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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)

POSITIVE PROFIT ALERT

This announcement is made by Neusoft Education Technology Co. Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform its shareholders (the “**Shareholders**”) and potential investors that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2022 (the “**Period**”) and the information currently available to the Board, for the six months ended 30 June 2022 as compared to the corresponding period in 2021, it is expected to record: (1) an increase of not less than 50% in the profit for the period, with an increase of not less than 70% in the profit for the period attributable to owners of the Company; and (2) an increase of not less than 50% in the adjusted net profit for the period, with an increase of not less than 70% in the adjusted net profit for the period attributable to owners of the Company.

Such increases above were mainly due to: (a) the continuing increases in the number of student enrollments and average tuition fees of Dalian Neusoft University of Information, Chengdu Neusoft University and Neusoft Institute Guangdong of the Group during the Period; (b) the rapid growth of education resources provision business of the Group during the Period; and (c) that the Group received government grants during the Period. The increases in the profit for the period attributable to owners of the Company and the adjusted net profit for the period attributable to owners of the Company were also due to the acquisition completed by the Company on 1 June 2021 of 19.18% interest in Dalian Neusoft Ruixin Technology Development Co., Limited (“**Neusoft Ruixin**”), a subsidiary of the Company. As a result, the owners of the Company possess 100% of the net profit of Neusoft Ruixin in the first six months of 2022 (compared with 80.82% of the net profit of Neusoft Ruixin in the first five months and 100% of the net profit of Neusoft Ruixin in the sixth month of 2021).

The Board wishes to highlight that the “adjusted net profit for the period” and “adjusted net profit for the period attributable to owners of the Company” are not defined under the International Financial Reporting Standards. “Adjusted net profit for the period” is defined by the Group as the profit for the period after deducting the effects of (a) share-based compensation expenses; and (b) net exchange gains/losses (collectively, the “**Adjusted Items**”). In particular, net exchange gains/losses refer to foreign exchange gains/losses arising from the exchange fluctuation of Hong Kong dollars owned by the Group, mainly the proceeds from the initial public offering of shares of the Company, against Renminbi. “Adjusted net profit for the period attributable to owners of the Company” is defined by the Group as the profit for the period attributable to owners of the Company after deducting the effects of the Adjusted Items which are attributable to owners of the Company. The Board believes that the “adjusted net profit for the period” and “adjusted net profit for the period attributable to owners of the Company” would provide useful information to investors and others in understanding and evaluating the consolidated results of operations of the Group and in comparing the financial results of the Group across accounting periods and to those of the peer companies by eliminating the impact of the Adjusted Items, which are non-recurring items and are not indicative of the operating performance of the Group.

The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Group for the Period and the information currently available to the Board. Such information has not been reviewed or audited by the independent auditor of the Company or the audit committee under the Board and may be subject to adjustment. As the Company is still in the process of finalizing its unaudited interim results for the Period, Shareholders and potential investors of the Company are advised to refer to the interim results of the Group for the Period, which is expected to be published in late August 2022.

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

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

Hong Kong, 11 August 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 Yinjuan as non-executive Directors (aside from our Chairperson); and Dr. LIU Shulian, Dr. QU Daokui and Dr. WANG Weiping as independent non-executive Directors.