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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 of the Company that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2021 (the “**Period**”) and the information currently available to the Board, for the six months ended 30 June 2021 as compared to the corresponding period in 2020, it is expected to record: (1) an increase of not less than 35% in the profit; and (2) an increase of not less than 35% in the adjusted net profit. Such increase in the profit and the adjusted net profit for the Period is mainly due to: (a) the continuing increase in the number of student enrollments and average tuition fees of Dalian Neusoft University of Information, Chengdu Neusoft University and Neusoft Institute Guangdong (the “**Three Universities**”) during the Period; (b) the rapid growth of education resources provision business and steady growth of continuing education services during the Period; and (c) the provision of RMB23.9 million for boarding fees refunded to the students for the six months ended 30 June 2020 due to campus closing as a result of the outbreak of the COVID-19 pandemic, whereas the Three Universities have resumed offline teaching and the students in the Three Universities have returned to campus for the spring semester of 2021.

The Board wishes to highlight that the “adjusted net profit” is not defined under the International Financial Reporting Standards. It is defined by the Group as the profit for the relevant period after deducting the effects of (a) listing expenses; (b) share-based compensation expenses; and (c) net exchange losses (collectively, the “**Adjusted Items**”). In particular, net exchange losses refer to foreign exchange losses arising from the depreciation of Hong Kong dollars owned by the Group, mainly the proceeds from the initial public offering of shares of the Company, against Renminbi. The Board believes that the “adjusted net profit” 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 2021.

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, 9 August 2021

As at the date of this announcement, the Board 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.