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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)

CONNECTED TRANSACTIONS ENTERING INTO THE SPECIAL ENTRUSTMENT SERVICE MANAGEMENT AGREEMENTS

THE SPECIAL ENTRUSTMENT SERVICE MANAGEMENT AGREEMENTS

The Board announces that on 8 March 2022 (after trading hours), each of Dalian University, Chengdu University and Guangdong University, each being a Consolidated Affiliated Entity of the Company, entered into special entrustment service management agreements with Neusoft Holdings, respectively, pursuant to which, Neusoft Holdings will be entrusted by the three universities to carry out the project construction management as agreed thereunder.

LISTING RULES IMPLICATIONS

Neusoft Holdings is the controlling shareholder of the Company. Accordingly, Neusoft Holdings is a connected person of the Company under Chapter 14A of the Listing Rules and the transactions contemplated under the Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

For the purpose of calculation of the size of each transaction in accordance with the relevant requirements of the Listing Rules, the Company has aggregated all the proposed connected transactions under the Special Entrustment Service Management Agreements and the transaction under the Former Special Entrustment Service Management Agreement. As the highest applicable percentage ratio after aggregation of the transactions exceed 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

On 15 July 2021 (after trading hours), Guangdong University, which is a Consolidated Affiliated Entity of the Company, entered into Former Special Entrustment Service Management Agreement with Neusoft Holdings. Accordingly, Neusoft Holdings was entrusted by Guangdong University to carry out the project construction management as agreed thereunder. The total service fee under the Former Special Entrustment Service Management Agreement was RMB2.30 million (inclusive of tax). As the highest applicable percentage ratio is less than 5% and the consideration is less than HK\$3 million, therefore, pursuant to Rule 14A.76(1)(c) of the Listing Rules, the transaction under the Former Special Entrustment Service Management Agreement constitutes a de minimis connected transaction and is fully exempted from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

On 8 March 2022 (after trading hours), each of Dalian University, Chengdu University and Guangdong University, each being a Consolidated Affiliated Entity of the Company, entered into special entrustment service management agreements with Neusoft Holdings, respectively, pursuant to which, Neusoft Holdings will be entrusted by the three universities to carry out the project construction management as agreed thereunder.

Special Entrustment Service Management Agreements

The main terms of the Special Entrustment Service Management Agreements are set out as follows:

I. Dalian University Special Entrustment Service Management Agreement A

Date	:	8 March 2022 (after trading hours)
Parties	:	(i) Dalian University (as the Entrusting Party) (ii) Neusoft Holdings (as the Entrusted Party)
Entrusted service project	:	Dalian Neusoft Education Health Technology Training Base Phase I Project (No. 8 Software Park Road, Ganjingzi District, Dalian City, Liaoning Province), with gross floor area of 67,464 square metres, including 8 units, 1 underground air-raid garage and ancillary facilities

- Entrusted service scope : Dalian University entrusts Neusoft Holdings to carry out the construction and management work as stipulated in the contract, including the whole contents from design management, bidding management, construction management to completion settlement within the scope of entrusted service project, specifically including:
- i. design management: it mainly refers to interior design and electromechanical supporting design for Building 1#;
 - ii. bidding management: it mainly refers to the bidding of interior engineering and electromechanical supporting engineering;
 - iii. construction management: it mainly refers to on-site change audit verification, completion acceptance and filing and rectification for completed projects, as well as quality management, process management , on-site safety risk management, contract management, on-site change design verification, completion acceptance and filing and rectification, and project transfer for projects to be constructed; and
 - iv. settlement audit: it mainly refers to the settlement and final account management of all the projects such as turnkey engineering, interior engineering, landscape greening engineering, air defense engineering, outdoor decoration engineering, weak current engineering, fire engineering, ventilation and air conditioning engineering and elevators.
- Term : from 8 March 2022 up to the date of delivering all entrusted service and completing settlement, no later than 7 March 2025
- Pricing standard : design phase: charging based on design area * RMB3/m²;
- bidding phase: charging according to Interim Measures for the Administration of Bidding Agency Service Fees (20021980 version);

construction management phase: charging 0.4% based on total engineering cost;

settlement phase: charging based on Entrusted Settlement Amount * 0.18% + Settlement Margin After Review * 4%;

When determining entrusted service management fee according to Dalian University Special Entrustment Service Management Agreement A, the Company shall calculate based on the actual floor area of the project, service items and respective market prices according to the predetermined formula, with reference to the price fixed by the state or fees no less favorable than the fees provided by the independent third party.

Service fee cap : Total service fee cap under the Dalian University Special Entrustment Service Management Agreement A is RMB3.8 million (tax-inclusive).

Terms of payment : i. Pay 30% of the cap amount of total service fee within 30 days of the execution of the Dalian University Special Entrustment Service Management Agreement A;

ii. Pay until the total amount paid reaches 50% of the cap amount of total service fee within 30 days after the tender for all of the entrustment service engineering has been finalized;

iii. Pay until the total amount paid reaches 70% of the cap amount of total service fee within 30 days after all of the entrustment service engineering has been completed and inspected for acceptance; and

iv. Pay until the total amount paid reaches 100% of final total service fee within 30 days after the settlement of all of the entrustment service engineering has been completed.

Termination

- : I. If the entrustment service project has been suspended or terminated due to the failure on the part of the Entrusting Party, the Entrusted Party shall inform, in writing, the Entrusting Party of the same and the potential effect in a timely manner, and the Entrusting Party shall take the corresponding measures. If the Entrusting Party has not taken the corresponding measures, the Entrusted Party may either suspend to implement all or part of the service project or terminate this agreement, and the resulting loss and the fees incurred for the completed service shall be assumed by the Entrusting Party.
- II. If the entrustment service project has been suspended or terminated due to the failure on the part of the Entrusted Party, the Entrusted Party shall inform, in writing, the Entrusting Party of the same and the potential effect in a timely manner and take the corresponding measures. If the Entrusted Party cannot still have the entrustment service project resumed as normal after 30 days of the entrustment service project having been suspended or terminated, the Entrusting Party may either suspend all or part of the projects or terminate this agreement, and the Entrusted Party shall assume the corresponding loss of the Entrusting Party as a result thereof. After the compensation and payment for the completed service have been mutually negotiated and agreed, the service fee received by the Entrusted Party shall be returned or covered in the circumstances.
- III. The total amount of the liquidated damages, compensations, liability and losses that shall be assumed by the Entrusted Party for the Entrusting Party under this agreement shall not exceed the amount of the service management fee actually received by the Entrusted Party under this agreement for whatever reason.
- IV. This agreement may be early terminated upon mutual written negotiation and consent by both parties.

- V. If either party failed to perform its obligations under this agreement according to the agreed conditions due to the occurrence of earthquake, typhoon, flood, fire, thunder and other unforeseeable events, and the occurrence thereof and their consequences cannot be prevented or avoided, or as a result of explosion, wars, riots, tumult, strikes and changes in laws and regulations or other social disasters or force majeure, the party so affected shall inform the other party of the same using the possibly fast method, and both party shall, in accordance with the extent of the impact of such event on this agreement, negotiate over whether to terminate the agreement or partially waive the obligations under the agreement, defer or change the performance of the agreement. The affected party or either party shall provide the other party with the news report and a notarized document issued by a notary agency or a proof document issued by the relevant competent governmental authority, etc. in this regard within 15 days after the effect of that event has been eliminated, and the breach responsibility shall be waived accordingly.

II. Dalian University Special Entrustment Service Management Agreement B

- Date : 8 March 2022 (after trading hours)
- Parties : (i) Dalian University (as the Entrusting Party)
- (ii) Neusoft Holdings (as the Entrusted Party)
- Entrusted service projects : Dalian Neusoft Education Health Technology Training Base Phase II Project (No. 8 Bochuan Road, Hi-tech Park District, Dalian, Liaoning Province), with gross floor area of 207,637 square metres, including 15 units, 1 underground air-raid garage and ancillary facilities
- Entrusted service scope : Dalian University entrusts Neusoft Holdings to carry out the construction and management work as stipulated in the contract, including the whole contents from design management, bidding management, construction management to completion settlement within the scope of entrusted service project, specifically including:
- i. design management: it mainly refers to interior design and electromechanical supporting design for the first floor of Building 1#, 2#, 5#, 6#, 14#;

- ii. bidding management: it mainly refers to the bidding of interior engineering and electromechanical supporting engineering;
- iii. construction management: it mainly refers to on-site change audit verification, completion acceptance and filing and rectification for completed projects, as well as quality management, process management , on-site safety risk management, contract management, on-site change design verification, completion acceptance and filing and rectification, and project transfer for projects to be constructed; and
- iv. settlement audit: it mainly refers to the settlement and final account management of all the projects such as turnkey engineering, interior engineering, landscape greening engineering, air defense engineering, outdoor decoration engineering, weak current engineering, fire engineering, ventilation and air conditioning engineering and elevators.

Term : from 8 March 2022 up to the date of delivering all entrusted service and completing settlement, no later than 7 March 2025;

Pricing standard : design phase: charging based on design area * RMB3/m²;
 bidding phase: charging according to Interim Measures for the Administration of Bidding Agency Service Fees (20021980 version);
 construction management phase: charging 0.4% based on total engineering cost;
 settlement phase: charging based on Entrusted Settlement Amount * 0.18% + Settlement Margin After Review * 4%;

When determining entrusted service management fee according to Dalian University Special Entrustment Service Management Agreement B, the Company shall calculate based on the actual floor area of the project, service items and respective market prices according to the predetermined formula, with reference to the price fixed by the state or fees no less favorable than the fees provided by the independent third party.

- Service fee cap : Total service fee cap under the Dalian University Special Entrustment Service Management Agreement B is RMB8 million (tax-inclusive).
- Terms of payment : i. Pay 30% of the cap amount of total service fee within 30 days of the execution of the Dalian University Special Entrustment Service Management Agreement B;
- ii. Pay until the total amount paid reaches 50% of the cap amount of total service fee within 30 days after the tender for all of the entrustment service engineering has been finalized;
- iii. Pay until the total amount paid reaches 70% of the cap amount of total service fee within 30 days after all of the entrustment service engineering has been completed and inspected for acceptance; and
- iv. Pay until the total amount paid reaches 100% of final total service fee within 30 days after the settlement of all of the entrustment service engineering has been completed.
- Termination : I. If the entrustment service project has been suspended or terminated due to the failure on the part of the Entrusting Party, the Entrusted Party shall inform, in writing, the Entrusting Party of the same and the potential effect in a timely manner, and the Entrusting Party shall take the corresponding measures. If the Entrusting Party has not taken the corresponding measures, the Entrusted Party may either suspend to implement all or part of the service project or terminate this agreement, and the resulting loss and the fees incurred for the completed service shall be assumed by the Entrusting Party.

- II. If the entrustment service project has been suspended or terminated due to the failure on the part of the Entrusted Party, the Entrusted Party shall inform, in writing, the Entrusting Party of the same and the potential effect in a timely manner and take the corresponding measures. If the Entrusted Party cannot still have the entrustment service project resumed as normal after 30 days of the entrustment service project having been suspended or terminated, the Entrusting Party may either suspend all or part of the projects or terminate this agreement, and the Entrusted Party shall assume the corresponding loss of the Entrusting Party as a result thereof. After the compensation and payment for the completed service have been mutually negotiated and agreed, the service fee received by the Entrusted Party shall be returned or covered in the circumstances.
- III. The total amount of the liquidated damages, compensations, liability and losses that shall be assumed by the Entrusted Party for the Entrusting Party under this agreement shall not exceed the amount of the service management fee actually received by the Entrusted Party under this agreement for whatever reason.
- IV. This agreement may be early terminated upon mutual written negotiation and consent by both parties.

- V. If either party failed to perform its obligations under this agreement according to the agreed conditions due to the occurrence of earthquake, typhoon, flood, fire, thunder and other unforeseeable events, and the occurrence thereof and their consequences cannot be prevented or avoided, or as a result of explosion, wars, riots, tumult, strikes and changes in laws and regulations or other social disasters or force majeure, the party so affected shall inform the other party of the same using the possibly fast method, and both party shall, in accordance with the extent of the impact of such event on this agreement, negotiate over whether to terminate the agreement or partially waive the obligations under the agreement, defer or change the performance of the agreement. The affected party or either party shall provide the other party with the news report and a notarized document issued by a notary agency or a proof document issued by the relevant competent governmental authority, etc. in this regard within 15 days after the effect of that event has been eliminated, and the breach responsibility shall be waived accordingly.

III. Chengdu University Special Entrustment Service Management Agreement A

- Date : 8 March 2022 (after trading hours)
- Parties : (i) Chengdu University (as the Entrusting Party)
- (ii) Neusoft Holdings (as the Entrusted Party)
- Entrusted service projects : Chengdu Neusoft Education Health Technology Training Base Project (Wei Jiang Road, No. 1 Neusoft Avenue, Qingcheng Mountain Town, Dujiangyan, Chengdu, Sichuan Province), with gross floor area of 125,039.80 square metres, including 14 units and ancillary facilities
- Entrusted service scope : Chengdu University entrusts Neusoft Holdings to carry out the construction and management work as stipulated in the contract, including the whole contents from design management, bidding management, construction management to completion settlement within the scope of entrusted service project, specifically including:
- i. design management: it mainly refers to interior design, landscape design and electromechanical supporting design for Building 11#, 12#, 13#, 14# and the basement;

- ii. bidding management: it mainly refers to the bidding of landscape greening engineering, interior engineering and electromechanical supporting engineering;
- iii. construction management: it mainly refers to on-site change audit verification, simultaneous completion acceptance and filing and rectification for completed projects, as well as quality management, process management, on-site safety risk management, contract management, on-site change design verification, simultaneous completion acceptance and filing and rectification, and project transfer for projects to be constructed; and
- iv. settlement audit: it mainly refers to the settlement and final account management of all the projects such as turnkey engineering, interior engineering, landscape greening engineering, air defense engineering, outdoor decoration engineering, weak current engineering, fire engineering, ventilation and air conditioning engineering, elevators and swimming pool equipment.

Term : from 8 March 2022 up to the date of delivering all entrusted service and completing settlement, no later than 7 March 2025;

Pricing standard : design phase: charging based on design area * RMB3/m²;
 bidding phase: charging according to Interim Measures for the Administration of Bidding Agency Service Fees (20021980 version);
 construction management phase: charging 0.4% based on total engineering cost;
 settlement phase: charging based on Entrusted Settlement Amount * 0.18% + Settlement Margin After Review * 4%;

When determining entrusted service management fee according to Chengdu University Special Entrustment Service Management Agreement A, the Company shall calculate based on the actual floor area of the project, service items and respective market prices according to the predetermined formula, with reference to the price fixed by the state or fees no less favorable than the fees provided by the independent third party.

- Service fee cap : Total service fee cap under the Chengdu University Special Entrustment Service Management Agreement A is RMB5.80 million (tax-inclusive).
- Terms of payment : i. Pay 30% of the cap amount of total service fee within 30 days of the execution of the Chengdu University Special Entrustment Service Management Agreement A;
- ii. Pay until the total amount paid reaches 50% of the cap amount of total service fee within 30 days after the tender for all of the entrustment service engineering has been finalized;
- iii. Pay until the total amount paid reaches 70% of the cap amount of total service fee within 30 days after all of the entrustment service engineering has been completed and inspected for acceptance; and
- iv. Pay until the total amount paid reaches 100% of final total service fee within 30 days after the settlement of all of the entrustment service engineering has been completed.
- Termination : I. If the entrustment service project has been suspended or terminated due to the failure on the part of the Entrusting Party, the Entrusting Party shall inform, in writing, the Entrusting Party of the same and the potential effect in a timely manner, and the Entrusted Party shall take the corresponding measures. If the Entrusting Party has not taken the corresponding measures, the Entrusted Party may either suspend to implement all or part of the service project or terminate this agreement, and the resulting loss and the fees incurred for the completed service shall be assumed by the Entrusting Party.

- II. If the entrustment service project has been suspended or terminated due to the failure on the part of the Entrusted Party, the Entrusted Party shall inform, in writing, the Entrusting Party of the same and the potential effect in a timely manner and take the corresponding measures. If the Entrusted Party cannot still have the entrustment service project resumed as normal after 30 days of the entrustment service project having been suspended or terminated, the Entrusting Party may either suspend all or part of the projects or terminate this agreement, and the Entrusted Party shall assume the corresponding loss of the Entrusting Party as a result thereof. After the compensation and payment for the completed service have been mutually negotiated and agreed, the service fee received by the Entrusted Party shall be returned or covered in the circumstances.
- III. The total amount of the liquidated damages, compensations, liability and losses that shall be assumed by the Entrusted Party for the Entrusting Party under this agreement shall not exceed the amount of the service management fee actually received by the Entrusted Party under this agreement for whatever reason.
- IV. This agreement may be early terminated upon mutual written negotiation and consent by both parties.

- V. If either party failed to perform its obligations under this agreement according to the agreed conditions due to the occurrence of earthquake, typhoon, flood, fire, thunder and other unforeseeable events, and the occurrence thereof and their consequences cannot be prevented or avoided, or as a result of explosion, wars, riots, tumult strikes and changes in laws and regulations or other social disasters or force majeure, the party so affected shall inform the other party of the same using the possibly fast method, and both party shall, in accordance with the extent of the impact of such event on this agreement, negotiate over whether to terminate the agreement or partially waive the obligations under the agreement, defer or change the performance of the agreement. The affected party or either party shall provide the other party with the news report and a notarized document issued by a notary agency or a proof document issued by the relevant competent governmental authority, etc. in this regard within 15 days after the effect of that event has been eliminated, and the breach responsibility shall be waived accordingly.

IV. Chengdu University Special Entrustment Service Management Agreement B

- Date : 8 March 2022 (after trading hours)
- Parties : (i) Chengdu University (as the Entrusting Party)
(ii) Neusoft Holdings (as the Entrusted Party)
- Entrusted service projects : Renovation project of library and stormproof playground in Chengdu Neusoft University (Chengdu University, No. 1 Neusoft Avenue, Qingcheng Mountain Town, Dujiangyan, Chengdu, Sichuan Province), with gross floor area of 19,686.45 square metres.
- Entrusted service scope : Chengdu University entrusts Neusoft Holdings to carry out the construction and management work as stipulated in the contract, including the whole contents from design management, bidding management, construction management to completion settlement within the scope of entrusted service project, specifically including:
- i. design management: it mainly refers to reformation design, interior design and electromechanical design;

- ii. bidding management: it mainly refers to the bidding of reformation engineering and interior engineering;
- iii. construction management: it mainly refers to on-site change audit verification, simultaneous completion acceptance and filing and rectification for completed projects, as well as quality management, process management, on-site safety risk management, contract management, on-site change design verification, simultaneous completion acceptance and filing and rectification, and project transfer for projects to be constructed; and
- iv. settlement audit: it mainly refers to the settlement and final account management of all the projects such as turnkey engineering, interior engineering, landscape greening engineering, air defense engineering, outdoor decoration engineering, weak current engineering, fire engineering, ventilation and air conditioning engineering, elevators and swimming pool equipment.

Term : from 8 March 2022 up to the date of delivering all entrusted service and completing settlement, no later than 7 March 2025.

Pricing standard : design phase: charging based on design area * RMB3/m²;

bidding phase: charging according to Interim Measures for the Administration of Bidding Agency Service Fees (20021980 version);

construction management phase: charging 0.4% based on total engineering cost;

settlement phase: charging based on Entrusted Settlement Amount * 0.18% + Settlement Margin After Review * 4%;

When determining entrusted service management fee according to Chengdu University Special Entrustment Service Management Agreement B, the Company shall calculate based on the actual floor area of the project, service items and respective market prices according to the predetermined formula, with reference to the price fixed by the state or fees no less favorable than the fees provided by the independent third party.

- Service fee cap : Total service fee cap under the Chengdu University Special Entrustment Service Management Agreement B is RMB0.5 million (tax-inclusive).
- Terms of payment : i. Pay 30% of the cap amount of total service fee within 30 days of the execution of the Chengdu University Special Entrustment Service Management Agreement B;
- ii. Pay until the total amount paid reaches 60% of the cap amount of total service fee within 30 days after the tender for all of the entrustment service engineering has been finalized; and
- iii. Pay until the total amount paid reaches 100% of final total service fee within 30 days after the settlement of all of the entrustment service engineering has been completed.
- Termination : I. If the entrustment service project has been suspended or terminated due to the failure on the part of the Entrusting Party, the Entrusted Party shall inform, in writing, the Entrusting Party of the same and the potential effect in a timely manner, and the Entrusting Party shall take the corresponding measures. If the Entrusting Party has not taken the corresponding measures, the Entrusted Party may either suspend to implement all or part of the service project or terminate this agreement, and the resulting loss and the fees incurred for the completed service shall be assumed by the Entrusting Party.

- II. If the entrustment service project has been suspended or terminated due to the failure on the part of the Entrusted Party, the Entrusted Party shall inform, in writing, the Entrusting Party of the same and the potential effect in a timely manner and take the corresponding measures. If the Entrusted Party cannot still have the entrustment service project resumed as normal after 30 days of the entrustment service project having been suspended or terminated, the Entrusting Party may either suspend all or part of the projects or terminate this agreement, and the Entrusted Party shall assume the corresponding loss of the Entrusting Party as a result thereof. After the compensation and payment for the completed service have been mutually negotiated and agreed, the service fee received by the Entrusted Party shall be returned or covered in the circumstances.
- III. The total amount of the liquidated damages, compensations, liability and losses that shall be assumed by the Entrusted Party for the Entrusting Party under this agreement shall not exceed the amount of the service management fee actually received by the Entrusted Party under this agreement for whatever reason.
- IV. This agreement may be early terminated upon mutual written negotiation and consent by both parties.

V. If either party failed to perform its obligations under this agreement according to the agreed conditions due to the occurrence of earthquake, typhoon, flood, fire, thunder and other unforeseeable events, and the occurrence thereof and their consequences cannot be prevented or avoided, or as a result of explosion, wars, riots, tumult strikes and changes in laws and regulations or other social disasters or force majeure, the party so affected shall inform the other party of the same using the possibly fast method, and both party shall, in accordance with the extent of the impact of such event on this agreement, negotiate over whether to terminate the agreement or partially waive the obligations under the agreement, defer or change the performance of the agreement. The affected party or either party shall provide the other party with the news report and a notarized document issued by a notary agency or a proof document issued by the relevant competent governmental authority, etc. in this regard within 15 days after the effect of that event has been eliminated, and the breach responsibility shall be waived accordingly.

V. Guangdong University Special Entrustment Service Management Agreement

Date : 8 March 2022 (after trading hours)

Parties : (i) Guangdong University (as the Entrusting Party)
(ii) Neusoft Holdings (as the Entrusted Party)

Entrusted service projects : No. 2 R&D center and logistics complex project of expansion work Phase VI in Neusoft Institute, Guangdong (“Tiger Mound” Feedstock Chicken Farm, Lion Hill Town, Nanhai District, Foshan, Guangdong Province), with gross floor area of 46,361.70 square metres, including 2 units and ancillary facilities

Entrusted service scope : Guangdong University entrusts Neusoft Holdings to carry out the construction and management work as stipulated in the contract, including the whole contents from construction management to completion settlement within the scope of entrusted service project, specifically including:

- i. construction management: it mainly refers to on-site change audit verification, completion acceptance and filing and rectification for completed projects, as well as quality management, process management, on-site safety risk management, contract management, on-site change design verification, completion acceptance and filing and rectification, and project transfer for projects to be constructed; and
- ii. settlement audit: it mainly refers to the settlement and final account management of all the projects such as turnkey engineering, including civil engineering, interior engineering, landscape greening engineering, air defense engineering, outdoor decoration engineering, fire engineering, weak current engineering, ventilation and air conditioning engineering and elevators.

Term : from 8 March 2022 up to the date of delivering all entrusted service and completing settlement, no later than 7 March 2025

Pricing standard : construction management phase: charging 0.4% based on total engineering cost;

settlement phase: charging based on Entrusted Settlement Amount * 0.18% + Settlement Margin After Review * 4%;

When determining entrusted service management fee according to Guangdong University Special Entrustment Service Management Agreement, the Company shall calculate based on the actual floor area of the project, service items and respective market prices according to the predetermined formula, with reference to the price fixed by the state or fees no less favorable than the fees provided by the independent third party.

Service fee cap : Total service fee cap under the Guangdong University Special Entrustment Service Management Agreement is RMB1.70 million (tax-inclusive).

Terms of payment : i. Pay 30% of the cap amount of total service fee within 30 days of the execution of the Guangdong University Special Entrustment Service Management Agreement;

- ii. Pay until the total amount paid reaches 70% of the cap amount of total service fee within 30 days after all of the entrustment service engineering has been completed and inspected for acceptance; and
- iii. Pay until the total amount paid reaches 100% of final total service fee within 30 days after the settlement of all of the entrustment service engineering has been completed.

Termination

- : I. If the entrustment service project has been suspended or terminated due to the failure on the part of the Entrusting Party, the Entrusted Party shall inform, in writing, the Entrusting Party of the same and the potential effect in a timely manner, and the Entrusting Party shall take the corresponding measures. If the Entrusting Party has not taken the corresponding measures, the Entrusted Party may either suspend to implement all or part of the service project or terminate this agreement, and the resulting loss and the fees incurred for the completed service shall be assumed by the Entrusting Party.
- II. If the entrustment service project has been suspended or terminated due to the failure on the part of the Entrusted Party, the Entrusted Party shall inform, in writing, the Entrusting Party of the same and the potential effect in a timely manner and take the corresponding measures. If the Entrusted Party cannot still have the entrustment service project resumed as normal after 30 days of the entrustment service project having been suspended or terminated, the Entrusting Party may either suspend all or part of the projects or terminate this agreement, and the Entrusted Party shall assume the corresponding loss of the Entrusting Party as a result thereof. After the compensation and payment for the completed service have been mutually negotiated and agreed, the service fee received by the Entrusted Party shall be returned or covered in the circumstances.

- III. The total amount of the liquidated damages, compensations, liability and losses that shall be assumed by the Entrusted Party for the Entrusting Party under this agreement shall not exceed the amount of the service management fee actually received by the Entrusted Party under this agreement for whatever reason.
- IV. This agreement may be early terminated upon mutual written negotiation and consent by both parties.
- V. If either party failed to perform its obligations under this agreement according to the agreed conditions due to the occurrence of earthquake, typhoon, flood, fire, thunder and other unforeseeable events, and the occurrence thereof and their consequences cannot be prevented or avoided, or as a result of explosion, wars, riots, tumult strikes and changes in laws and regulations or other social disasters or force majeure, the party so affected shall inform the other party of the same using the possibly fast method, and both party shall, in accordance with the extent of the impact of such event on this agreement, negotiate over whether to terminate the agreement or partially waive the obligations under the agreement, defer or change the performance of the agreement. The affected party or either party shall provide the other party with the news report and a notarized document issued by a notary agency or a proof document issued by the relevant competent governmental authority, etc. in this regard within 15 days after the effect of that event has been eliminated, and the breach responsibility shall be waived accordingly.

Under the above Special Entrustment Service Management Agreements, the maximum amount of the total service fee to be paid by the Company to Neusoft Holdings will be RMB19.8 million (tax-inclusive).

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 Dalian University

Located in Dalian, Liaoning Province and established in 2004, Dalian Neusoft University of Information is one of the higher education schools operated by the Group, and is mainly engaged in the provision of full-time formal higher education services in the PRC.

Information on Chengdu University

Located in Chengdu, Sichuan Province and established in 2003, Chengdu Neusoft University is one of the higher education schools operated by the Group, and is mainly engaged in the provision of full-time formal higher-education services in the PRC.

Information on Guangdong University

Located in Foshan, Guangdong Province and established in 2003, Neusoft Institute, Guangdong is one of higher education schools operated by the Group, and is mainly engaged in the provision of full-time formal higher-education services in the PRC.

Information on Neusoft Holdings

Dalian Neusoft Holdings Co., Ltd., an investment holding company incorporated under PRC Laws on 15 November 2011, a Controlling Shareholder of the Company. Neusoft Holdings is engaged in investments and operations in four major industries: education, IT services, medical devices and medical services. The ultimate controlling shareholder of Neusoft Holdings is Dr. LIU Jiren, who is a director and a Controlling Shareholder of the Company.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENTS

Neusoft Holdings was historically responsible for a number of construction projects and has extensive experience in the related area. By entrusting Neusoft Holdings to carry out the special entrustment service management of the basic construction projects, the Group may, leveraging on the rich experience and expertise of Neusoft Holdings, ensure that the related construction projects of the three universities will be completed as planned according to the standards as required by the Group, and maintain the high quality of the construction projects of the Group. 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, will be conducted on normal commercial terms, and the terms and conditions therein, while not being conducted in the Company's ordinary and usual course of business, 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 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

Neusoft Holdings is the controlling shareholder of the Company. Accordingly, Neusoft Holdings is a connected person of the Company under Chapter 14A of the Listing Rules, and the transactions contemplated under the Agreements constitute connected transactions.

For the purpose of calculation of the size of transactions in accordance with the relevant requirements of the Listing Rules, the Company has aggregated all the transactions contemplated under the Special Entrustment Service Management Agreements and the transactions under the Former Special Entrustment Service Management 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:

“Consolidated Affiliated Entity”	the entities controlled by the Company through the contractual arrangements entered into by the Group and deemed as our subsidiaries
“Former Special Entrustment Service Management Agreement”	The Special Entrustment Service Management Agreement of the Basic Construction Projects dated 15 July 2021 entered into between Guangdong University and Neusoft Holdings in relation to the management entrustment of project construction

“Agreements” or “Special Entrustment Service Management Agreements”	collectively, the special entrustment service management agreements on basic constructions projects dated 8 March 2022 entered into between Dalian University, Chengdu University and Guangdong University, on one hand, and Neusoft Holdings on the other hand, in relation to entrustment service management of construction projects
“Board”	the board of Directors
“Chengdu University”	Chengdu Neusoft University (成都東軟學院), established in 2003, and one of the higher education schools operated by our Group
“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 University”	Dalian Neusoft University of Information (大連東軟信息學院), established in 2004, and one of the higher education schools operated by our Group
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guangdong University”	Neusoft Institute, Guangdong (廣東東軟學院), established in 2003, and one of the higher education schools operated by our Group
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“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

“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)
“Prospectus”	the prospectus of the Company dated 17 September 2020
“RMB”	Renminbi, the lawful currency of PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Entrusted Settlement Amount”	the total project cost subject to the approval of the entrusted party as entrusted by the entrusting party prior the settlement of the projects
“Settlement Margin After Review”	the excess of the Entrusted Settlement Amount over the actual amount paid as approved by the entrusted party
“%”	per cent

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

Hong Kong, 8 March 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. YANG Li, 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.