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Wisdom Education International Holdings Company Limited

光正教育國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6068)

INSIDE INFORMATION PROFIT WARNING

This announcement is made by Wisdom Education International Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

PROFIT WARNING

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on a preliminary review by the Company’s management on the unaudited consolidated management accounts of the Group for the six months ended 28 February 2022, the Group is expected to record a significant decrease in profit for the six months ended 28 February 2022 (the “**Relevant Period**”) by approximately 80% to 85% as compared to profit for the six months ended 28 February 2021 of RMB323.2 million.

Based on the information available to date, such decrease in profit for the Relevant Period is primarily attributable to the financial results of the Affected Entities^{note 1} having ceased to be consolidated in the Group’s consolidated financial statements as of 31 August 2021 as disclosed in the Company’s annual report for the year ended 31 August 2021 (the “**2021 Annual Report**”). As shown in the Group’s financial results of the Remaining Business^{note 1} and the Affected Entities during the six months ended 28 February 2021 presented as follows, the Affected Entities have contributed to a significant portion of the Group’s revenue and profit during the period.

	For the six months ended 28 February 2021		
	Remaining Business	Affected Entities	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	58,667	1,032,137	1,090,804
Profit and total comprehensive income for the period	1,158	322,049	323,207
Core net profit from Remaining Business ^{note 2}	23,287		

The Group's Remaining Business is subject to seasonality where generally the second half of the financial year has a higher revenue than the first half of the financial year, driven by the sales of school uniforms and bedding products during the summer break before the new school year. Therefore, revenue from the Remaining Business during the six months ended 28 February 2021 amounted to RMB58.7 million, which represented only 27% of revenue of RMB219.7 million from the Remaining Business during the year ended 31 August 2021.

During the six months ended 28 February 2022, the Group's core net profit, generated entirely from the Remaining Business, is expected to be in the range of RMB50 million to RMB60 million, representing an increase of over 110% as compared to the core net profit from Remaining Business of RMB23.3 million during the six months ended 28 February 2021. The improvement in the performance of the Remaining Business during the Relevant Period is mainly attributable to the significant increase in revenue primarily due to the significant increase of the various activities the Group organised during the winter break of 2022.

The information set out in this announcement is only based on a preliminary assessment by the management of the Company based on the unaudited consolidated management accounts of the Company and other information currently available to the Board, which has not been reviewed by the Company's auditors or the audit committee of the Board. The above information may be subject to possible adjustments upon further review. The Company is in the process of finalising the interim results of the Company for the six months ended 28 February 2022. Details of the financial information of the Group shall be disclosed in the Company's results announcement for the six months ended 28 February 2022 which is expected to be published on 29 April 2022.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

Notes:

1. The capitalized terms of “Affected Entities” and “Remaining Business” shall have the same meanings as defined in the Company’s 2021 Annual Report.
2. Core net profit of Remaining Business is a non-IFRSs measure which is defined as the Group’s profit from Remaining Business after adjusting for those items of exchange gain/loss, share-based payments, and other one-off and non-recurring items (where applicable) which are not indicative of the Group’s operating performances.

By Order of the Board
Wisdom Education International Holdings Company Limited
Li Jiuchang
Executive Director

Dongguan, 22 April 2022

As at the date of this announcement, the Board of the Company comprises four executive directors, namely Ms. Li Suwen, Mr. Liu Xuebin, Mr. Li Jiuchang and Mr. Wang Yongchun; and three independent non-executive directors, namely Prof. Sun Kai Lit Cliff, BBS, J.P., Mr. Tam King Ching Kenny and Mr. Huang Weiguo.