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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 PROVISION OF THE LOAN TO NEUSOFT HEALTHCARE

PROVISION OF THE LOAN TO NEUSOFT HEALTHCARE

The Board hereby announces that on 29 August 2023 (after trading hours), Shanghai Ruixiang (as the Lender), a wholly-owned subsidiary of the Company, entered into the Loan Agreement with Neusoft Healthcare (as the Borrower), pursuant to which, Shanghai Ruixiang agreed to provide the Loan in the aggregate principal amount of RMB80.0 million to Neusoft Healthcare for a term of three years from 29 August 2023 to 28 August 2026.

LISTING RULES IMPLICATIONS

Neusoft Healthcare is a wholly-owned subsidiary of Neusoft Holdings, which is the controlling shareholder of the Company. Accordingly, Neusoft Healthcare is a connected person of the Company and the transaction under the Agreement constitutes a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the transaction under the Agreement exceeds 0.1% but is less than 5%, the transaction under the Agreement is 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.

THE LOAN AND THE LOAN AGREEMENT

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The main terms of the Loan Agreement are as follows:

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| Date | : | 29 August 2023 (after the trading hours) |
| Parties | : | (i) Shanghai Ruixiang (as the Lender); and (ii) Neusoft Healthcare (as the Borrower) |
| Principal Amount | : | An aggregate principal amount of RMB80.0 million Neusoft Healthcare may draw down the Loan in several tranches within the term of the Loan Agreement. The provision of the Loan under the Loan Agreement will be funded by internal resources of the Group. |
| Term | : | From 29 August 2023 to 28 August 2026 |
| Use of the Loan | : | For the business operation of the Borrower |
| Interest rate | : | The applicable interest rate is a floating interest rate equal to the one-year loan prime rate announced by the National Interbank Funding Center (the “LPR”) on the business day before the first drawdown date of the Loan (currently 3.45%) plus 0.8%. If the LPR is adjusted, the interest rate of the Loan shall be updated on the business day following the effective date of the adjustment to the LPR. Interest of the Loan shall accrue from the first drawdown date of the Loan and be paid on a quarterly basis within 7 business days after the end of each quarter. |
| Repayment | : | The Borrower shall repay the principal amount of the Loan within 7 business days after the term of the Loan expires. |
| Guarantee | : | Neusoft Holdings provides joint liability guarantee for all liabilities of the Borrower under the Agreement. |

The terms of the Loan Agreement, including the principal amount and annual interest rate of the Loan, are determined after arm's length negotiations between both parties after taking into consideration the prevailing market interest rates, investment returns and the Borrower's financial background and repayment ability.

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 Shanghai Ruixiang

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

Information on Neusoft Healthcare

Neusoft Healthcare, a company incorporated under PRC Laws on 21 April 2020 and a wholly-owned subsidiary of Neusoft Holdings, is principally engaged in medical enterprise management, enterprise management consulting, medical equipment leasing, hospital management consulting, medical management, medical technology research and development and other business activities.

Information on Neusoft Holdings

Neusoft Holdings is an investment holding company incorporated under PRC laws on 15 November 2011 and a controlling shareholder of the Company. Neusoft Holdings invests and has operations in four primary industries: including education, IT services, medical devices and healthcare services.

As of 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. Save as disclosed above, no other shareholder of Neusoft Holdings holds 30% or more of the interest in Neusoft Holdings.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

Providing the Loan to Neusoft Healthcare will facilitate the Group to carry out in-depth cooperation with Neusoft Healthcare in the future (such as jointly building student internship training bases and creating new samples of industry-education integration, etc.), thus providing more development opportunities to the Group in the field of healthcare technology, and at the same time it will help the Group to make full use of idle funds to increase the interest income. Based on the above, the Directors are of the view that entering into the Agreement is beneficial to the Group's business development and thus is in the interests of the Group.

The Directors (including the independent non-executive Directors) are of the view that the transactions under the Agreement will be conducted on normal commercial terms or better, while not being conducted in the Company's ordinary and usual course of business, and the terms and conditions therein are fair and reasonable, and are in the best interests of the Company and its shareholders as a whole.

Since Dr. LIU Jiren and Dr. WEN Tao, each being a Director of the Company, also hold office in Neusoft Holdings and Neusoft Healthcare, and Mr. SUN Yinhuan, a Director of the Company, also holds office in Neusoft Holdings, they are deemed to have material interests in the transactions contemplated under the Agreement 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 Healthcare is a wholly-owned subsidiary of Neusoft Holdings, which is the controlling shareholder of the Company. Accordingly, Neusoft Healthcare is a connected person of the Company and the transaction under the Agreement constitutes a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the transaction under the Agreement exceeds 0.1% but is less than 5%, the transaction under the Agreement is 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:

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| “%” | per cent |
| “Agreement” or “Loan Agreement” | a loan agreement entered into between Shanghai Ruixiang (as the Lender) and Neusoft Healthcare (as the Borrower) on 29 August 2023 (after trading hours) in relation to the provision of the Loan |
| “Board” | the board of Directors |
| “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 |
| “Director(s)” | the director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “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 |
| “Loan” | a loan in the aggregate principal amount of RMB80.0 million provided by Shanghai Ruixiang to Neusoft Healthcare pursuant to the Loan Agreement |
| “Neusoft Healthcare” or “Borrower” | Neusoft Healthcare Management Services Co., Ltd. (東軟健康醫療管理有限公司), a company incorporated under PRC Laws on 21 April 2020, a wholly-owned subsidiary of Neusoft Holdings |
| “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 |

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| “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) |
| “RMB” | Renminbi, the lawful currency of PRC |
| “Shanghai Ruixiang” or “Lender” | Shanghai Ruixiang Information Technology Co., Ltd. (上海睿想信息科技有限公司), a company incorporated under PRC Laws on 14 April 2017, a wholly-owned subsidiary of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “subsidiary” or “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

Hong Kong, 29 August 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.