RMB'000*** | *RMB'000* | |
| Profit for the period attributable to owners of the Company | **12,757** | 62,933 | (79.7)% |
| Add: | | | |
| Share-based compensation expenses *(Note 1)* | **13,274** | 18,379 | (27.8)% |
| **Adjusted profit for the period attributable to owners of the Company** | **26,031** | 81,312 | (68.0)% |

*Note:*

(1) Share-based compensation expenses: These expenses were incurred in connection with the share options and share awards 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 earnings per Share***

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

(a) *Adjusted basic earnings per share*

| | **Unaudited For the six months ended 30 June** | |
|---|---|---|
| | **2026** | 2025 |
| Adjusted earnings attributable to owners of the Company (in RMB thousands) | **26,031** | 81,312 |
| Weighted average number of ordinary shares in issue (thousand shares) *(i)* | **660,936** | 551,171 |
| Adjusted basic earnings per share (expressed in RMB cents per share) | **3.94** | 14.75 |

(i) Adjusted basic earnings per share is calculated by dividing the adjusted profit for the period attributable to the owners of the Company by the weighted average number of ordinary shares in issue for the six months ended 30 June 2026 and 2025.

(b) *Adjusted diluted earnings per share*

Adjusted diluted earnings per share adjusts the figures used in the determination of adjusted 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.

| | For the six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| Adjusted diluted earnings per share (expressed in RMB cents per share) | **3.93** | 14.45 |

*Weighted average number of shares used as the denominator:*

| | For the six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share | **660,936,000** | 551,171,000 |
| Adjustments for calculation of diluted earnings per share: | | |
| Share options | **720,000** | 11,581,000 |
| Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating adjusted diluted earnings per share | **661,656,000** | 562,752,000 |

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business overview

The Group recorded an operating profit of RMB20.6 million for the six months ended 30 June 2026. During the six months ended 30 June 2026, the Group's revenue decreased to RMB424.1 million from RMB439.4 million, and its tutoring hours decreased to 4,796,186 hours from 4,944,498 hours, as compared to the same period last year. The Group provides high quality educational services to students. Our programmes have placed more emphasis on training children's ability to take initiatives and enhancing their deep thinking skills to achieve their overall development through the integration of learning and thinking.

The Group continues to make progress in its strategic development in Guangdong Province. 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. Nevertheless, due to the longer-than-expected ramp-up period of certain literacy learning centres and the lead time needed for market penetration, the revenue generated from these learning centres, which are still at their early ramp-up periods, remained relatively limited, whereas the direct operating costs, including staff expenses and benefits, amortisation, depreciation, utilities and property management expenses, among others, continued to be relatively high in proportion to the revenue generated, thereby adversely impacting the Group's overall profitability. For the six months ended 30 June 2026, the Group recorded a net profit attributable to owners of RMB12.8 million, compared to a net profit attributable to owners of RMB62.9 million for the six months ended 30 June 2025.

The net profit attributable to owners of the Company for the six months ended 30 June 2026 has factored in share-based compensation expenses of approximately RMB13.3 million (last period: RMB18.4 million). Excluding the share-based compensation expenses, the Group recorded an adjusted net profit attributable to owners of the Company of RMB26.0 million for the six months ended 30 June 2026, a decrease of 68.0% as compared to the adjusted net profit attributable to owners of the Company of RMB81.3 million for last period.

### Future prospects and development strategies

The Group has launched its 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, and to 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***

| | **Unaudited** | | |
|---|---|---|---|
| | **Six months ended 30 June 2026** | Six months ended 30 June 2025 | Percentage change |
| | ***RMB'000*** | *RMB'000* | |
| Non-academic literary programme and others | **367,774** | 387,660 | (5.1)% |
| Tutoring programme | **56,330** | 51,733 | 8.9% |
| **Total** | **424,104** | 439,393 | (3.5)% |

The following table sets forth the student enrolments and tutoring hours delivered by type of education services for the periods indicated based on the Group's internal records:

| | **Six months ended 30 June 2026** | | Six months ended 30 June 2025 | | Percentage change | |
|---|---|---|---|---|---|---|
| | **Student enrolments** | **Tutoring hours** | Student enrolments | Tutoring hours | Student enrolments | Tutoring hours |
| Non-academic literary programme | **168,858** | **4,180,600** | 177,826 | 4,380,343 | (5.0)% | (4.6)% |
| Tutoring programme | **25,033** | **615,586** | 22,962 | 564,155 | 9.0% | 9.1% |
| **Total** | **193,891** | **4,796,186** | 200,788 | 4,944,498 | (3.4)% | (3.0)% |

The Group's revenue decreased by 3.5% from RMB439.4 million for the six months ended 30 June 2025 to RMB424.1 million for the six months ended 30 June 2026. This decrease was primarily due to decreases in the total student enrolments and tutoring hours for the six months ended 30 June 2026.

**2.** ***Cost of sales***

The cost of sales of the Group increased by 9.8% from RMB288.8 million for the six months ended 30 June 2025 to RMB317.1 million for the six months ended 30 June 2026. This increase was primarily due to an increase 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.

**3.** ***Gross profit and gross profit margin***

During the ramp-up period following the opening of each new learning center, it generated relatively limited revenue while the related costs, such as rental expenses and salaries and benefits, increased significantly due to the increased number of learning centers. As a result, the gross profit of the Group decreased by 28.9% from RMB150.6 million for the six months ended 30 June 2025 to RMB107.0 million for the six months ended 30 June 2026. The gross profit margin of the Group decreased from 34.3% for the six months ended 30 June 2025 to 25.2% for the six months ended 30 June 2026.

**4.** ***Selling expenses***

The selling expenses of the Group increased by 16.0% from RMB6.5 million for the six months ended 30 June 2025 to RMB7.6 million for the six months ended 30 June 2026. These expenses were primarily attributable to student activities.

**5.** ***Administrative expenses***

The administrative expenses of the Group increased by 31.2% from RMB64.4 million for the six months ended 30 June 2025 to RMB84.5 million for the six months ended 30 June 2026. This increase was mainly due to the increase in administrative personnel expenses in line with the expansion of the Group's learning centre network.

**6.** ***Research and development expenses***

The research and development expenses of the Group increased by 16.5% from RMB10.5 million for the six months ended 30 June 2025 to RMB12.2 million for the six months ended 30 June 2026. These expenses were primarily attributable to research and development personnel expenses for the development of teaching materials and learning products and market research for a range of literacy subjects and levels.

7. ***Other income***

The other income of the Group increased by 14.8% from RMB5.6 million for the six months ended 30 June 2025 to RMB6.4 million for the six months ended 30 June 2026. This increase was primarily due to increase in government grants of RMB1.6 million. The increase was partially offset by decrease in rental income from operating leases of RMB0.4 million and decrease in finance income of RMB0.4 million.

8. ***Other gains — net***

The other net gains of the Group increased by 322.3% from RMB2.7 million for the six months ended 30 June 2025 to RMB11.5 million for the six months ended 30 June 2026. The increase was primarily attributable to increase in fair value gains on financial assets at fair value through profit or loss of RMB13.9 million and increase in compensation income of RMB0.9 million. The increase was partially offset by increase in net foreign exchange losses of RMB5.8 million.

9. ***Finance costs***

The finance costs of the Group increased by 36.9% from RMB4.3 million for the six months ended 30 June 2025 to RMB5.8 million for the six months ended 30 June 2026, primarily due to the increase in interest expenses on lease liabilities of RMB1.2 million.

10. ***Profit before income tax***

As a result of the foregoing, the profit before income tax of the Group decreased by 79.5% from RMB72.2 million for the six months ended 30 June 2025 to RMB14.8 million for the six months ended 30 June 2026.

11. ***Income tax expense***

The income tax expense of the Group decreased by 77.2% from RMB9.3 million for the six months ended 30 June 2025 to RMB2.1 million for the six months ended 30 June 2026. The decrease was primarily due to the decrease in assessable profit.

12. ***Profit for the period attributable to owners of the Company***

As a result of the foregoing, the profit for the period attributable to owners of the Company decreased by 79.7% from RMB62.9 million for the six months ended 30 June 2025 to RMB12.8 million for the six months ended 30 June 2026.

### Liquidity, financial resources and capital structure

The total equity of the Group as at 30 June 2026 was RMB790.5 million (31 December 2025: RMB803.4 million). The Group generally finances its operation with internally generated cash flows. As at 30 June 2026, the Group's cash and cash equivalents decreased by 27.2% from RMB472.7 million as at 31 December 2025 to RMB344.1 million. The decrease in cash and cash equivalents for the six months ended 30 June 2026 was primarily attributable to the increase in financial assets at fair value through profit or loss. As at 30 June 2026, the current assets of the Group amounted to RMB633.3 million (31 December 2025: RMB711.6 million), including RMB209.4 million (31 December 2025: RMB178.7 million) in financial assets at fair value through profit or loss and other financial assets at amortised cost, and RMB344.8 million (31 December 2025: RMB474.9 million) in bank balances and restricted cash, and other current assets of RMB79.1 million (31 December 2025: RMB58.1 million). The current liabilities of the Group amounted to RMB554.6 million (31 December 2025: RMB601.7 million), of which RMB241.3 million (31 December 2025: RMB286.0 million) are contract liabilities, RMB110.5 million (31 December 2025: RMB94.9 million) are lease liabilities, RMB68.0 million (31 December 2025: RMB70.0 million) are bank borrowings and RMB134.8 million (31 December 2025: RMB150.8 million) are other current liabilities. As at 30 June 2026, the Group had RMB68.0 million (31 December 2025: RMB70.0 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 30 June 2026 was 8.6% (31 December 2025: 8.7%), based on the bank borrowings divided by the equity attributable to the shareholders. As at 30 June 2026, the Group had net current assets of RMB78.7 million (31 December 2025: RMB109.9 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 30 June 2026 were denominated in RMB, HK$ and US$. 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**

Save as disclosed in this interim results announcement, there was no significant investment held, material acquisition and disposal of subsidiaries, associates and joint ventures by the Company for the six months ended 30 June 2026. 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. None of the investments held by the Group were direct equity investments in any investee company nor individually exceeded 5% of the total assets of the Group as at 30 June 2026.

Save as disclosed in this interim results announcement, the Group did not have any plans for significant investments as at 30 June 2026.

**Dividends**

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: nil).

**Contingent liabilities**

As at 30 June 2026, 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 (31 December 2025: nil).

**Pledge of assets**

The Group did not have any material pledge of assets as at 30 June 2026 and 31 December 2025.

**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 3,295 employees as at 30 June 2026 (31 December 2025: 2,946 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 package to ensure it is competitive in the market.

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | | Unaudited | |
|---|---|---|---|
| | | Six months ended 30 June | |
| | | **2026** | 2025 |
| | *Notes* | ***RMB'000*** | *RMB'000* |
| Revenue | *5* | **424,104** | 439,393 |
| Cost of sales | *8* | **(317,098)** | (288,835) |
| **Gross profit** | | **107,006** | 150,558 |
| Selling expenses | *8* | **(7,551)** | (6,512) |
| Administrative expenses | *8* | **(84,525)** | (64,420) |
| Research and development expenses | *8* | **(12,212)** | (10,484) |
| Other income | *6* | **6,381** | 5,559 |
| Other gains — net | *7* | **11,542** | 2,733 |
| **Operating profit** | | **20,641** | 77,434 |
| Finance costs | *9* | **(5,825)** | (4,255) |
| Share of net loss of investments accounted for using equity method | | **(13)** | (1,019) |
| **Profit before income tax** | | **14,803** | 72,160 |
| Income tax expense | *10* | **(2,133)** | (9,337) |
| **Profit for the period** | | **12,670** | 62,823 |
| **Profit and total comprehensive income attributable to:** | | | |
| — Owners of the Company | | **12,757** | 62,933 |
| — Non-controlling interests | | **(87)** | (110) |
| | | **12,670** | 62,823 |
| **Earnings per share (expressed in RMB cents per share)** | | | |
| — Basic | *11* | **1.93** | 11.42 |
| — Diluted | *11* | **1.93** | 11.18 |

## INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

| | Notes | **Unaudited As at 30 June 2026** ***RMB'000*** | Audited As at 31 December 2025 *RMB'000* |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | | **149,349** | 143,591 |
| Right-of-use assets | *12* | **431,305** | 441,400 |
| Investment properties | | **98,883** | 98,883 |
| Intangible assets | | **10,425** | 10,444 |
| Deferred tax assets | | **39,168** | 46,431 |
| Prepayments and other receivables | | **28,323** | 27,683 |
| Investments in associates | | **115,932** | 116,205 |
| Financial assets at fair value through profit or loss | | **53,416** | 53,416 |
| **Total non-current assets** | | **926,801** | 938,053 |
| **Current assets** | | | |
| Prepayments and other receivables | | **79,152** | 58,050 |
| Other financial assets at amortised cost | | **10,011** | 91,520 |
| Financial assets at fair value through profit or loss | | **199,346** | 87,153 |
| Restricted cash | | **702** | 2,109 |
| Cash and cash equivalents | | **344,099** | 472,746 |
| **Total current assets** | | **633,310** | 711,578 |
| **Total assets** | | **1,560,111** | 1,649,631 |
| **Equity** | | | |
| Share capital | *13* | **4,614** | 4,614 |
| Share premium | | **318,318** | 318,318 |
| Shares held for employee share scheme | | **(42,888)** | (3,340) |
| Repurchased shares | | **(1,865)** | — |
| Other reserves | | **93,638** | 77,778 |
| Retained earnings | | **419,263** | 406,506 |
| **Capital and reserves attributable to owners of the Company** | | **791,080** | 803,876 |
| Non-controlling interests | | **(585)** | (498) |
| **Total equity** | | **790,495** | 803,378 |

| | Notes | Unaudited<br>As at<br>30 June<br>2026<br>*RMB'000* | Audited<br>As at<br>31 December<br>2025<br>*RMB'000* |
|---|---|---|---|
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Lease liabilities | *12* | **205,191** | 224,317 |
| Deferred tax liabilities | | **9,810** | 20,227 |
| **Total non-current liabilities** | | **215,001** | 244,544 |
| **Current liabilities** | | | |
| Contract liabilities | | **241,306** | 285,987 |
| Trade and other payables | *15* | **109,777** | 125,216 |
| Current income tax liabilities | | **24,983** | 25,618 |
| Borrowings | | **68,000** | 70,000 |
| Lease liabilities | *12* | **110,549** | 94,888 |
| **Total current liabilities** | | **554,615** | 601,709 |
| **Total liabilities** | | **769,616** | 846,253 |
| **Total equity and liabilities** | | **1,560,111** | 1,649,631 |

**NOTES:**

## 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 (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").

This interim condensed consolidated financial information is presented in Renminbi (RMB) and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

This interim condensed consolidated financial information was approved for issue by the board of directors of the Company on 24 August 2026 and has not been audited.

## 2. BASIS OF PREPARATION

This interim condensed consolidated financial information for the six-month reporting period ended 30 June 2026 has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board ("IASB").

This interim condensed consolidated financial information does not include all the notes of the type normally included in an annual financial report. Accordingly, this interim condensed consolidated financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2025 ("2025 Financial Statements") which have been prepared in accordance with IFRS Accounting Standards ("IFRSs").

The Group will continue to implement measures before the Structured Contracts are unwound, with an aim to further enhance its control over the PRC Operating 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 structured contracts are legally enforceable and the Group did not violate existing PRC laws and regulations for the six months ended 30 June 2026 and up to the date of this announcement. 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 compliance with the new relevant policies. Based on cashflow projections for a period of not less than 12 months after 30 June 2026, the Directors are in the opinion that the Group's available source of funds is sufficient to fulfil its financial obligations as and when they fall due in the coming twelve months from 30 June 2026. The Group therefore continues to adopt the going concern basis in preparing its interim condensed consolidated financial information.

## 3. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the 2025 Financial Statements, as described in those annual consolidated financial statements, except for the adoption of new and amended standards as set out below.

### (a) New and amended standards adopted by the Group

The Group has adopted new and amended standards and interpretation as described below.

| | | **Effective for annual periods beginning on or after** |
|---|---|---|
| Amendments to IFRS 9 and IFRS 7 | Amendments to the classification and measurement of financial instruments | 1 January 2026 |
| Amendments to IFRS 9 and IFRS 7 | Contracts referencing nature-dependent electricity | 1 January 2026 |
| Annual Improvement | Annual Improvements to IFRS Accounting Standards — Volume 11 | 1 January 2026 |

The adoption of new and amended standards and interpretation did not have material impact on the interim financial information.

### (b) New standards, amendments to standards and interpretations not yet adopted

| | | **Effective for annual periods beginning on or after** |
|---|---|---|
| IFRS 18 | Presentation and Disclosure in Financial Statements | 1 January 2027 |
| IFRS 19 | Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |
| IFRS 20 | Regulatory Assets and Regulatory Liabilities | 1 January 2029 |
| Amendments to IFRS 10 and IAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint venture | To be determined |

Certain new accounting standards and interpretations have been published that are not mandatory for the six months ended 30 June 2026 and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

## 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 (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) (Level 3).

Financial instruments at fair value as at 30 June 2026 were as follows:

| | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| | ***RMB'000*** | ***RMB'000*** | ***RMB'000*** | ***RMB'000*** |
| **Asset** | | | | |
| Wealth management products | **—** | **10,283** | **189,063** | **199,346** |
| Unlisted equity investments in Mainland China | **—** | **—** | **53,416** | **53,416** |
| | **—** | **10,283** | **242,479** | **252,762** |

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

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Asset** | | | | |
| Wealth management products | — | 24,507 | 62,646 | 87,153 |
| Unlisted equity investments in Mainland China | — | — | 53,416 | 53,416 |
| | — | 24,507 | 116,062 | 140,569 |

## 5. REVENUE AND SEGMENT INFORMATION

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| Private education services and others | **424,104** | 439,393 |

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 six months ended 30 June 2026.

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| Recognised over time | | |
| — Private education services and others | **424,104** | 439,393 |

The Group has a large number of customers, and no single customer accounts for more than 10% of the Group's total revenue during the period (for the six months ended 30 June 2025: nil).

## 6. OTHER INCOME

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| Sub-lease — net (a) | **50** | 78 |
| Rental income from operating leases | **1,183** | 1,543 |
| Finance income | **1,809** | 2,186 |
| Government grants | **3,339** | 1,752 |
| | **6,381** | 5,559 |

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

## 7. OTHER GAINS — NET

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| Fair value gains on financial assets at fair value through profit or loss | **17,069** | 3,161 |
| Lease modification | **360** | 858 |
| Net losses on disposal of property, plant and equipment | **(1,036)** | (933) |
| Deposits losses | **(655)** | (832) |
| Compensation income/(charges) | **896** | (3) |
| Net foreign exchange losses | **(5,812)** | (20) |
| Others | **720** | 502 |
| | **11,542** | 2,733 |

## 8. EXPENSES BY NATURE

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| Employee benefit expenses | **307,070** | 273,288 |
| Depreciation and amortisation | **66,780** | 56,639 |
| Property management expense | **8,582** | 8,064 |
| Teaching materials | **10,116** | 5,672 |
| Advertising and exhibition expense | **5,383** | 4,719 |
| Maintenance cost | **3,881** | 3,069 |
| Professional service fees | **4,262** | 2,414 |
| Office expenses | **2,895** | 3,003 |
| Utilities | **3,019** | 2,485 |
| Other taxes | **1,796** | 1,808 |
| Auditor's remuneration | **25** | 400 |
| Allowance for impairment | **—** | 35 |
| Others | **7,577** | 8,655 |
| | **421,386** | 370,251 |

## 9. FINANCE COSTS

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| Interest expense on borrowings | **772** | 400 |
| Interest expense on leasing liabilities | **5,053** | 3,855 |
| | **5,825** | 4,255 |

## 10. INCOME TAX EXPENSE

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| Current tax | | |
| — Current tax on profit for the period | **5,286** | 16,390 |
| Deferred income tax | | |
| — Decrease in deferred income tax | **(3,153)** | (7,053) |
| | **2,133** | 9,337 |

## 11. EARNINGS PER SHARE

### (a) Basic earnings per share

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| Earnings attributable to owners of the Company (in RMB thousands) | **12,757** | 62,933 |
| Weighted average number of ordinary shares in issue (thousand shares) *(i)* | **660,936** | 551,171 |
| Basic earnings per share (expressed in RMB cents per share) | **1.93** | 11.42 |

(i) Basic earnings per share is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2026 and 2025.

### (b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of 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.

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| Diluted earnings per share (expressed in RMB cents per share) | **1.93** | 11.18 |

***Weighted average number of shares used as the denominator***

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share | **660,936,000** | 551,171,000 |
| Adjustments for calculation of diluted earnings per share: Share options | **720,000** | 11,581,000 |
| Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share | **661,656,000** | 562,752,000 |

## 12. RIGHT OF USE ASSETS AND LEASES

### (a) Amounts recognised in the interim condensed consolidated balance sheet

| | **As at 30 June 2026** | As at 31 December 2025 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| **Right-of-use assets*** | | |
| Land use rights | **128,643** | 132,423 |
| Properties | **302,662** | 308,977 |
| | **431,305** | 441,400 |
| **Lease liabilities** | | |
| Current | **110,549** | 94,888 |
| Non-current | **205,191** | 224,317 |
| | **315,740** | 319,205 |

* Additions to the right-of-use assets during the six months ended 30 June 2026 was RMB51,454,000 (for the year ended 31 December 2025: RMB103,002,000).

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

| | **Six months ended 30 June** | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| **Depreciation charge of right-of-use assets** | | |
| — Properties | **46,030** | 39,996 |
| — Land use rights | **3,780** | 1,614 |
| | **49,810** | 41,610 |
| **Finance costs on leases** | **5,053** | 3,855 |

## 13. SHARE CAPITAL

| | Authorised | | | Issued | | |
|---|---|---|---|---|---|---|
| | Number of ordinary shares | Nominal value | | Number of ordinary shares | Nominal value | |
| | | *USD* | *RMB* | | *USD* | *RMB* |
| **As at 1 January 2025 and 30 June 2025** | 1,000,000,000 | 1,000,000 | 6,860,633 | 564,869,050 | 564,869 | 3,840,311 |
| **As at 1 January 2026 and 30 June 2026** | 1,000,000,000 | 1,000,000 | 6,860,633 | 673,781,050 | 673,781 | 4,613,616 |

## 14. DIVIDENDS

The board did not recommend the payment of an interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: nil).

## 15. TRADE AND OTHER PAYABLES

| | **As at 30 June 2026** | As at 31 December 2025 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| **Current** | | |
| Trade payables (a) | **5,502** | 3,813 |
| Employee benefits payables | **75,044** | 90,566 |
| Other taxes payables | **10,003** | 9,993 |
| Interest payables | **29** | 29 |
| Other payables | **19,199** | 20,815 |
| | **109,777** | 125,216 |

(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.

The aging analysis of trade payables based on the invoice date was as follows:

| | **As at 30 June 2026** | As at 31 December 2025 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| 3 months or less | **1,719** | 697 |
| 3 to 6 months | **2,639** | 2,780 |
| 6 months to 1 year | **1,144** | 336 |
| | **5,502** | 3,813 |

## 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 shareholders and to enhance corporate value and accountability.

### 1. Compliance with the CG Code on corporate governance practices

For the six months ended 30 June 2026, the Company has complied with all applicable code provisions set out in the CG Code and Corporate Governance Report 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 six months ended 30 June 2026.

### 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 has reviewed the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2026. The audit committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with the senior management members of the Group.

4. **Purchase, sale or redemption of the Company's listed securities**

For the six months ended 30 June 2026, the trustee of the Group's Share Award Scheme bought a total of 32,206,000 Shares of the Company from the market at a total consideration of HK$45,986,000 (equivalent to RMB39,548,000) which are currently held for the purpose of satisfying share awards that may be granted under the Share Award Scheme.

As at 30 June 2026, a total of 1,000,000 Shares repurchased by the Company have yet to be cancelled. The Directors considered that such repurchases would enhance the earnings per share and increase the net asset value per share attributable to the Shareholders.

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 six months ended 30 June 2026.

## PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This 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 interim report of the Group for the six months ended 30 June 2026 will be published on the aforesaid websites and will be despatched 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, an exempted company incorporated in the Cayman Islands with limited liability 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 contained 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(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 |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "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, 24 August 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 Company's independent auditor. Shareholders and potential investors should therefore not place undue reliance on such statements.*