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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)

### ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

The Board of the Company is pleased to announce the annual results of the Group for the year ended 31 December 2023.

<b>HIGHLIGHTS</b>				
	<b>For the year ended 31 December</b>			
	<b>2023</b>	2022	Changes	Percentage
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	of change
<b>Revenue</b>	<b>1,806,073</b>	1,548,382	257,691	16.6%
<b>Gross profit</b>	<b>865,076</b>	666,739	198,337	29.7%
<b>Profit for the year</b>	<b>429,641</b>	385,416	44,225	11.5%
Profit for the year attributable to owners of the Company	<b>429,540</b>	385,393	44,147	11.5%
<b>Adjusted net profit (note)</b>	<b>428,713</b>	380,608	48,105	12.6%
Adjusted net profit attributable to owners of the Company	<b>428,612</b>	380,585	48,027	12.6%
<b>Gross profit margin</b>	<b>47.9%</b>	43.1%	4.8%	N/A
<b>Adjusted net profit margin</b>	<b>23.7%</b>	24.6%	-0.9%	N/A
<b>Basic earnings per share (in RMB)</b>	<b>0.66</b>	0.59	0.07	11.9%
<b>Dividend per share (final dividend) (HK cents)</b>	<b>36.6</b>	16.5	20.1	121.8%
<i>Note:</i>				
For the year ended 31 December 2023, the adjusted net profit is the profit for the year after deducting the effect of net exchange gains of RMB928,000.				
For the year ended 31 December 2022, the adjusted net profit is the profit for the year after deducting the effect of (i) share-based compensation expenses of RMB3,785,000; and (ii) net exchange gains of RMB8,593,000.				

The Board is pleased to announce the audited consolidated annual results of the Group for the year ended 31 December 2023 together with the comparative figures as follows:

## CONSOLIDATED INCOME STATEMENT

	Note	Year ended 31 December	
		2023 RMB'000	2022 RMB'000
<b>Revenue</b>	3	<b>1,806,073</b>	1,548,382
Cost of revenue	6	<b>(940,997)</b>	(881,643)
<b>Gross profit</b>		<b>865,076</b>	666,739
Selling expenses	6	<b>(52,957)</b>	(38,797)
Administrative expenses	6	<b>(207,300)</b>	(148,344)
Research and development expenses	6	<b>(39,986)</b>	(41,507)
Net impairment losses on financial assets		<b>(11,296)</b>	(5,365)
Other income	4	<b>148,186</b>	188,720
Other expenses	5	<b>(36,452)</b>	(29,569)
Other (losses)/gains – net		<b>(599)</b>	5,911
<b>Operating profit</b>		<b>664,672</b>	597,788
Finance income	7	<b>16,669</b>	11,896
Finance expenses	7	<b>(103,560)</b>	(92,149)
Finance expenses – net	7	<b>(86,891)</b>	(80,253)
<b>Profit before income tax</b>		<b>577,781</b>	517,535
Income tax expenses	8	<b>(148,140)</b>	(132,119)
<b>Profit for the year</b>		<b>429,641</b>	385,416
<b>Profit attributable to:</b>			
– Owners of the Company		<b>429,540</b>	385,393
– Non-controlling interests		<b>101</b>	23
		<b>429,641</b>	385,416
<b>Earnings per share attributable to owners of the Company (expressed in RMB per share)</b>			
Basic earnings per share	10	<b>0.66</b>	0.59
Diluted earnings per share	10	<b>0.66</b>	0.58

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<b>Year ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<i><b>RMB'000</b></i>	<i><b>RMB'000</b></i>
<b>Profit for the year</b>	<b>429,641</b>	385,416
<b>Other comprehensive income</b>		
<i>Items that may be reclassified to profit or loss</i>		
Revaluation gains arising from transfer of property, plant and equipment and right-of-use assets to investment properties	–	850
<i>Items that will not be reclassified to profit or loss</i>		
Exchange differences on translation	<b>(2,723)</b>	2,087
<b>Other comprehensive income for the year</b>	<b>(2,723)</b>	2,937
<b>Total comprehensive income for the year</b>	<b>426,918</b>	388,353
<b>Total comprehensive income attributable to:</b>		
– Owners of the Company	426,817	388,330
– Non-controlling interests	<b>101</b>	23
	<b>426,918</b>	388,353

## CONSOLIDATED BALANCE SHEET

		As at 31 December	
	Note	2023	2022
		RMB'000	RMB'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	3,357,441	2,935,493
Intangible assets		273,883	283,232
Right-of-use assets		610,343	630,784
Investment properties		271,400	271,400
Deferred income tax assets		45,659	38,040
Other receivables		40,000	–
Prepayments and other assets		4,515	52,434
Financial assets at fair value through profit or loss		22,500	–
<b>Total non-current assets</b>		<b>4,625,741</b>	<b>4,211,383</b>
<b>Current assets</b>			
Inventories		9,375	4,297
Trade and notes receivables	12	74,149	75,334
Other receivables		19,113	27,021
Prepayments and other assets		115,399	98,866
Financial assets at fair value through profit or loss		76,224	390,449
Restricted cash		62,804	2,459
Cash and cash equivalents		1,708,427	1,183,811
<b>Total current assets</b>		<b>2,065,491</b>	<b>1,782,237</b>
<b>Total assets</b>		<b>6,691,232</b>	<b>5,993,620</b>
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		113	113
Share premium		2,659,698	2,756,159
Reserves		(1,928,825)	(1,938,446)
Retained earnings		1,326,622	909,426
<b>Subtotal</b>		<b>2,057,608</b>	<b>1,727,252</b>
Non-controlling interest		8,601	8,500
<b>Total equity</b>		<b>2,066,209</b>	<b>1,735,752</b>

		<b>As at 31 December</b>	
	<i>Note</i>	<b>2023</b>	<b>2022</b>
		<b>RMB'000</b>	<b>RMB'000</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Trade and other payables	13	675	675
Borrowings	14	2,073,861	2,141,325
Deferred tax liabilities		42,270	41,259
Lease liabilities		27,572	32,222
Deferred income		34,015	34,949
		<hr/>	<hr/>
<b>Total non-current liabilities</b>		<b>2,178,393</b>	<b>2,250,430</b>
<b>Current liabilities</b>			
Trade and other payables	13	616,401	643,142
Current income tax liabilities		53,522	78,607
Contract liabilities	15	1,067,911	989,341
Borrowings	14	651,043	244,930
Deferred tax liabilities		10,717	–
Lease liabilities		8,255	9,092
Deferred income		38,781	42,326
		<hr/>	<hr/>
<b>Total current liabilities</b>		<b>2,446,630</b>	<b>2,007,438</b>
		<hr/>	<hr/>
<b>Total liabilities</b>		<b>4,625,023</b>	<b>4,257,868</b>
		<hr/>	<hr/>
<b>Total equity and liabilities</b>		<b>6,691,232</b>	<b>5,993,620</b>
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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

Neusoft Education Technology Co. Limited (“**the Company**”) was incorporated in Cayman Islands on 20 August 2018 as an exempted company with limited liability. The address of the Company’s registered office is at the offices of 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands.

The Company is an investment holding company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in providing full-time formal higher education services, continuing education services, and education resources and apprenticeship programme in the People’s Republic of China (the “**PRC**”).

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

#### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable International Financial Reporting Standards (“**IFRS Accounting Standards**”) issued by International Accounting Standards Board (“**IASB**”) and disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluations of financial assets at fair value through profit or loss and investment properties.

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

#### *(a) New and amended standards adopted by the Group*

The following new and amended standards, and annual improvements are mandatory for the first time for the Group’s financial year beginning on 1 January 2023 and are applicable for the Group:

- IFRS 17 – Insurance Contracts
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies
- Amendments to IAS 8 – Definition of Accounting Estimates
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules

Except for the new standards as described in Note 2.2, the adoption of above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**(b) New standards and interpretations not yet adopted**

The following new and amended standards, and interpretations that have been issued but not yet effective for the year ended 31 December 2023, and have not been early adopted by the Group:

		<b>Effective from annual period beginning on or after</b>
Amendments to IAS 1	Classification of liabilities as current or non-current	1 January 2024
Amendments to IAS 1	Non-current liabilities with covenants	1 January 2024
Amendments to IFRS 16	Lease liability in sale and leaseback	1 January 2024
Amendments to IAS 7 and IFRS 7	Supplier finance arrangements	1 January 2024
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Directors of the Company have already commenced an assessment of the impact of these new or revised standard, certain of which is relevant to the Group's operation. According to the preliminary assessment made by the Directors, no significant impact on the financial performance and positions of the Group is expected when they become effective.

**2.2 Changes in accounting policies and disclosure**

The Group applied the Amendment to IAS12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction from its effective date on 1 January 2023. In accordance with the retrospectively application transitional provisions, the Group recognised deferred income tax for all temporary differences related to leases that gave rise to equal amounts of taxable and deductible temporary differences on initial recognition date at the beginning of the earliest period presented being 1 January 2022, an adjustment of RMB8,721,000 was recognised to the gross amounts of deferred tax assets and deferred tax liabilities simultaneously, and the resultant deferred tax assets and deferred tax liabilities met the set-off provisions and presented on a net basis on the consolidated balance sheet. There were no significant impact on opening retained earnings upon the adoption of this amendments.

### 3. REVENUE

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
<b>Full-time formal higher education services</b>	<b>1,453,347</b>	1,175,294
– Tuition fees	<b>1,332,064</b>	1,072,611
– Boarding fees	<b>120,159</b>	99,858
– Rental income of telecommunication device	<b>1,124</b>	2,825
<b>Education resources</b>	<b>192,016</b>	182,278
<b>Continuing education services</b>	<b>158,603</b>	146,508
<b>Apprenticeship programme</b>	<b>2,107</b>	44,302
	<b><u>1,806,073</u></b>	<b><u>1,548,382</u></b>

### 4. OTHER INCOME

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Rental income from properties	<b>64,323</b>	56,470
Property service and management income	<b>23,927</b>	25,308
Government grants and subsidies	<b>45,610</b>	95,320
Development of software system technology	<b>11,163</b>	9,089
Others	<b>3,163</b>	2,533
	<b><u>148,186</u></b>	<b><u>188,720</u></b>

### 5. OTHER EXPENSES

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Depreciation of property, plant and equipment	<b>8,742</b>	7,972
Property maintenance and fire protection expenses	<b>9,758</b>	8,996
Development of software system technology expenses	<b>12,435</b>	8,126
Utilities expenses	<b>3,766</b>	2,701
Employee benefit expenses	<b>945</b>	892
Amortisation of land use rights and intangible assets	<b>683</b>	683
Others	<b>123</b>	199
	<b><u>36,452</u></b>	<b><u>29,569</u></b>



## 6. EXPENSES BY NATURE

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Employee benefit expenses	703,804	630,241
Depreciation and amortisation expenses	179,020	162,471
Office, utilities and miscellaneous expenses	149,828	115,599
Property management, landscaping and maintenance expenses	75,559	66,492
Cost of goods sold	21,219	40,682
Rental expenses	43,199	38,200
Subcontract cost	16,653	16,611
Taxes and fees	10,501	8,831
Auditors' remuneration	3,800	3,800
Consulting and professional fees	5,249	2,903
Others	32,408	24,461
	<u>1,241,240</u>	<u>1,110,291</u>

## 7. FINANCE INCOME AND EXPENSES

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
<b>Finance income</b>		
Interest income from deposits	16,353	11,896
Interest income from loan to a related party	316	–
	<u>16,669</u>	<u>11,896</u>
<b>Finance expenses</b>		
Interest expenses from borrowings	(120,543)	(120,673)
Interest expenses from leasing	(1,787)	(1,671)
Other charges	(419)	(519)
Net foreign exchange gains	928	8,593
	<u>18,261</u>	<u>22,121</u>
Less: amount capitalised	<u>(103,560)</u>	<u>(92,149)</u>
<b>Finance expenses – net</b>	<u>(86,891)</u>	<u>(80,253)</u>

## 8. INCOME TAX EXPENSES

	Year ended 31 December	
	2023 RMB'000	2022 RMB'000 (Restated)
Current tax on profits for the year	144,031	135,745
Deferred income tax	4,109	(3,626)
	<u>148,140</u>	<u>132,119</u>

The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the taxation rate of PRC, the principal place of the Group's operations, as follows:

	Year ended 31 December	
	2023 RMB'000	2022 RMB'000 (Restated)
Profit before income tax	577,781	517,535
Tax calculated at a taxation rate of 25%	144,445	129,384
The impact of preferential tax rate	(7,999)	(7,156)
Expenses and losses not deductible for tax purposes	2,230	1,605
Tax losses for which no deferred tax assets was recognised	5,353	3,035
Non-taxable income	(2,103)	(2,092)
Utilisation of previously unrecognised tax losses	(1,058)	(6,667)
Super deduction for research and development expenses	(4,155)	(4,477)
PRC withholding tax	10,833	18,542
Others	594	(55)
Tax charge	<u>148,140</u>	<u>132,119</u>

### (i) Cayman Islands profits tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

### (ii) British Virgin Islands profit tax

The Company's direct subsidiary in the British Virgin Islands was incorporated under the BVI Companies Act, 2004 and accordingly, is exempted from British Virgin Islands income tax.

### (iii) Hong Kong profit tax

No provision for Hong Kong profit tax was provided as the Company and the Group did not have assessable profits in Hong Kong during the year.

**(iv) PRC corporate income tax (“CIT”)**

CIT is provided on assessable profits of entities incorporated in the PRC. Pursuant to the Corporate Income Tax Law of the PRC (the “CIT Law”), which was effective from 1 January 2008, the CIT was 25% during the year.

**(v) PRC Withholding Tax (“WHT”)**

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to a 10% WHT. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the mainland China and Hong Kong, the relevant withholding tax rate will be 5%. Since the equity holder of the PRC subsidiaries of the Company is a Hong Kong incorporated company and meet the relevant requirements pursuant to the tax arrangement between mainland China and Hong Kong, the relevant withholding tax rate of 5% is used (2022: 10%). As at 31 December 2023, accruals of RMB10,717,000 has been made by the Company based on the current plan of dividends distribution of its PRC subsidiaries.

Apart from the above, in the foreseeable future, the Group does not have any plan to require its subsidiaries in mainland China to distribute their retained earnings but intends to retain them to operate and expand its business in mainland China.

**(vi) Preferential EIT rate**

Certain subsidiaries are entitled to preferential tax rates ranging from 15% to 20%, which are:

- Dalian Yunguan Information Technology Co., Ltd. is qualified as high-tech enterprise in 2021. It is subject to an EIT rate of 15% for the years ended 31 December 2023 and 2022.
- Neusoft Education Technology Group Co., Ltd. is qualified as high-tech enterprise in 2021. It is subject to an EIT rate of 15% for the years ended 31 December 2023 and 2022.
- The subsidiaries of Tianjin Neusoft Ruidao Education Information Technology Co., Ltd. except Shenyang Neusoft Ruidao Education Services Co., Ltd. are small low-profit enterprises, followed by a reduced tax rate of 20% for the year ended 31 December 2023. The subsidiaries of Tianjin Ruidao except Dalian Neusoft Ruichuang Technology Development Co., Ltd. are small low-profit enterprises, followed by a reduced tax rate of 20% for the year ended 31 December 2022.
- Suzhou Neusoft Technology Development Co., Ltd. is a small low-profit enterprise, followed by a reduced tax rate of 20% for the year ended 31 December 2023 and 2022.
- Chengdu Neusoft Education Technology Co., Ltd. is a small low-profit enterprise, followed by a reduced tax rate of 20% for the year ended 31 December 2023 and 2022.
- Dalian Neusoft Technology Development Co., Ltd. is a small low-profit enterprise, followed by a reduced tax rate of 20% for the year ended 31 December 2023 and 2022.
- Nanjing Ruidao Digital Technology Co., Ltd. is a small low-profit enterprise, followed by a reduced tax rate of 20% for the year ended 31 December 2023 and 2022.
- Huzhou Ruidao Digital Technology Co., Ltd. is a small low-profit enterprise, followed by a reduced tax rate of 20% for the year ended 31 December 2023 and 2022.

- Putian Neusoft Digital Technology Lab Co., Ltd. is a small low-profit enterprise, followed by a reduced tax rate of 20% for the year ended 31 December 2023 and 2022.
- Zhengzhou Neusoft Ruidao Digital Technology Co., Ltd. is a small low-profit enterprise, followed by a reduced tax rate of 20% for the year ended 31 December 2023 and 2022.
- Chengdu Ruixiang Skill Training School Co., Ltd. is a small low-profit enterprise, followed by a reduced tax rate of 20% for the year ended 31 December 2023 and 2022.
- Ningbo Wanli Neusoft Digital Technology Co., Ltd. is a small low-profit enterprise, followed by a reduced tax rate of 20% for the year ended 31 December 2023 and 2022.
- Suzhou Neusoft Ruixiang Technology Co., Ltd. is a small low-profit enterprise, followed by a reduced tax rate of 20% for the year ended 31 December 2023 and 2022.

## 9. DIVIDENDS

Each of the subsidiaries of the Company who had declared and paid dividends to its shareholders had sufficient retained earnings available for distribution when it declared and paid such dividends, which was in compliance with the PRC Company Law.

The dividends amounting to RMB99,239,000 were paid during the year ended 31 December 2023 (2022: RMB81,445,000), of which RMB99,239,000 were paid to shareholders of the Company (2022: RMB81,298,000) and nil was paid to a non-controlling shareholder of a subsidiary (2022: RMB147,000).

In respect of dividends paid to shareholders of the Company during the year ended 31 December 2023, RMB97,721,000 and RMB1,518,000 were related to dividends of the year ended 31 December 2022 and 2021 respectively (2022: RMB81,085,000 and RMB213,000 were related to dividends of the year ended 31 December 2021 and 2020 respectively).

A dividend in respect of the year ended 31 December 2023 of HKD0.366 per share (2022: HKD0.165 per share) has been proposed by the Directors of the Company and is subject to the approval by the shareholders in the forthcoming annual general meeting to be held on 28 May 2024. Based on the total issued share capital of the Company as at 31 December 2023, the total final dividend to be paid by the Company amounts to approximately HKD236,510,000 (approximately equivalent to RMB214,331,000) (2022: HKD106,624,000 (approximately equivalent to RMB95,244,000)). In the event of change in the total issued share capital of the Company before the record date for dividend payment, dividends will be distributed per share and the total distribution amount will be adjusted accordingly. These financial statements do not reflect this dividend payable.

## 10. EARNINGS PER SHARE

### (a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December	
	2023	2022
Profit attributable to owners of the Company ( <i>RMB'000</i> )	429,540	385,393
Weighted average number of ordinary shares in issue ( <i>thousands</i> )	<u>646,204</u>	<u>658,567</u>
Basic earnings per share ( <i>in RMB</i> )	<u>0.66</u>	<u>0.59</u>

### (b) Diluted

Diluted earnings per share is calculated based on the profit attributable to owners of the Company after adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares during the year.

	Year ended 31 December	
	2023	2022
Profit attributable to owners of the Company ( <i>RMB'000</i> )	429,540	385,393
Weighted average number of ordinary shares in issue ( <i>thousands</i> )	646,204	658,567
Adjustments for share options granted to employees ( <i>thousands</i> )	<u>–</u>	<u>9,022</u>
Weighted average number of ordinary shares for calculation of diluted earnings per share ( <i>thousands</i> )	<u>646,204</u>	<u>667,589</u>
Diluted earnings per share ( <i>in RMB</i> )	<u>0.66</u>	<u>0.58</u>

## 11. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Renovation RMB'000	Motor vehicles RMB'000	Electronic equipment RMB'000	Furniture and fixtures RMB'000	Others RMB'000	Construction in progress RMB'000	Total RMB'000
<b>At 1 January 2022</b>								
Cost	2,440,836	79,634	5,488	272,145	167,266	24,235	658,855	3,648,459
Accumulated depreciation	(582,615)	(39,561)	(4,366)	(197,151)	(124,283)	(15,984)	–	(963,960)
<b>Net book amount</b>	<b>1,858,221</b>	<b>40,073</b>	<b>1,122</b>	<b>74,994</b>	<b>42,983</b>	<b>8,251</b>	<b>658,855</b>	<b>2,684,499</b>
<b>Year ended 31 December 2022</b>								
Opening net book amount	1,858,221	40,073	1,122	74,994	42,983	8,251	658,855	2,684,499
Additions	–	5,288	–	40,328	22,328	4,078	400,979	473,001
Transfer upon completion	526,528	–	–	–	–	–	(526,528)	–
Transfer to investment properties	–	–	–	–	–	–	(85,150)	(85,150)
Disposals	–	–	–	(511)	(16)	(10)	–	(537)
Depreciation charge	(82,378)	(11,028)	(245)	(29,461)	(11,062)	(2,146)	–	(136,320)
<b>Closing net book amount</b>	<b>2,302,371</b>	<b>34,333</b>	<b>877</b>	<b>85,350</b>	<b>54,233</b>	<b>10,173</b>	<b>448,156</b>	<b>2,935,493</b>
<b>At 31 December 2022</b>								
Cost	2,967,364	84,922	5,488	298,667	188,812	28,227	448,156	4,021,636
Accumulated depreciation	(664,993)	(50,589)	(4,611)	(213,317)	(134,579)	(18,054)	–	(1,086,143)
<b>Net book amount</b>	<b>2,302,371</b>	<b>34,333</b>	<b>877</b>	<b>85,350</b>	<b>54,233</b>	<b>10,173</b>	<b>448,156</b>	<b>2,935,493</b>
<b>Year ended 31 December 2023</b>								
Opening net book amount	2,302,371	34,333	877	85,350	54,233	10,173	448,156	2,935,493
Additions	–	7,262	966	42,535	20,447	3,852	503,986	579,048
Transfer upon completion	358,973	–	–	–	–	–	(358,973)	–
Disposals	–	(1,636)	(20)	(741)	(513)	–	–	(2,910)
Depreciation charge	(92,100)	(10,748)	(361)	(37,163)	(11,634)	(2,184)	–	(154,190)
<b>Closing net book amount</b>	<b>2,569,244</b>	<b>29,211</b>	<b>1,462</b>	<b>89,981</b>	<b>62,533</b>	<b>11,841</b>	<b>593,169</b>	<b>3,357,441</b>
<b>At 31 December 2023</b>								
Cost	3,326,337	90,548	6,434	340,461	208,746	32,079	593,169	4,597,774
Accumulated depreciation	(757,093)	(61,337)	(4,972)	(250,480)	(146,213)	(20,238)	–	(1,240,333)
<b>Net book amount</b>	<b>2,569,244</b>	<b>29,211</b>	<b>1,462</b>	<b>89,981</b>	<b>62,533</b>	<b>11,841</b>	<b>593,169</b>	<b>3,357,441</b>

## 12. TRADE AND NOTES RECEIVABLES

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Due from related parties	11,193	12,884
Receivables from education resources services	75,402	60,063
Receivables from continuing education services	2,464	4,403
Receivables from development of software system technology	228	383
Others	282	889
	<u>89,569</u>	<u>78,622</u>
Less: Provision for impairment of trade receivables	(16,515)	(5,926)
Trade receivables – net	73,054	72,696
Notes receivables	1,095	2,638
	<u>74,149</u>	<u>75,334</u>

The Group's trade receivables were denominated in RMB and the carrying amounts approximated their fair values.

- (a) As at 31 December 2023 and 2022, the aging analysis of the trade receivables on the basis of recognition date was as follows:

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Less than 6 months	45,610	60,245
6 months to 1 year	28,925	7,451
1 to 2 years	4,996	10,126
More than 2 years	10,038	800
	<u>89,569</u>	<u>78,622</u>

### 13. TRADE AND OTHER PAYABLES

	As at 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Trade payables</b>		
Amount due to third parties	<u>11,320</u>	<u>4,563</u>
<b>Other payables</b>		
Amount due to related parties	2,763	2,906
Miscellaneous expenses received from students	56,589	63,134
Salary and welfare payables	85,573	91,273
Deposits	31,852	40,344
Government subsidies payable to students	19,639	11,966
Payables for purchases of property, plant and equipment	366,629	349,429
Payables for administrative cost	13,670	16,586
Tax payables	11,698	9,502
Interest payables to bank	3,898	3,419
Redemption liability	–	36,274
Dividend payable	–	1,568
Others	13,445	12,853
Less: non-current portion		
– Amount due to a third party	<u>(675)</u>	<u>(675)</u>
<b>Other payables – current portion</b>	<u>605,081</u>	<u>638,579</u>
<b>Total trade and other payables – current portion</b>	<u>616,401</u>	<u>643,142</u>

The Group's trade payables were denominated in RMB and the carrying amounts approximated their fair values.

- (a) The credit terms of trade payables granted to the Group are generally no more than 180 days. As at 31 December 2023 and 2022, the aging analysis of the trade payable based on invoice dates was as follows:

	As at 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Less than 6 months	<u>11,320</u>	<u>4,563</u>



## 14. BORROWINGS

	As at 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Long-term borrowings</b>		
Bank borrowings		
– secured	2,139,032	1,922,105
– unsecured	423,505	324,565
Current portion of long term borrowings		
– secured	(220,171)	(66,027)
– unsecured	(268,505)	(40,060)
	<u>2,073,861</u>	<u>2,140,583</u>
Borrowings from a financial institution		
– secured	742	7,928
Current portion of long-term borrowings		
– secured	(742)	(7,186)
	<u>–</u>	<u>742</u>
<b>Short-term borrowings</b>		
Bank borrowings		
– secured	13,925	–
– unsecured	147,700	131,657
Current portion of long term borrowings		
– secured	220,171	66,027
– unsecured	268,505	40,060
	<u>650,301</u>	<u>237,744</u>
Borrowings from a financial institution		
– secured	–	–
Current portion of long-term borrowings		
– secured	742	7,186
	<u>742</u>	<u>7,186</u>
<b>Total borrowings</b>	<u><b>2,724,904</b></u>	<u><b>2,386,255</b></u>

## 15. CONTRACT LIABILITIES

The Group recognised the following revenue-related contract liabilities, which represented the unsatisfied performance obligation as at 31 December 2023 and 2022 and will be expected to be recognised within one year:

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
<b>Full-time formal higher education services</b>	<b>969,258</b>	886,118
– Tuition fees	<b>884,453</b>	810,277
– Boarding fees	<b>84,805</b>	75,841
<b>Education resources</b>	<b>42,674</b>	38,737
<b>Continuing education services</b>	<b>51,934</b>	60,182
<b>Development of software system technology</b>	<b>4,045</b>	4,304
	<b>1,067,911</b>	<b>989,341</b>

## 16. SUBSEQUENT EVENT

On 26 March 2024, Dalian Neusoft Ruixin Technology Development Co., Ltd. (“**Neusoft Ruixin**”), a wholly-owned subsidiary of the Company, entered into a share transfer agreement with Neusoft Holdings and Neusoft Healthcare Management Co., Ltd. (“**Neusoft Healthcare**”), pursuant to which Neusoft Ruixin has conditionally agreed to purchase, and Neusoft Holdings has conditionally agreed to sell 100% equity interest of Neusoft Healthcare, at a total consideration of RMB81,000,000, which will be settled in cash.

After the completion of the above acquisition, Neusoft Healthcare will become a wholly-owned subsidiary of the Company. The consolidated financial results of Neusoft Healthcare and its subsidiaries and consolidated affiliated entities will be consolidated into the consolidated financial statement of the Group.

For details please refer to the announcement of the Company of Connected Transaction in Relation to the Acquisition of Neusoft Healthcare dated on 26 March 2024. As of the date of this announcement, the acquisition is still pending completion.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 1 ABOUT US

With our mission of “Boost Smart Education with Digital Technologies, and Empower Students with Innovative Education”, we advocate the values of “Innovation, Integration, Progression, Responsibility, Integrity”. Focusing on IT and healthcare technology, we have developed an ecosystem with full-time formal higher education services as our fundamental business, and with education resources and continuing education services as our two strategic businesses, dedicated to becoming a leading education service provider of digital talents in China.

Our Vision	Our Mission	Our Values
Leading Education Service Provider of Digital Talents in China	Boost Smart Education with Digital Technologies, and Empower Students with Innovative Education	<ul style="list-style-type: none"><li>• Innovation</li><li>• Progression</li><li>• Integrity</li><li>• Integration</li><li>• Responsibility</li></ul>

In line with the development trend of informatisation, digitalisation and intellectualisation of education in China, we aim to improve the innovative cultivation quality of applied talent, deepen the integration of education with science and industry, keep practicing the connotative development route of high-quality school operation and strive to build and carry out the 4S characteristic service model, in order to enable client colleges and universities to improve their quality and thus providing whole-chain support for the interdisciplinary training of Chinese digital talents and diversified services for the lifelong learning, and to provide professional capacity improvement of other institutions and individual learners in the meantime. The following table shows a breakdown of our revenue from each business segment during the Reporting Period:

	For the year ended		Percentage of change	Percentage of total revenue
	2023 (RMB'000)	2022 (RMB'000)		
Full-time formal higher education services	<b>1,453,347</b>	1,175,294	23.7%	80.5%
Education resources	<b>192,016</b>	182,278	5.3%	10.6%
Continuing education services	<b>158,603</b>	146,508	8.3%	8.8%
Others	<b>2,107</b>	44,302	-95.2%	0.1%
Total	<b>1,806,073</b>	1,548,382	16.6%	100.0%

## 2 BUSINESS REVIEW

### 2.1 Our Universities – Continuously Improving the Teaching Quality and the Innovation on Industry-Education Integration

#### 2.1.1 Steady growth in student enrolment

The excellent quality of our three universities has been widely recognised by students and parents across the country, leading to a steady increase on the student enrolment in the 2023/2024 school year. In the 2023/2024 school year, over 18,000 new students registered in our three universities, representing an increase of approximately 3.0% as compared to the 2022/2023 school year; the total number of student enrolment in our three universities reached nearly 57,000 after the completion of their enrolment, representing an increase of approximately 7.5% over the same period in 2022, hitting a record high in size.

	Student enrolment			Tuition fee standard (RMB per year)
	As at 31 December 2023	As at 31 December 2022	Percent of change	For new students of the 2023/2024 school year
<b>Dalian University</b>				
Bachelor degree programmes	15,285	14,944	2.3%	28,000-34,000
Junior college diploma programmes	1,299	867	49.8%	28,000 <sup>(1)</sup>
Junior college to bachelor degree transfer programmes	4,703	2,812	67.2%	28,000
Subtotal	21,287	18,623	14.3%	–
<b>Chengdu University</b>				
Bachelor degree programmes	17,317	14,975	15.6%	18,000-20,000
Junior college diploma programmes	1,392	2,126	-34.5%	18,000-19,000
Junior college to bachelor degree transfer programmes	3,232	3,610	-10.5%	18,000-19,000
Subtotal	21,941	20,711	5.9%	–

	Student enrolment			Tuition fee standard (RMB per year) For new students of the 2023/2024 school year
	As at 31 December 2023	As at 31 December 2022	Percent of change	
<b>Guangdong University</b>				
Bachelor degree programmes	9,823	9,884	-0.6%	28,000-32,000 <sup>(2)</sup>
Junior college diploma programmes	302	670	-54.9%	23,000
Junior college to bachelor degree transfer programmes	3,487	2,994	16.5%	28,000-32,000
Subtotal	13,612	13,548	0.5%	–
Total	56,840	52,882	7.5%	–

Notes:

- (1) Other than that, the tuition fee standard for the cooperation programme for Dalian University with Ueda Gakuen Osaka Sogo College of Design, Japan (for junior college diploma programmes) is RMB48,000 per year for the new students of the 2023/2024 school year.
- (2) Other than that, the tuition fee standard for the cooperation programme for Guangdong University with the University of the West of England, UK (for bachelor degree programmes) is RMB68,000 per year for the new students of the 2023/2024 school year.

### 2.1.2 Stable improvement on teaching quality

**Dalian University** has been approved to offer its first Sino-foreign cooperation programme in 2023/2024 school year, Virtual Reality Technology Application (for junior college diploma programmes) and successfully completed its student enrolment; Dalian University has 7 National-level First-class Bachelor Degree Programme Construction Sites (國家級一流本科專業建設點) and 8 Provincial-level First-class Bachelor Degree Programme Construction Sites (省級一流本科專業建設點) recognised, with the number ranking the first among all private universities in China. Its teaching quality continued to improve steadily during the Reporting Period:

- Received the first prize of National-Level Teaching Achievement Award, which is the only National-Level Teaching Achievement Award in vocational education in Liaoning Province this time;

- 1 course, Internet of Things System Development, was recognised as the National-level First-class Bachelor Degree Course (國家級一流本科課程) and 2 courses in total has been recognised as National-level First-class Bachelor Degree Courses in total, the number of which ranked the first among all private universities in Liaoning Province, and it also has 115 courses in total that have been recognised as Provincial-level First-class Bachelor Degree Courses (省級一流本科課程);
- 3 textbooks were selected as the first batch of National Planning Textbook in the 14th Five-Year Plan of Vocational Education (“十四五”職業教育國家規劃教材) by MOE;
- Ranked the first in the country for five consecutive years from 2019 to 2023 in the “National Private and Independent College Teacher Teaching Development Index” (全國民辦及獨立學院教師教學發展指數) released by the China Association of Higher Education (中國高等教育學會);
- In the 2023 Real Impact World University RANKING (2023 WURI RANKING), ranked 67th among the world’s top 100 innovative universities, up 24 places since 2022;
- Recognised as one of the first batch of the National College Quality Culture Construction Demonstration Cases (全國高校質量文化建設示範案例) by the Chinese Network of Internal Quality Assurance Agencies in Higher Education (CIQA, 全國高校質量保障機構聯盟).

**Chengdu University** offers 2 new bachelor degree programmes, namely Supply Chain Management and Virtual Reality Technology, both of which has completed students enrolment successfully. Chengdu University has 1 major recognised as National-level First-class Bachelor Degree Programme Construction Site and 6 majors recognised as Provincial-level First-class Bachelor Degree Programme Construction Sites. Its teaching quality continued to improve steadily during the Reporting Period:

- 1 course, Basis of Programming, was recognised as the National-level First-class Bachelor Degree Course, and it has 1 course recognised as National-level First-class Bachelor Degree Course and 25 courses recognised as Provincial-level First-class Bachelor Degree Courses recognised in total;
- The major Software Engineering was recognised as one of the first batch of Application Oriented Brand Majors among Universities in Sichuan Province (四川省本科高校應用型品牌專業), and 2 courses thereunder were recognised as the first batch of Application Oriented Brand Course Construction Programmes among Universities in Sichuan Province (四川省本科高校應用型品牌課程建設項目);

- Ranked first among the science and engineering universities across the country in the 2022 China Private University Student Quality Rankings (2022年中國民辦大學生生源質量排名) released by China University Rankings (CNUR, 中國大學排行榜);
- Awarded several honorary titles by China Education Online (中國教育在線) including “2023 National University Digital and Intelligent Publicity Excellence Award”(2023年度全國高校數智傳播卓越獎), “2023 New Media Publicity Innovative University” (2023年度新媒體傳播創新本科高校), “2023 Most Popular University among High School Students in Sichuan Province” (2023年度四川省最受高中生喜愛本科高校);
- Awarded the honorary title of “2023 China Comprehensive Strength Brand University” (2023年度中國綜合實力品牌高校) by CNRNET (央廣網).

**Guangdong University** has 3 Provincial-level First-class Bachelor Degree Programme Construction Sites recognised. Its teaching quality continued to improve steadily during the Reporting Period:

- 1 course, Basis of Programming, was recognised as the National-level First-class Bachelor Degree Course, and it has 1 course in total that has been recognised as National-level First-class Bachelor Degree Course and 20 courses in total that have been recognised as Provincial-level First-class Bachelor Degree Courses in total;
- Ranked 12th in China and first in Guangdong Province in the “National Private and Independent College Teacher Teaching Development Index” released by the China Association of Higher Education;
- Approved by the Department of Science and Technology of Guangdong Province (廣東省科學技術廳) as “2022 Engineering and Technology Research Centre in Guangdong Province” to build the first scientific research platform of provincial Department of Science and Technology;
- Awarded the honorary title of “2023 National Application-Oriented Strength University” by Tencent Education;
- Awarded the honorary title of “Best Innovation and Practice University for High Quality Employment” by China Education Online and Employment Bridge (就業橋);
- A number of teachers won 3 first prizes, 7 second prizes, 11 third prizes of national level in the sixth National Digital Creative Teaching Skills Competition (第六屆全國數字創意教學技能大賽), the number of national prizes hitting a record high.

### ***2.1.3 Brilliant achievements in academic competitions***

We adhere to the improvement of students' innovation and entrepreneurship ability as an important part of talent training, and encourage students to participate in various academic competitions based on the idea of promoting learning, teaching and innovation through competition. In the “National General Colleges and Universities Students' Computer Competition State Data of 2012-2022”, Dalian University and Chengdu University ranked the top two among private universities in China. In 2023, students of the three universities won more than 5,500 awards of provincial third prizes and above in all academic competitions, presenting the excellent academic major practice capability and comprehensive strength of our students:

- Dalian University won the champion from the preliminary to quarter-final and to the national final in the competition with several “Double World-Class” universities in China including Harbin Institute of Technology, Xi'an Jiaotong University in the Huawei Developer Challenge — Hundreds of Models with Thousands of Status Open Source Big Model AI Challenge (華為開發者大賽 — 百模千態開源大模型AI挑戰賽);
- Dalian University won two National Grand Prizes in the practical competition of Business-University Combination (BUC) and the competition of Rural Revitalisation of the 13th National College Students E-commerce “Innovation, Creativity and Entrepreneurship” Challenge Competition (第十三屆全國大學生電子商務“創新、創意及創業”挑戰賽);
- Chengdu University won the National Grand Prize in the “2023 National Undergraduate Robots Competition” co-sponsored by the Central Committee of the Communist Youth League and MIIT;
- Guangdong University won 1 International First Prize, 2 International Second Prizes and 4 International Third Prizes in the 2023 Mathematical Contests in Modeling; In the Chinese Undergraduate Mathematical Contest in Modeling, it won 2 National First Prizes and 7 National Second Prizes, and ranked the first in the number of national awards among private universities in Guangdong Province.

### ***2.1.4 Various breakthroughs in industry-education integration***

The inherent industrial gene and the cultivation goal of application-oriented talents has urged our three universities to remain sensitive to and actively grasp the opportunities of school-enterprise cooperation and collaborative education to truly realise that our students can meet the requirements of enterprises inside campus, and apply what they have learned in campus at the beginning of their career.



In 2023, four predominant industrial colleges of Dalian University, namely “Neuedu IT Industrial College”, “Modern Semiconductor Industrial College”, “Neuedu Internet of Cars Industrial College” and “Yonyou Digital Intelligence Industrial College”, were successfully recognised as the Provincial-Level Modern Industrial Colleges in Liaoning Province. So far, there has been six industrial colleges of Dalian University, including “Neuedu Baidu Artificial Intelligence College” and “Digital Media Creative Industrial College”, recognised as Provincial-Level Modern Industrial Colleges in Liaoning Province, basically forming the education model of industry-education integration based on modern industrial colleges. Among them, the “Yonyou Digital Intelligence Industrial College” was also recognised as the Liaoning Revitalisation Industrial College in Liaoning Province (遼寧省興遼產業學院) in 2023. In 2023, the “Digital Culture and Tourism Industrial College” of Chengdu University was recognised as one of the second batch of Provincial-Level Modern Industrial Colleges in Sichuan Province, and plus “Network Security Industrial College”, Chengdu University so far has 2 industrial colleges recognised as Provincial-Level Modern Industrial Colleges, the number ranking first among private universities in Sichuan Province.

In addition to a number of honorary titles of our industrial colleges, in 2023, we have also made various breakthroughs in industry-education integration in aspects of school-enterprise cooperation, collaborative education, scientific research projects, social services, etc., and achieved remarkable results both in quantity and quality:

- Our three universities have carried out all-round and in-depth cooperation in customised programmes, curriculum construction, laboratory co-construction, scientific and technological research and development, and internship and practical training with 144 companies in the fields of software engineering, smart logistics, artificial intelligence and others;
- The three universities have been approved a total of 231 industry-education integration projects (including 85 industry-university cooperative education projects of the MOE), of which Dalian University has the highest number of approved provincial-level industry-university cooperative education projects among private universities in Liaoning Province;
- Two MOE industry-university cooperative education projects of Guangdong University were recognised as excellent cases of the industry-university cooperative education Project of the MOE in 2022;
- The “Medical plus Engineering Cross-Fund Project” carried out by Dalian University and the Second Affiliated Hospital of Dalian Medical University has successfully made several scientific achievements including being recognised as Dalian Science and Technology Innovation Fund Application Basics Research Project and Dalian Key Laboratory of Digital Medical Application Technology;

- In cooperation with several parties including the government of Shishan, the enterprise of Yanjing Beer and the historical village of Huangxi, Guangdong University has created the new scene of “Historical Village +”, and participated in the design of “Never Aged Party” Beer Fair of Yanjing Beer and Huangxi historical village, providing support for the release of new vitality of the Shishan village with an 800-year history.

### ***2.1.5 New achievements in employment and entrepreneurship***

Under the guidance of our education philosophy of “Empower students with education” and the education methodology of TOPCARES, our students burst with fresher creativity and stronger vitality in the employment and entrepreneurship market. As of 31 December 2023, the implementation rate of their destination after graduation of the 2023 graduates of Dalian University and Chengdu University both reached around 95%, and that of Guangdong University reached around 90%, presenting a remained relatively high implementation rate of destination after graduation despite the severe situation in the job market in the post-epidemic era.

In 2023, the SOVOs of our three universities continued to play their supporting role as National-Level Mass Entrepreneurship Spaces (國家級眾創空間), inviting experts from multiple fields of “universities + enterprises + industries” to organise students to discover and select and develop and refine the projects through online + offline policy interpretation, expert lectures, road shows, etc. During the Reporting Period, the SOVOs of the three universities developed a total of more than 700 entrepreneurial projects above the provincial level, incubating nearly 300 virtual companies and approximately 100 physical companies, some of which generated a revenue of approximately RMB2 million a year.

Based on the excellent employment and entrepreneurship results of our students, in 2023, our three universities also won a number of honourable titles in employment and entrepreneurship:

- Dalian University was recognised as the “Advanced Unit of High Education Graduates Employment in 2022 in Liaoning Province”;
- the SOVO of Dalian University was recognised as the “Entrepreneurship Incubation Demonstration Base of Liaoning Province” and the “Provincial-level Innovation and Entrepreneurship College of Liaoning Province”;
- the SOVO of Chengdu University was recognised as the “Excellent Mass Entrepreneurship Space in 2022” by the Department of Science and Technology of Sichuan Province, and was the only private university mass entrepreneurship space among the 34 recognised mass entrepreneurship space this year;
- Guangdong University was recognised as the “Best Innovative and Practical University for High-quality Employment in 2023” by China Education Online and Employment Bridge.

### 2.1.6 Further development on campus construction

In order to accommodate the increasing number of students, we have carried out a series of campus expansion projects in recent years, and the campus capacity has realised an increase of approximately 20,000 beds in three years. In August 2023, the main project of student dormitories of Chengdu University Phase VIII Expansion Project was successfully completed and has been put into use in the second half year of 2023, increasing the campus capacity of approximately 3,200 beds.

As of 31 December 2023, the campus capacity of the three universities has exceeded 60,000 beds, and the comprehensive utilisation rate of the campus capacity for full-time formal higher education were approximately 94%. The following table sets forth the campus utilisation of our three universities:

	Campus capacity <sup>(1)</sup>		Utilisation rate <sup>(2)</sup>	
	As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
Dalian University	24,525	24,525	86.8% <sup>(3)</sup>	75.9% <sup>(3)</sup>
Chengdu University	21,168	17,888	103.7% <sup>(4)</sup>	115.8% <sup>(4)</sup>
Guangdong University	14,892 <sup>(5)</sup>	15,647	91.4%	86.6%
Total/Average	<u>60,585</u>	<u>58,060</u>	<u>93.8%</u>	<u>91.1%</u>

Notes:

- (1) The campus capacity of each university refers to the total number of beds in student dormitories as at 31 December in each corresponding year.
- (2) The utilisation rate of each university is calculated as the total number of students enrolled in our full-time formal higher education programmes as at 31 December in each corresponding year divided by the campus capacity at that time.
- (3) Some beds of Dalian University are used by formal continuing education students due to the development of formal continuing education business.
- (4) For the purposes of off-campus internships or practical trainings, there were respectively 773 graduates-to-be as at 31 December 2023 and 2,823 graduates-to-be as at 31 December 2022 in Chengdu University living outside the campus.
- (5) In 2023, Guangdong University actively optimised the conditions of some student dormitories and reduced the number of beds in such dormitories reasonably.

**Comprehensive Progress of Digital Campus Construction** – During the Reporting Period, we continued to comprehensively push forward the digital campus construction of our three universities, among which, Dalian University has continued to make comprehensive progress on the construction of digital smart campus since it was approved by the Educational Department of Liaoning Province as one of the first batch of High Education Digital Campus Pilot Construction Units (高等學校數字校園試點建設單位) in Liaoning Province in 2021. In February 2023, its provincial digital campus project was successfully completed. In September 2023, Dalian University was approved to build five virtual teaching and research rooms in Liaoning Province. In December 2023, Dalian University, as the only private university, was successfully selected as the construction unit of the “Smart Education Demonstration University (智慧教育示範校)” in Liaoning Province.

**Creating A New Model of Integrated Practical Campus** – We believe that universities in the future will be boundary-free, open, immersive, all-age, whole-process, and will surpass traditional classrooms, traditional laboratories, and traditional campuses through the integration of knowledge systems, the integration of education and industry, and the integration of virtual and reality. In 2023, we have made great progress in creating and implementing the integrated practical campus: on the occasion of the 20th Anniversary of the Establishment of Chengdu University, relying on Neuedu’s background in the industry, we have built a new campus – Neuedu Healthcare Park, which integrates digital technology, smart medical, artistic creativity, training laboratories, scientific research and teaching. Neuedu Healthcare Park has covered multiple functional areas including digital art, healthcare management and medical technology, and will serve as a learning base, an innovation base, a training base and a social activity base for teachers and students to help Chengdu University cultivate interdisciplinary applied talents.

## **2.2 Our R&D and Products – Building An All-around Product Portfolio Based on Our 4S Service Model**

Following the digital transformation trend of education and the main line of technology empowering education, we have integrated educational experts and technical experts inside and outside the universities and built our strong product R&D team, based on our practice and school-running accumulation of over 20 years in the IT field. Through digitisation, productisation and platformisation of the advanced education concepts, methods, models, systems and standards verified by practice of our three universities with the support of safe and reliable big data platform, we have researched and developed a series of digital education products and accordingly built our comprehensive product portfolio covering platforms, content, software and hardware, which provides a strong support for the expansion of our Two Strategic Businesses.

In 2023, we successfully attained the CMMI3 certification, which means that we have been recognised by international authorities in terms of software research and development capabilities and service delivery quality, marking that our software engineering and quality management has entered a new stage, and that our comprehensive strength and core competitiveness have been further improved.

### ***2.2.1 Smart Education Software Products***

Relying on the 4S service model, we provide applications and software covering education management, teaching operation, practical teaching and other areas, focusing on forming the Neuedu intelligent education ecology system to help colleges and universities to achieve precise perception of digital education, and realise personalised and intelligent education driven by data. By analysing the users' usage data, we provide services of business consultation, analysis reports and decision-making support on various parts including teaching, learning, practicing, administrating and assessing for students, teachers and administrators accordingly.

In 2023, we launched the first Meta-Universe Intelligent Healthcare Future Education Platform (元宇宙智慧康養未來教育平台) in China. We also launched a series of software of Neuedu Intelligence Training Systems (東軟智匯訓練系統) providing services for the standards of competitions, which received widely attention from dozens of universities across the country. In addition, based on the usage feedback and needs of our three universities, we continue iterating and upgrading several smart education software products including Cloud Training Platform (previously known as Project Training System), Cloud Practice System, Intelligent Student Management System, Engineering Education Certification Support System and others, constantly enriching functions and optimising user experience. As of the end of 2023, our smart education software products are as the following table:

#### **Neuedu Smart Education Software Products**

- |  |   |
|--|---|
| • Intelligent Teaching System                                    | • Innovation and Entrepreneurship Education Management System |
| • Cloud Practice System  | • Graduation Project Management System                        |
| • Cloud Training System  | • Intelligent Student Management System                       |
| • Examination System   | • Engineering Education Certification Support System          |
| • Talent Cultivation Plan Management System                      | • Academic Major Assessment System                            |
| • Meta-Universe Intelligent Healthcare Future Education Platform | • Neuedu Intelligence Training System Series                  |

### ***2.2.2 Smart Practical Training Laboratories***

In line with the forefront of the industry, we have built a professional and integrated practical teaching solution – the smart practical training laboratories. Equipped with core project resources at all levels of each academic major and together with the physical environment and related software and hardware equipment, the smart practical training laboratories provide a well-developed integrated solution for practical training of academic majors. In 2023, based on the integration and upgrading of original practical training laboratories, we newly launched several practical training laboratories including Driverless Training Laboratory, E-commerce Big Data Training Laboratory and Traffic Big Data Training Laboratory, forming 23 practical training laboratories for ten academic majors with a basic coverage of Neuedu’s five predominant first-class major groups:

#### **Neuedu Smart Practical Training Laboratories**

- Computer Technology Training Laboratories
- Software Development Training Laboratories
- Embedded Technology Training Laboratories
- Smart Media Training Laboratories
- Internet of Things Training Laboratories
- Big Data Technology Training Laboratories
- Intelligent Management Training Laboratories
- Healthcare Medical Training Laboratories
- Intelligence Application Training Laboratories
- Artificial Intelligence Training Laboratories

### ***2.2.3 Teaching Content***

Leveraging on the superior majors of Neuedu, focusing on the key elements of TOPCARES education approach, interactive design and the introduce of “Five New”, we have developed digital teaching content covering six core academic majors, namely, artificial intelligence, big data, internet of things, computer, software and digital media, including teaching resources of professional talent training plans, courses, projects, practical training laboratories, activities, entrepreneurship and innovation, graduation projects, which constitute a systematic content resource package, in order to enable us to empower the client universities and colleges to promote their teaching quality in a whole-process, all-round and multi-dimensional way. In 2023, we have completed the research and development of 51 new courses and 2,227 new projects of level 1-5 for 7 majors including software engineering, artificial intelligence and big data.

#### ***2.2.4 Online Education Platform***

In face with changes in the education model under the new situation, in order to give full play to the advantages of OMO education model, as an active respond to the national policies and the demand of the market and industry, we have developed and launched several online education platforms centred on Neuedu Online around the core of our self-developed products, forming an online and offline education ecology of “online courses + practical training + employment and entrepreneurship”. In 2023, Neuedu Online was successfully selected into the list of the recommended “Internet+ Vocational Skills Training” platform of the Liaoning Provincial Department of Human Resources and Social Security, and successfully entered the “Jiangsu Technician Class”, a platform under the Jiangsu Provincial Department of Human Resources and Social Security, providing support on the digital skills improvement for talents of multiple regions. As of 31 December 2023, the number of registered users and course learning users on Neuedu Online were over 1.7 million and over 150,000, respectively.

### **2.3 Our Services – High-Quality 4S Service Model Providing Support for the Development of Two Strategic Businesses**

Based on a series of digital education products, we have launched an innovative and efficient 4S characteristic service model, which is, PaaS (Platform as a Service), SaaS (Software as a Service), CaaS (Content as a Service) and DaaS (Data as a Service) to support our Two Strategic Businesses, namely, the education resources and continuing education services.

#### ***2.3.1 Education Resources***

In 2023, closely following the national strategy of digital powerhouse, our education resource business delved into the education services for digital talents and empowered colleges and universities through cooperation relying on our characteristic 4S product service system. During the Reporting Period, we signed 112 agreements on education platforms and 19 agreements on practical training laboratories with 104 colleges and universities to sell smart education software platforms, smart practical training laboratories and supporting teaching content, realising a revenue of approximately RMB81 million; Moreover, we have optimised the structure of joint-established major cooperation and deepened the joint establishment cooperation on academic majors of larger scale and higher profit. We have been in cooperation with 62 colleges and universities on joint establishment of industrial colleges and academic majors, with a total of 280 cooperation projects, covering approximately 24,000 students, and realising a revenue of approximately RMB79 million in 2023.

1) ***Expand the application scenarios of education resources and seek development on cooperation actively***

In recent years, China's digital transformation has developed into the accelerating stage, and we have actively explored new cooperation opportunities in cross-discipline fields, cross-group users and cross-region areas in the development trend of digital economy with our extensive, practical and flexible digital products.

In 2023, Neuedu established the Medical Healthcare Technology Industrial College with Shenyang Medical College, and established Digital Finance Industrial College with Hebei Finance University, realising the empowerment cooperation in cross-discipline fields; we signed an agreement with Shaanxi Xueqian Normal University on the establishment of the first Digital Intelligent Children Education Industrial College in China, realising the empowerment cooperation among cross-group users; we officially signed an agreement with Pu'er University (普洱學院) in Yunnan Province and Souphanouvong University in Laos on jointly establishment of the "PUSUNE Digital College" (一帶一路數字產業學院), realising international empowerment cooperation.

2) ***Refine the product matrix of education resources and deepen the integration of co-construction constantly***

According to the demand curve of our client colleges and universities, Neuedu has continuously refined the standardised solution matrix serving the 9 core tasks of Double High-Level Construction. We also provide a full range of services including teacher training, curriculum developing, practical training, employment and entrepreneurship, and competition coaching, and continue to deepen the integration depth of cooperation and co-construction with client colleges and universities, relying on our self-developed intelligent education product series and 13 established apprenticeship programme sites, 8 of which were established with government.

Take the Neuedu Information Industrial College (東軟信息產業學院) that we jointly established with Yunnan Technician College (雲南技師學院) as an example – in 2023, Neuedu Information Industrial College of Yunnan Technician College has been approved to offer a new cooperative major of Modern Communication Technology, and completed the construction of 2 high-quality online courses and 3 high-quality teaching materials; it built 1 teachers' office and its teachers won 7 awards in national-level and provincial-level competitions; 9 training rooms have been set up and equipped with the training platforms, teaching platforms and corresponding course resources; we also provided support in successfully cultivating 2 innovative and entrepreneurial projects and visiting more than 70 enterprises for employment, which provided approximately 1,500 jobs for the college. In the future, we plan to continuously broaden and deepen the cooperation of co-construction and promote the joint-established majors of partner colleges and universities "from something to really something".



3) ***Enable and promote the client colleges and universities to optimise their teaching quality and make achievements through cooperation in all aspects***

In 2023, with the gradual implementation and continuous empowerment of 4S-OMO service model in client colleges and universities, the advantages of our education resources business were increasingly evident, and our partner colleges and universities have been greatly improved in teachers' ability, students' potential and majors' strength:

- The Academic Major Talent Cultivation Plans of Software Technology and Big Data Technology proposed by Neuedu Information Industrial College, which is jointly established by us and Peyley Vocational College, have been highly recognised and affirmed by Whitireia in New Zealand, its cooperative partner;
- “Task-driven Courses on Computer Application Basics (Third edition)” published in cooperation with Shandong Vocational College of Science and Technology was selected into the list of the first batch of National Planning Textbook in the 14th Five-Year Plan of Vocational Education;
- Two projects respectively cooperated with Xinjiang University and Shenyang Ligong University were both recognised as the “Excellent Project Cases of Industry-University Cooperative Education in 2022” by the MOE;
- All three cases cooperated with Harbin University won the first prizes of “Excellent Teaching Cases of Computer Teaching Resources Construction” in the 5th China Computer Education Conference;
- Teachers and students of majors or industrial colleges jointly established with 21 partner universities won 1 international-level, 30 national-level, 120 provincial-level and 41 industry-level awards in terms of teaching achievements and discipline competitions.

### **2.3.2 Continuing Education Services**

#### **1) 2B training – make solid progress on training qualification application and an overall layout in domestic and foreign markets**

This year, we continued to firmly promote the applying for training qualifications, successfully newly obtained 3 national-level, 3 provincial-level and 4 municipal-level training qualifications, among which: we have successfully been approved as one of the first batch of pilot units for the construction of a national-level university for the elderly and co-construction units of National Elderly University, and have been selected into the list of construction units of 2023 “Mozi Workshop” Overseas Vocational Education Industrial College by the Educational Department of Liaoning Province to establish the Mozi Workshop for Digital Economy Industry in Bali Province, Indonesia.

Relying on our more than 70 national-level, provincial-level, municipal-level and industry-level training qualifications, we are capable of achieving a surge in business growth. During the Reporting Period, we implemented 166 2B training programmes for 70 institutions in 20 provincial regions across the country, covering approximately 25,000 trainees, more than three times of the number of trainees in 2022. In 2023, the 2B training business realised a revenue of approximately RMB36 million, representing an increase of 39.3% from last year.

#### **2) 2C training – strengthen the brand radiation and promote the OMO delivery continuously**

This year, we continued to expand and promote the brand radiation and the brand influence of Neuedu through competitions and events, which received a positive response among the industry, universities and students. During the China International Digital and Software Services Fair in 2023, we planned and held the China International Digital and Software Services Innovation Competition, which attracted more than 2,000 applicants from all over the country; also meanwhile, we held the “Neuedu Cup” series of competitions, among which two competitions, namely the “Most Beautiful Campus” Digital Life Creativity Competition and “Digital Self of the Meta-Universe” Career Planning Challenge attracted more than 5,000 applicants from 22 provinces across the country, and the number of universities applying to be competition hosts reached 13.

This year, we further deepen and upgrade the delivery system of online and offline integration, optimising the quality and efficiency of our training delivery, relying on online education platforms such as Neuedu IT Cloud Class. In 2023, we have provided training services for approximately 25,000 trainees for 2C training business, 77% of which were undergraduates from our three universities; we also offered 400 online courses of around 1,600 hours on the Neuedu IT Cloud Class, contributing to the construction of the Neuedu “pan-IT” full-stage one-stop online learning system.

Through the OMO delivery system, our trainees received more flexible and diversified training services, and their training achievements received full recognition by the market. In 2023, our trainees were recommended to work in Huawei OD, Yonyou Group, China Information and other well-known enterprises, and the recommended rate of the employment class reached 87%, and the maximum annual salary of them is nearly RMB300,000.

3) ***Formal continuing education – explore the depth and width of continuing education and make remarkable achievements in major construction for the three universities***

This year, we explored the depth and width of continuing education innovatively, and initially achieved international continuing education cooperation. We explored the construction of the Non-Academic Continuing Education Services Standardisation Pilot Project (非學歷繼續教育標準化試點), and made new breakthroughs in major construction through taking advantages of the education resources of the advanced majors of the three universities efficiently.

In 2023, we established cooperation in our Japanese International Bachelor Degree Programmes with two new partner universities, namely, Josai University and Hokuriku University; we also launched our English International Bachelor Degree Programmes for the first time, establishing cooperation with 5 universities in the United Kingdom, namely, University of the West of England, University of Plymouth, Edinburgh Napier University, University of Huddersfield and University of Sunderland. In October 2023, Dalian University was recognised as the “Pilot University for International Level Assessment among Universities and Colleges in Liaoning Province”, one of the first batch of universities recognised in Liaoning Province.

In 2023, the formal continuing education of our three universities offered 14 new majors in total, with an enrolment of approximately 5,000 students. At the same time, as one of the four educational standardisation pilot organisations including Tsinghua University approved in 2022, Dalian University continued to solidly promote the “Non-Academic Continuing Education Services Standardisation Pilot Project” with the School of Continuing Education at its core, and has completed the first phase of the national Non-Academic Continuing Education Services Standardisation Pilot Project with high quality, successfully formulating 106 standards.

### **3 FINANCIAL REVIEW**

#### **Revenue**

Our revenue was RMB1,806.1 million for the year ended 31 December 2023, representing an increase of 16.6% as compared with the corresponding period of last year. Details of analysis are as follows:

- Revenue derived from our full-time formal higher education services was approximately RMB1,453.3 million, representing an increase of 23.7% as compared with the corresponding period of last year, mainly due to the increase of student enrolment and average tuition fee in our three universities.
- Revenue generated from the education resources was approximately RMB192.0 million, representing an increase of 5.3% as compared with the corresponding period of last year, mainly due to the increase of revenue from project training.
- Revenue derived from our continuing education services was approximately RMB158.6 million, representing an increase of 8.3% as compared with the corresponding period of last year, mainly due to the growth of training services.
- Revenue generated from the apprenticeship programme was approximately RMB2.1 million, representing a decrease of 95.2% as compared with the corresponding period of last year, mainly due to the transformation of apprenticeship programme model, which is, replaced the self-established apprenticeship programme training bases with those jointly established with government, and replaced the project developing and training programmes engineers directly participated in with self-developed online training project resources. During the Reporting Period, a vast majority of our revenue from the apprenticeship programme was derived from the revenue arising from the services provided by engineers. The decrease in the number of engineers resulted in the decrease in revenue from the apprenticeship programme.

#### **Cost of revenue**

Our cost of revenue was approximately RMB941.0 million for the year ended 31 December 2023, representing an increase of 6.7% as compared with the corresponding period of last year. Such increase was mainly due to (i) the increase of staff remuneration resulting from the business growth, and (ii) the increase of operating expenses and depreciation as the expansion projects of three universities have been completed and put into use gradually.

#### **Gross profit**

Gross profit was approximately RMB865.1 million for the year ended 31 December 2023, representing an increase of 29.7% as compared with the corresponding period of last year. Such increase was mainly due to that the increase in revenue outweighs the increase in costs.

### **Selling expenses**

Selling expenses was approximately RMB53.0 million for the year ended 31 December 2023, representing an increase of 36.5% as compared with the corresponding period of last year. Such increase was mainly due to the fact that we stepped up the development of the market of our education resources business and continuing education services.

### **Administrative expenses**

Administrative expenses was approximately RMB207.3 million for the year ended 31 December 2023, representing an increase of 39.7% as compared with the corresponding period of last year. Such increase was mainly due to the growth of employee benefit expenses.

### **Other income**

Other income was approximately RMB148.2 million for the year ended 31 December 2023, representing a decrease of 21.5% as compared with the corresponding period of last year, mainly due to the decrease of government grants.

### **Other expenses**

Other expenses was approximately RMB36.5 million for the year ended 31 December 2023, representing an increase of 23.3% as compared with the corresponding period of last year, mainly due to the increase in software system technology development expenses.

### **Net finance expenses**

Net finance expenses was approximately RMB86.9 million for the year ended 31 December 2023, representing an increase of 8.3% as compared with the corresponding period of last year, mainly due to the decrease of net exchange gains.

### **Income tax expenses**

Income tax expenses was approximately RMB148.1 million for the year ended 31 December 2023, representing an increase of 12.1% as compared with the corresponding period of last year, mainly due to the increase in taxable profit during the Reporting Period.

## **Profit for the year**

As a result of the foregoing, for the year ended 31 December 2023, profit for the year increased by approximately 11.5% as compared with the corresponding period of last year. And the earnings per share increased by about 11.9% compared with the corresponding period of last year, mainly due to the increase in profit during the Reporting Period.

Net profit attributable to owners of the Company was approximately RMB429.5 million for the year ended 31 December 2023, representing an increase of 11.5% as compared with the corresponding period of last year, mainly due to the increase in profit for the year.

## **Non-IFRS measures**

To supplement the Group's Consolidated Financial Statements which are presented in accordance with IFRS Accounting Standards, the Group also use "Adjusted Net Profit", "Adjusted Net Profit Attributable to Owners of the Company" and "Adjusted Net Profit Margin" as additional financial measures. The Group's Adjusted Net Profit is calculated as profit for the period/year after deducting the impact of (a) share-based compensation expense (if any); and (b) net exchange losses/(gains). The Adjusted Net Profit Attributable to Owners of the Company is calculated as profit for the period/year attributable to owners of the Company after deducting the impact of (a) share-based compensation expense (if any); and (b) net exchange losses/(gains). The Group defines Adjusted Net Profit Margin as Adjusted Net Profit divided by revenue. IFRS Accounting Standards does not define the Adjusted Net Profit, Adjusted Net Profit Attributable to Owners of the Company or Adjusted Net Profit Margin. The use of the Adjusted Net Profit, the Adjusted Net Profit Attributable to owners of the Company and the Adjusted Net Profit Margin as the analysis tool has significant restrictions, because each of them does not include all items affecting the Group's profit for the period/year and the profit attributable to the owner of the Company within the period/year. The Company presents these financial measures because it may eliminate potential impacts of non-recurring items that the management do not consider to be indicative of the Group's operating performance. The Company also believes that such non-IFRS measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations of the Group in the same manner adopted by the management of the Company and in comparing financial results across accounting periods with peer companies.

In light of the limitations for Adjusted Net Profit, Adjusted Net Profit Attributable to Owners of the Company and Adjusted Net Profit Margin, when assessing the Group's operating and financial performance, you should not view Adjusted Net Profit, Adjusted Net Profit Attributable to Owners of the Company and Adjusted Net Profit Margin in isolation or as a substitute for the Group's profit for the period or any other operating performance measure that is calculated in accordance with IFRS Accounting Standards. In addition, because this non-IFRS measure may not be calculated in the same manner by all companies, they may not be comparable to other similarly measures used by other companies.

The following table reconciles the Group's Adjusted Net Profit for the year presented to the profit for the year calculated and presented in accordance with IFRS Accounting Standards:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2023</b>	2022
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Profit for the year	<b>429,641</b>	385,416
Adjusted items:		
Share-based compensation expenses	–	3,785
Exchange gains – net	<b>(928)</b>	(8,593)
Adjusted Net Profit	<b><u>428,713</u></b>	<u>380,608</u>

Adjusted Net Profit was approximately RMB428.7 million for the year ended 31 December 2023, representing an increase of 12.6% as compared with the corresponding period of last year. Adjusted Net Profit Margin were 23.7% and 24.6% for the year ended 31 December 2023 and 31 December 2022, respectively.

The following table reconciles the Group's Adjusted Net Profit Attributable to Owners of the Company for the year presented to the profit for the year attributable to owners of the Company calculated and presented in accordance with IFRS Accounting Standards:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2023</b>	2022
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Profit attributable to owners of the Company	<b>429,540</b>	385,393
Adjusted items:		
Share-based compensation expenses	–	3,785
Exchange gains – net	<b>(928)</b>	(8,593)
Adjusted Net Profit Attributable to Owners of the Company	<b><u>428,612</u></b>	<u>380,585</u>

Adjusted Net Profit Attributable to Owners of the Company was approximately RMB428.6 million for the year ended 31 December 2023, representing an increase of 12.6% as compared with the corresponding period of last year.

## **Financial and Liquidity Position**

### ***Liquidity, Financial Resources and Capital Structure***

The Shares of the Company were successfully listed on the Main Board of the Stock Exchange on 29 September 2020.

As at 31 December 2023, the issued share capital of the Company was HK\$129,241, and the number of issued ordinary Shares was 646,203,535 of HK\$0.0002 each.

As at 31 December 2023, cash and cash equivalents of the Group amounted to approximately RMB1,708.4 million (31 December 2022: approximately RMB1,183.8 million). As at 31 December 2023, total borrowings of the Group amounted to approximately RMB2,724.9 million (31 December 2022: approximately RMB2,386.3 million). The maturity range of loan is from one year to more than five years. As at 31 December 2023, borrowings of the Group are denominated in RMB(31 December 2022: denominated in RMB and HKD). Interests were charged at fixed rates and floating rates, with approximately RMB193.9 million for fixed rate loans and RMB2,531.0 million for floating rate loans. The Group did not carry out any interest rate hedging policy.

### ***Treasury Policy***

The Group has adopted a prudent financial management approach towards its treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

### ***Net current liabilities***

As of 31 December 2023, the net current liabilities amounted to approximately RMB381.1 million (31 December 2022: approximately RMB225.2 million), such increase was mainly due to the increase of borrowing.

As of 31 December 2023, the current ratio of the Group (i.e. current assets divided by current liabilities) was 0.84 (31 December 2022: 0.89).

### ***Contingent Liabilities***

As of 31 December 2023, the Group did not have any unrecorded significant contingent liabilities or any material litigation against the Group.



### ***Foreign Exchange Exposure***

The majority of the Group's revenue and expenditures are denominated in RMB. During the year ended 31 December 2023, the Group did not experience any significant difficulties in or impacts on its operations or liquidity due to fluctuations in currency exchange rates. The Directors believe that the Group has sufficient foreign exchange to meet its own foreign exchange requirements and will adopt practical and effective measures to prevent exposure to exchange rate risk.

### ***Charge on Assets***

As at 31 December 2023, the Group had (i) bank borrowings of RMB1,813.5 million pledged by certain collection rights of tuition fees and boarding fees, (ii) bank borrowings of RMB325.5 million pledged by certain equity interests, and (iii) bank borrowings of RMB13.9 million pledged by the collection rights of the deposit from margin account.

### ***Gearing Ratio***

As at 31 December 2023, the gearing ratio (being total debt divided by total equity, of which total debt refers to the sum of interest-bearing bank loans, other borrowings and lease liabilities) of the Group was 133.6% (31 December 2022: 139.9%).

### ***Capital Expenditures***

The capital expenditures of the Group for the year ended 31 December 2023 amounted to approximately RMB545.3 million, which was primarily related to the upgrade and expansion of our campuses.

### ***Material Acquisitions or Disposals of Subsidiaries, Associates and Joint Venture***

For the year ended 31 December 2023, the Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures.

### ***Significant investments***

For the year ended 31 December 2023, the Company did not have any significant investment accounting for 5% of the Company's total assets.

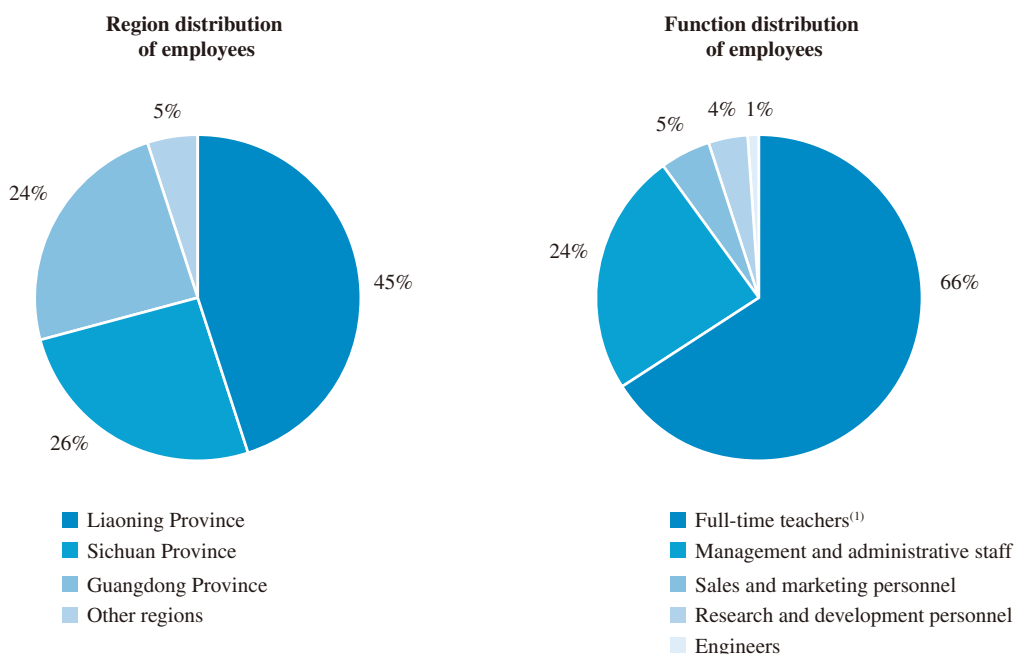
### ***Future Plans for Material Investments or Capital Assets***

Save as disclosed under the paragraph headed "Use of Proceeds from the Initial Public Offering of the Company" of this announcement, the Group did not have any other plans for material investments or capital assets as of the date of this announcement.

## 4 EMPLOYEE AND REMUNERATION

We believe that an experienced and dedicated faculty is essential to our success and are committed to building a professional, practical and internationalised faculty of a high standard. We insist on hiring outstanding teachers who have strong academic knowledge and/or practical skills in their respective professional fields, open mind to innovative teaching methods and caring about the health of students.

As of 31 December 2023, there were adding up to 2,139 full-time teachers and 1,134 part-time teachers in our three universities. Approximately 92% of the full-time teachers have a master degree or Ph.D. degree, approximately 49% with engineering practice experience in enterprises, and approximately 21% with overseas studies and/or work experience. As of 31 December 2023, the Group had 3,339 employees, of which the distributions by regions and functions are set forth as the charts below.



<sup>(1)</sup> Including 2,139 full-time teachers in our three universities and 77 full-time teachers for training business.

The Company believes that attracting, recruiting and retaining high-quality employees are essential to the success and sustainability of the Group. The Group provides employees with a competitive remuneration package, which is determined in accordance with prevailing industry practice and employees' educational backgrounds, experiences and performance. At the same time, as required by the applicable Laws and regulations, the Group participates in various employee social security plans for its employees that are administered by local governments, including, among others, housing provident funds, pensions, medical insurance, maternity insurance, work-related injury insurance and unemployment insurance. In addition, the Group provides its employees with relevant training courses suited to their personal career development, and provides them with benefits, including commercial insurance, corporate annuities, welfare medical examinations, and holiday gifts. For the year ended 31 December 2023, the total cost of employee remuneration of the Group (including Directors' fees) was RMB704.7 million (2022: RMB631.1 million).

The Company adopted a Pre-IPO Share Incentive Scheme on 19 June 2019 and a Post-IPO Share Incentive Scheme on 11 September 2020 to motivate Directors and eligible employees. Details of such plans are set out in the section headed "Share Incentive Schemes" of the Appendix V to the Company's Prospectus. As of 31 December 2023, 10,143,652 options have been cancelled, 4,465,116 options have lapsed, and 3,372,335 options have been exercised under the Pre-IPO Share Incentive Scheme; and no options have been granted, exercised, lapsed or cancelled under the Post-IPO Share Incentive Scheme.

## **5 PRINCIPAL RISK AND RISK MANAGEMENT**

Principal risks and uncertainties the Group faces include:

- our business and results of operations depend on our ability to maintain and raise tuition and boarding fee levels;
- our business and results of operations depend on whether we can expand student enrolments and whether we can expand the number of universities that cooperate with us;
- our business relies heavily on our brand and reputation, and any damage to our reputation would materially and adversely affect our business;
- we are subject to uncertainties brought by the recent developments of PRC Laws relating to private education;

- we face intense competition in the PRC education industry, which could lead to adverse pricing pressure, reduced operating margins, loss of market share, departures of qualified employees and increased capital expenditures; and
- risks relating to our Contractual Arrangements, please refer to the section “Risk Factors – Risks Relating to our Contractual Arrangements” in the Prospectus of the Group

The above is not an exhaustive list. Investors are advised to make their own judgment or consult their own investment advisers before making any investment in the Shares.

Facing the above multiple principal risks and uncertainties, our Group has established a reasonable risk management organisation system to deal with risks.

The Board is responsible for evaluating and determining the nature and extent of the risks that the Group is willing to take in achieving its strategic objectives, and ensuring that the Group establishes and maintains appropriate and effective risk management (including environment, social and governance risks) and internal control systems, which are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The management is primarily in charge of designing, implementing and monitoring the risk management and internal control systems. The Board, through the Audit Committee, oversees management on the above systems and conducts a review on the effectiveness of the systems including aspects of finance, operation, compliance control and risk management annually.

The Group has established a risk management organization to periodically identify, evaluate and manage significant risk matters that may affect the Group’s business objectives. The Audit and Supervision Department of the Group has the internal audit function and conducts an independent review on the adequacy and effectiveness of risk management and internal control systems on an annual basis. Such review covers all material risks and controls, including finance, operation, business and strategies, compliance as well as risk management, primarily by (1) interviewing with the Board and supervisors of different operation units regarding the Company’s daily operation flow; and (2) paying extra attention to major internal control system, and adopting appropriate auditing procedures to analyse the adequacy and effectiveness of the system. The Audit and Supervision Department reports to the Board from time to time, and has provided its findings and recommendations in respect of enhancing the effectiveness on the risk management and internal control systems of the Company to the Audit Committee, and takes actions to resolve the defects once identified.

The Board has conducted an annual review on the effectiveness of the risk management and internal control system of the Company for the year ended 31 December 2023, and no major deficiencies were found. The Board believes that the risk management and internal control of the Group are adequate and effective.

The key features of the Group risk management and internal control systems include:

- A comprehensive financial accounting system to accurately measure the financial performance of the Group
- The Board monitors and maintains levels of cash and cash equivalents that the management believes adequate to finance the Group's operations
- Prior approval from Directors or senior management regarding commitment for all material matters
- Guidelines on assessing, reporting and disseminating inside information
- Organised and standardised procedures on recruitment and employee relocation
- Periodic review by management on the internal control procedures and risk factors
- Report to the Audit Committee about the findings on identified risks and measures to address such risks

The Group will continue to conduct a periodical review on the internal control and risk management system, to identify potential improvement opportunities and strengthen its governance, risk management (including environment, social and governance risks) and control measures. The Board will also continually evaluate the adequacy of resources, staff qualifications and experience, training programs and internal audit budget in terms of the Group's accounting and financial reporting functions.

The Group has a policy for handling and dissemination of inside information, including relevant control processes and safeguards. The processes and safeguards are implemented when and as necessary by the department head and the management involved in the handling and dissemination of inside information.

## 6 FUTURE DEVELOPMENT

### 6.1 Development Environment

#### *6.1.1 Establishing a Deep Integration of Industry and Education to Promote the Reform of the Vocational Education System*

- In June 2023, eight departments including the National Development and Reform Commission, the Ministry of Education, and the Ministry of Human Resources and Social Security jointly issued the “Implementation Plan for the Empowerment and Enhancement of Vocational Education Industry-Education Integration (2023-2025)”, proposing various policy measures to address the issue of “two separate tracks” between talent cultivation and industrial development by focusing on the empowerment and enhancement of vocational education industry-education integration.
- In July 2023, the General Office of the Ministry of Education issued the “Notice on Accelerating the Implementation of Key Tasks for the Reform of Modern Vocational Education System”, emphasising that all regions and schools should adhere to the principle of “education following production and industry-education going hand in hand”. It also pointed out that regions should support leading enterprises and high-level universities and vocational schools to take the lead and unite the industry organisations, schools, research institutions, upstream and downstream enterprises, and others to establish a cross-regional industry-education integration community with deep integration of industry and education, efficient connections between services, and support for industry development.

#### *6.1.2 Grasping the Development Trend of the Times that Digital Economy Becomes one of China’s Key Development Areas in the Future*

- According to the “Report on the Development of China’s Urban Digital Economy (2023)”, China’s digital economy has exceeded RMB50 trillion in scale, ranking second in the world, accounting for 41.5% of Gross Domestic Product (“GDP”), and becoming increasingly integrated with the real economy. According to the “Research and Development Report on Industrial Digital Talents (2023)”, China currently has an overall gap of approximately 25 to 30 million in comprehensive digital talents, and this gap is continuing to widen.
- In February 2023, the Central Committee of the CPC and the State Council issued the “Overall Plan for the Construction of a Digital China”, emphasising the need to promote citizens’ equitable access to digital public services, vigorously implement the national education digitalisation strategy, and improve the national smart education platform. It also called for the overall layout of a number of academic major sites in the digital field to cultivate innovative, applied, and compound talents, and to promote the participation of universities, research institutions, enterprises, and others in the construction of a digital China.

### ***6.1.3 Implementing the Strategy of Education Digitalisation to Build a Learning-Oriented Country for Lifelong Learning by All People***

- In January 2023, the National Education Work Conference was held, pointing out that efforts should be made to vigorously implement the national educational digitalisation strategy and promote the shaping of new tracks, new drivers, and new forms of educational development. It also emphasised the need to promote the construction of education digitalisation and a learning-oriented society and country.
- In September 2023, the Ministry of Education issued the “Key Tasks for the Construction of a Learning-Oriented Society”, emphasising that we will implement the “Strategy for the Construction of a Learning-Oriented Society and National Education Digitalisation”, and use education digitalisation as a “multiplier” to accelerate the construction of a learning-oriented society.
- In March 2024, four departments including the Ministry of Education jointly issued the “Key Work Points for Improving National Digital Literacy and Skills in 2024”, proposing to implement the industry-education integration on digital skills, support the collaboration between enterprises, general universities, and vocational colleges in establishing joint schools, laboratories, internship bases, etc., enrich the supply of high-quality digital resources, and establish a lifelong digital learning system to promote new achievements in the actions to enhance national digital literacy and skills.

### ***6.1.4 The Growing Rapidly “Silver Economy” is Giving Birth to Two Major Markets of Health Care and Elderly Education***

- According to data from the National Bureau of Statistics of PRC, by the end of 2023, China’s population aged 60 and above reached approximately 300 million, accounting for 21.1% of the country’s total population. Among them, the population aged 65 and above exceeded 200 million, accounting for 15.4% of the country’s total population. Currently, the size of the silver economy stands at around RMB7 trillion, accounting for approximately 6% of GDP. It is estimated that China will enter a stage of severe aging by around 2035, with the elderly population aged 60 and above exceeding 400 million, accounting for more than 30% of the total population, and the silver economy reaching a size of approximately RMB30 trillion, accounting for about 10% of GDP.

- In January 2024, the General Office of the State Council issued the Opinions on Developing the Silver Economy and Enhancing the Welfare of the Elderly, emphasising the need to optimise health services, improve elderly care services and enrich cultural and sports services for the elderly, and to create a new form of smart health and elderly care. Also, 12 departments including the Ministry of Civil Affairs jointly issued the “Opinions on Strengthening the Construction of the Elderly Care Service Talent Pool”, proposing to “focus on meeting the diverse, multi-level, and high-quality elderly care service needs”.
- In December 2023, the General Office of the MOE issued the “Guidance on the Cultivation of Talents for Health Services and Health Industries”, encouraging universities to accelerate the establishment of a number of adaptive and leading new medical majors. These include bachelor degree programmes such as health management and services, medical imaging technology, and intelligent medical engineering, as well as junior college diploma programmes in health management and services, and elderly care services and management.

## **6.2 Development Strategies**

### ***6.2.1 The Three Universities Adhere to Quality Improvement and Accelerate the Academic Majors Layout on Digital Media and Health Care***

In the future, we will seize opportunities, innovate and integrate, and empower education with technology. With “quality improvement and excellence cultivation” as the main line, we will focus on “consolidating the foundation, tackling weaknesses, leveraging advantages, highlighting characteristics, and ensuring development”; upgrading and implementing the TOPCARES methodology, adhering to deepening industry-education integration, focusing on enhancing scientific research levels, accelerating the improvement of talent teams, effectively improving education resources utilisation, strengthening the assessment of educational quality, and strengthening university governance and management; we will enhance the construction quality of academic majors and course and comprehensive educational strength of the three universities, establishing a cluster of advantageous majors focusing on “IT + Digital Media + Smart Elderly Care”, to cultivate high-quality talents who possess interdisciplinary, digital, innovative, and practical skills. These talents will provide support for our integrated ecosystem of “education-medical care-elderly care” and offer sustained backing for the delivery of top-tier educational platforms, resources, models, and management.



### ***6.2.2 Build Standardised and Normalised Teaching Resources and Build the Integrated and Intelligent Platform***

In the future, we will focus on the fields of three predominant advantageous academic majors, namely, IT, digital media, and smart health care. Leveraging Neuedu's strong industrial advantages and educational experience, guided by our unique TOPCARES methodology and integrating the five new concepts of "new theory, new technology, new application, new tools, and new products", we will develop systematic products of education and teaching resources that are scientific, advanced, systematic, and practical, to cater for the urgent demand for high-quality, applied, and digital talents in such majors from all walks of the society. On the other hand, we will utilise advanced technologies in areas such as artificial intelligence, big data, metaverse, and blockchain to build a personalised lifelong learning intelligent education platform that covers "teaching, learning, practice, training, testing, evaluation, competitions, certification, management, exhibitions, entrepreneurship, employment, and industry" and integrates both 2B and 2C training services, and to build an intelligent health care platform that integrates all aspects of elderly care. Both platforms will empower the high-quality development of intelligent education and smart health care.

### ***6.2.3 Innovate the Service Model for Two Strategic Businesses to Drive Scale Development and Efficiency Enhancement***

Looking ahead, we will further innovate and improve product and service solutions based on the 4S service model, develop and optimise various educational resources, aiming to drive the scale development of our Two Strategic Businesses and enhance delivery quality and efficiency. This will establish Neuedu's unique leading brand in education resources and continuing education services.

In the field of education resources, we will utilise modern technological means to empower partner institutions in their reform and development as well as digital transformation, supported by our integrated intelligent education platform, specialised educational management software, standardised education and teaching content, and integrated data evaluation.

In the field of continuing education services, we will continuously optimise service processes and content to enhance the quality and effectiveness of our continuing education services. We will improve the integrated business ecosystem of "learning-evaluation-employment" and establish the "Phoenix College" to develop specialised elderly education, creating a unique continuing education model with online and offline integration and domestic and international interactions. This will empower learners to recreate their self-value and enable partners to recreate the value of their human resources.

#### ***6.2.4 Innovate and Expand our Business Layout, and Establish an Integrated Ecosystem for Education, Medical Care and Elderly Care***

In response to population aging, we will actively expand the fields of elderly education and elderly health care, developing university-connected medical and care industries and elderly universities, and promoting the integration of education, medical care, and elderly care, forming a stable, interoperable, mutually supportive, efficient, and sustainable new business model, where education supports medical care and elderly care, medical care transitions to elderly care and assists education, and elderly care relies on medical care and assists education. Relying on the medical and elderly care service platform centred on two affiliated hospitals, and based on the national qualifications as one of the pilot units for the construction of national elderly universities and the co-construction units of National Elderly University, we will innovate and expand the field of elderly education services, leveraging our expertise in IT, digital media, and smart elderly care. At the same time, we will strengthen the training of high-quality elderly care professionals with digital technical skills to support the high-quality development of elderly care and health services.

## USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING OF THE COMPANY

The Shares of the Company have been listed on the Main Board of the Stock Exchange on 29 September 2020. The net proceeds from the Initial Public Offering (“IPO”) are approximately HK\$924.2 million (equals to approximately RMB777.5 million), which are intended to be used for the purposes set out in the Prospectus.

On 8 June 2021, the Board resolved to reallocate part of the unutilised IPO proceeds of approximately RMB59.9 million (approximately 8% of the IPO proceeds) originally intended to be used for the acquisition of other schools to repay commercial loans of the Group. For details please refer to the announcement relating to the change in use of proceeds from the IPO of the Company dated 8 June 2021.

As of 31 December 2023, the use of proceeds from the IPO is as follows:

	% of net proceeds	Revised net proceeds from the IPO <i>RMB million</i>	Amount utilised during the year ended 31 December 2023 <i>RMB million</i>	Amount utilised as at 31 December 2023 <i>RMB million</i>	Amount unutilised as at 31 December 2023 <i>RMB million</i>	Expected timeline for fully utilising unutilised amount
Upgrading our existing school facilities and expanding our campus <sup>(1)</sup>	51.4%	399.6	8.6	399.6	–	N/A
Acquisition of other schools <sup>(2)</sup>	12.9%	100.0	-50.0 <sup>(1)</sup>	–	100.0	By the end of 2024 <sup>(2)</sup>
Repay commercial loans	25.4%	198.0	–	198.0	–	N/A
Supplement working capital	10.3%	79.9	–	79.9	–	N/A
<b>Total</b>	<b>100%</b>	<b>777.5</b>	<b>-41.4</b>	<b>677.5</b>	<b>100.0</b>	

### Notes:

- (1) On 28 August 2023, the Group and Fujian Jiantou Group Co., Limited (“**Fujian Jiantou**”) agreed to terminate the cooperation project of establishing a new vocational college in Putian Meizhouwan Beian Economic Zone (莆田市湄洲灣北岸經濟開發區) and that Fujian Jiantou agreed to return the earnest money of RMB50.0 million that the Group had paid, for details relating to which please refer to the announcement of the Company dated 28 August 2023. The Group received such earnest money above on 5 September 2023.
- (2) The delay of expected timeline for fully utilising unutilised amount planned for acquisition of other schools is due to the termination of cooperation project in Putian and no appropriate acquisition target on the market for the moment.

On 8 March 2024, the Board has resolved to reallocate the unutilised IPO Proceeds of approximately RMB100.0 million (representing approximately 12.9% of the IPO Proceeds) originally intended to be used for the acquisition of other schools, of which approximately RMB93.4 million to repay commercial loans, and approximately RMB6.6 million to supplement working capital. For related details please refer to the announcement of the Company dated 8 March 2024.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

None of the Company or any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2023.

## **PRE-EMPTIVE RIGHTS**

There are no provisions for pre-emptive rights under the Articles of Association, or the Laws of Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to its existing Shareholders.

## **ANNUAL GENERAL MEETING**

The forthcoming annual general meeting will be held on 28 May 2024. Notice of the annual general meeting will be published and issued to the shareholders in due course.

## **FINAL DIVIDENDS**

The Board has resolved to recommend the payment of a final dividend per share of HK36.6 cents for the year ended 31 December 2023 to shareholders whose names appear on the register of members of the Company on 16 August 2024. The final dividend is subject to the approval of the Shareholders at the annual general meeting to be held on 28 May 2024, if approved, it will be paid in cash on or around 30 August 2024.

## **CLOSURE OF REGISTER OF MEMBERS**

### **Entitlement to Attend and Vote at the Annual General Meeting**

For determining the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from Monday, 20 May 2024 to Tuesday, 28 May 2024, both days inclusive, during which period no transfer of Shares can be registered. In order to be eligible to attend and vote at the annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Friday, 17 May 2024.

## **Entitlement to the Proposed Final Dividend**

For determining the Shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed from Wednesday, 14 August 2024 to Friday, 16 August 2024 (both days inclusive) during which period no transfer of Shares can be registered. In order to establish entitlements to the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Tuesday, 13 August 2024.

## **PUBLIC FLOAT**

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, during the year ended 31 December 2023 and as of the date of this announcement, at least 25% of the total issued Shares of the Company are held by the public, which is in compliance with the public float requirements as stipulated in the Listing Rules.

## **CORPORATE GOVERNANCE**

The Company is committed to maintaining and promoting stringent corporate governance. The corporate governance principles of the Company are to promote effective internal control measures, to uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its business and operations are conducted in accordance with applicable Laws and regulations, and to enhance the transparency and accountability of the Board to all Shareholders. The Company's corporate governance practices are based on the principles and code provisions as set out in the CG Code.

During the year ended 31 December 2023, the Company has complied with the code provisions of the CG Code. The Company will continue to review and monitor its corporate governance practices to ensure the compliance with the CG Code.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted Model Code for Securities Transactions by Directors of Listed Issues (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors' securities transactions. In addition, the Company has also adopted a code of conduct regarding the Directors securities transactions on terms no less exacting than the required standard set out in the Model Code as the Company's code of conduct for dealings in securities of the Company by the Directors.

Having made specific enquiry of the Directors, all Directors confirmed that they have complied with the required standard set out in the code of conduct and the Model Code throughout the year ended 31 December 2023.

## **COMPLYING WITH RELEVANT LAWS AND REGULATIONS**

For the year ended 31 December 2023, the Group has complied with relevant Laws and regulations that have a significant impact on the Group.

## AUDIT COMMITTEE AND REVIEW OF ANNUAL FINANCIAL INFORMATION

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and conducted discussions in respect of audit, internal control and financial reporting matters. The Audit Committee, together with the Board and external auditor, have reviewed the Group's audited consolidated financial statements for the year ended 31 December 2023, and confirmed that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made.

## SCOPE OF AUDITOR'S WORK ON ANNUAL RESULTS ANNOUNCEMENT

The figures contained in this announcement of the Group's consolidated results for the year ended 31 December 2023 have been agreed by PricewaterhouseCoopers, the Company's auditor (the "**Auditor**"), to the figures set out in the audited consolidated financial statements of the Group for the year ended 31 December 2023. The Auditor performed this work in accordance with Hong Kong Standard on Related Services 4400 "Engagements to Perform Agreed Upon Procedures Regarding Financial Information" and with reference to Practice Note 730 (Revised) "Guidance for Auditors Regarding Preliminary Announcements of Annual Results" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). The work performed by the Auditors in this respect does not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements, or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by the Auditor on this announcement.

## SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On 26 March 2024 (after trading hours), Dalian Neusoft Ruixin Technology Development Co. Limited (大連東軟睿新科技發展有限公司) ("**Neusoft Ruixin**"), a wholly-owned subsidiary of the Company, entered into a share transfer agreement (the "**Share Transfer Agreement**") with Neusoft Holdings and Neusoft Healthcare Management Co., Ltd. (東軟健康醫療管理有限公司) ("**Neusoft Healthcare**"), which is a wholly-owned subsidiary of Neusoft Holdings. Pursuant to the Share Transfer Agreement, Neusoft Ruixin has conditionally agreed to purchase, and Neusoft Holdings has conditionally agreed to sell 100% equity interest in Neusoft Healthcare, at a total consideration of RMB81 million (the "**Acquisition**").

On 26 March 2024, as a step of intra-group reorganization, Dalian Kangdao Medical Management Co., Ltd. (大連康道醫療管理有限公司) ("**Kangdao Medical**") which is wholly owned by Ms. Zhang Hong (張紅) ("**Ms. Zhang**"), entered into (i) a capital contribution agreement with Cardiovascular Management Dalian Ruikang Cardiovascular Hospital Management Co., Ltd. (大連睿康心血管醫院管理有限公司) ("**Cardiovascular Management**"), an indirect wholly-owned subsidiary of Neusoft Healthcare, pursuant to which, Kangdao Medical has conditionally agreed to make capital contribution, by way of cash, to Cardiovascular Management in the amount of RMB5,142,857; and (ii) a capital contribution agreement with Shanghai Ruikang Xietong Medical Service Co., Ltd. (上海睿康協同醫療服務有限公司) ("**Shanghai Xietong**"), a direct wholly-owned subsidiary of Neusoft Healthcare, pursuant to which, Kangdao Medical has conditionally agreed to make capital contribution, by way of cash, to Shanghai Xietong in the amount of RMB21,428,571.

Upon completion of the Acquisition and the above-mentioned capital contributions, Neusoft Ruixin, Kangdao Medical and Ms. Zhang will enter into New Contractual Agreements in respect of the 30% equity interest in the OPCOs to be held by Kangdao Medical. As a result, the OPCOs will become indirect wholly-owned subsidiaries of the Company and 100% of the financial results of the OPCOs will be consolidated into the financial statements of the Group. For details, please refer to the announcement of Connected Transaction in Relation to the Acquisition of Neusoft Healthcare of the Company dated 26 March 2024.

Save as disclosed above, there were no significant events of the Group occurred since 31 December 2023 and up to the date of this announcement.

## **PUBLICATIONS OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This annual results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<https://www.neuedu.com/>). The annual report of the Group for the year ended 31 December 2023 will be available on the above websites of the Stock Exchange and the Company and despatched to shareholders of the Company in due course.

## **DEFINITIONS**

“%”	per cent
“4S”	the service model of PaaS (platform as a service), SaaS (software as a service), CaaS (content as a service) and DaaS (data as a service) built by the Company
“14th Five-Year”	the 14th Five-Year of national economic and social development of the People’s Republic of China, i.e., the five-year period of 2021–2025
“Adjusted Net Profit”	a non-IFRS measure that eliminates the effect of certain non-recurring items from our profit for the year. See “Financial Information – Non-IFRS Measure” of the Prospectus of the Company
“Audit Committee”	the audit committee of the Board
“Board”	the board of directors of the Company
“BVI”	British Virgin Islands
“CG Code”	The Corporate Governance Code contained in Appendix 14 of the Listing Rules, which was in compliance within the fiscal years commencing on or after 1 January 2022.

“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
“China” or “the 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 of the People’s Republic of China and Taiwan
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”, “our Company”, or “the 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
“Contractual Arrangements”	the contractual arrangements entered into by our Group as described in the section headed “Contractual Arrangements” of the Prospectus of the Company
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules, and unless the context otherwise requires, to the persons listed in the section headed “Relationship with our Controlling Shareholders” of the Prospectus of the Company, namely Dr. J. Liu and Neusoft Holdings (together with Neusoft Holdings’ wholly-owned subsidiaries Neusoft International, Dongkong First and Dongkong Second)
“CPC”	the Communist Party of China (中國共產黨)
“Dalian University”	Dalian Neusoft University of Information (大連東軟資訊學院), established in 2004, and one of the higher education schools operated by our Group
“Director(s)”	the director(s) of the Company
“Dongkong First”	Dongkong Education First Investment Inc. (東控教育第一投資有限公司), a company incorporated under the Laws of the BVI and a Controlling Shareholder
“Dongkong Second”	Dongkong Education Second Investment Inc. (東控教育第二投資有限公司), a company incorporated under the Laws of the BVI and a Controlling Shareholder



“Double High-level Construction”	The construction plan of high-level vocational schools and majors with Chinese characteristics
“Double World-Class”	short for world-class universities and world-class disciplines
“Five New”	five new concepts of “new theory, new technology, new application, new tools, and new products”
“Group”, “we”, “us”, or “our”	The Company and its subsidiaries (including our consolidated affiliated entities) from time to time or, where the context requires, in respect of the period prior to the Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of the Company at the relevant time
“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” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong dollars” or “HK dollars” or “HK\$”	the current lawful currency of Hong Kong
“IFRS”	IFRS Accounting Standards as issued from time to time by the International Accounting Standards Board
“Laws”	means all laws, statutes, legislation, ordinances, rules, regulations, guidelines, opinions, notices, circulars, directives, requests, orders, judgments, decrees, interpretations or rulings of any Governmental Authority (including the Stock Exchange and the SFC) of all relevant jurisdictions
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, 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”

“MIIT”	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部) (formerly known as Ministry of Information Industry)
“Ministry of Education” or “MOE”	Ministry of Education of the People’s Republic of China (中華人民共和國教育部)
“Neusoft Education Technology”	Neusoft Education Technology Group Co. Limited (Previously Dalian Neusoft Education Technology Group Co. Limited (大連東軟教育科技集團股份有限公司, formerly known as 東軟教育科技(大連)有限公司), a company incorporated under PRC Laws on 3 August 2018 and a wholly-owned subsidiary of the Company)
“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 and the registered shareholder of Dalian Neusoft Software Park Industry Development Co., Ltd. (大連東軟軟件園產業發展有限公司)
“Neusoft International”	Neusoft Holdings International Inc. (東軟控股國際有限公司), a company incorporated under the Laws of the BVI on 8 March 2012 and a wholly-owned subsidiary of Neusoft Holdings
“New Contractual Arrangements”	a series of contractual arrangements to be entered into by and among each of Neusoft Ruixin, Kangdao Medical and Ms. Zhang upon the completion of the Acquisition and related capital contributions
“OMO”	online merge offline
“OPCOs”	Cardiovascular Management, Shanghai Xietong, Dalian Ruikang Cardiovascular Hospital (大連睿康心血管病醫院) and Dalian Ruikang Zhuomei Stomatological Hospital Co., Ltd. (大連睿康卓美口腔醫院有限公司). Each of Dalian Ruikang Cardiovascular Hospital and Dalian Ruikang Zhuomei Stomatological Hospital Co., Ltd. is an indirect wholly-owned subsidiary of Neusoft Healthcare
“Prospectus”	the prospectus of the Company dated 17 September 2020
“R&D”	Research and development
“Reporting Period”	the year ended 31 December 2023
“RMB” or “Renminbi”	Renminbi, the current lawful currency of China
“SFC”	Securities and Futures Commission of Hong Kong

“Share(s)”	ordinary share(s) in the share capital of our Company, currently with a par value of HK\$0.0002 each
“Shareholder(s)”	holders of our Shares or any one or more of the holders
“State Council”	State Council of the PRC (中華人民共和國國務院)
“subsidiary” or “subsidiaries”	has the meaning ascribed to it in the Listing Rules
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules
“the Stock Exchange” or “the Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TOPCARES”	our unique approach that are bestowed with eight types of capabilities/skills, which are technical knowledge and reasoning, open thinking and innovation, personal and professional skills, communication and teamwork, attitude and manner, responsibility, ethical values, social values created by application practice. TOPCARES is an acronym of these eight phrases.
“Two Strategic Businesses”	continuing education services, and education resources and apprenticeship programme, the two strategic businesses of the Group

## APPRECIATION

On behalf of the Board, I would like to express my sincere gratitude to the management and staff members of the Group for their dedication and hard work and our shareholders for their trust and support.

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

Hong Kong, 26 March 2024

*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 Yinhan as non-executive Directors (aside from our Chairperson); and Dr. LIU Shulian, Dr. QU Daokui and Dr. WANG Weiping as independent non-executive Directors.*