

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)

VOLUNTARY ANNOUNCEMENT

ADOPTION OF SHARE AWARD SCHEME

ADOPTION OF THE SCHEME

The Board is pleased to announce that on 28 April 2023 (after trading hours), the Company has adopted the Scheme. The Board intends to instruct the Trustee to purchase a certain number of existing Shares on the Stock Exchange at the market trading price, as and when appropriate in accordance with the applicable laws and regulations and the Scheme Rules, as the award Shares for the Scheme.

LISTING RULES IMPLICATIONS

The Scheme will purchase the existing Shares through the Trustee on the Stock Exchange at the market trading price. The Scheme was contemplated and adopted to be funded solely by the existing Shares purchased on the Stock Exchange. The Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. However, it does not constitute a scheme involving the issue of new shares as referred to in Chapter 17 of the Listing Rules. Therefore, the adoption of the Scheme will not be subject to Shareholders' approval.

ADOPTION OF THE SCHEME

The Board is pleased to announce that on 28 April 2023 (after trading hours), the Company has adopted the Scheme. The Board intends to instruct the Trustee to purchase a certain number of existing Shares on the Stock Exchange at the market trading price as, and when appropriate in accordance with the applicable laws and regulations and the Scheme Rules, as the award Shares for the Scheme. A summary of the principal terms of the Scheme Rules is set out below.

Purposes and objectives

The purposes of the Scheme are to recognise and acknowledge the contributions by the Eligible Participants and to provide them with incentives in order to motivate them to optimise their performance and efficiency for the benefit of the Group, as well as to attract and retain or otherwise maintaining ongoing business relationships with the Eligible Participants whose contributions are, or, will or are expected to be, beneficial to the Group.

Duration

Subject to any early termination as may be determined by the Board or the Committee, the Scheme shall be valid and effective for a period of ten years commencing on the Adoption Date.

Any early termination of the Scheme shall not affect any subsisting rights of any Eligible Participants or Grantees. Upon termination, (i) no further grant of the Award may be made under the Scheme; (ii) all Awarded Shares and the related income shall become vested in the relevant Grantees on such date of termination; and (iii) net sale proceeds (after making appropriate deductions) of the Returned Shares and the residual cash and such other funds remaining in the Trust shall be remitted to the Company.

Administration

The Scheme is subject to the administration by the Board and the Committee in accordance with the Scheme Rules and terms of the Trust Deed.

Operation of the Scheme

The Committee has been delegated with authority by the Board to maintain an oversight of the operations of the Scheme and to make recommendations to the Board from time to time for its consideration and approval on the operations of the Scheme, including the selection of the Eligible Participants, the terms of the grant of Awards and the other related matters as expressly provided under the Scheme Rules and the Listing Rules. The Board or the Committee shall cause to be paid to the Trustee (or its nominee) the purchase price and the related expenses for the purchase of Shares from the Stock Exchange at the market trading price. The Trustee must hold the Shares until they are vested in accordance with the Scheme Rules. When the Grantee has satisfied all vesting conditions (if any) specified by the Board or the Committee at the time of making the Award and become entitled to the Shares forming the subject of the Award, the Board or the Committee may instruct the Trustee (i) to transfer the relevant vested Shares to the Grantee; or (ii) to sell the relevant vested Shares on the market and transfer the net sales proceeds to the Grantee.

The Trustee shall administer the Scheme in the manner specified in the Trust Deed and the Scheme Rules.

Subject to and in accordance with the Scheme Rules, the Listing Rules and all applicable laws and regulations, the Board or the Committee shall be entitled, at any time on any Business Day during the Scheme Period (after considering recommendations and proposals from the Committee in accordance with its terms of reference), to grant an Award to any Eligible Participant, as the Board or the Committee may in its absolute discretion select.

The Board or the Committee shall not grant any Award, make any payment to the Trustee (or its nominee) or give instructions to the Trustee (or its nominee) to purchase or sell or transfer the Shares, and the Trustee (or its nominee) shall not purchase or sell or transfer the Shares where dealings in Shares by the Directors are prohibited under the Model Code, the Listing Rules or any applicable laws or regulations from time to time.

Vesting and lapse

Unless otherwise determined by the Board or the Committee at its discretion, the number of Shares awards held by the Trustee on trust and which are entitled by a Grantee shall be vested to that Grantee in accordance with the Scheme Rules and any specific conditions as determined by the Board or the Committee at its absolute discretion.

A Grantee shall not have any interest or rights (including the right to receive dividends) in the Awarded Shares prior to the Vesting Date. An Eligible Participant or Grantee shall also have no rights in the residual cash of the Trust or Shares or such other Trust fund or property held by the Trust.

An award of Shares which have yet vested shall be forfeited if a Grantee (i) ceased to be an Eligible Participant by reason of the termination of his employment or directorship on the grounds that he has been guilty of serious misconduct, or unable to pay his debts or has committed any act of bankruptcy or has become insolvent or has made any arrangements or compromise with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or on any other grounds on which an employer would be entitled to terminate his employment summarily; (ii) transferred, assigned his Award to any other person; or (iii) ceased to be an Eligible Participant for any other reason. The Award, unless the Board or the Committee otherwise determines, will be forfeited and the relevant Awarded Shares shall not be vested on the relevant Vesting Date but become Returned Shares for the purpose of the Scheme.

Scheme limit

The Board or the Committee shall not make any further award of Awarded Shares which will result in the number of Shares awarded by the Board or the Committee under the Scheme exceeding ten per cent (10%) of the issued share capital of the Company as at the Adoption Date (i.e. 35,200,000 Shares).

Voting rights

No instructions shall be given by a Grantee (including, without limitation, voting rights) to the Trustee in respect of the Awarded Shares that have not been vested, and such other properties of the Trust fund managed by the Trustee (or its nominee). Notwithstanding that the Trustee (or its nominee) is the legal registered holder of the Shares held upon trust pursuant to the Trust Deed or the Scheme Rules, the Trustee (or its nominee) holding unvested Shares of the Scheme, whether directly or indirectly, shall not exercise the voting rights attached to such Shares and abstain from voting on matters that require Shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.

Interest in the Award

Any Award made under the Scheme shall be personal to the Grantee to whom it is made and shall not be transferable or assignable, and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person except for any company that is wholly-owned by the Grantee or a trust which the settlor is the Grantee over or in relation to such Award.

LISTING RULES IMPLICATIONS

The Scheme will purchase the existing Shares through the Trustee on the Stock Exchange at the market trading price. The Scheme was contemplated and adopted to be funded solely by the existing Shares purchased on the Stock Exchange. The Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. However, it does not constitute a scheme involving the issue of new shares as referred to in Chapter 17 of the Listing Rules. Therefore, the adoption of the Scheme will not be subject to Shareholders' approval.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

| | |
|-------------------------|---|
| “Adoption Date” | 28 April 2023, being the date on which the Scheme was approved and adopted by the Board |
| “Affiliate(s)” | shall include the following: (a) any direct or indirect holding company of the Company; (b) any direct or indirect subsidiary of any company include in (a) above; and (c) any associated company of the Company, but excluding any members of the Group |
| “Award” | means an award of Shares by the Board or the Committee to a Grantee |
| “Awarded Shares” | means in respect of a Grantee, such number of Shares determined by the Board or the Committee and granted to such Grantee |
| “Board” | the board of Directors |
| “Business Day” | means a day other than a Saturday or Sunday or public holiday on which banks generally in Hong Kong are open for the transaction of normal banking business |
| “Committee” | the person(s) from time to time delegated by the Board with the power and authority to administer the Scheme |
| “Company” | Readboy Education Holding Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 2385) |
| “Core Connected Person” | means a director, Chief Executive or substantial shareholder of the Company or any of its subsidiaries or a close associate of any of them |

| | |
|---------------------------|--|
| “Chief Executive” | a person who either alone or together with one or more other persons is or will be responsible under the immediate authority of the Board for the conduct of the business of the Company |
| “Director(s)” | the directors of the Company |
| “Eligible Participant(s)” | the person who are eligible to be selected as an Grantee according to the terms of the Scheme including (i) the Directors and employees of the Group (excluding Directors, Chief Executive, Core Connected Person or any of their respective associates); (ii) directors and employees of the Affiliate (excluding Directors, Chief Executive, Core Connected Person or any of their respective associates); and (iii) any Service Providers (excluding Directors, Chief Executive, Core Connected Person or any of their respective associates) whom the Board or the Committee, in its sole discretion, determines that have contributed or will contribute to the Group |
| “Grantee(s)” | an Eligible Participant who has been selected by the Board or the Committee to participate in the Scheme for the grant of an Award |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Model Code” | the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules |
| “Returned Shares” | such awarded Shares or related income which are not vested and/or forfeited in accordance with the terms of the Scheme Rules |
| “Service Provider(s)” | means any persons who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of businesses which are material to the long-term growth of the Group |
| “Scheme” | the share award scheme adopted by the Board as described in the Scheme Rules |
| “Scheme Rules” | the rules relating to the Scheme adopted by the Board, as amended from time to time |

| | |
|------------------|---|
| “Scheme Period” | a period of ten (10) years commencing on the Adoption Date, subject to any early termination of the Scheme |
| “Share(s)” | ordinary share(s) of HK\$0.001 each in the share capital of the Company |
| “Shareholder(s)” | the shareholder(s) of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subsidiary” | means a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance, Chapter 622 of the laws of Hong Kong) of the Company, whether incorporated in Hong Kong or elsewhere and “Subsidiaries” shall be construed accordingly |
| “Trust” | means the trust constituted by the Trust Deed |
| “Trust Deed” | a trust deed to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) |
| “Trustee” | Equiom Fiduciary Services (Hong Kong) Limited and any additional or replacement trustees, being the trustee or trustees of the Trust from time to time being declared in the Trust Deed. To the best knowledge, information and belief of the Board after making all reasonable enquiries, the Trustee and its ultimate beneficial owners are independent third parties and not connected with the Company or any of its connected persons. |
| “Vesting Date” | in respect of a Grantee, the date on which his entitlement to the relevant Award is vested in such Grantee in accordance with the Trust Deed and any conditions specified at the time of making the Award |

“%”

per cent

By Order of the Board
Readboy Education Holding Company Limited
Qin Shuguang
Chairman and Chief Executive Director

Hong Kong, 28 April 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.