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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)**

### ANNOUNCEMENT CHANGE IN USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

References are made to the prospectus of the Company dated 17 September 2020 (the “**Prospectus**”), the interim report of the Company for the six months ended 30 June 2020 (the “**2020 Interim Report**”) and the annual report of the Company for the year ended 31 December 2020 (the “**2020 Annual Report**”). Unless otherwise defined, terms used in this announcement shall have the same meanings as those defined in the Prospectus, the 2020 Interim Report and the 2020 Annual Report.

#### **CHANGE IN USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING**

After deducting the listing expenses such as underwriting commissions and other expenses payable by the Company in connection with the Global Offering, the net proceeds from the initial public offering of the Company amounted to approximately HK\$924.2 million (approximately RMB777.5 million) (the “**IPO Proceeds**”). For the reasons stated in the paragraph headed “Reasons for and Benefits of the Change in Use of the IPO Proceeds” in this announcement, the Board has resolved to reallocate part of the unutilized IPO Proceeds of approximately RMB59.9 million (approximately 8% of the IPO Proceeds) originally intended to be used for the acquisition of other schools to repay commercial loans of the Group. The revised use of the IPO Proceeds is set out below:

Use of proceeds	Original use of IPO Proceeds <i>(RMB million)</i>	Revised use of IPO Proceeds <i>(RMB million)</i>	Amount of utilized IPO Proceeds as at the date of this announcement <i>(RMB million)</i>	Amount of unutilized IPO Proceeds as at the date of this announcement <i>(RMB million)</i>
Upgrading our existing school facilities and expanding our campus	399.6	399.6	120.9	278.7
Acquisition of other schools	159.9	100.0	50.0	50.0
Repay commercial loans	138.1	198.0	138.1	59.9
Supplement working capital	79.9	79.9	41.1	38.8
<b>Total</b>	<b>777.5</b>	<b>777.5</b>	<b>350.1</b>	<b>427.4</b>

Save for the aforementioned changes, there are no other changes in the use of IPO Proceeds.

## **REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF THE IPO PROCEEDS**

As disclosed in the Prospectus, the Company intends to use 21% of the IPO Proceeds (approximately RMB159.9 million) for the acquisition of other schools. Pursuant to the Company's major transaction circular dated 21 May 2021 in relation to the cooperation agreement for the grant of call options (the "**Major Transaction**"), the Company intends to use the IPO Proceeds of approximately RMB100 million to finance part of the earnest money under the Major Transaction. In view of the long payment cycle of the remaining earnest money and in order to use the IPO Proceeds in a flexible and efficient manner, the Board has resolved to reallocate the remaining unutilized IPO Proceeds (approximately RMB59.9 million) originally intended for the acquisition of other schools to repay commercial loans in order to reduce financial expenses.

The Board is of the view that notwithstanding the aforesaid change in the use of the IPO Proceeds, the development direction of the Company remains consistent with the direction disclosed in the Prospectus. The above change in the use of the net IPO Proceeds is in the interests of the Company and its shareholders as a whole.

By order of the Board  
**Neusoft Education Technology Co. Limited**  
**Dr. LIU Jiren**  
*Chairperson and non-executive Director*

Hong Kong, 8 June 2021

*As at the date of this announcement, the board of Directors comprises Dr. WEN Tao as executive Director; Dr. LIU Jiren, Mr. RONG Xinjie, Dr. YANG Li, Dr. ZHANG Yinghui and Mr. SUN Yinhan as non-executive Directors; and Dr. LIU Shulian, Dr. QU Daokui and Dr. WANG Weiping as independent non-executive Directors.*