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)

PROFIT WARNING

This announcement is made by Neusoft Education Technology Co. Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 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 the shareholders (the "**Shareholders**") and potential investors of the Company that based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2020 (the "**Period**") and the information currently available to the Board, it is expected to record a decrease of approximately 45% in the profit for the year ended 31 December 2020 as compared to the corresponding period in 2019. The decrease is mainly due to (a) the substantial amount of listing expenses as a result of the listing of the Group on the main board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in September 2020 (the "**Listing**"); (b) the large amount of share option cost as a result of the adoption of the pre-IPO share incentive scheme in June 2019 and the granting of share options in 2020 by the Group; and (c) foreign exchange losses arising from the depreciation of Hong Kong dollars owned by the Group, mainly the proceeds from the IPO of the Company, against Renminbi.

If the above effect is excluded, the Company will record an expected increase of over 40% in the adjusted net profit for the year ended 31 December 2020 as compared to the corresponding period in 2019.

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 year ended 31 December 2020 and the information currently available to the Board. Such information has not been confirmed or audited by the independent auditor of the Company or the audit committee under the Board and may be subject to changes. As the Company is still in the process of finalizing its annual results for the year ended 31 December 2020, Shareholders and potential investors of the Company are advised to refer to the annual results of the Group for the year ended 31 December 2020, which is expected to be published in late March 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, 27 January 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. Klaus Michael ZIMMER as non-executive directors; and Dr. LIU Shulian, Dr. QU Daokui and Dr. WANG Weiping as independent non-executive directors.