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## 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 TRANSACTION ENTERING INTO THE PARTNERSHIP AGREEMENT**

#### **ENTERING INTO THE PARTNERSHIP AGREEMENT**

On 15 June 2023, Shanghai Ruixiang (a wholly-owned subsidiary of the Company) entered into the Partnership Agreement with Haorong Investment, Shenyang Hengxin, Liaoning Fund, Shenyang Caisheng, Shenyang Shengjing, Neusoft Medical and Neusoft Venture Capital, in relation to the establishment and management of the Fund. Pursuant to the Partnership Agreement, the total capital contribution of the Fund shall be RMB1,000 million, of which RMB90 million shall be contributed by Shanghai Ruixiang as a Limited Partner. The Fund is a limited partnership registered in the PRC and will engage in investing in areas of medical health including but not limited to innovative medical equipment, medical services and smart medical care.

#### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Haorong Investment and Neusoft Venture Capital are both subsidiaries of Neusoft Holdings, which is a controlling shareholder of the Company. Accordingly, pursuant to Chapter 14A of the Listing Rules, each of Haorong Investment and Neusoft Venture Capital is a connected person of the Company, and the transaction contemplated under the Partnership Agreement constitutes a connected transaction of the Company.

As the highest applicable percentage ratio in respect of the transaction contemplated under the Partnership Agreement is more than 0.1% but less than 5%, the transaction contemplated under the Partnership Agreement is only subject to the reporting and announcement requirements, but exempt from the circular and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

## INTRODUCTION

The Board is pleased to announce that on 15 June 2023, Shanghai Ruixiang (a wholly-owned subsidiary of the Company) entered into the Partnership Agreement with Haorong Investment, Shenyang Hengxin, Liaoning Fund, Shenyang Caisheng, Shenyang Shengjing, Neusoft Medical and Neusoft Venture Capital, in relation to the establishment and management of the Fund. Pursuant to the Partnership Agreement, the total capital contribution of the Fund shall be RMB1,000 million, of which RMB90 million shall be contributed by Shanghai Ruixiang as a Limited Partner. The Fund is a limited partnership registered in the PRC and will engage in investing in areas of medical health including but not limited to innovative medical equipment, medical services and smart medical care.

## THE PARTNERSHIP AGREEMENT

The principal terms of the Partnership Agreement are set out below.

Date	:	15 June 2023
Parties	:	<ol style="list-style-type: none"><li>1. General Partners<ol style="list-style-type: none"><li>(i) Haorong Investment (a connected person of the Company); and</li><li>(ii) Shenyang Hengxin</li></ol></li><li>2. Limited Partners<ol style="list-style-type: none"><li>(i) Liaoning Fund;</li><li>(ii) Shenyang Caisheng;</li><li>(iii) Shenyang Shengjing;</li><li>(iv) Neusoft Medical;</li><li>(v) Shanghai Ruixiang (a wholly-owned subsidiary of the Company); and</li><li>(vi) Neusoft Venture Capital (a connected person of the Company)</li></ol></li></ol>
Name of the Partnership	:	Liaoning Ruikang Private Investment Fund Partnership (Limited Partnership)* (遼寧睿康私募投資基金合夥企業(有限合夥))

Term of the Partnership and the Fund : The term of the Partnership shall be fifteen (15) years, commencing from the date of establishment of the Partnership.

The term of the Fund shall be eight (8) years, including four (4) years for investment (the “**Investment Period**”) and four (4) years for exit (the “**Exit Period**”), commencing from the date on which the filing to the Asset Management Association of China is completed. If the investment projects of the Fund are not completely withdrawn by the six months prior to the expiration of the term of the Fund, the Exit Period of the Fund can be further extended (the “**Extension Period**”) subject to the approval of all the Partners.

Manager/Executive partner : Haorong Investment

Purpose and investment scope of the Partnership : The purpose of the Partnership is to make equity investment in the following areas and industries:

- (i) medical imaging equipment and core technologies;
- (ii) medical treatment equipment and medical robots;
- (iii) smart elderly care and rehabilitation equipment;
- (iv) artificial intelligence based on medical imaging and big data, metaverse, and clinical data engineering technology;
- (v) new Internet medical care, cloud hospital, and digital prescription; and
- (vi) other emerging industries related to medical health technology.

The amount of funds to be invested by the Fund in enterprises registered and taxed in Shenyang Municipal (as defined in the Partnership Agreement) shall not be less than 100% of the total size of the Fund.

Capital contribution : The total capital contribution to be made by all the Partners to the Partnership shall be RMB1,000 million. The capital contribution to be made by each of the Partners is set out as follows:

Partner	Type	Capital Contribution (RMB)	Percentage (%)
Haorong Investment	General Partner	10,000,000	1%
Shenyang Hengxin	General Partner	1,000,000	0.1%
Liaoning Fund	Limited Partner	200,000,000	20%
Shenyang Caisheng	Limited Partner	299,000,000	29.9%
Shenyang Shengjing	Limited Partner	150,000,000	15%
Neusoft Medical	Limited Partner	190,000,000	19%
Shanghai Ruixiang	Limited Partner	90,000,000	9%
Neusoft Venture Capital	Limited Partner	60,000,000	6%
<b>Total</b>		<b><u>1,000,000,000</u></b>	<b><u>100%</u></b>

The respective capital contribution to the Partnership was determined after arm's length negotiations among the Partners with reference to the capital needs of the Partnership and the Partners' proportionate interests therein.

The total capital contribution shall be made in three installments in cash: (i) the first installment shall be approximately 25% of the total capital contribution (being RMB250.75 million), of which the capital contribution to be made by the Company shall be RMB22.50 million; (ii) the second installment shall be approximately 40% of the total capital contribution (being RMB399.60 million), of which the capital contribution to be made by the Company shall be RMB36.00 million; and (iii) the third installment shall be approximately 35% of the total capital contribution (being RMB349.65 million), of which the capital contribution to be made by the Company shall be RMB31.50 million.

The General Partners shall make capital contribution prior to the Limited Partners. Liaoning Fund and Shenyang Caisheng shall make capital contribution no earlier than other Limited Partners. In respect of the first installment of the capital contribution, (i) the General Partners shall make the first capital contribution within thirty (30) days upon the completion of the industrial and commercial registration of the Fund; (ii) the Limited Partners (other than Liaoning Fund and Shenyang Caisheng) shall make the first capital contribution within thirty (30) days upon the payment in full of the first capital contribution by the General Partners; and (iii) Liaoning Fund and Shenyang Caisheng shall make the first capital contribution within thirty (30) days upon the payment in full

of the first capital contribution by other Limited Partners. In respect of the second and third installments of the capital contribution, the Limited Partners shall make each installment in accordance with the payment notice issued by the executive partner. The issuance of such payment notice shall be subject to the satisfaction of the following conditions: (i) the Partnership has achieved the policy objectives regarding investment area and geographical scope as stipulated in the Partnership Agreement, and not less than 70% of the previous installment of the capital contribution has been invested; (ii) the Investment Period of the Partnership has not yet expired; (iii) the previous installment of the capital contribution has been fully paid by each of the Partners in accordance with the terms of the Partnership Agreement; (iv) the manager of the Partnership has completed the filings procedures of the Partnership with the Asset Management Association of China, and has completed the subsequent annual filings and made the relevant disclosure (if required) in accordance with the requirements of the Asset Management Association of China; (v) the manager of the Partnership has completed the registration procedures for the Partnership on the national credit information registration system for government-funded industrial investment fund, and has completed the subsequent annual filings and made the relevant disclosure (if required) in accordance with the relevant requirements; (vi) Liaoning Fund has recognised the results of the performance evaluation of the Partnership as agreed in the Partnership Agreement; and (vii) the General Partners have fully paid the current phase of capital contribution.

The capital contribution of the Group will be funded by internal resources of the Group.

Management and  
operation

: Pursuant to the Partnership Agreement, Haorong Investment (as a General Partner) will act as the executive partner of the Partnership and shall be responsible for the operation and management of the Fund.

The Partnership shall establish an Investment Decision Committee comprising three members, all of which shall be appointed by Haorong Investment. Each of Liaoning Fund and Shenyang Caisheng is entitled to designate an observer to attend the meetings of the Investment Decision Committee. The Investment Decision Committee shall be responsible for, among others, considering and approving the Fund's investment in, post-investment management of or withdrawal from each individual investment project based on the investment principals as stipulated in the Partnership Agreement.

Management fee : Haorong Investment is entitled to an annual management fee in the amount equal to (i) 2% per annum of the total paid-in capital contribution of the Partners after deducting the principals of the withdrawn investment projects during the Investment Period; (ii) 1% per annum of the total investment costs of the Fund's investment projects that have not been withdrawn at the time when such management fee is payable during the Exit Period; and (iii) nil during the Extension Period.

During the term of the Partnership, the total management fee shall not exceed 12% of the paid-in capital contribution of the Partnership

Revenue and loss sharing : The distributable fund (the "**Distributable Fund**") generated from the withdrawal of an investment project of the Fund shall be allocated to the Partners participating in such investment project in proportion to their share of the paid-in capital contribution to such investment project in the following order:

1. first, distributed to the Limited Partners until the cumulative distribution amount obtained is equal to the Limited Partner's paid-in capital contribution to such investment project;
2. second, distributed to the General Partners until the cumulative distribution amount obtained is equal to the General Partner's paid-in capital contribution to such investment project;
3. third, the balance amount after repayment of all Partners' paid-in capital contribution to such investment project (the "**Preferred Return**") shall be allocated in the following order:
  - (i) distributed to the Limited Partners in proportion to their share of the paid-in capital contribution to such investment project until each of the Limited Partners has received an amount equal to an internal return rate of 8% per annum for its paid-in capital contribution to such investment project;
  - (ii) distributed to the General Partners in proportion to their share of the paid-in capital contribution to such investment project until each of the General Partners has received an internal return rate of 8% per annum for its paid-in capital contribution to such investment project;

- (iii) a catch-up profit shall be distributed to the General Partners in proportion to their paid-in capital contribution to the partnership, until the sum of the catch-up profit distributed to them by the Limited Partners other than Liaoning Fund and the sum of the catch-up profit distributed to them by Liaoning Fund (“**Liaoning Fund Catch-up Profit**”) is equal to 20% of the total amount under paragraph (i) above. In addition, each party agrees that the Liaoning Fund Catch-up Profit shall be distributed as to 20% to the General Partners and 80% to the Liaoning Fund, respectively; and
- (iv) in case of any balance after the above distributions, such balance shall be distributed as to 20% to the General Partners and 80% to all Partners in proportion to their share of the paid-in capital contribution to the Partnership.

The Distributable Fund shall be distributed to the Partners in accordance with the above order within sixty (60) days after withdrawal of an investment project.

Any losses shall be first borne by the General Partners up to its paid-in capital contribution to the Partnership and the excess thereof shall be shared by the Limited Partners in proportion to their share of the paid-in capital contribution to the Partnership, provided that the liabilities of the Limited Partners are limited to their paid-in capital contribution to the Partnership.

## **GENERAL INFORMATION**

### **The Group**

The Company was incorporated in Cayman Islands as an exempted company with limited liability on 20 August 2018, the shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the provision of private IT higher education service, IT training services and education technology services in the PRC.

### **Shanghai Ruixiang**

Shanghai Ruixiang is a company incorporated under PRC laws on 14 April 2017 and a wholly-owned subsidiary of the Company, which is principally engaged in the provision of software and IT services.

## **Haorong Investment**

Haorong Investment is a limited liability company established in the PRC on 14 March 2018, which is owned as to 70% by Neusoft Holdings and 30% by Yingrong Enterprise Management Consulting (Shanghai) Co., Ltd. (映榮企業管理諮詢(上海)有限公司), an independent third party of the Company. Haorong Investment is principally engaged in the investment in medical equipment, medical services, new energy and smart cars, education and other industries related to the Neusoft industrial chain. As at the date of this announcement, Dr. LIU Jiren, a Director and a controlling shareholder of the Company, indirectly controls Dalian Kang Ruidao Management Consulting Centre (Limited Partnership) \* (大連康睿道管理諮詢中心(有限合夥)) and Dalian Neusoft Siwei Technology Development Co., Ltd.\* (大連東軟思維科技發展有限公司), which collectively hold approximately 40.47% interest in Neusoft Holdings, and is therefore the single largest ultimate controlling shareholder of Neusoft Holdings. Therefore, the ultimate beneficial owner of Haorong Investment is Dr. LIU Jiren.

## **Shenyang Hengxin**

Shenyang Hengxin is a limited liability company established in the PRC on 23 November 2012, which is a wholly-owned subsidiary of Shenyang Shengjing. Shenyang Hengxin is principally engaged in the private equity management.

## **Liaoning Fund**

Liaoning Fund is a state-owned enterprise established in the PRC on 9 December 2021, which is indirectly wholly-owned by Liaoning Provincial Department of Finance. Liaoning Fund is principally engaged in the private equity management and investment funds management. As the legal entity of Liaoning Province's industrial investment funds, Liaoning Fund is responsible for undertaking the established investment funds and direct equity investment projects and liaising with head fund management institutions.

## **Shenyang Caisheng**

Shenyang Caisheng is a state-owned enterprise established in the PRC on 11 April 2018, which is a wholly-owned subsidiary of Shenyang Shengjing. Shenyang Caisheng is an investment operation platform in the process of the reform of state-owned assets and state-owned enterprises, and is principally engaged in the equity investment, technology investment and infrastructure industry investment.

## **Shenyang Shengjing**

Shenyang Shengjing is a limited partnership established in the PRC on 17 May 2023, with Shenyang Hengxin as the managing partner and Shenyang Shengjing Finance Holding Investment Group Co., Ltd.\* (瀋陽盛京金控投資集團有限公司) as the limited partner. Shenyang Shengjing Finance Holding Investment Group Co., Ltd. is owned as to approximately 67.42% by People's Government State-owned Assets Supervision and Administration Commission of Shenyang Municipal\* (瀋陽市人民政府國有資產監督管理委員會). Shenyang Shengjing, as one of the state-owned capital investment operation platforms for the reform of state-owned enterprises in Shenyang, mainly engages in equity investment, investment management, asset management and venture capital.



## **Neusoft Medical**

Neusoft Medical is a limited liability company established in the PRC on March 6, 1998, which is owned as to approximately 29.94% by Neusoft Corporation (whose A shares are listed on the Shanghai Stock Exchange (stock code: 600718), approximately 15.51% by Neusoft Holdings, approximately 8.92% by Dalian Kang Ruidao Management Consulting Centre (Limited Partnership) and approximately 45.63% by other shareholders (being independent third parties of the Company). The single largest shareholder of Neusoft Medical is Neusoft Corporation. Dr. LIU Jiren, a Director and a controlling shareholder of the Company, indirectly controls Neusoft Holdings and Dalian Kang Ruidao Management Consulting Centre (Limited Partnership), which collectively hold approximately 24.43% interest in Neusoft Medical. Neusoft Medical is a leading provider of medical imaging solutions and services in PRC with sales footprints around the world.

## **Neusoft Venture Capital**

Neusoft Venture Capital is a limited liability company established in the PRC on April 8, 2000, which is owned as to approximately 51.01% by Neusoft Holdings and approximately 48.99% by Neusoft Corporation (whose A shares are listed on the Shanghai Stock Exchange (stock code: 600718)). Therefore, the ultimate beneficial owner of Neusoft Venture Capital is Dr. LIU Jiren. Neusoft Venture Capital is a fund management institution and is principally engaged in investing in the small and medium-sized entrepreneurial enterprises with advanced technology and high growth potential in the IT industry of PRC.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, Shenyang Hengxin, Liaoning Fund, Shenyang Caisheng, Shenyang Shengjing, Neusoft Medical and their ultimate beneficial owners are all third parties independent of the Company and its connected persons.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE PARTNERSHIP AGREEMENT**

The Company considers that the establishment of the Partnership represents an attractive opportunity for the Company to make investment in medical health areas. The Fund focuses on medical health industries including innovative medical equipment, medical services and smart medical care, etc., which are fast-growing areas having an optimistic potential of development in Liaoning Province and are generally areas identified by the government as key areas of development strategically, and to be supported with relevant policies. In addition, the investment areas of the Fund are closely related to the health and medical technology majors offered by the three universities of the Group. Therefore, our participation in the establishment of the Fund could help accumulate more practical resources for the three universities in respect of the construction of majors and cultivation of students. The Company is therefore optimistic that the establishment of the Partnership by entering into the Partnership Agreement will not only diversify the Company's investment structure to make rational use of idle funds, but also obtain reasonable and long-term investment income, thus creating better income and investment returns for the Company and its Shareholders.

The Directors (including all independent non-executive Directors) are of the view that although the establishment of the Partnership is not in the ordinary and usual course of business of the Group, the terms of the Partnership Agreement are fair and reasonable, on normal or better commercial terms and in the interests of the Company and the Shareholders as a whole.

As (i) Haorong Investment and Neusoft Venture Capital are both subsidiaries of Neusoft Holdings; (ii) Dr. LIU Jiren, Dr. WEN Tao, Mr. RONG Xinjie and Mr. SUN Yinhan, each being a Director of the Company, hold positions in Neusoft Holdings; and (iii) Mr. RONG Xinjie also holds positions in both Neusoft Venture Capital and Haorong Investment, each of the above-mentioned Directors are deemed to have material interest in and have therefore abstained from voting on the Board resolution approving the entering into of the Partnership Agreement and the transaction contemplated thereunder.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Haorong Investment and Neusoft Venture Capital are both subsidiaries of Neusoft Holdings, which is a controlling shareholder of the Company. Accordingly, pursuant to Chapter 14A of the Listing Rules, each of Haorong Investment and Neusoft Venture Capital is a connected person of the Company, and the transaction contemplated under the Partnership Agreement constitutes a connected transaction of the Company.

As the highest applicable percentage ratio in respect of the transaction contemplated under the Partnership Agreement is more than 0.1% but less than 5%, the transaction contemplated under the Partnership Agreement is only subject to the reporting and announcement requirements, but exempt from the circular and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“%”	per cent
“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, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 9616)
“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
“Director(s)”	the director(s) of the Company

“Fund” or “Partnership”	Liaoning Ruikang Private Investment Fund Partnership (Limited Partnership)* (遼寧睿康私募投資基金合夥企業 (有限合夥))
“General Partner(s)”	Haorong Investment and Shenyang Hengxin
“Group”	the Company and its subsidiaries
“Haorong Investment”	Haorong Investment Management (Shanghai) Co., Ltd.* (昊容投資管理(上海)有限公司), a non-wholly owned subsidiary of Neusoft Holdings
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Liaoning Fund”	Liaoning Fund Investment Co., Ltd.* (遼寧基金投資有限公司)
“Limited Partner(s)”	Liaoning Fund, Shenyang Caisheng, Shenyang Shengjing, Neusoft Medical, Shanghai Ruixiang and Neusoft Venture Capital
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
“Neusoft Corporation”	Neusoft Corporation (東軟集團股份有限公司), a company incorporated under PRC laws on 17 June 1991, whose shares are listed on the Shanghai Stock Exchange (stock code: 600718)
“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 Medical”	Neusoft Medical Systems Co., Ltd.* (東軟醫療系統股份有限公司), a company incorporated under PRC laws on 6 March 1998, the single largest shareholders of which is Neusoft Corporation
“Neusoft Venture Capital”	Neusoft Venture Capital Venture Capital Co., Ltd.* (遼寧東軟創業投資有限公司), a non-wholly owned subsidiary of Neusoft Holdings
“Partners”	the General Partners and the Limited Partners

“Partnership Agreement”	the partnership agreement, dated 15 June 2023, entered into among Haorong Investment, Shenyang Hengxin, Liaoning Fund, Shenyang Caisheng, Shenyang Shengjing, Neusoft Medical, Shanghai Ruixiang and Neusoft Venture Capital as further described in the section headed “the Partnership Agreement”
“PRC”	the People’s Republic of China, and for the purposes of this announcement only, except where the context requires otherwise, excluding Hong Kong, the Macao Special Administrative Region and Taiwan province of the People’s Republic of China
“RMB”	Renminbi, the lawful currency of PRC
“Shanghai Ruixiang”	Shanghai Ruixiang Information Technology Co., Ltd. (上海芮想信息科技有限公司), a company incorporated under PRC laws on 14 April 2017 and a wholly-owned subsidiary of the Company
“Shenyang Caisheng”	Shenyang Caisheng Investment Fund Co., Ltd.* (瀋陽財盛投資基金有限公司)
“Shenyang Hengxin”	Shenyang Hengxin Antai Equity Investment Fund Management Co., Ltd.* (瀋陽恒信安泰股權投資基金管理有限公司)
“Shenyang Shengjing”	Shenyang Shengjing Investment Fund Partnership (Limited Partnership)* (瀋陽盛京投資基金合夥企業(有限合夥))
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Listing Rules

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

\* *for identification purpose only*

Hong Kong, 15 June 2023

*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.*