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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)

PROFIT WARNING

This announcement is made by Readboy Education Holding Company Limited (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) pursuant to Rule 13.09(2)(a) 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).

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholder(s)**”) and the potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2023 and other information currently available to the Board, the Group is expected to record:

- (i) a consolidated loss attributable to the owners of the Company ranging from approximately RMB68 million to RMB78 million for the year ended 31 December 2023 as compared to a consolidated profit attributable to the owners of the Company of approximately RMB5.2 million for the year ended 31 December 2022. Such expected loss is primarily attributable to:
 - (a) product sales were negatively impacted to a certain extent as the domestic economy was affected by the international environment;
 - (b) the underperformance in sales of products including personal student tablets, wearable products and digital and smart classroom solution products due to lower market demand as certain consumers were still prudent in consumption under the “Double Reduction Policy (雙減政策)” and in the post-pandemic era;

- (c) change in value of investments in the financial assets as disclosed in the Company's 2022 annual report during the reporting year, resulting in approximately RMB19.1 million loss recognised from changes in fair value of financial assets at fair value through profit or loss for the year ended 31 December 2023; and
 - (d) the increase in research and development expenses for the year ended 31 December 2023 in view of the intensified competition in the industry which resulted in the product homogeneity offered by different players. The Company therefore increased its investment in the development of new products during the year for enhancing its long-term competitiveness.
- (ii) an adjusted net loss (as detailed below) ranging from approximately RMB48 million to RMB58 million for the year ended 31 December 2023 as compared to the adjusted net profit of approximately RMB6.3 million for the year ended 31 December 2022. Such recorded loss was primarily attributable to the reasons as discussed above.

The Board wishes to highlight that “adjusted net profit/loss” is not defined under Hong Kong Financial Reporting Standards (“**HKFRS**”). It is defined by the Group as profit or loss for the year adjusted by adding back changes in fair value of financial assets at fair value through profit or loss and listing expenses (applicable for the year ended 31 December 2022 only). The management of the Company believes that the presentation of such non-HKFRS measure when shown in conjunction with the corresponding HKFRS measures provides useful information to investors and management.

The use of the non-HKFRS measure has limitations as an analytical tool, and Shareholders and potential investors of the Company should not consider it in isolation or construed as a substitute for analysis of HKFRSs financial measures. In addition, such non-HKFRS measure may not be calculated in the same manner by all companies, and therefore may not be comparable to the same or similarly titled measures presented by other companies.

As at the date of this announcement, the Group is still in the process of finalising the annual results of the Group for the year ended 31 December 2023. The information contained in this announcement is based on a preliminary review of the unaudited consolidated management accounts of the Group and the information currently available to the Board, and is not based on any figure or information which has been audited or reviewed by the independent auditors of the Company or the audit committee of the Board. The actual results of the Group for the year ended 31 December 2023 may differ from the information contained in this announcement.

Shareholders and potential investors are advised to read carefully the Company's announcement regarding the annual results of the Group for the year ended 31 December 2023, which is expected to be published on or before 27 March 2024.

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

By order of the Board
Readboy Education Holding Company Limited
Qin Shuguang
Chairman and Chief Executive Officer

Hong Kong, 8 March 2024

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.