

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.

Neuedu

東軟教育科技有限公司

Neusoft Education Technology Co. Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 9616)

CONTINUING CONNECTED TRANSACTIONS ENTERING INTO THE PROPERTY LEASING AGREEMENTS AND THE PROPERTY SERVICE AGREEMENTS

ENTERING INTO THE PROPERTY LEASING AGREEMENTS AND THE PROPERTY SERVICE AGREEMENTS

The Board announces that on 14 June 2022 (after trading hours), Neusoft Industry Management, a wholly-owned subsidiary of the Company, (i) entered into the Property Leasing Agreement A and Property Service Agreement A with Dalian Ruikang Stomatological, and (ii) entered into the Property Leasing Agreement B and Property Service Agreement B with Liaoning Ruikang Medical, respectively, pursuant to which Neusoft Industry Management agreed to lease Property A and Property B and provide property management services in relation to Property A and Property B to Dalian Ruikang Stomatological and Liaoning Ruikang Medical, respectively, from 1 August 2022 to 31 July 2025 (both dates inclusive).

LISTING RULES IMPLICATIONS

Dalian Ruikang Stomatological and Liaoning Ruikang Medical are both indirect wholly-owned subsidiaries of Neusoft Holdings, which is a controlling shareholder of the Company. Accordingly, pursuant to Chapter 14A of the Listing Rules, Dalian Ruikang Stomatological and Liaoning Ruikang Medical are both connected persons of the Company, and the transactions contemplated under the Agreements constitute continuing connected transactions of the Company.

For the purpose of calculation of the size of transactions in accordance with the relevant requirements of the Listing Rules, the Company has aggregated the continuing connected transactions contemplated under the Agreements, the transactions under Dalian Ruikang Hospital Agreements and the Property Leasing and Management Transaction under Neusoft Holdings Framework Agreement. As the highest applicable percentage ratio calculated after the aggregation exceeds 0.1% but is less than 5%, the transactions contemplated under the Agreements are only subject to the reporting and announcement requirements, but exempted from the circular and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

BACKGROUND

References are made to the Prospectus and the announcement of the Company dated 24 September 2021 in relation to, among others, (i) the Property Leasing and Management Transaction under Neusoft Holdings Framework Agreement, and (ii) the Dalian Ruikang Hospital Agreements.

The Board announces that on 14 June 2022 (after trading hours), Neusoft Industry Management, a wholly-owned subsidiary of the Company, (i) entered into the Property Leasing Agreement A and Property Service Agreement A with Dalian Ruikang Stomatological, and (ii) entered into the Property Leasing Agreement B and Property Service Agreement B with Liaoning Ruikang Medical, respectively, pursuant to which Neusoft Industry Management agreed to lease Property A and Property B and provide property management services in relation to Property A and Property B to Dalian Ruikang Stomatological and Liaoning Ruikang Medical, respectively, from 1 August 2022 to 31 July 2025 (both dates inclusive).

PROPERTY LEASING AGREEMENTS

The main terms of the Property Leasing Agreements are set out as follows:

Property Leasing Agreement A

Date	:	14 June 2022
Parties	:	(i) Neusoft Industry Management (as the lessor) (ii) Dalian Ruikang Stomatological (as the lessee)
Leasing Property	:	Property A, with gross floor area of 9,773.64 sq. m.
Term	:	1 August 2022 to 31 July 2025 (both dates inclusive)

Usage : The establishment and operation of a specialised hospital

Upon reception of independent legal person qualification of the specialised hospital, the rights and obligations of Dalian Ruikang Stomatological under the Property Leasing Agreement A will be succeeded by the specialised hospital.

Rental payable, aggregate value of consideration and payment term : The rental payable for the relevant rental period under the Property Leasing Agreement A and its payment term are set out below:

	Rental period	Rental payable (RMB)	Payment term
1	1 August 2022 to 31 December 2022	2,630,941.75	By 31 December 2022
2	1 January 2023 to 30 June 2023	3,157,130.10	By 30 June 2023
3	1 July 2023 to 31 December 2023	4,034,110.65	By 31 December 2023
4	1 January 2024 to 30 June 2024	4,209,506.76	By 30 June 2024
5	1 July 2024 to 31 December 2024	4,209,506.76	By 31 December 2024
6	1 January 2025 to 31 July 2025	4,911,091.22	By 30 June 2025
		<hr/>	
	Total	<u><u>23,152,287.24</u></u>	—

The rental under the Property Leasing Agreement A is paid to Neusoft Industry Management via bank transfer.

The rental under the Property Leasing Agreement A is determined after arm's length negotiations between Neusoft Industry Management and Dalian Ruikang Stomatological, after taking into consideration the prevailing market rental of comparable premises in the vicinity of Property A.

Security Deposit : RMB701,584.46 as security deposit, which shall be paid by Dalian Ruikang Stomatological within 10 days after entering into the Property Leasing Agreement A

Termination : (i) Dalian Ruikang Stomatological has no right of early termination;

(ii) In the event of intention to terminate Property Leasing Agreement A by Neusoft Industry Management, it shall notify Dalian Ruikang Stomatological in writing 6 months in advance and shall be liable for breach of contract if it fails to give the notification within the agreed time limit;

(iii) In the event of breach of contract by Dalian Ruikang Stomatological, Neusoft Industry Management has the right to terminate the Property Leasing Agreement A immediately, and Dalian Ruikang Stomatological shall be liable for breach of contract; and

(iv) In the event of early termination due to force majeure, no party shall be liable for breach of contract, and Neusoft Industry Management shall refund the remaining part of the rental prepaid by Dalian Ruikang Stomatological.

Property Leasing Agreement B

Date : 14 June 2022

Parties : (i) Neusoft Industry Management (as the lessor)

(ii) Liaoning Ruikang Medical (as the lessee)

Leasing Property : Property B, with gross floor area of 571.10 sq. m.

Term : 1 August 2022 to 31 July 2025 (both dates inclusive)

Usage : Offering hospital canteen services

Rental payable, aggregate value of consideration and payment term : The rental payable for the relevant rental period under the Property Leasing Agreement B and its payment term are set out below:

	Rental period	Rental payable (RMB)	Payment term
1	1 August 2022 to 31 December 2022	153,733.00	By 31 December 2022
2	1 January 2023 to 30 June 2023	184,479.60	By 30 June 2023
3	1 July 2023 to 31 December 2023	235,723.90	By 31 December 2023
4	1 January 2024 to 30 June 2024	245,972.76	By 30 June 2024
5	1 July 2024 to 31 December 2024	245,972.76	By 31 December 2024
6	1 January 2025 to 31 July 2025	286,968.22	By 30 June 2025
	Total	<u>1,352,850.24</u>	—

The rental under the Property Leasing Agreement B is paid to Neusoft Industry Management via bank transfer.

The rental under the Property Leasing Agreement B is determined after arm's length negotiations between Neusoft Industry Management and Liaoning Ruikang Medical, after taking into consideration the prevailing market rental of comparable premises in the vicinity of Property B.

Security Deposit : RMB40,995.46 as security deposit, which shall be paid by Liaoning Ruikang Medical within 10 days after entering into the Property Leasing Agreement B

Termination : (i) Liaoning Ruikang Medical has no right of early termination;
(ii) In the event of intention to terminate Property Leasing Agreement B by Neusoft Industry Management, it shall notify Liaoning Ruikang Medical in writing 6 months in advance and shall be liable for breach of contract if it fails to give the notification within the agreed time limit;

(iii) In the event of breach of contract by Liaoning Ruikang Medical, Neusoft Industry Management has the right to terminate the Property Leasing Agreement B immediately, and Liaoning Ruikang Medical shall be liable for breach of contract; and

(iv) In the event of early termination due to force majeure, no party shall be liable for breach of contract, and Neusoft Industry Management shall refund the remaining part of the rental prepaid by Liaoning Ruikang Medical.

PROPERTY SERVICE AGREEMENTS

The main terms of the Property Service Agreements are set out as follows:

Property Service Agreement A

Date : 14 June 2022

Parties : (i) Neusoft Industry Management (as the server)
(ii) Dalian Ruikang Stomatological (as the entrusting party)

Term : 1 August 2022 to 31 July 2025 (both dates inclusive)

Served property : Property A, with gross floor area of 9,773.64 sq. m.

Scope of service : The property management services to be provided by Neusoft Industry Management include order maintenance, safety guard, environmental cleaning and garbage removal of the public area of the Training Base where Property A located (excluding Property A), and facility operation and maintenance of Property A.

Upon reception of independent legal person qualification of the specialised hospital, the rights and obligations of Dalian Ruikang Stomatological under the Property Service Agreement A will be succeeded by the specialised hospital.

Property management service fees : (i) Shared expenses: RMB44,592.23 per month for 1 August 2022 to 31 July 2023, and RMB59,456.31 per month for 1 August 2023 to 31 July 2025

(ii) Electricity fee: RMB0.63/kWh

(iii) Water fee: RMB3.83/ton

(iv) Heating fee: RMB31/sq. m./year

(v) Other entrusted service fees: to be charged based on the actual usage

The property management service fees under the Property Service Agreement A is determined after arm's length negotiations between Neusoft Industry Management and Dalian Ruikang Stomatological, after taking into consideration the public utility expenses charged by relevant independent third parties, the operation and maintenance cost of the public facilities and the floor area proportion of the Property A in the Training Base.

The service fees under the Property Service Agreement A is paid to Neusoft Industry Management via bank transfer.

- Payment terms : (i) The shared expenses shall be paid before the 25th day of each month for the expense of this month;
- (ii) The electricity fee, water fee and other entrusted service fees shall be paid before the 25th day of each month for the expense of previous month; and
- (iii) The heating fee shall be paid before the 25 October of each year for the expense of this year.
- Termination : The Property Service Agreement A will terminate upon termination of the Property Leasing Agreement A.

Property Service Agreement B

Date : 14 June 2022

Parties : (i) Neusoft Industry Management (as the server)

(ii) Liaoning Ruikang Medical (as the entrusting party)

Term : 1 August 2022 to 31 July 2025 (both dates inclusive)

Served property : Property B, with gross floor area of 571.10 sq. m.

Scope of service : The property management services to be provided by Neusoft Industry Management include order maintenance, safety guard, environmental cleaning and garbage removal of the public area of the Training Base where Property B located (excluding Property B), and facility operation and maintenance of Property B.

Property management service fees : (i) Shared expenses: RMB2,605.64 per month for 1 August 2022 to 31 July 2023, and RMB3,474.19 per month for 1 August 2023 to 31 July 2025

(ii) Electricity fee: RMB0.63/kWh

(iii) Water fee: RMB3.83/ton

(iv) Heating fee: RMB31/sq. m./year

(v) Other entrusted service fees: to be charged based on the actual usage

The property management service fees under the Property Service Agreement B are determined after arm's length negotiations between Neusoft Industry Management and Liaoning Ruikang Medical, after taking into consideration the public utility expenses charged by relevant independent third parties, the operation and maintenance cost of the public facilities and the floor area proportion of Property B in the Training Base.

The service fees under the Property Service Agreement B is paid to Neusoft Industry Management via bank transfer.

Payment terms : (i) The shared expenses shall be paid before the 25th day of each month for the expense of this month;

(ii) The electricity fee, water fee and other entrusted service fees shall be paid before the 25th day of each month for the expense of previous month; and

(iii) The heating fee shall be paid before the 25 October of each year for the expense of this year.

Termination : The Property Service Agreement B will terminate upon termination of the Property Leasing Agreement B.

PROPOSED ANNUAL CAPS

The proposed aggregated annual caps for the transactions under the Agreements are set out as follows:

	During the period from 1 August 2022 to 31 December 2022	For the year ended 31 December 2023	For the year ended 31 December 2024	During the period from 1 January 2025 to 31 July 2025
Rental and property management service fees	<u>RMB6,000,000</u>	<u>RMB11,000,000</u>	<u>RMB12,500,000</u>	<u>RMB8,000,000</u>

The annual caps above are determined by the Directors with reference to: (i) the gross floor area of Property A and Property B; (ii) the rental payable in accordance with the pricing standard under the Property Leasing Agreements; and (iii) the total estimated property management service fees payable in accordance with the pricing standard under the Property Service Agreements.

As disclosed in the Prospectus, on 11 September 2020, the Company (for itself and on behalf of the other members of the Group) and Neusoft Holdings (for itself and on behalf of the other members of Neusoft Holdings Group) entered into Neusoft Holdings Framework Agreement, pursuant to which, among others, the Group will lease out certain buildings (including land and facilities) and offer property management services to members of Neusoft Holdings Group, for a term from 29 September 2020 to 31 December 2022 (both dates inclusive). In 2020 and 2021, the actual revenue from the Property Leasing and Management Transaction under Neusoft Holdings Framework Agreement was approximately RMB0.3 million and RMB0.6 million, respectively.

As disclosed in the announcement of the Company dated 24 September 2021, on 24 September 2021, Neusoft Industry Management entered into Dalian Ruikang Hospital Agreements with Dalian Ruikang Hospital, pursuant to which Neusoft Industry Management agreed to lease the property and provide property management services to Dalian Ruikang Hospital, from 16 October 2021 to 15 October 2024. In 2021, the actual revenue under the Dalian Ruikang Hospital Agreements was approximately RMB4.5 million.

Since the continuing connected transactions contemplated under the Agreements, the transactions under Dalian Ruikang Hospital Agreements and the Property Leasing and Management Transaction under Neusoft Holdings Framework Agreement are similar in nature, and Dalian Ruikang Stomatological, Liaoning Ruikang Medical and Dalian Ruikang Hospital are all indirect wholly-owned subsidiaries of Neusoft Holdings, such transactions should be aggregated pursuant to Rule 14A.81 of the Listing Rules. The aggregate annual caps for the continuing connected transactions contemplated under the Agreements, the transactions under Dalian Ruikang Hospital Agreements and the Property Leasing and Management Transaction under Neusoft Holdings Framework Agreement are set out as follows:

	For the year ended 31 December 2022	For the year ended 31 December 2023	For the year ended 31 December 2024	During the period from 1 January 2025 to 31 July 2025
Agreements	RMB6,000,000	RMB11,000,000	RMB12,500,000	RMB8,000,000
Dalian Ruikang Hospital Agreements	RMB27,000,000	RMB30,000,000	RMB23,500,000	N/A
Property Leasing and Management Transaction under Neusoft Holdings Framework Agreement	<u>RMB2,400,000</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Total	<u><u>RMB35,400,000</u></u>	<u><u>RMB41,000,000</u></u>	<u><u>RMB36,000,000</u></u>	<u><u>RMB8,000,000</u></u>

GENERAL INFORMATION

Information on the Group

The Group is principally engaged in the provision of private IT higher education service, IT training services and education technology services in the PRC.

Information on Neusoft Industry Management

Neusoft Industry Management, a company incorporated under PRC Laws on 14 August 2018 and an indirect wholly-owned subsidiary of the Company, is principally engaged in logistics services, property management, entrepreneurial space services, professional parking services, real estate leasing operations and real estate consulting services.

Information on Neusoft Holdings

Neusoft Holdings, a company incorporated under PRC Laws on 15 November 2011 and a controlling shareholder of the Company, is an investment holding company. Neusoft Holdings invests and has operations in four primary industries: education, IT services, medical devices, and healthcare services. The ultimate controlling shareholder of Neusoft Holdings is Dr. LIU Jiren, who is a Director and a controlling shareholder of the Company.

Information on Dalian Ruikang Stomatological

Dalian Ruikang Stomatological (a company incorporated under the PRC laws on 6 April 2021 and an indirect wholly-owned subsidiary of Neusoft Holdings), is principally engaged in business activities including medical service, hospital management, medical device sales and medical equipment leasing.

Information on Liaoning Ruikang Medical

Liaoning Ruikang Medical Hospital (a company incorporated under the PRC laws on 4 February 2021 and an indirect wholly-owned subsidiary of Neusoft Holdings), is principally engaged in business activities including medical device operation, hospital management, supply chain management services, medical device sales, medical supplies sales, medical equipment leasing and property management.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENTS

The Group plans to develop the Training Base into a science-technology park to our universities focusing on healthcare technology in which our universities have established majors. According to the Agreements, the Property A and Property B will be respectively used for the operation of a specialised hospital and a hospital canteen, which will constitute a comprehensive health medical practice base together with the other specialised hospital in the Training Base (for details please refer to the announcement of the Company dated 24 September 2021), thus enriching and expanding the area of students' practice, also creating a more convenient environment for teachers' research and students' practice and internship, and promoting the co-construction and sharing of educational resources for our majors in healthcare technology. In addition, entering into the Agreements will allow the Group to utilise its properties to create an additional source of income and thus will increase its revenue and enhance its profitability. Based on the above, the Directors are of the view that entering into the Agreements is beneficial to the Group's business development and is thus in the interest of the Group.

The Directors (including the independent non-executive Directors) are of the view that the transactions under the Agreements is conducted in the Group's usual and ordinary course of business, and will be conducted on normal commercial terms, and the terms and conditions therein as well as the annual caps for the continuing connected transactions contemplated thereunder are fair and reasonable, and are in the best interests of the Company and its shareholders as a whole.

Since Dr. LIU Jiren, Dr. WEN Tao, Mr. RONG Xinjie and Mr. SUN Yinluan, each being a Director of the Company, also hold office in Neusoft Holdings, they are deemed to have material interests in the continuing connected transactions contemplated under the Agreements and have abstained from voting on the relevant Board resolutions. Save as mentioned above, none of the other Directors has a material interest in such transactions and is required to abstain from voting on the relevant Board resolutions.

LISTING RULES IMPLICATIONS

Dalian Ruikang Stomatological and Liaoning Ruikang Medical are both indirect wholly-owned subsidiaries of Neusoft Holdings, which is a controlling shareholder of the Company. Accordingly, pursuant to Chapter 14A of the Listing Rules, Dalian Ruikang Stomatological and Liaoning Ruikang Medical are both connected persons of the Company, and the transactions contemplated under the Agreements constitute continuing connected transactions of the Company.

For the purpose of calculation of the size of transactions in accordance with the relevant requirements of the Listing Rules, the Company has aggregated the continuing connected transactions contemplated under the Agreements, the transactions under Dalian Ruikang Hospital Agreements and the Property Leasing and Management Transaction under Neusoft Holdings Framework Agreement. As the highest applicable percentage ratio calculated after the aggregation exceeds 0.1% but is less than 5%, the transactions contemplated under the Agreements are only subject to the reporting and announcement requirements, but exempted from the circular and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

DEFINITIONS

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

%	per cent
Agreements	collectively, Property Leasing Agreement A, Property Leasing Agreement B, Property Service Agreement A Property Service Agreement B
Board	the board of Directors of the Company
Company	Neusoft Education Technology Co. Limited (東軟教育科技有限公司), an exempted company with limited liability incorporated under the laws of the Cayman Islands on 20 August 2018

connected person(s)	has the meaning ascribed to it under the Listing Rules
controlling shareholder(s)	has the meaning ascribed to it under the Listing Rules
Dalian Ruikang Hospital	Dalian Ruikang Cardiovascular Hospital Management Co., Ltd. (大連睿康心血管醫院管理有限公司), a company incorporated under the PRC laws on 4 February 2021 and an indirect wholly-owned subsidiary of Neusoft Holdings
Dalian Ruikang Hospital Agreements	the property leasing agreement and service agreement dated 24 September 2021 entered into between Neusoft Industry Management and Dalian Ruikang Hospital, details of which are disclosed in the announcement of the Company dated 24 September 2021
Dalian Ruikang Stomatological	Dalian Ruikang Stomatological Hospital Management Co., Ltd. (大連睿康口腔醫院管理有限公司), a company incorporated under the PRC laws on 6 April 2021 and an indirect wholly-owned subsidiary of Neusoft Holdings
Director(s)	the director(s) of the Company
Group	the Company and its subsidiaries
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Liaoning Ruikang Medical	Liaoning Ruikang Medical Management Service Co., Ltd. (遼寧睿康醫療管理服務有限公司), a company incorporated under the PRC laws on 4 February 2021 and an indirect wholly-owned subsidiary of Neusoft Holdings
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
Neusoft Holdings	Dalian Neusoft Holdings Co., Ltd. (大連東軟控股有限公司), a company incorporated under PRC Laws on 15 November 2011, a controlling shareholder of the Company
Neusoft Holdings Framework Agreement	framework agreement dated 11 September 2020 entered into between the Company and Neusoft Holdings, details of which are described in “Connected transactions — Neusoft Holdings Framework Agreement” in the Prospectus
Neusoft Holdings Group	Neusoft Holdings and its subsidiaries (excluding the Group)

Neusoft Industry Management	Dalian Neusoft Industry Management Services Co., Ltd. (大連東軟產業管理服務有限公司), a company incorporated under PRC Laws on 14 August 2018 and an indirect wholly-owned subsidiary of the Company
PRC	the People's Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
Property A	The real estate located at Dalian Neusoft Education Health Technology Training Base Phase I (No. 52-1, 52-2, North Section of Digital Road, Dalian High-tech Industrial Park), with gross floor area of 9,773.64 sq. m.
Property B	The real estate located at Dalian Neusoft Education Health Technology Training Base Phase I (No. 52-1, North Section of Digital Road, Dalian High-tech Industrial Park), with gross floor area of 571.10 sq. m.
Property Leasing Agreements	collectively, Property Leasing Agreement A and Property Leasing Agreement B
Property Leasing Agreement A	the property leasing agreement dated 14 June 2022, entered into between Neusoft Industry Management and Dalian Ruikang Stomatological in relation to the lease of the Property A
Property Leasing Agreement B	the property leasing agreement dated 14 June 2022, entered into between Neusoft Industry Management and Liaoning Ruikang Medical in relation to the lease of Property B
Property Service Agreements	collectively, Property Service Agreement A and Property Service Agreement B
Property Service Agreement A	the property service agreement dated 14 June 2022, entered into between Neusoft Industry Management and Dalian Ruikang Stomatological in relation to the provision of property management services of Property A
Property Service Agreement B	the property service agreement dated 14 June 2022, entered into between Neusoft Industry Management and Liaoning Ruikang Medical in relation to the provision of property management services of Property B

Property Leasing and Management Transaction	the property leasing and management transaction under Neusoft Holdings Framework Agreement, pursuant to which, the Group will lease out certain buildings (including land and facilities) and offer property management services to Neusoft Holdings Group, details of which are disclosed in “Connected transactions — Neusoft Holdings Framework Agreement” in the Prospectus
Prospectus	the prospectus of the Company dated 17 September 2020
RMB	Renminbi, the lawful currency of PRC
sq. m.	square metre
Stock Exchange	The Stock Exchange of Hong Kong Limited
Training Base	Dalian Neusoft Education Health Technology Training Base Phase I located at North Section of Digital Road, Dalian Hightech Industrial Park, with gross land area of 62,190.7 sq. m.

By order of the Board
NEUSOFT EDUCATION TECHNOLOGY CO. LIMITED
Dr. LIU Jiren
Chairperson and non-executive director

Hong Kong, 14 June 2022

As at the date of this announcement, the Board comprises Dr. LIU Jiren as Chairperson and non-executive Director; Dr. WEN Tao as executive Director; Mr. RONG Xinjie, Dr. ZHANG Xia, Dr. ZHANG Yinghui and Mr. SUN Yinhuan as non-executive Directors (aside from our Chairperson); and Dr. LIU Shulian, Dr. QU Daokui and Dr. WANG Weiping as independent non-executive Directors.