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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 six months ended 30 June 2023 and other information currently available to the Board, the Group is expected to record:

- (i) An unaudited consolidated loss attributable to the owners of the Company ranging from approximately RMB35.0 million to RMB40.0 million for the six months ended 30 June 2023 as compared to an unaudited consolidated loss attributable to the owners of the Company of approximately RMB42.3 million for the corresponding period in 2022. Such expected loss is primarily attributable to:

- (a) decrease in sales of personal student tablets and wearable products during the six months ended 30 June 2023. The primary reasons for the decrease in sales are: 1) product sales were negatively impacted to a certain extent as the domestic economy was affected by the international environment; 2) enterprises from other sectors entering the educational electronics industry have amplified the competitive pressure; and 3) the pandemic has led some consumers to adopt a more cautious attitude towards consumer spending, resulting in product sales less favorable than expected. Such decrease in sales was partially offset by the increase in gross profit margin which was primarily due to higher pricing on new products and an increased share of sales on proprietary platform. As a result, our gross profit decreased from approximately RMB66.5 million for the six months ended 30 June 2022 to approximately RMB48.6 million for the six months ended 30 June 2023;
  - (b) change in value of investments in the financial assets that disclosed in the Company's 2022 annual report during the reporting period, resulting in approximately RMB20.2 million loss recognised from changes in fair value of financial assets at fair value through profit or loss for the six months ended 30 June 2023; and
  - (c) incurrence of research and development expenses amounting to approximately RMB25.5 million for the six months ended 30 June 2023 as compared to RMB16.2 million for the corresponding period in 2022. The main reason for the rise in research and development expenses is the Group's increased investment in digital resource content and new product development.
- (ii) An adjusted net loss (as detailed below) ranging from approximately RMB15.0 million to RMB20.0 million for the six months ended 30 June 2023 as compared to the adjusted net profit of approximately RMB17.5 million for the corresponding period in 2022. Such significant decrease 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 period adjusted by adding back changes in fair value of financial assets at fair value through profit or loss. 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 interim results of the Group for the six months ended 30 June 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 six months ended 30 June 2023 may differ from the information contained in this announcement.

Shareholder and potential investors are advised to read carefully the Company's announcement regarding the interim result of the Group for the six months ended 30 June 2023, which is expected to be published on or before 18 August 2023.

**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, 11 August 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.*