

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

读书郎

Readboy Education Holding Company Limited

讀書郎教育控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2385)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

The board (the “**Board**”) of directors (the “**Directors**”) of Readboy Education Holding Company Limited (the “**Company**”) is pleased to present the audited consolidated results of the Company (together with its subsidiaries, the “**Group**”) for the year ended 31 December 2022 (“**2022 Annual**”) together with comparative figures for the year ended 31 December 2021 (“**2021 Annual**”).

BUSINESS REVIEW

Year 2022 was a milestone of the Company as the shares of the Company were successfully listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 12 July 2022 (the “**Listing**”). The net proceeds from the initial public offering of the Shares were approximately HKD364.6 million, which will be used in accordance with the purposes as set out in the section headed “Future Plans and Use of Proceeds” in the prospectus of the Company dated 29 June 2022 (the “**Prospectus**”).

For 2022 Annual, the Group was engaged in the production and sales of personal student tablets, smart classroom solutions, wearable products, other products and advertisement and content licensing in China.

We design, develop, manufacture and market smart learning devices empowered by digital educational resources targeting primary and secondary school students in China, creating a flexible, efficient, effective, interactive and personalised learning experience. We design and develop our smart learning devices by utilising our in-house research and development capacities, with a substantial portion of the manufacturing and assembling process managed by ourselves.

We currently primarily offer our products under one brand, namely Readboy (讀書郎). Our Readboy brand was recognised as a reputable technology-powered education brand in China, including the Parents' Most Trusted Education Brand for Kids in 2018 and the Technical Leading Education Brand in 2018, both recognised by Tencent News Annual Education Event, the Most Trusted Education Brand in 2019 awarded by Xinhua Net Education Forum. We derive revenue from the sales of our major products, which include (i) personal student tablets; (ii) smart classroom solutions; (iii) wearable products and (iv) other products including teaching and learning accessories, such as smart reader pens, smart scanner pens, and smart learning desks and chairs. On top of the above, we also generate revenue from advertisement and content licensing.

Personal Student Tablets

Our personal student tablets are designed for personal end-users who are primary and secondary (including middle and high school) students aged 6 to 18, equipped with digital educational resources, mainly synchronous lesson preparation, review and learning materials, which are supplemental to the in-school education for compulsory school education, and certain selected featured learning resources. Courseware is pre-installed and is extendable while connecting to our online learning platform which offers pre-recorded video resources.

Revenue derived from the sales of personal student tablets decreased by approximately 25.9% from RMB705.0 million in 2021 Annual to RMB522.2 million in 2022 Annual. The decrease was mainly due to the resurgent outbreak of COVID-19 in various cities in China and the tightening of pandemic control measures during 2022 Annual, which affected supply chain and distributor business to a certain extent, resulting in lower sales of personal student tablets.

Smart Classroom Solutions

Our smart classroom solutions typically refer to the smart educational devices embedded with smart classroom management functions, which provide a connected and interactive learning environment for school teachers and students on one hand and enable parents to monitor the learning status of their children on the other hand. Currently, primary and secondary schools are our target customers of smart classroom solutions and we expect our products to enhance the way of teaching and learning digitally, promoting teaching quality and efficiency.

Revenue derived from the sales of smart classroom solutions decreased by approximately 35.1% from RMB23.6 million in 2021 Annual to RMB15.3 million in 2022 Annual. The decrease was mainly due to the delay or cancellation of promotional activities for smart classroom solutions resulting from the resurgent outbreak of COVID-19 in China during 2022 Annual, leading to the decrease in sales of smart classroom solutions in the period.

Wearable Products

We believe wearable education gadgets play an increasingly significant role in the new era of education by providing a wireless and hand-free access to various visual and audio educational resources beyond classroom in pockets of time. Such devices have expanded education scenarios and fueled the students with additional fun and motivation in learning during fragmentary time. In this regard, we have developed smartwatches specifically focusing on educational features and functions, for example they are embedded with Chinese and English Word of the Day for vocabularies learning, besides the traditional functions of GPS, video calls, health monitoring and emergency assistance.

Revenue from the sales of wearable products decreased by 49.7% from RMB53.7 million in 2021 Annual to RMB27.0 million in 2022 Annual, primarily due to the resurgent outbreak of COVID-19 in China in various cities and the tightening of pandemic control measures during 2022 Annual, which affected supply chain and distributor business to a certain extent, resulting in lower sales of wearable products.

Other Products

We identify emerging market needs and trends, and from time to time develop teaching and learning accessories that are compatible to our smart learning devices, aiming to make learning more productive and efficient. We currently offer smart reader pens, which working with our online content, can identify and read the Chinese or English words and sentences out loud. Our smart scanner pens can translate the selected Chinese or English sentences instantly without connecting to the Internet. Revenue from the sales of these accessory products increased by 62.4% from RMB17.9 million in 2021 Annual to RMB29.1 million in 2022 Annual due to the increased sales of new products of smart scanner pens and smart learning desks and chairs launched in 2022 Annual.

Advertisement and Content Licensing

Revenue from advertisement and content licensing represented our revenue from third parties who placed in-app advertisements with us and third parties who offered our licensed digital educational resources on their platforms under profit-sharing arrangements. Generally, we would place links to the apps of the customers on the devices sold by us, and we would collect a fee based on the fixed price per click or download as agreed in the contract with the customers and number of clicks performed by the end users. Further, we also license pre-recorded video resources to third-party channels which place the digital educational resources on their platforms to sell to the end users. When the users purchase the digital educational resources from the platforms, we are entitled to a prescribed fixed percentage of gross proceeds collected by the channels.

Revenue generated from advertisement and content licensing decreased from approximately RMB13.0 million in 2021 Annual to approximately RMB11.7 million in 2022 Annual, primarily due to the result of the promulgation of the Opinion on Further Easing the Workload of Students in Compulsory Education and Burden of After-school Tutoring (《關於進一步減輕義務教育階段學生作業負擔和校外培訓負擔的意見》) by the PRC government (the so-called “double reduction” (雙減)), which led to the decrease in purchase of the digital educational resources on the platforms from the end users.

Distribution Network

We primarily rely on third-party offline distributors for the sales of our products. We also distribute through online channels comprising of our self-operated online storefronts on mainstream e-commerce marketplaces and a limited number of online distributors.

The table below sets forth the revenue contribution by our sales channels:

	For the year ended 31 December 2022		For the year ended 31 December 2021	
	RMB'000	%	RMB'000	%
Offline distributors	487,638	80.6	695,641	85.5
Self-operated online platforms	47,972	7.9	29,937	3.7
Online distributors	57,942	9.6	74,637	9.2
Others ⁽¹⁾	11,658	1.9	12,966	1.6
Total	605,210	100.0	813,181	100.0

Note (1): Revenue derived from others during 2021 Annual and 2022 Annual represented the portion of revenue from (i) third parties who placed in-app advertisements with us and (ii) third parties who offered our licensed digital educational resources on their platforms under profit-sharing arrangements.

Readboy Institute of Education Technology

We strive to explore educational resources and deliver the high quality digital educational resources to the Chinese students. In 2017, we established Readboy Institute of Education Technology. It is our in-house educational resource research and development center which is mainly responsible for content research, educational resource design and development, courseware and pre-recorded video resource production and other relevant supportive services.

FINANCIAL REVIEW

Revenue

The revenue of the Group decreased by approximately 25.6% from RMB813.2 million in 2021 Annual to RMB605.2 million to 2022 Annual. The decrease was primarily resulted from the decrease in sales of personal student tablets and wearable products due to the intensified COVID-19 pandemic control restrictions in place during the year, affecting our production schedule and the business of our offline distributors.

The table below sets forth a summary of revenues derived from each of our product categories:

	For the year ended December 31			
	2022		2021	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Personal student tablets	522,166	86.3	705,023	86.7
Smart classroom solutions	15,299	2.5	23,579	2.9
Wearable products	26,985	4.5	53,695	6.6
Other products	29,102	4.8	17,918	2.2
Advertisement and content licensing	11,658	1.9	12,966	1.6
Total	605,210	100.0	813,181	100.0

	For the year ended December 31			
	2022		2021	
	RMB'000	%	RMB'000	%
Personal student tablets				
Devices ⁽¹⁾	396,157	65.5	571,626	70.3
Digital educational resources and services ⁽¹⁾	126,009	20.8	133,397	16.4
Sub-total	522,166	86.3	705,023	86.7
Smart classroom solutions				
Devices ⁽¹⁾	10,574	1.7	19,300	2.4
Digital educational resources and services ⁽¹⁾	4,725	0.8	4,279	0.5
Sub-total	15,299	2.5	23,579	2.9
Wearable products	26,985	4.5	53,695	6.6
Other products	29,102	4.8	17,918	2.2
Advertisement and content licensing	11,658	1.9	12,966	1.6
Total	605,210	100.0	813,181	100.0

Note:

- (1) During the 2022 Annual, we did not separately charge fees based on digital educational resources we have offered. Instead, we consider the value of our personal student tablets and the smart classroom solutions represent the aggregate value of the hardware devices, and the associated digital education resources and services. As such, revenue derived from devices is recognized at the point in time when control of the devices is transferred to the customers. Revenue derived from of the digital educational resources and services is recognized over the estimated user life on a straight-line basis.

Cost of Sales

Our cost of sales decreased by approximately 26.9% from RMB644.0 million in 2021 Annual to RMB471.0 million in 2022 Annual. The decrease was primarily due to (i) the decrease in the sales of tablets during 2022 Annual which resulted in the corresponding decrease in cost of sales; (ii) the increase of the Group's investment in digital educational resources, which has increased the content licensing fees, staff cost and bandwidth costs of our cost of sales during 2022 Annual.

Gross Profit and Gross Profit Margin

Our gross profit decreased by approximately 20.7% from RMB169.2 million in 2021 Annual to RMB134.2 million in 2022 Annual, primarily due to the decrease in revenue as discussed above. The gross profit margin increased from 20.8% in 2021 Annual to 22.2% in 2022 Annual, primarily due to the tightening control of discounts offered on sales of personal student tablets and new products with higher gross profit margin launched during 2022 Annual, resulting in a slight increase in the overall gross profit margin for 2022 Annual.

Other Income and Gains

Other income and gains increased by approximately 15.0% from RMB60.1 million in 2021 Annual to RMB69.1 million in 2022 Annual, which was mainly due to (i) the increase in exchange gain by RMB18.0 million, which was in connection with the net proceeds from the Listing denominated in HKD, which was a result of the depreciation of RMB in 2022 Annual; (ii) the decrease in repair and maintenance service income by RMB8.3 million for products of which the warranty had expired, for which we charge service fees, as a result of the decrease in maintenance orders in 2022 Annual.

Selling and Distribution Expenses

Our selling and distribution expenses increased by approximately 32.0% from RMB73.1 million in 2021 Annual to RMB96.4 million in 2022 Annual, which was primarily due to the increase in advertising and marketing expenses as a result of the increased online sales promotion efforts to enhance brand recognition and exposure in conjunction with the launch of new products and the expansion of marketing channels such as social media under the Group's strategy.

Administrative Expenses

Our administrative expenses increased by approximately 27.4% at RMB44.0 million in 2021 Annual and RMB56.1 million in 2022 Annual which was primarily due to (i) the increase in professional service fees after the Listing by RMB7.5 million which mainly represented legal fee, audit fee, compliance advisor fee and consulting fee; (ii) the increase in maintenance expenses by RMB 2.1 million which was in connection with the renovation and upgrades of offices and other fixed assets; and (iii) the increase in impairment loss of financial assets by RMB1.3 million which were mainly related to unrecovered trade receivables and other receivables.

Research and Development Expenses

Our research and development expenses decreased by 13.6% from RMB43.9 million in 2021 Annual to RMB37.9 million in 2022 Annual, primarily due to the decrease in professional service fees paid to third parties and material expenses, partially offset by the increased in staff costs to motivate our research and development personnel, reflecting the enhanced research and development activities in 2022.

Other Expenses

Our other expenses decreased by approximately 3.1% from RMB22.9 million in 2021 Annual to RMB22.2 million in 2022 Annual, primarily due to (i) the decrease in cost of maintenance by RMB2.4 million which was mainly related to the repair and maintenance services for products of which the warranty had expired, as a result of the decrease in maintenance orders in 2022 Annual; (ii) the decrease in exchange loss by RMB1.8 million which was in connection with the proceeds received from our Pre-IPO Investors denominated in USD, which was a result of the appreciation of RMB in 2021 Annual; (iii) the increase in the cost of raw materials and accessory parts sold by RMB4.5 million, which was primarily attributed to a larger amount of raw materials disposed in 2022 Annual as we strategically restructured our product mix, (iv) the decrease in cost of compensation by RMB0.8 million, which was in connection with the settlement of lawsuits in 2021 Annual, there was no compensation took place in 2022 Annual.

Finance Costs

Our finance costs increased by approximately 52.3% from RMB88,000 in 2021 Annual to RMB134,000 in 2022 Annual, primarily due to the increase of incurred interest on lease liabilities.

Changes in fair value of financial assets/liabilities at fair value through profit or loss

The changes in fair value of financial assets/liabilities at fair value through profit or loss consisted of (i) a gain in fair value of financial liabilities at fair value through profit or loss of approximately RMB3.6 million in 2022 Annual (2021 Annual: RMB26.6 million), which was related to the issue of an aggregate of 67,288 shares to three Pre-IPO Investors at a total consideration of USD22.7 million (equivalent to RMB147.0 million). The carrying amount was derecognised from financial liabilities at fair value through profit or loss and reclassified to the equity upon the lapse of redemption right upon the completion of the listing of the shares of the Company on 12 July 2022, and (ii) a gain in fair value of financial assets at fair value through profit or loss of approximately RMB16.5 million in 2022 Annual (2021 Annual: Nil) which was related to the equity investment in Hong Kong listed company, namely, Flowing Cloud Technology Ltd (Stock Code: 6610). The fair value of listed equity investment were based on the quoted price in the active stock market.

Profit Before Tax

As a result of the foregoing, our profit before tax was RMB72.0 million in 2021 Annual and our profit before tax was RMB10.7 million in 2022 Annual.

Income Tax (Expense)/Credit

We recorded income tax expense of RMB5.9 million in 2022 Annual, mainly as a result of deferred tax expense of contract liabilities, preferential tax reduction for one subsidiary and tax losses not recognised for certain subsidiaries resulting from operating loss. Income tax credit amounted to RMB10.1 million in 2021 Annual.

Profit for the Year

As a result of the foregoing, we recognised net profit of RMB4.9 million and net profit of RMB82.1 million for 2022 Annual and 2021 Annual, respectively. The decrease was mainly attributable to the decrease in gross profit by approximately RMB35.0 million, an increase in selling and distribution expenses of approximately RMB23.3 million and an increase in administrative expenses of approximately RMB12.1 million.

Non-HKFRS Measures

To supplement the Group's consolidated financial statements, which are presented in accordance with HKFRS, we also present adjusted net profit as additional financial measures, which are not required by, or presented in accordance with, HKFRS. Adjusted net profit, as we present it, represents profit for the year before listing expenses and changes in fair value of financial assets/liabilities at fair value through profit or loss. Listing expenses are expenses in relation to the initial public offering of the shares of the Company. Changes in fair value of financial assets at fair value through profit or loss are non-cash expenses in connection with the Group' listed equity investment in Flowing Cloud Technology Ltd (Stock Code: 6610). Changes in fair value of financial liabilities at fair value through profit or loss are non-cash expenses in connection with the shares we issued to our pre-IPO investors. We believe that the presentation of non-HKFRS measures, when shown in conjunction with the corresponding HKFRS measures, provides useful information to investors and management.

While these non-HKFRS measures provide additional financial measures for investors to assess our operating performance, the use of these non-HKFRS measures has certain limitations because they do not reflect all items of income and expense that affect our operations. Our presentation of these non-HKFRS measures should not be construed as an inference that our future results will be unaffected by such unusual item.

These non-HKFRS measures should not be considered in isolation or construed as a substitute for analysis of HKFRSs financial measures. In addition, as these measures may not be calculated in the same manner by all companies, our adjusted net profit (a non-HKFRS measure) may not be comparable to the same or similarly titled measures presented by other companies.

The following table reconciles profit for the year indicated under HKFRSs to adjusted net profit (a non-HKFRS measure):

	For the year	
	ended 31 December	
	2022	2021
	RMB'000	RMB'000
	(audited)	(audited)
Profit for the year	4,856	82,146
Add:		
Listing expenses	21,587	21,506
Less:		
Changes in fair value of financial assets/liabilities at fair value through profit or loss	(20,111)	(26,649)
Adjusted net profit for the year (a non-HKFRS measure)	<u>6,332</u>	<u>77,003</u>

Note:

- (1) We define adjusted net profit for the year by adding back the listing expenses and subtracting the changes in fair value of financial assets/liabilities at fair value through profit or loss to the profit recorded for the year. We believe that the presentation of non-HKFRS measures, when shown in conjunction with the corresponding HKFRS measures, provides useful information to investors and management.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

The Group has always pursued a prudent treasury management policy and actively manages its liquidity position to cope with daily operation and any demands for capital for future development.

The Group funded and is expected to continue to fund its operations principally from cash generated from operations, net proceeds from the initial public offering of shares and unutilized banking facilities. As at 31 December 2022, the Group did not have any bank borrowing (as at 31 December 2021: nil).

As at 31 December 2022, we had unutilized banking facilities of approximately RMB160.0 million.

Cash Position

As at 31 December 2022, the Group had cash and cash equivalents of RMB149.0 million (as at 31 December 2021: RMB333.3 million), which primarily consisted of deposits in bank denominated in RMB, USD and HKD.

Gearing Ratio

As at 31 December 2022, our gearing ratio, which is calculated as total liabilities divided by total assets, was 27.3%, as compared with 68.1% as at 31 December 2021. The decrease was mainly due to the decrease in the Group's total liabilities resulting from the decrease in amounts due to shareholders and financial liabilities at fair value through profit or loss. The amounts due to shareholders as at 31 December 2021 were entirely settled prior to the listing of the Company on 12 July 2022. The carrying amount of financial liabilities at fair value through profit or loss which was related to the issue of shares to three Pre-IPO Investors was derecognised from financial liabilities at fair value through profit or loss and reclassified to the equity upon the lapse of redemption right upon the completion of the listing of the shares of the Company on 12 July 2022.

Contingent Liabilities and Guarantees

As at 31 December 2022, the Group did not have significant contingent liabilities, guarantees or any litigations or claims of material importance.

Significant Investments, Major Acquisitions and Disposals

During the year ended 31 December 2022, save as disclosed in this announcement, the Group did not have any significant investments, or conduct material acquisitions or disposals of subsidiaries, joint ventures and associates. Save as disclosed in the sections headed "Business" and "Future Plans and Use of Proceeds" in the Prospectus, the Group did not have any specific plans for significant investment or acquisition of material capital assets or other businesses. As at 31 December 2022, the Group did not have any future plan for material investments or capital assets.

Charge on Group Assets

As at 31 December 2022, the Group did not pledge any group assets (as at 31 December 2021: Nil).

Exchange Risk

Other than the bank deposits, some of which are denominated in USD and HKD, the Group's business is principally conducted in Renminbi and therefore did not have any material direct exposure to foreign exchange fluctuation in 2022 Annual. Accordingly, the Group considers its exposure to currency risk to be insignificant. As at 31 December 2022, the Group has not entered into any hedging transaction against foreign currency risks. However, the Board will remain alert to any relevant risks and, if necessary, consider to hedge any material potential foreign exchange risk.

EMPLOYEE REMUNERATION

As at 31 December 2022, the Group had a total of 553 full-time employees (as at 31 December 2021: 574 full-time employees). For the year ended 31 December 2022, the Group recognised staff costs of approximately RMB70.1 million (as at 31 December 2021: RMB75.8 million). The Group provided employees with salaries and benefits that, in its opinion, were competitive with market standards and regularly reviewed the remuneration policies based on employees' contributions and industry standards. The Group also contributed to medical insurance, pension insurance, maternity insurance, unemployment insurance, work-related injury insurance and housing provident funds for our employees and paid relevant insurance premiums. In addition, the Group also engaged external experts to provide internal training courses for its employees from time to time. Further, the Group has adopted the RSU Scheme and the Share Option Scheme to reward the eligible participants their past contribution to the success of the Group and to provide incentives for their continuing contribution.

OUTLOOK FOR THE YEAR OF 2023

Looking ahead, we expect the market environment will go up, with a surge in consumer spending as a result of the post-pandemic reopening and economic recovery in the near term.

Moving into the year of 2023, we are in the process of developing devices adopting 5G technologies, in anticipation of the era of 5G, which will support faster transmission speed and lower latency.

In addition, we are planning to accelerate the structural reform of our distribution network by promoting the single-layer distribution model while continuing to expand the geographic coverage of the network and deepen its penetration into additional lower-tier cities.

We shall also continue to actively promote the adoption of our smart classroom solutions nationwide. We plan to further enhance our educational resources research and development efforts on localised educational content and special teaching functions, so as to offer customised smart classroom solutions that better respond to the needs of different users.

Meanwhile, the Group will continue to explore other suitable business and investment opportunities to drive its business growth.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Notes	2022 RMB'000	2021 RMB'000
Revenue	5	605,210	813,181
Cost of sales		<u>(470,993)</u>	<u>(644,009)</u>
Gross profit		134,217	169,172
Other income and gains	5	69,107	60,098
Selling and distribution expenses		(96,404)	(73,060)
Administrative expenses		(56,085)	(44,008)
Research and development expenses		(37,922)	(43,870)
Other expenses		(22,161)	(22,867)
Finance costs		(134)	(88)
Changes in fair value of financial asset/liabilities at fair value through profit or loss		<u>20,111</u>	<u>26,649</u>
PROFIT BEFORE TAX	6	10,729	72,026
Income tax (expense)/credit	7	<u>(5,873)</u>	<u>10,120</u>
PROFIT FOR THE YEAR		<u>4,856</u>	<u>82,146</u>
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>4,856</u>	<u>82,146</u>
Attributable to:			
Owners of the Company		5,209	82,146
Non-controlling interests		<u>(353)</u>	<u>—</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic			
— For profit for the year		<u>RMB1.66 cents</u>	<u>RMB29.22 cents</u>
Diluted			
— For profit for the year		<u>RMB0.49 cents</u>	<u>RMB18.77 cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

		2022	2021
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment	<i>10</i>	45,140	48,453
Investment properties		13,219	13,606
Right-of-use assets		764	3,103
Other intangible assets		4,959	6,074
Deferred tax assets		26,675	32,548
Equity investments designated at fair value through other comprehensive income		28,000	—
Other non-current assets		751	1,853
Total non-current assets		<u>119,508</u>	<u>105,637</u>
CURRENT ASSETS			
Inventories		246,715	258,219
Trade receivables	<i>11</i>	28,330	47,551
Prepayments, other receivables and other assets		38,653	48,155
Financial assets at fair value through profit or loss		34,226	—
Time deposit		345,889	20,000
Cash and cash equivalents		149,041	333,340
Total current assets		<u>842,854</u>	<u>707,265</u>
CURRENT LIABILITIES			
Trade payables	<i>12</i>	88,116	68,299
Other payables, accruals and contract liabilities		132,980	197,748
Lease liabilities		319	1,318
Amounts due to shareholders		—	117,561
Tax payable		8,849	7,018
Total current liabilities		<u>230,264</u>	<u>391,944</u>
NET CURRENT ASSETS		<u>612,590</u>	<u>315,321</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>732,098</u></u>	<u><u>420,958</u></u>

	<i>Notes</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
NON-CURRENT LIABILITIES			
Lease liabilities		492	1,935
Financial liabilities at fair value through profit or loss		—	120,365
Contract liabilities		32,027	39,720
		<hr/>	<hr/>
Total non-current liabilities		32,519	162,020
		<hr/>	<hr/>
Net assets		699,579	258,938
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to owners of the parent			
Share capital		302	1
Reserves		697,506	258,937
		<hr/>	<hr/>
		697,808	258,938
		<hr/>	<hr/>
Non-controlling interests		1,771	—
		<hr/>	<hr/>
Total equity		699,579	258,938
		<hr/> <hr/>	<hr/> <hr/>

Notes:

1. CORPORATE INFORMATION

Readboy Education Holding Company Limited (the “**Company**”) was incorporated in the Cayman Islands on 8 February 2021 as an exempted company with limited liability under the Companies Act of the Cayman Islands. The registered address of the Company is Cricket Square, Hutchins Drive, PO Box, 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. During the year, the Company and its subsidiaries (together, the “**Group**”) were principally engaged in the production and sale of personal student tablets, smart classroom solutions, wearable products, other products and advertisement and content licensing in the People’s Republic of China (the “**PRC**”).

The shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) on 12 July 2022.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments designated at fair value through other comprehensive income, financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi (“**RMB**”), and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2022. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts — Cost of Fulfilling a Contract</i>
<i>Annual Improvements to HKFRSs 2018-2020</i>	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and financial position for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and has five reportable operating segments as follows:

- (a) Production and sale of personal student tablets;
- (b) Production and sale of smart classroom solutions;
- (c) Production and sale of wearable products;
- (d) Production and sale of other products; and
- (e) Advertisement and content licensing.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment result is evaluated based on gross profit. No analysis of segment assets and liabilities is presented as management does not regularly review such information for the purposes of resource allocation and performance.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments.

	Year ended 31 December 2022					Total RMB'000
	Personal student tablets RMB'000	Smart classroom solutions RMB'000	Wearable products RMB'000	Other products RMB'000	Advertisement and content licensing RMB'000	
Segment revenue (note 5)						
Sales to external customers	522,166	15,299	26,985	29,102	11,658	<u>605,210</u>
Segment results	108,234	3,339	4,059	9,161	9,424	134,217
Reconciliation:						
Other income and gains						69,107
Selling and distribution expenses						(96,404)
Administrative expenses						(56,085)
Research and development expenses						(37,922)
Other expenses						(22,161)
Finance costs						(134)
Changes in fair value of financial assets/ liabilities at fair value through profit or loss						<u>20,111</u>
Profit before tax						<u>10,729</u>
	Year ended 31 December 2021					Total RMB'000
	Personal student tablets RMB'000	Smart classroom solutions RMB'000	Wearable products RMB'000	Other products RMB'000	Advertisement and content licensing RMB'000	
Segment revenue (note 5)						
Sales to external customers	705,023	23,579	53,695	17,918	12,966	<u>813,181</u>
Segment results	140,673	4,662	7,884	5,432	10,521	169,172
Reconciliation:						
Other income and gains						60,098
Selling and distribution expenses						(73,060)
Administrative expenses						(44,008)
Research and development expenses						(43,870)
Other expenses						(22,867)
Finance costs						(88)
Changes in fair value of financial liabilities at fair value through profit or loss						<u>26,649</u>
Profit before tax						<u>72,026</u>

Geographical information

During the year, the Group operated within one geographical location because all of its revenue were generated in the PRC and all of its long-term assets/capital expenditures were located/incurred in the PRC. Accordingly, no further geographical information is presented.

Information about major customers

No revenue from the sale of goods or provision of services to a single customer amounted to 10% or more of the total revenue for the reporting period.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
<u>Revenue from contracts with customers</u>		
Devices	396,157	571,626
Digital educational resources and services	126,009	133,397
	<hr/>	<hr/>
Personal student tablets	522,166	705,023
Devices	10,574	19,300
Digital educational resources and services	4,725	4,279
	<hr/>	<hr/>
Smart classroom solutions	15,299	23,579
Wearable products	26,985	53,695
Other products	29,102	17,918
Advertisement and content licensing	11,658	12,966
	<hr/>	<hr/>
	605,210	813,181
	<hr/> <hr/>	<hr/> <hr/>

Disaggregated revenue information

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Types of goods or services		
Sale of goods		
Devices	406,731	590,926
Wearable products	26,985	53,695
Other products	29,102	17,918
	<u>462,818</u>	<u>662,539</u>
Provision of services		
Digital educational resources and services	130,734	137,676
Advertisement and content licensing	11,658	12,966
	<u>142,392</u>	<u>150,642</u>
Total revenue from contracts with customers	<u><u>605,210</u></u>	<u><u>813,181</u></u>
Timing of revenue recognition		
Goods transferred at a point in time	462,818	662,539
Services transferred at a point in time	12,519	14,361
Services transferred over time	129,873	136,281
	<u>605,210</u>	<u>813,181</u>
Total revenue from contracts with customers	<u><u>605,210</u></u>	<u><u>813,181</u></u>
Other income and gains		
	2022	2021
	<i>Note</i>	<i>RMB'000</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Sale of raw materials and accessory parts	26,575	20,739
Rental income on investment properties and equipment	2,054	2,308
Bank interest income	7,732	3,335
Investment income from structured deposits	804	2,266
Net foreign exchange differences	17,951	—
Repair and maintenance service income	875	9,189
Government grants	(a) 3,212	7,278
Value-added tax refund	8,498	11,452
Trademark licensing income	525	2,904
Finance income on the net investment in a lease	74	99
Others	807	528
	<u>69,107</u>	<u>60,098</u>

(a) There are no unfulfilled conditions or contingencies related to these government subsidies.

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Cost of devices, wearable products and other products*	427,677	596,061
Cost of digital educational resources and services*	41,082	45,503
Cost of advertisement and content licensing*	2,234	2,445
Research and development expenses**	75,398	73,631
Employee benefit expense (excluding directors' and chief executive officer's remuneration):		
Wages and salaries	62,774	65,825
Pension scheme contributions, social welfare and other welfare	5,657	8,157
	<u>68,431</u>	<u>73,982</u>
Depreciation of property, plant and equipment	4,277	4,125
Depreciation of investment properties	387	386
Depreciation of right-of-use assets	1,386	981
Amortisation of other intangible asset***	5,694	10,714
Impairment of trade receivables and other receivables****	1,679	429
Write-down of inventories to net realisable value*****	368	1,189
Net foreign exchange differences	(17,951)	1,814
Listing expenses	21,587	21,506
Auditor's remuneration	2,000	—
Product warranty provision*****	20,184	16,264
Net loss/(gain) on disposal of items of property, plant and equipment	397	(90)
Net gain on disposal of items of right-of-use assets	(101)	—
Changes in fair value of financial assets/liabilities at fair value through profit or loss	<u>(20,111)</u>	<u>(26,649)</u>

* These types of costs include expenses relating to depreciation of property, plant and equipment, amortisation of copyrights, write-down of inventories and staff costs which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

** Included in cost of sales and research and development expenses in profit or loss.

*** Included in cost of sales and administrative expenses in profit or loss.

**** Included in administrative expenses in profit or loss.

***** Included in cost of sales in profit or loss.

***** Included in selling and distribution expenses in profit or loss.

7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Cayman Islands

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands and, accordingly, it is not subject to income tax from businesses carried out in the Cayman Islands.

British Virgin Islands

Pursuant to the rules and regulations of BVI, the subsidiary incorporated in the BVI is not subject to any income tax.

Hong Kong

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2021: Nil).

Mainland China

All of the Group's subsidiaries which registered in the PRC and have operations in Mainland China are subject to PRC enterprise income tax on the taxable income as reported in their PRC statutory accounts adjusted in accordance with relevant PRC income tax laws based on a statutory rate of 25%.

Pursuant to relevant laws and regulations in the PRC and with approval from the tax authorities in charge, one of the Group's subsidiaries, Readboy Educational Technology Company Limited (讀書郎教育科技有限公司, "**Readboy Technology**"), is qualified as a high and new technology enterprise and entitled to a preferential tax rate of 15% from 2020 to 2022. Therefore, for Readboy Technology, it was entitled to this preferential tax rate for the years ended 31 December 2022 and 2021.

Pursuant to the relevant laws and regulations in the PRC and with approval from the tax authorities in charge, two of the Group's subsidiaries Zhuhai Readboy Network Education Company Limited (珠海讀書郎網絡教育有限公司, "**Zhuhai Readboy**") and Zhuhai Readboy Software Technology Company Limited (珠海讀書郎軟件科技有限公司, "**Zhuhai Technology**"), are entitled to an exemption from income tax for the first two years, commencing from the first year that it generates taxable profit, and a deduction of 50% on the income tax rate for the following three years. Therefore, for Zhuhai Readboy, it was entitled to a preferential tax rate of 12.5% for the year ended 31 December 2021 and a statutory rate of 25% for the year ended 31 December 2022. For Zhuhai Technology, it was entitled to income tax exemption for the years ended 31 December 2022 and 2021.

	2022 RMB'000	2021 <i>RMB'000</i>
Current income tax — Mainland China	—	297
Deferred	<u>5,873</u>	<u>(10,417)</u>
Total tax expense/(credit) for the year	<u><u>5,873</u></u>	<u><u>(10,120)</u></u>

8. DIVIDEND

No dividend was proposed during the year (2021: Nil).

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 314,503,150 (2021: 281,086,267 shares), for the purpose of computing basic earnings per share. The number of ordinary shares has been adjusted retrospectively for the effect of the issues relating to the capitalisation issue on 12 July 2022, with 281,086,267 shares in aggregate, and as if the capitalisation issues had been completed on 1 January 2021.

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, adjusted to reflect the changes in fair value of financial liabilities at fair value through profit or loss (see below). The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
<u>Earnings</u>		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	<u>5,209</u>	<u>82,146</u>
Less: Changes in fair value of financial liabilities at fair value through profit or loss	<u>3,635</u>	<u>26,649</u>
Profit attributable to ordinary equity holders of the parent before changes in fair value of financial liabilities at fair value through profit or loss	<u>1,574</u>	<u>55,497</u>
	Number of shares	
	2022	2021
<u>Shares</u>		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	314,503,150	281,086,267
Effect of dilution-weighted average number of ordinary shares: Ordinary shares with redemption right	<u>10,000,960</u>	<u>14,612,802</u>
	<u>324,504,110</u>	<u>295,699,069</u>

10. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2022, the Group held property, plant and equipment amounted to RMB45.1 million (31 December 2021: RMB48.5 million).

11. TRADE RECEIVABLES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Trade receivables	30,480	48,340
Impairment	(2,150)	(789)
	<u>28,330</u>	<u>47,551</u>

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Within 30 days	20,650	19,552
31 to 180 days	5,508	27,125
181 to 365 days	2,172	874
	<u>28,330</u>	<u>47,551</u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
At beginning of year	789	360
Impairment losses, net	1,361	429
At end of year	<u>2,150</u>	<u>789</u>

12. TRADE PAYABLES

Trade payables are non-interest-bearing and normally settled on terms of within 90 days.

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Within 90 days	85,395	56,849
91-180 days	1,875	11,344
181-365 days	740	106
More than 365 days	106	—
	<u>88,116</u>	<u>68,299</u>

OTHER INFORMATION

FINAL DIVIDEND

The Board has resolved that no dividend will be paid for the year ended 31 December 2022 (2021 Annual: nil).

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of its shareholders and to enhance its corporate value and accountability. The Board and the management of the Company are committed to the maintenance of good corporate governance practices and procedures.

The Company has adopted the corporate governance code (the “**CG Code**”) contained in Appendix 14 to the Listing Rules as its own code on corporate governance. To the best knowledge of the Directors, the Company has complied with all applicable code provisions under the CG Code, except for the deviation as described below, since the Listing to the date of this announcement.

Pursuant to Code Provision C.2.1 of the part 2 of the CG Code, the roles of chairman of the Board and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

The roles of chairman of the Board and chief executive officer of our Company are currently performed by Mr. Qin Shuguang (“**Mr. Qin**”). In view of Mr. Qin’s substantial contribution to our Group since our establishment and his extensive experience, we consider that having Mr. Qin acting as both our chairman and chief executive officer will provide strong and consistent leadership to our Group and facilitate the efficient execution of our business strategies. We consider it appropriate and beneficial to our business development and prospects that Mr. Qin continues to act as both our chairman and chief executive officer after the Listing, and therefore currently do not propose to separate the functions of chairman and chief executive officer. While this would constitute a deviation from Code Provision C.2.1 of the part 2 of the CG Code, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of our Company, given that: (i) there are sufficient checks and balances in the Board, as a decision to be made by our Board requires approval by at least a majority of our Directors, and our Board comprises three independent non-executive Directors, which is in compliance with the requirement under the Listing Rules; (ii) Mr. Qin and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of our Company and will make decisions for our Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of our Company. Moreover, the overall strategic and other key business, financial, and operational policies of our Group are made collectively after thorough discussion at both Board and senior management levels.

The Board will continue to review the effectiveness of the corporate governance structure of our Group in order to assess whether separation of the roles of chairman of the Board and chief executive is necessary.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS (THE “MODEL CODE”)

The Company has adopted the Model Code as its own code of conduct regarding the securities transactions by the Directors and the Group’s senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company or its securities. All Directors have confirmed, following specific enquiry made by the Company, that they have complied with the Model Code since the Listing to the date of this announcement. In addition, the Company is not aware of any non-compliance of the Model Code by the Directors and senior management of the Group since the Listing to the date of this announcement.

USE OF NET PROCEEDS FROM THE LISTING

With the shares of the Company listed on the Stock Exchange on 12 July 2022, the net proceeds from the initial public offering of shares of the Company were approximately HK\$364.6 million, which will be utilised for the purposes as set out in the Prospectus.

The following table sets out the breakdown on the revised utilisation of the Net Proceeds:

Purpose	Percentage of total amount of net proceeds %	Amount of net proceeds (HK\$ million)	Net proceeds utilised from the Listing Date and up to 31 December 2022 (HK\$ million)	Net proceeds unutilised as at 31 December 2022 (HK\$ million)	Expected timeline for usage of proceeds (note)
(1) Deepen the reform of distribution network and strengthen its geographic expansion and penetration	35%	127.61	35.46	92.15	
(i) strengthen and expand the offline distributors for individual and end users	30%	109.38	35.35	74.03	By December 2026
(ii) expand and enhance the distribution network for the smart classroom solutions	5%	18.23	0.11	18.12	By December 2026
(2) Research and development of information technologies and infrastructure to enhance overall technical advantages in delivering smart learning devices with digital educational resources	25%	91.15	0.56	90.59	
(i) recruit additional IT technical staff and support the research and development activities	20%	72.92	0.45	72.47	By December 2026
(ii) establish a new big data center in Zhuhai	5%	18.23	0.11	18.12	By December 2026
(3) Investment in optimizing the products and service offerings to further enhance competitiveness	20%	72.92	38.91	34.01	By December 2026
(4) Enhance education material development capability and further diversify digital education resources	10%	36.46	5.57	30.89	
(i) recruit and train the education material development personnel	7%	25.52	—	25.52	By December 2026
(ii) expand and update the digital educational resources	3%	10.94	5.57	5.37	By December 2026
(5) Working capital and for general corporate purposes	10%	36.46	11.85	24.61	By December 2026
Total	100%	364.60	92.35	272.25	

Note: The expected timeline was based on the Company's estimation of future market conditions and business operations, and remains subject to change based on actual market conditions and business needs.

Unutilised net proceeds were deposited into short-term demand deposits with licensed banks or authorized financial institutions. The net proceeds are intended to be used in the same manner as stated in the Prospectus.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the 2022 Annual, 298,932,712 shares and 52,000,000 shares were issued pursuant to the completion of the capitalisation issue and the global offering, respectively.

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities since the listing to the date of this announcement.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Up to the date of the announcement, the Group had no significant events after 31 December 2022 that are required to be disclosed.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee consists of two independent non-executive Directors and one non-executive Director, namely Mr. Li Xinshou, Ms. Kong Fanhua and Mr. Chen Zhiyong. Mr. Li Xinshou is the chairman of the Audit Committee.

The Audit Committee has reviewed the Group's annual results for 2022 Annual, and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The Audit Committee has also reviewed the effectiveness of risk management and internal control system of the Group, and considered the risk management and internal control system to be effective and adequate.

AUDITOR'S PROCEDURES PERFORMED ON THIS RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit of loss and other comprehensive income and the related notes thereto for the 2022 Annual as set out in this preliminary announcement have been agreed by the Company's auditors, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting will be held on Tuesday, 30 May 2023 and its notice and all other relevant documents will be published and despatched to the Shareholders in April 2023.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement of the shareholders to attend and vote at the AGM

The register of members of the Company will be closed from Wednesday, 24 May 2023 to Tuesday, 30 May 2023, both days inclusive and during which no share transfer will be effected, for the purpose of ascertaining shareholders' entitlement to attend and vote at the 2023 annual general meeting (the "AGM"). In order to be eligible to attend and vote at the 2023 AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 23 May 2023.

PUBLICATION OF 2022 ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement of the Group for 2022 Annual is published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.readboy.com. The 2022 annual report containing all applicable information required under the Listing Rules will be despatched to the shareholders and published on the above websites in April 2023.

APPRECIATION

On behalf of the Board, we would like to take this opportunity to express our gratitude to the management and staff of the Group for their commitment and contribution. We would also like to express our appreciation to the guidance from the regulators and continued support from the shareholders of the Company and our clients.

By order of the Board
Readboy Education Holding Company Limited
Qin Shuguang
Chairman

Hong Kong, 28 March 2023

As at the date of this announcement, the Board comprises Mr. Qin Shuguang, Ms. Liu Zhilan and Mr. Deng Denghui as executive Directors; Mr. Chen Zhiyong and Mr. Shen Jianfei as non-executive Directors; and Mr. Li Xinshou, Ms. Kong Fanhua and Prof. Li Renfa as independent non-executive Directors.

This announcement is available for viewing on the Company's website at www.readboy.com and the Stock Exchange's website at www.hkexnews.hk.