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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

The Board of the Company is pleased to announce the interim results of the Group for the six months ended 30 June 2024.

HIGHLIGHTS

	For the six months ended 30 June		Changes (RMB'000)	Percentage of change
	2024 (RMB'000) (Unaudited)	2023 (RMB'000) (Unaudited)		
Revenue	968,108	918,430	49,678	5.4%
Gross profit	510,656	459,320	51,336	11.2%
Profit for the period	277,571	273,733	3,838	1.4%
Profit for the period attributable to owners of the Company	277,414	274,138	3,276	1.2%
Adjusted Net Profit (note)	276,794	271,851	4,943	1.8%
Adjusted Net Profit attributable to owners of the Company	276,637	272,256	4,381	1.6%
Gross profit margin	52.7%	50.0%	2.7%	N/A
Adjusted Net Profit Margin	28.6%	29.6%	-1.0%	N/A
Basic earnings per share (in RMB)	0.43	0.42	0.01	2.4%

Note:

For the six months ended 30 June 2024, the Adjusted Net Profit is the profit for the period after deducting the effect of net exchange gains of RMB777,000.

For the six months ended 30 June 2023, the Adjusted Net Profit is the profit for the period after deducting the effect of net exchange gains of RMB1,882,000.

The Board is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 30 June 2024 together with the comparative figures as follows:

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	<i>Note</i>	Six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	4	968,108	918,430
Cost of revenue	7	(457,452)	(459,110)
Gross profit		510,656	459,320
Selling expenses	7	(21,429)	(20,726)
Administrative expenses	7	(92,228)	(75,046)
Research and development expenses	7	(20,623)	(20,215)
Net impairment losses on financial assets		(14,434)	(2,826)
Other income	5	55,499	68,373
Other expenses	6	(14,629)	(16,578)
Other gains – net		315	3,593
Operating profit		403,127	395,895
Finance income	8	8,032	6,620
Finance expenses	8	(50,861)	(46,337)
Finance expenses – net	8	(42,829)	(39,717)
Profit before income tax		360,298	356,178
Income tax expenses	9	(82,727)	(82,445)
Profit for the period		277,571	273,733
Profit attributable to:			
– Owners of the Company		277,414	274,138
– Non-controlling interests		157	(405)
		277,571	273,733
Earnings per share attributable to owners of the Company (expressed in RMB per share)			
Basic earnings per share	11	0.43	0.42
Diluted earnings per share	11	0.43	0.42

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Profit for the period	277,571	273,733
Other comprehensive (loss)/income		
<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	61	–
<i>Items that will not be reclassified to profit or loss</i>		
Exchange differences on translation	<u>(1,410)</u>	<u>(1,899)</u>
Other comprehensive loss for the period	<u>(1,349)</u>	<u>(1,899)</u>
Total comprehensive income for the period	<u>276,222</u>	<u>271,834</u>
Total comprehensive income attributable to:		
– Owners of the Company	276,065	272,239
– Non-controlling interests	<u>157</u>	<u>(405)</u>
	<u>276,222</u>	<u>271,834</u>

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

		As at 30 June 2024 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2023 <i>RMB'000</i> <i>(Audited)</i>
	<i>Note</i>		
Assets			
Non-current assets			
Property, plant and equipment	12	3,642,489	3,357,441
Intangible assets	13	538,427	273,883
Right-of-use assets		612,755	610,343
Investment properties	14	18,600	271,400
Deferred income tax assets		72,022	45,659
Other receivables		–	40,000
Prepayments and other assets		81	4,515
Financial assets at fair value through profit or loss		22,500	22,500
		<hr/>	<hr/>
Total non-current assets		4,906,874	4,625,741
Current assets			
Inventories		12,622	9,375
Trade and notes receivables	15	84,257	74,149
Other receivables		23,829	19,113
Prepayments and other assets		96,722	115,399
Financial assets at fair value through profit or loss		175,877	76,224
Restricted cash		64,214	62,804
Cash and cash equivalents		874,618	1,708,427
		<hr/>	<hr/>
Total current assets		1,332,139	2,065,491
		<hr/>	<hr/>
Total assets		6,239,013	6,691,232
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital		113	113
Share premium		2,444,289	2,659,698
Reserves		(1,930,179)	(1,928,825)
Retained earnings		1,604,036	1,326,622
		<hr/>	<hr/>
Subtotal		2,118,259	2,057,608
		<hr/>	<hr/>
Non-controlling interest		8,758	8,601
		<hr/>	<hr/>
Total equity		2,127,017	2,066,209
		<hr/>	<hr/>

	<i>Note</i>	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Liabilities			
Non-current liabilities			
Trade and other payables	<i>16</i>	675	675
Borrowings	<i>17</i>	2,343,078	2,073,861
Deferred tax liabilities		56,736	42,270
Lease liabilities		25,844	27,572
Deferred income		32,964	34,015
		<hr/>	<hr/>
Total non-current liabilities		2,459,297	2,178,393
		<hr/>	<hr/>
Current liabilities			
Trade and other payables	<i>16</i>	852,353	616,401
Current income tax liabilities		70,475	53,522
Contract liabilities	<i>18</i>	225,624	1,067,911
Borrowings	<i>17</i>	465,863	651,043
Deferred tax liabilities		–	10,717
Lease liabilities		7,628	8,255
Deferred income		30,756	38,781
		<hr/>	<hr/>
Total current liabilities		1,652,699	2,446,630
		<hr/>	<hr/>
Total liabilities		4,111,996	4,625,023
		<hr/>	<hr/>
Total equity and liabilities		6,239,013	6,691,232
		<hr/>	<hr/>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

Neusoft Education Technology Co. Limited (“the **Company**”) was incorporated in the Cayman Islands on 20 August 2018 as an exempted company with limited liability. The address of the Company’s registered office is at 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 i) the provision of full-time formal higher education services, education resources and continuing education services; ii) the provision of healthcare and wellness services in the People’s Republic of China (the “**PRC**”).

On 31 May 2024, Dalian Neusoft Ruixin Technology Development Co., Ltd. (“**Neusoft Ruixin**”), a wholly-owned subsidiary of the Company, acquired 100% equity interest of Neusoft Health Medical Management Co., Ltd. (“**Neusoft Healthcare**”) from Dalian Neusoft Holdings Co., Ltd. (“**Neusoft Holdings**”) at cash consideration of RMB81,000,000. Following the completion of acquisition, Neusoft Healthcare and its subsidiaries (“**Neusoft Healthcare Group**”) became indirect owned subsidiaries of the Company and their financial results were consolidated into the consolidated financial statements of the Group since the acquisition day. Details can be referred to the announcements of the Company dated 26 March 2024, 16 May 2024 and 31 May 2024.

The interim condensed consolidated financial information is presented in Renminbi (“**RMB**”) and rounded to nearest thousand yuan, unless otherwise stated.

The interim condensed consolidated financial information was approved by the board of directors of the Company on 27 August 2024.

2. BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with International Accounting Standard (“**IAS**”) 34, “Interim Financial Reporting”. The interim condensed consolidated financial information should be read in conjunction with the annual audited financial statements of the Group for the year ended 31 December 2023 which have been prepared in accordance with the International Financial Reporting Standards (“**IFRS Accounting Standards**”) as set out in the 2023 annual report of the Company dated 26 March 2024 (“**2023 Financial Statements**”), and any public announcement made by the Company during the six months ended 30 June 2024 (the “**Interim Report Period**”).

3. MATERIAL ACCOUNTING POLICIES

The accounting policies applied are consistent with those used in the preparation of 2023 Financial Statements, except for the adoption of new and amended IFRS Accounting Standards as set out below.

(a) New and amended IFRS Accounting Standards adopted by the Group

The following new and amended standards, and annual improvements are effective for the first time for the periods commencing on 1 January 2024 and are applicable for the Group:

- Amendments to IAS 1 – Classification of liabilities as current or non-current and non-current liabilities with covenants
- Amendments to IFRS 16 – Lease liability in sale and leaseback
- Amendments to IAS 7 and IFRS 7 – Supplier finance arrangements

The adoption of these new and amended standards has had no significant impact on the results and the financial position of the Group.

(b) **New and amended IFRS Accounting Standards issued but not yet adopted by the Group**

		Effective for accounting periods beginning on or after
Amendments to IAS 21	Lack of exchangeability	1 January 2025
Amendment to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statement	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

Certain new standards have been published that are not mandatory for the year ended 31 December 2024 and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

(c) **Due to the acquisition of Neusoft Healthcare in the Interim Report Period, the Group has applied the following material accounting policies:**

Revenue from contracts with customers

Neusoft Healthcare Group mainly engaged in the provision of healthcare and wellness services, and revenue is primarily derived from providing stomatological and cardiovascular medical service to customers.

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts.

The majority of Neusoft Healthcare Group's revenue came from stomatological and cardiovascular medical service, and is recognized when the related services rendered. Majority customers of the Neusoft Healthcare Group has entered into governments' social insurance schemes which are run by government organisations.

In accordance with China government's medical insurance policy, some of the consideration is beared and paid by the individual customers when services rendered, and the remaining consideration will be settled by governments' social insurance schemes. Neusoft Healthcare Group claims the consideration in relation to medical services provided by Dalian Ruikang Zhuomei Stomatology Hospital Co., Ltd. ("**Stomatological Hospital**") and Dalian Ruikang Cardiovascular Hospital ("**Cardiovascular Hospital**") with relevant governments' social insurance schemes.

As the final settlement amount depends on the final approved annual quota for the medical fees from a higher government, the variables have been treated as changes in variable considerations. The Group estimates the variable considerations using the most likely amount, which is based on historical practice and all reasonably available information, and adjusts to the actual amount for the satisfied medical services in the period when the annual quota is agreed.

(i) *Stomatological Hospital*

Orthodontics and implantology services

Revenue from the rendering of orthodontics services and implantology services is recognised over time, as the Group's performance creates an asset with no alternative use and the Group has an enforceable right to payment for performance completed to date.

The Group uses an input method to measure progress towards complete satisfaction of the service. The input method recognises revenue on the basis of staff costs and/or costs of inventories, consumables and customised products, when appropriate, relative to the total expected costs to complete the respective service. When the payments received from customers exceed the services rendered, a contract liability is recognised.

Other dental services

Revenue from the rendering of other dental services is recognised at a point in time when the performance obligation is satisfied by transferring control of the services to the customer. Such dental services are generally completed within a very short period of time, generally with a short of days.

(ii) *Cardiovascular Hospital*

Outpatient services

The outpatient services generally contain more than one performance obligations, including (i) provision of consultation services and (ii) sale of pharmaceutical products. The Group allocates the transaction price to each performance obligation based on the relative stand-alone selling price of each performance obligation. Revenue is recognized when the customer obtains the control of the services or pharmaceutical products, which is generally completed in a short of days.

Inpatient services

Inpatient services generally contain more than one performance obligations, including (i) provision of consultation services, (ii) provision of inpatient healthcare and wellness services and (iii) sale of pharmaceutical products. The Group allocates the transaction price to each performance obligation on a relative standalone selling price basis.

For (i) provision of consultation services and (iii) sale of pharmaceutical products, revenue is recognized when the patient obtains the control of the consultation services or pharmaceutical products and the Group has satisfied its performance obligations with present right to payment and the collection of the consideration is probable.

For (ii) provision of inpatient healthcare and wellness services, the revenue is recognized over the service period as the patient simultaneously receives the services and consumes the benefits provided by the Group's performance when the Group performs.

Sale and leaseback arrangement

The Group entered into sale and leaseback agreements with leasing companies that the Group has the option to repurchase the equipment. As the lessee, the Group assesses and determines whether the assets transferred in the sale and leaseback arrangement constitute sales according to IFRS 15, “Revenue from contracts with customers”.

If the assets transferred in the sale and leaseback arrangement don’t constitute sales, the Group will continue to recognize the assets transferred and the transaction should be accounted for as a secured borrowing equalling to the transfer income.

Intangible assets

(i) Medical license

The medical license acquired in a business combination are recognised at fair value at the acquisition date. The medical license has a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of the license over the estimated useful life of 27.5 years.

4. REVENUE

	Six months ended 30 June	
	2024	2023
	RMB’000	RMB’000
	(Unaudited)	(Unaudited)
Education services		
Full-time formal higher education services	802,937	748,950
– Tuition fees	737,135	690,244
– Boarding fees	63,685	57,941
– Rental income of telecommunication device	2,117	765
Education resources	101,509	102,476
Continuing education services	56,792	64,897
Others	–	2,107
	<hr/>	<hr/>
	961,238	918,430
	<hr/>	<hr/>
Healthcare and wellness services	6,870	–
	<hr/>	<hr/>
	968,108	918,430
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5. OTHER INCOME

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Rental income from properties	22,712	24,079
Property service and management income	18,936	20,931
Government grants and subsidies	9,475	18,670
Development of software system technology	3,559	3,848
Others	817	845
	<u>55,499</u>	<u>68,373</u>

6. OTHER EXPENSES

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	3,796	4,094
Property maintenance and fire protection expenses	3,911	4,023
Development of software system technology expenses	4,659	5,456
Utilities expenses	1,057	1,366
Employee benefit expenses	505	559
Amortisation of land use rights and intangible assets	296	342
Others	405	738
	<u>14,629</u>	<u>16,578</u>

7. EXPENSES BY NATURE

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Employee benefit expenses	340,129	346,309
Depreciation and amortisation expenses	97,828	85,773
Office, utilities and miscellaneous expenses	48,709	41,218
Property management, landscaping and maintenance expenses	28,538	28,081
Rental expenses	19,934	20,578
Subcontract cost	11,981	9,092
Cost of goods sold	14,165	21,986
Consulting and professional fees	7,500	2,513
Taxes and fees	4,549	4,557
Others	18,399	14,990
	<u>591,732</u>	<u>575,097</u>

8. FINANCE INCOME AND EXPENSES

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Finance income		
Interest income from deposits	7,225	6,620
Interest income from loan to a related party	807	–
	<u>8,032</u>	<u>6,620</u>
Finance expenses		
Interest expenses from borrowings	(61,941)	(58,268)
Interest expenses from lease liabilities	(870)	(904)
Other charges	(146)	(130)
Net foreign exchange gains	777	1,882
Less: Amount capitalised	<u>11,319</u>	<u>11,083</u>
	<u>(50,861)</u>	<u>(46,337)</u>
Finance expenses – net	<u>(42,829)</u>	<u>(39,717)</u>

9. INCOME TAX EXPENSES

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax	92,436	82,752
Deferred income tax	(9,709)	(307)
	<u>82,727</u>	<u>82,445</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 six months ended 30 June 2024 and 2023.

(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 six months ended 30 June 2024 and 2023.

(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. As at 30 June 2024, accruals of RMB4,853,000 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 a high-tech enterprise in 2021. It is subject to an EIT of 15% during the six months ended 30 June 2024 and 2023.
- Neusoft Education Technology Group Co., Ltd. is qualified as high-tech enterprise in 2021. It is subject to an EIT rate of 15% during the six months ended 30 June 2024 and 2023.
- The subsidiaries of Tianjin Neusoft Ruidao Education Information Technology Co., Ltd. (“**Tianjin Ruidao**”) except Shenyang Neusoft Ruidao Education Services Co., Ltd. are small low-profit enterprises, followed by a reduced tax rate of 20% during the six months ended 30 June 2024. 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% during the six months ended 30 June 2023.
- Chengdu Neusoft Education Technology Co., Ltd. is a small low-profit enterprise, followed by a reduced tax rate of 20% during the six months ended 30 June 2024 and 2023.

- Dalian Neusoft Technology Development Co., Ltd. is a small low-profit enterprise, followed by a reduced tax rate of 20% during the six months ended 30 June 2024 and 2023.
- Nanjing Neusoft Ruidao Digital Technology Co., Ltd. is a small low-profit enterprise, followed by a reduced tax rate of 20% during the six months ended 30 June 2024 and 2023.
- Huzhou Ruidao Digital Technology Co., Ltd. is a small low-profit enterprise, followed by a reduced tax rate of 20% during the six months ended 30 June 2024 and 2023.
- Putian Neusoft Digital Technology Lab Co., Ltd. is a small low-profit enterprise, followed by a reduced tax rate of 20% during the six months ended 30 June 2024 and 2023.
- Zhengzhou Neusoft Ruidao Digital Technology Co., Ltd. is a small low-profit enterprise, followed by a reduced tax rate of 20% during the six months ended 30 June 2024 and 2023.
- Chengdu Ruixiang Vocational Skills Training School Co., Ltd. is a small low-profit enterprise, followed by a reduced tax rate of 20% during the six months ended 30 June 2024.
- Ningbo Wanli Neusoft Digital Technology Co., Ltd. is a small low-profit enterprise, followed by a reduced tax rate of 20% during the six months ended 30 June 2024.
- Suzhou Neusoft Ruixiang Technology Co., Ltd. is a small low-profit enterprise, followed by a reduced tax rate of 20% during the six months ended 30 June 2024.

(vii) Deferred tax assets not recognised

For the period ended 30 June 2024, the Group has unused tax losses RMB264,590,000 (31 December 2023: RMB131,944,000), which will expire in one to five years for offsetting against future profits. Deferred tax assets have not been recognised in respect of these tax losses as they have arisen in subsidiaries that have been loss-making for recent years and it is not considered probable that future taxable profits will be available against which the tax losses can be utilised.

10. DIVIDENDS

A final dividend of HKD0.366 per share for the year ended 31 December 2023, in an aggregate amount of HKD236,511,000 (approximately equivalent to RMB215,419,000) was approved at the annual general meeting held on 28 May 2024 and declared to the owners of the Company.

No final dividend has been paid during six months ended 30 June 2024 (six months ended 30 June 2023: RMB1,516,000).

No interim dividend has been declared or paid by the Company during the six months ended 30 June 2024 and 2023.

11. EARNINGS PER SHARE

(a) Basic

Basic earnings per share for the six months ended 30 June 2024 and 2023 are calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the periods.

	Six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Profit attributable to owners of the Company (<i>RMB'000</i>)	277,414	274,138
Weighted average number of ordinary shares in issue (<i>thousands</i>)	646,205	646,204
Basic earnings per share (<i>in RMB</i>)	<u>0.43</u>	<u>0.42</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 period.

	Six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Profit attributable to owners of the Company (<i>RMB'000</i>)	277,414	274,138
Weighted average number of ordinary shares in issue (<i>thousands</i>)	646,205	646,204
Adjustments for share options granted to employees (<i>thousands</i>)	—	2,360
Weighted average number of ordinary shares for calculation of diluted earnings per share (<i>thousands</i>)	<u>646,205</u>	<u>648,564</u>
Diluted earnings per share (<i>in RMB</i>)	<u>0.43</u>	<u>0.42</u>

12. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Renovation	Motor vehicles	Medical equipment	Electronic equipment	Furniture and fixtures	Others	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
(Unaudited)									
Six months ended 30 June 2024									
Opening net book amount	2,569,244	29,211	1,462	-	89,981	62,533	11,841	593,169	3,357,441
Acquisition of subsidiaries	-	89	152	49,171	1,005	2,984	629	-	54,030
Additions	-	2,043	-	14	11,116	9,256	360	54,926	77,715
Transfer upon completion	19,090	-	-	-	-	-	-	(19,090)	-
Transfer to investment properties	(11,500)	-	-	-	-	-	-	-	(11,500)
Transfer from investment properties	250,507	-	-	-	-	-	-	-	250,507
Disposals	(229)	(1,056)	-	-	(188)	(2,658)	(42)	(280)	(4,453)
Depreciation of disposals	110	98	-	-	175	2,597	32	-	3,012
Depreciation charge	(50,450)	(4,123)	(228)	(711)	(19,217)	(8,195)	(1,339)	-	(84,263)
Closing net book amount	2,776,772	26,262	1,386	48,474	82,872	66,517	11,481	628,725	3,642,489
At 30 June 2024									
Cost	3,584,205	91,624	6,586	49,185	352,394	218,328	33,026	628,725	4,964,073
Accumulated depreciation	(807,433)	(65,362)	(5,200)	(711)	(269,522)	(151,811)	(21,545)	-	(1,321,584)
Net book amount	2,776,772	26,262	1,386	48,474	82,872	66,517	11,481	628,725	3,642,489
(Unaudited)									
Six months ended 30 June 2023									
Opening net book amount	2,302,371	34,333	877	-	85,350	54,233	10,173	448,156	2,935,493
Additions	509	1,425	966	-	11,113	1,057	92	158,926	174,088
Disposals	-	-	(403)	-	(771)	(250)	-	-	(1,424)
Depreciation of disposals	-	-	383	-	718	226	-	-	1,327
Depreciation charge	(44,904)	(5,580)	(134)	-	(15,917)	(5,447)	(1,072)	-	(73,054)
Closing net book amount	2,257,976	30,178	1,689	-	80,493	49,819	9,193	607,082	3,036,430
At 30 June 2023									
Cost	2,967,873	86,347	6,051	-	309,009	189,619	28,319	607,082	4,194,300
Accumulated depreciation	(709,897)	(56,169)	(4,362)	-	(228,516)	(139,800)	(19,126)	-	(1,157,870)
Net book amount	2,257,976	30,178	1,689	-	80,493	49,819	9,193	607,082	3,036,430

13. INTANGIBLE ASSETS

	Goodwill <i>RMB'000</i>	Brand <i>RMB'000</i>	Medical license <i>RMB'000</i>	Customer relationship <i>RMB'000</i>	Software <i>RMB'000</i>	Total <i>RMB'000</i>
(Unaudited)						
Six months ended 30 June 2024						
Opening net book amount	134,937	89,499	–	41,258	8,189	273,883
Acquisition of subsidiaries	196,016	–	59,495	–	13,447	268,958
Additions	–	–	–	–	503	503
Amortisation	–	–	(180)	(3,345)	(1,392)	(4,917)
Closing net book amount	<u>330,953</u>	<u>89,499</u>	<u>59,315</u>	<u>37,913</u>	<u>20,747</u>	<u>538,427</u>
At 30 June 2024						
Cost	330,953	89,499	59,495	66,907	47,912	594,766
Accumulated amortisation	–	–	(180)	(28,994)	(27,165)	(56,339)
Net book amount	<u>330,953</u>	<u>89,499</u>	<u>59,315</u>	<u>37,913</u>	<u>20,747</u>	<u>538,427</u>
(Unaudited)						
Six months ended 30 June 2023						
Opening net book amount	134,937	89,499	–	47,949	10,847	283,232
Additions	–	–	–	–	568	568
Amortisation	–	–	–	(3,345)	(1,744)	(5,089)
Closing net book amount	<u>134,937</u>	<u>89,499</u>	<u>–</u>	<u>44,604</u>	<u>9,671</u>	<u>278,711</u>
At 30 June 2023						
Cost	134,937	89,499	–	66,907	34,749	326,092
Accumulated amortisation	–	–	–	(22,303)	(25,078)	(47,381)
Net book amount	<u>134,937</u>	<u>89,499</u>	<u>–</u>	<u>44,604</u>	<u>9,671</u>	<u>278,711</u>

14. INVESTMENT PROPERTIES

	Six months ended 30 June	
	2024 <i>RMB'000</i> <i>(Unaudited)</i>	2023 <i>RMB'000</i> <i>(Unaudited)</i>
Opening net book amount	271,400	271,400
Transfer from property, plant and equipment	11,500	–
Transfer from right-of-use assets	919	–
Transfer to property, plant and equipment	(250,507)	–
Transfer to right-of-use assets	(14,793)	–
Fair value gains on investment properties, net	81	–
	<u>18,600</u>	<u>271,400</u>

15. TRADE AND NOTES RECEIVABLES

	As at 30 June 2024 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2023 <i>RMB'000</i> <i>(Audited)</i>
	Trade receivables	
Due from related parties	–	11,193
Receivables from education resources services	100,496	75,402
Receivables from healthcare and wellness service	7,466	–
Receivables from continuing education services	5,806	2,464
Others	469	510
	<u>114,237</u>	<u>89,569</u>
Less: Provision for impairment of trade receivables	<u>(30,021)</u>	<u>(16,515)</u>
Trade receivables – net	84,216	73,054
Notes receivables	41	1,095
Total trade and notes receivables	<u>84,257</u>	<u>74,149</u>

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

- (a) As at 30 June 2024 and 31 December 2023, the aging analysis of the trade receivables on the basis of recognition date was as follows:

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Less than 6 months	56,614	45,610
6 months to 1 year	21,689	28,925
1 to 2 years	25,975	4,996
More than 2 years	9,959	10,038
	<u>114,237</u>	<u>89,569</u>

16 TRADE AND OTHER PAYABLES

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Trade payables		
Amount due to related parties	535	–
Amount due to third parties	14,497	11,320
	<u>15,032</u>	<u>11,320</u>
Other payables		
Amount due to related parties	99,027	2,763
Miscellaneous expenses received from students	39,680	56,589
Salary and welfare payables	46,842	85,573
Deposits	26,092	31,852
Government subsidies payable to students	49,128	19,639
Payables for purchases of property, plant and equipment	313,714	366,629
Payables for purchases of intangible assets	7,439	–
Payables for administrative cost	12,899	13,670
Tax payables	4,883	11,698
Dividends payable	215,859	–
Notes payable	3,033	–
Others	19,400	17,343
Less: non-current portion		
– Amount due to third parties	(675)	(675)
Other payables – current portion	<u>837,321</u>	<u>605,081</u>
Total trade and other payables	<u>852,353</u>	<u>616,401</u>

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

The credit terms of trade payables granted to the Group are generally no more than 180 days. As at 30 June 2024 and 31 December 2023, the aging analysis of the trade payable based on invoice dates was as follows:

	As at 30 June 2024 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2023 <i>RMB'000</i> <i>(Audited)</i>
Less than 6 months	15,032	11,320

17. BORROWINGS

	As at 30 June 2024 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2023 <i>RMB'000</i> <i>(Audited)</i>
Long-term borrowings		
Bank borrowings		
– secured	2,112,364	2,139,032
– unsecured	484,270	423,505
Less: current portion of long-term borrowings		
– secured	(238,380)	(220,171)
– unsecured	(44,266)	(268,505)
	2,313,988	2,073,861
Borrowings from non-bank financial institutions		
– secured	45,204	742
Less: current portion of long-term borrowings		
– secured	(16,114)	(742)
	29,090	–
Short-term borrowings		
Bank borrowings		
– secured	–	13,925
– unsecured	167,103	147,700
Add: current portion of long-term borrowings		
– secured	238,380	220,171
– unsecured	44,266	268,505
	449,749	650,301
Borrowings from non-bank financial institutions		
– secured	–	–
Add: current portion of long-term borrowings		
– secured	16,114	742
	16,114	742
Total borrowings	2,808,941	2,724,904

18. CONTRACT LIABILITIES

The Group recognised the following revenue-related contract liabilities, which represented the unsatisfied performance obligation as at 30 June 2024 and 31 December 2023 will be expected to be recognised within one year:

	As at 30 June 2024 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2023 <i>RMB'000</i> <i>(Audited)</i>
Education services		
Full-time formal higher education services	183,786	969,258
– Tuition fees	162,576	884,453
– Boarding fees	21,210	84,805
Education resources	9,032	42,674
Continuing education services	25,691	51,934
Development of software system technology	3,375	4,045
	<hr/> 221,884	<hr/> 1,067,911
 Healthcare and wellness services	 3,740	 –
	<hr/> 225,624	<hr/> 1,067,911

19. BUSINESS COMBINATIONS

On 26 March 2024, Neusoft Ruixin, a wholly-owned subsidiary of the Company, entered into a Share Transfer Agreement with Neusoft Holdings and 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.

The acquisition was completed on 31 May 2024, after the acquisition, Neusoft Healthcare Group became indirect owned subsidiaries of the Company, and their financial results were consolidated into the financial statements of the Group.

(a) Acquisition of Neusoft Healthcare Group

The fair values of identifiable assets and liabilities of Neusoft Healthcare Group as at the date of acquisition are set out as follows:

	Fair value <i>RMB'000</i>
Cash and cash equivalents	34,073
Restricted cash	804
Financial assets at fair value through profit or loss	2,600
Trade and notes receivables	6,064
Prepayments and other assets	2,180
Inventory	1,613
Right of use assets	897
Property, plant and equipment	54,030
Other receivables	96
Intangible asset – medical license	59,495
Intangible asset – software	13,447
Deferred tax assets	27,732
Trade and other payables	(139,063)
Contract liabilities	(3,403)
Lease liability	(897)
Borrowings	(90,744)
Deferred tax liabilities	(14,807)
	<hr/>
Fair value of net identifiable assets acquired	(45,883)
Settlement of pre-existing relationship between acquirer and acquiree	(69,133)
Goodwill	196,016
	<hr/>
	81,000
	<hr/>

The goodwill is attributable to Neusoft Healthcare Group's synergies expected to arise after the Company's acquisition. None of the goodwill is expected to be deductible for tax purposes.

(i) Acquisition related cost

Acquisition-related costs were not significant and were included in profit or loss for the six months ended 30 June 2024.

(ii) Revenue and profit contribution

The acquired business contributed revenue of RMB6,870,000 and net loss of RMB6,312,000 to the Group for the period from 1 June 2024 to 30 June 2024. If the acquisition had occurred on 1 January 2024, the contributed revenue and net loss to the Group for the period ended 30 June 2024 would have been RMB42,085,000 and RMB37,715,000 respectively.

(b) Purchase consideration – cash outflow

	Six months ended 30 June 2024 RMB'000 (Unaudited)
Payments for acquisition of subsidiaries, net of cash acquired	
Cash consideration	<u>81,000</u>
Less: Balances acquired	
Cash	<u>(34,073)</u>
Net outflow of cash – investing activities	<u>46,927</u>

Note: The cash consideration was fully paid as at 30 June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

1 ABOUT US

As China’s leading IT higher education technology group and a provider of digital talent education services, Neuedu focuses on the IT and healthcare technology sectors, fostering a distinctive business ecosystem centered on “full-time formal higher education services as the fundamental business and with education resources and continuing education services as our two strategic businesses”. In 2024, in light of socio-economic trends and demographic shifts, we have demonstrated foresight and preparedness by strategically expanding into the healthcare and wellness sector, building upon our existing “One Fundamental Business with Two Strategic Businesses” business model. Looking ahead, we will leverage our research and development capabilities in “education + technology + healthcare and wellness” to forge a new integrated development paradigm that intertwines education, healthcare, and wellness, thereby embarking on a fresh strategic chapter.

The following table outlines the revenue performance of our various business segments during the Reporting Period:

	For the six months ended		Percentage of change	Percentage of total revenue
	30 June 2024	2023		
	RMB'000	RMB'000		
	(Unaudited)	(Unaudited)		
Education Business				
Full-time formal higher education services	802,937	748,950	7.2%	82.9%
Education resources	101,509	102,476	-0.9%	10.5%
Continuing education services	56,792	64,897	-12.5%	5.9%
Healthcare and Wellness Business	6,870	–	N/A	0.7%
Others	–	2,107	-100.0%	0.0%
Total	968,108	918,430	5.4%	100%

2 BUSINESS REVIEW

2.1 Education Business – Stable Development with “One Fundamental Business with Two Strategic Businesses”

2.1.1 Full-time formal higher education services – Strengthen the quality of education across the three universities and consolidate our leading position in the industry

Relying on Neusoft’s robust industrial foundation and technological resources, since 2000, Neuedu has established three IT application-oriented undergraduate universities with a high starting point and standards in Dalian, Liaoning, Chengdu, Sichuan, and Foshan, Guangdong, under brand-new institutional mechanisms, namely, Dalian Neusoft University of Information, Chengdu Neusoft University, and Neusoft Institute, Guangdong.

2.1.1.1 Steady improvement in teaching quality

Dalian University offers 33 bachelor degree programmes, 7 junior college diploma programmes, 3 junior college to bachelor degree transfer programmes, and 5 vocational bachelor degree programmes, including 1 new bachelor degree programme approved to establish in the 2024/2025 school year – Cyberspace Security; it has cumulatively obtained 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), 2 National-level First-class Bachelor Degree Courses (國家級一流本科課程) and 115 Provincial-level First-class Bachelor Degree Courses (省級一流本科課程); it is the only private university in China that has won the first prize of National-level Teaching Achievement (國家級教學成果獎) twice. Its teaching quality continued to improve steadily during the Reporting Period:

- Ranked second in China and first in Liaoning Province in the WUSHULIAN China’s First-Class Private Universities Rankings (2024);
- Ranked among the top 100 universities globally in the 2024 World Universities’ Rankings for Innovation (WURI) for the fourth consecutive year, ranking fourth among the seven Chinese universities included in the TOP 100, including Tsinghua University and Peking University. In addition, it ranks seventh in the world in the “Generative AI Applications” category;
- Ranked first in the National Undergraduates Computer Competition Index (全國普通高校大學生計算機競賽指數), being the only private university among the top 6% of the 1,000+ undergraduate universities covered by the index;

- Approved as a 2023 Industrial Internet Security Talent Cultivation Pilot Demonstration Project by the MIIT, the only university approved of a national-level industrial internet related pilot demonstration across China project this year;
- Received the “2024 Digital Intelligence Industrial College Award” at the 14th Conference on Digital Talent Development and Industry-Education Integration Education Night and Award Ceremony.

Chengdu University offers 31 bachelor degree programmes, 2 junior college diploma programmes, 16 junior college to bachelor degree transfer programmes, and 2 vocational bachelor degree programmes; it has cumulatively obtained 1 National-level First-class Bachelor Degree Programme Construction Site and 6 Provincial-level First-class Bachelor Degree Programme Construction Sites, 1 National-level First-class Bachelor Degree Course and 25 Provincial-level First-class Bachelor Degree Courses. Its teaching quality continued to improve steadily during the Reporting Period:

- 1 course, Deep Learning and Machine Vision, was approved for the first batch of advanced courses in colleges and universities in Sichuan Province;
- Won 4 third prizes in the 4th Sichuan Provincial University Teachers’ Teaching Innovation Competition organized by the Sichuan Provincial Department of Education;
- Officially launched the Chengdu Neuedu “2024 Huawei HarmonyOS Targeted Class” project in March 2024, in collaboration with Huawei’s Global Talent Training Center and Chengdu Zhiliaohuizhi Technology Co., Ltd., an officially authorized Huawei talent training partner;
- Received the “Huawei Cloud Best Ecosystem Development Award” for its outstanding contributions to Huawei Cloud’s ecosystem development;
- Selected as a “Chengdu’s China Software City Construction Influential Partner”.

Guangdong University offers 23 bachelor degree programmes, 3 junior college diploma programmes, 10 junior college to bachelor degree transfer programmes; it has cumulatively obtained 3 Provincial-level First-class Bachelor Degree Programme Construction Sites, 1 National-level First-class Bachelor Degree Course and 20 Provincial-level First-class Bachelor Degree Courses. Its teaching quality continued to improve steadily during the Reporting Period:

- Ranked 24th in China among private universities in the Ranking of Private Colleges and Universities by China Science and Education Evaluation Network (Jinpingguo) (中國科教評價網(金平果)民辦院校排行榜);
- Ranked 14th in China in the “National Competition Rankings for Private Universities (2019-2023)” (全國普通高校大學生競賽排行榜民辦榜單(2019-2023)) of the China Association of Higher Education (中國高等教育學會);
- Following recognition as an “Excellent Organization for IPv6 Deployment in Guangdong Province” in 2021 and 2022, it received the honorary title of “Benchmark Organization for IPv6 Deployment in Guangdong Province in 2023”, being the only private university among the benchmark organizations;
- Launched its first batch of micro-major construction projects, offering two micro-majors: “HarmonyOS Software Application Development” and “Big Data Management and Application”, to meet the market’s demand for innovative and composite talent cultivation.

2.1.1.2 Overall increase in admission quota

Outstanding education quality and excellent brand reputation have facilitated the continuous growth of our admission quota. In the 2024/2025 school year, the total admission quota in the three universities under the Group has achieved an overall increase, exceeding 20,000 students in total, which represents an increase of 687 students from the previous school year and a year-on-year growth of approximately 3.5%.

	Admission quota		Change	Percentage of change
	2024/2025 School year	2023/2024 School year		
Dalian University				
Bachelor degree programmes	4,133	4,013	120	3.0%
Junior college diploma programmes	1,869	1,096	773	70.5%
Junior college to bachelor degree transfer programmes	3,249	2,899	350	12.1%
Subtotal	9,251	8,008	1,243	15.5%
Chengdu University				
Bachelor degree programmes	5,800	5,574	226	4.1%
Junior college diploma programmes	100	100	-	-
Junior college to bachelor degree transfer programmes	823	823	-	-
Subtotal	6,723	6,497	226	3.5%
Guangdong University				
Bachelor degree programmes	2,206	2,633	-427	-16.2%
Junior college diploma programmes	100	155	-55	-35.5%
Junior college to bachelor degree transfer programmes	1,900	2,200	-300	-13.6%
Subtotal	4,206	4,988	-782	-15.7%
Total	20,180	19,493	687	3.5%

2.1.1.3 Students enrollments reaching a new high

As of 30 June 2024, the total number of student enrollments in the three universities amounted to approximately 57,000, marking a year-on-year increase of approximately 7.5% compared with that of 2023, setting a new record high.

	Student enrollments		Change	Percentage of change
	As of 30 June 2024	As of 30 June 2023		
Dalian University				
Bachelor degree programmes	15,244	14,922	322	2.2%
Junior college diploma programmes	1,289	871	418	48.0%
Junior college to bachelor degree transfer programmes	4,696	2,805	1,891	67.4%
Subtotal	21,229	18,598	2,631	14.1%
Chengdu University				
Bachelor degree programmes	17,312	14,968	2,344	15.7%
Junior college diploma programmes	1,387	2,118	-731	-34.5%
Junior college to bachelor degree transfer programmes	3,235	3,601	-366	-10.2%
Subtotal	21,934	20,687	1,247	6.0%
Guangdong University				
Bachelor degree programmes	9,826	9,878	-52	-0.5%
Junior college diploma programmes	307	674	-367	-54.5%
Junior college to bachelor degree transfer programmes	3,485	2,982	503	16.9%
Subtotal	13,618	13,534	84	0.6%
Total	56,781	52,819	3,962	7.5%

2.1.1.4 Appropriate upward adjustment on tuition fees and boarding fees

We continuously optimize our pricing strategy and adjust the tuition fees and boarding fees of our three universities in the 2024/2025 school year as appropriate. In particular, we have made an increase in the tuition fee standards for certain bachelor degree programmes, junior college diploma programmes, and junior college to bachelor degree transfer programmes in Chengdu University, and a general increase in the tuition fee standards for bachelor degree programmes and junior college to bachelor degree transfer programmes in Guangdong University. In addition, we have continued to improve student accommodation conditions and increased the boarding fees accordingly.

	Tuition fee standards (RMB per year)		Boarding fees (RMB per year)	
	2024/2025	2023/2024	2024/2025	2023/2024
	School year ⁽¹⁾	School year ⁽¹⁾	School year ⁽¹⁾	School year ⁽¹⁾
Dalian University				
Bachelor degree programmes	28,000-34,000	28,000-34,000	2,400/4,800⁽⁴⁾	2,400
Junior college diploma programmes	28,000⁽²⁾	28,000 ⁽²⁾	2,400/4,800⁽⁴⁾	2,400
Junior college to bachelor degree transfer programmes	28,000	28,000	2,400	2,400
Chengdu University				
Bachelor degree programmes	18,000-20,000	18,000-20,000	2,000	2,000
Junior college diploma programmes	19,000-20,000	18,000-19,000	2,000	2,000
Junior college to bachelor degree transfer programmes	18,000-20,000	18,000-19,000	2,000	2,000
Guangdong University				
Bachelor degree programmes	30,800-33,800⁽³⁾	28,000-32,000 ⁽³⁾	3,000	3,000
Junior college diploma programmes	23,000	23,000	3,000	3,000
Junior college to bachelor degree transfer programmes	30,800-33,800	28,000-32,000	3,000	3,000

Notes:

- (1) The tuition fees and boarding fees for each school year are only applicable to new students enrolled in that school year.
- (2) 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 2024/2025 and 2023/2024 school year.
- (3) 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 2024/2025 and 2023/2024 school year.
- (4) The boarding fee standard for double rooms in Dalian University is RMB4,800 per year.

2.1.1.5 Quality students

With excellent teaching ability and brand reputation, our universities have been widely recognised by outstanding students and their parents from all over the country. The quality of students of Chengdu University ranks first among science colleges in the 2022 China Private University Student Quality Rankings (2022年中國民辦大學生源質量排名) released by China University Rankings (CNUR) (中國大學排行榜官網).

As of the date of this announcement, the enrolment for the 2024/2025 school year has basically completed with admission scores all significantly higher than provincial university cut-off scores, among which: in Dalian University, the highest admission score of physics stream is 86 scores higher than provincial university cut-off scores; in Chengdu University, the highest admission score of science stream is 86 scores higher than provincial university cut-off scores; in Guangdong University, the highest admission score of physics stream is 59 scores higher than provincial university cut-off scores. We believe that the high quality of students proves that our comprehensive strength of majors in related fields has been well recognised by the market.

2.1.2 Education resources

Leveraging Neusoft's robust industrial strengths and the rich educational experience accumulated from its academic programmes, Neuedu has digitized, productized, and platformized its leading educational concepts, methodologies, models, systems, and standards, establishing a 4S product service system spanning four levels: resources, software, platforms, and data (CaaS – Content as a Service, SaaS – Software as a Service, PaaS – Platform as a Service, DaaS – Data as a Service). Through various forms such as joint establishment of industrial colleges and academic majors, smart education platform software and teaching content, and smart practical training laboratories, Neuedu continuously empowers more undergraduate universities and vocational colleges with first-class educational products and services. During the Reporting Period, the revenue generated from the education resources business was approximately RMB101.5 million.

2.1.2.1 Joint establishment of industrial colleges and academic majors

Leveraging its unique advantages and self-developed products, Neuedu has launched initiatives for the joint establishment of industrial colleges and academic majors with higher education institutions and vocational colleges, helping client institutions deepen the integration of industry and education and enhance the quality of talent cultivation based on its high-quality educational resources. In the first half of 2024, we optimized the cooperation structure for joint establishment of academic majors, deepened the large-scale and high-yielding programmes of joint establishment of academic majors, and collaborated with 54 institutions on the joint establishment of industrial colleges and academic majors, with a total of 224 cooperation projects covering approximately 20,000 students.

During the collaboration process, we provided comprehensive educational support services to partner institutions, including facilitating educational and teaching reforms, building first-class courses, developing institutional textbooks, teacher development and competency enhancement in competitions. In addition, relying on the apprenticeship programme and the industry project case library, we offered applied practical projects and employment and entrepreneurship guidance to students in relevant majors. Taking 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 – as of 30 June 2024, Neuedu Information Industrial College of Yunnan Technician College has completed the construction of 2 high-quality online courses and 3 high-quality teaching materials, and established the first batch of specialty majors with a focus on computer programming (software technology); 9 training rooms have been set up and equipped with the training platforms, teaching platforms and corresponding course resources; we successfully created the college’s own teaching resource library with 22 new teaching 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.

As the 4S-OMO service model gradually takes root and continues to empower client institutions, the advantages of our education resources business have become increasingly evident, leading to significant improvements in teacher capabilities, student potential, and major strengths at our partner institutions. In the first half of 2024, we assisted Yunnan Technician College in winning a gold medal at the National Rural Revitalization Vocational Skills Competition (全國鄉村振興職業技能大賽), achieving a breakthrough for Yunnan Province in gold medal history in National Rural Revitalization Vocational Skills Competition; Furthermore, our partners collectively won 41 provincial awards in various provincial and national competitions such as the Blue Bridge Cup National Software and Information Technology Major Talent Contest (藍橋杯全國軟件和信息技術專業人才大賽), China Undergraduates Computer Design Contest (中國大學生計算機設計大賽) and China Undergraduates Service Outsourcing Innovation and Entrepreneurship Contest (中國大學生服務外包創新創業大賽), 11 of which have been advancing to regional and national levels.

2.1.2.2 Smart education platform software and teaching contents

Leveraging the 4S service model, we provide smart education platforms and software covering areas such as educational management, teaching operations, and practical teaching, focusing on building the Neuedu intelligent education ecosystem, empowering institutions to achieve personalized and intelligent education driven by data. In the first half of 2024, we launched the Metaverse Creation Sharing Platform – OpenNEU (元宇宙創意創作分享平台– OpenNEU), the Comprehensive Innovation Quality Development Platform (全維創新素質發展平台), and the Intelligent Platform for Educational Quality Monitoring and Evaluation (教育質量監測評估數智化平台). Based on continuous application and practical verification in three universities, we integrated multiple system functions such as the examination system, talent management and training system, and graduation design management system, and iteratively upgraded the integrated Neuedu Smart Education Platform. As of 30 June 2024, our smart education platforms and software products are as shown in the table below:

Smart education platforms	Education management software
<ul style="list-style-type: none">• Neuedu Smart Education Platform	<ul style="list-style-type: none">• Innovation and Entrepreneurship Education Management System
<ul style="list-style-type: none">• Cloud Practice Platform	<ul style="list-style-type: none">• Engineering Education Certification Support System
<ul style="list-style-type: none">• Cloud Training Platform	<ul style="list-style-type: none">• Intelligent Platform for Educational Quality Monitoring and Evaluation
<ul style="list-style-type: none">• Metaverse Creation Sharing Platform – OpenNEU	<ul style="list-style-type: none">• Major Assessment and Evaluation System
<ul style="list-style-type: none">• Comprehensive Innovation Quality Development Platform	<ul style="list-style-type: none">• Teaching Quality Evaluation System• Intelligent Student Management System

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, computer science & software, artificial intelligence, big data, digital media, healthcare and entrepreneurship and innovation, including teaching resources of major 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 multidimensional way. As of 30 June 2024, we have completed the research and development 223 courses and 9,273 projects of level 1-5 catering to majors such as software engineering, artificial intelligence, and virtual reality technology.

2.1.2.3 *Smart practical training laboratories*

In line with the forefront of the industry and fully aligning with industrial practical experience and demands, we have established smart practical training laboratories that cater to the cultivation of applied talents and practical teaching in universities. 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 the first half of 2024, we newly launched several practical training labs including the HarmonyOS OpenHarmony Information Technology Innovation Practical Training Lab, Intelligent and Connected Vehicle Practical Training Lab, Large Model Practical Training Lab, Virtual Studio Practical Training Lab, and Smart Manufacturing Dual Carbon Control System Practical Training Lab, forming a portfolio of smart practical training lab products that cover Neuedu’s five predominant advantageous major clusters:

Majors	Smart Practical Training Laboratories
Computer Science & Software	Intelligent and Connected Vehicle Practical Training Lab (智能網聯汽車實訓室), HarmonyOS OpenHarmony Information Technology Innovation Practical Training Lab (鴻蒙OpenHarmony信創實訓室), Smart Manufacturing Dual Carbon Control System Practical Training Lab (智能製造雙碳管控系統實訓室), In-Vehicle Testing Practical Training Lab (車載測試實訓室), Healthcare and Wellness Maintenance Practical Training Lab (Platform Development) (健康頤養實訓室(平台開發)), Internet Software Testing Practical Training Lab (互聯網軟件測試實訓室)

Majors	Smart Practical Training Laboratories
Artificial Intelligence	Large Model Practical Training Lab (大模型實訓室), Autonomous Driving Practical Training Lab (無人駕駛實訓室), Natural Language Processing Practical Training Lab (自然語言處理實訓室), Computer Vision Analysis Practical Training Lab (計算機視覺分析實訓室), Intelligent Speech Training Practical Training Lab (智能語音訓練實訓室), Intelligent Monitoring Practical Training Lab (智慧監控實訓室), Medical Imaging Practical Training Lab (醫學影像實訓室)
Big Data	Big Data Acquisition and Processing Practical Training Lab (大數據採集與處理實訓室), Big Data Analysis and Visualization Practical Training Lab (大數據分析與可視化實訓室), Big Data Implementation and Operation & Maintenance Practical Training Lab (大數據實施與運維實訓室), Big Data Technology Practical Training Lab (大數據技術實訓室), Transportation Big Data Practical Training Lab (交通大數據實訓室), Financial Big Data Practical Training Lab (金融大數據實訓室), E-commerce Big Data Practical Training Lab (電商大數據實訓室), Telecommunications Big Data Practical Training Lab (電信大數據實訓室)
Digital Media	Omnimedia – Virtual Studio Practical Training Lab (全媒體類–虛擬演播實訓室), AI-XR Digital Interaction Engine Technology Development Practical Training Lab (AI-XR數字交互引擎技術開發實訓室), Metaverse Future Education Platform – Digital Media Interaction Practical Training Lab (元宇宙未來教育平台–數字媒體交互實訓室), Metaverse Smart Healthcare & Wellness Future Education Platform (元宇宙智慧康養未來教育平台), Neuedu Metaverse Offering Institutional Virtual Simulation 2.0 Construction Solutions Based on Blockchain Technology (東軟教育元宇宙提供基於區塊鏈技術的院校虛仿2.0建設解決方案)

2.1.3 Continuing education services

Supported by three universities, a nationwide delivery network, online education platforms, and human resource services, we have established a continuing education service system encompassing 2B training services, 2C training services, and formal continuing education, while also newly expanding into the field of elderly education. During the Reporting Period, the continuing education services generated a revenue of approximately RMB56.8 million.

2.1.3.1 2B training services

Relying on its nearly 80 national, provincial, municipal, and industry-level training qualifications, Neuedu provides extensive, comprehensive, professional, and high-quality government-enterprise services and solutions to government, enterprises, universities, and other institutional clients, covering areas such as teacher training, digital special training, vocational skills training, civil servant training, and talent training bases.

In the first half of 2024, we continued to solidly advance the application for training qualifications and, were once again following 2020 approved as a National High-Skilled Talent Training Base (國家級高技能人才培訓基地). In addition, we were approved as a 2023 Industrial Internet Security Talent Cultivation Pilot Demonstration Project by the MIIT, the only university approved of a national-level industrial internet related pilot demonstration project across China this year. During the Reporting Period, we implemented 42 2B training projects for 33 institutions across 12 provincial regions, covering nearly 3,000 trainees.

2.1.3.2 2C training services

Drawing on its over 20 years of resource accumulation and deep industrial experience in the education sector, Neuedu, in conjunction with the 4S-OMO service delivery system, provides students and working professionals with a wide range of professional learner services in areas such as professional skill certification, digital literacy enhancement, language proficiency, professional qualifications, and association & vendor certifications. We also offer internship and employment opportunities in real corporate environments. As of 30 June 2024, Neuedu has established partnerships with over 2,000 renowned enterprises, including Neusoft, IBM, JD.com, Alibaba, and Baidu, to create a closed-loop rolling talent delivery and diversified cooperation model.

Neuedu continues to deepen and upgrade its online-offline integrated delivery system, optimizing training delivery quality and efficiency. We actively promote our self-developed online education platforms including Neuedu Online and Neuedu IT Cloud Class, as skill enhancement and qualification certification platforms for a broader range of social groups. As of 30 June 2024, Neuedu Online and Neuedu IT Cloud Class had registered users of approximately 2.3 million, and during the Reporting Period, approximately 12,000 individuals participated in 2C training.

2.1.3.3 Formal continuing education

To cater to the diverse students' urgent need for pursuing higher degrees, deepening professional knowledge, and acquiring new skills, while efficiently reusing the rich and high-quality educational resources of our three universities, we offer formal continuing education services. As of 30 June 2024, the total number of students enrolled in formal continuing education across the three universities were over 4,400, marking a year-on-year decrease of approximately 16.7%.

Concurrently, we continuously strengthen international cooperation in continuing education, actively expanding international formal continuing education programmes such as junior college to bachelor degree transfer programmes, bachelor degree to master degree transfer programmes, junior college to master degree transfer programmes with universities in Russia, the United Kingdom, Singapore, Sri Lanka, Australia, the United States, Japan, and other countries. In the first half of 2024, Dalian University recruited a total of 131 students for short-term training and exchange programmes targeting students from Russia, India, Sri Lanka, Australia, Malaysia, Indonesia, Japan, and other countries. Explanation sessions for overseas training programmes reached over 2,000 student attendances.

2.1.3.4 Elderly education business

Capitalizing on the development opportunities presented by the aging population trend, Neuedu leverages the robust teaching faculty and R&D advantages of our three universities, integrates healthcare and wellness industry resources, and focuses on the “digital + arts + health” sector, adhering to the era's positioning of “embodying intelligent features, highlighting technological advantages, and catering to the needs of the elderly”, and constructs a unique and integrated elderly education product, Neuedu Phoenix Academy, that integrates “education, healthcare, wellness, and travel”. We have created a special “LIFECARES” model for elderly education, which encapsulates leisure, wellness, healthcare, education, and social engagement, tailored to meet the individual needs of seniors in learning, socializing, and health. Through the independent or combined implementation of multiple modules, we empower seniors' joyful lives with top-notch healthcare and wellness services and platform services, comprehensively covering their diverse life stages from early retirement to advanced age, ensuring that educational content and services precisely align with their specific needs at different life stages, helping them achieve “enjoyment, wellness, healthcare, education, and engagement in old age”.

Currently, Neuedu Phoenix Academy primarily offers distinctive courses in three major sections: “AI and Artistic Creation”, “Health and Rehabilitation”, and “Mental Wellness Travel”.

- **AI and Artistic Creation:** Focusing on themes such as family and friends, personal memoirs, and life documentaries, this section leverages Neuedu’s self-developed AI large model learning platform to enable seniors to experience AI-powered writing, painting, music, and video creation. It also includes more practical courses like mobile photography, short video production, and watercolor therapy.
- **Health and Rehabilitation:** Drawing on the expertise of nursing homes and tertiary specialist hospitals, this section offers scientific and professional course guidance covering elderly nutrition, exercise and rehabilitation, and mental well-being, helping seniors achieve physical and mental fulfillment and health.
- **Mental Wellness Travel:** Leveraging Neuedu Phoenix Academy’s partnerships with wellness hotels in Yunnan, Hainan, Sichuan, and other regions, this section constructs short-term study tours covering themes like natural scenery, historical culture, and health preservation, tailored to seniors’ physical conditions and interests.

2.2 Healthcare and Wellness Business – the “Education-Healthcare-Wellness” Integrated Strategic Layout

To proactively address the profound impacts and unique opportunities arising from China’s increasingly prominent “aging” society, we have strategically embarked on expanding and deepening our presence in the silver economy market. We profoundly recognize that as the proportion of the elderly population continues to rise, their spiritual and cultural needs, healthcare requirements, and desires for social engagement are also growing, thereby opening up vast development prospects for the silver economy market.

We plan to forge a new integrated development model encompassing “education, healthcare, and wellness”, ingeniously blending the three key sectors of education, healthcare, and wellness care to provide comprehensive support for enhancing the quality of life and well-being of the elderly population. This will foster a stable, interoperable, mutually supportive, efficient, and sustainable new business format, where education enhances healthcare and wellness, healthcare transitions into wellness and supplements education, and wellness supports and complements both healthcare and education.

Firstly, hospitals and nursing homes will serve as practical training bases for students from our three universities' relevant majors, not only offering invaluable internship opportunities to students but also infusing fresh blood and innovative thinking into hospitals and nursing homes. Secondly, the academic major achievements and expertise accumulated of three universities can serve as a foundation for the development of elderly education relevant courses, further enriching the wellness lives of nursing home residents. Meanwhile, elderly education can provide a broad customer base for nursing homes and hospitals. In addition, hospitals, as the ultimate safeguard, provide robust medical support for the operations of elderly education and nursing homes. This innovative “education-healthcare-wellness” integrated development model offers comprehensive services to the elderly, fostering a strong brand image and earning their trust.

To realize the strategic deployment of integrated “education – healthcare – wellness” development, Neuedu has initiated a series of actions and preliminarily established a business framework for this integrated approach. On 26 March 2024, the Group entered into a share transfer agreement with Neusoft Holdings regarding the acquisition of Neusoft Healthcare and its subsidiaries (including two hospitals and a nursing home), with the relevant capital contributions made accordingly. The acquisition was completed on 31 May 2024. For details, please refer to the Company's announcements dated 26 March 2024, 16 May 2024 and 31 May 2024.

2.2.1 Healthcare business

2.2.1.1 Cardiovascular Hospital

Dalian Ruikang Cardiovascular Hospital (“**Cardiovascular Hospital**”), invested and jointly operated by Neusoft Healthcare, a subsidiary of Neuedu, and the Cardiovascular Hospital of the Second Affiliated Hospital of Dalian Medical University, is a non-profit tertiary-level cardiovascular disease specialist hospital. It opened in January 2022 and obtained outpatient and inpatient medical insurance settlement qualifications around April and May 2022, with its fee standards determined according to the medical insurance pricing of municipal tertiary hospitals.

As a teaching hospital characterized by its strong specialist departments and comprehensive medical services, Cardiovascular Hospital focuses on pan-vascular disease management and provides comprehensive medical services throughout the entire life cycle. It coordinates the planning and development of related key disciplines. Currently, the hospital operates seven departments, including cardiology, neurology, general surgery, general internal medicine, general surgery, medical weight loss center, ICU, and emergency department. With a total area of over 60,000 square meters and a gross building area of over 20,000 square meters, it can accommodate 300 beds (180 currently open) and has established centers for minimally invasive surgery, interventional surgery, and chronic pain treatment.

Integrating medical treatment, education, research, prevention, and talent cultivation, Cardiovascular Hospital promotes the integrated development of “education, medicine, and research”. It brings together leading medical experts from the national level, the Second Affiliated Hospital of Dalian Medical University, and the First Affiliated Hospital of Dalian Medical University, fully leveraging the functions of affiliated hospitals. In the first half of 2024, it provided internship training to 30 interns and over 100 students from Dalian University, becoming an essential base for practical training for students majoring in healthcare technology. Leveraging Neuedu’s advanced technological advantages, Cardiovascular Hospital is a fully intelligent hospital with smart processes, equipped with state-of-the-art medical equipment such as Philips CVx echocardiography, 512CT, DSA, and 1.5T MRI, to meet various diagnostic and treatment needs. In the first half of 2024, Cardiovascular Hospital received nearly 20,000 outpatient and emergency visits and admitted nearly 3,000 patients.

2.2.1.2 Stomatological Hospital

Dalian Ruikang Zhuomei Stomatology Hospital Co., Ltd. (“**Stomatological Hospital**”), invested and constructed by Neusoft Healthcare, a subsidiary of Neuedu, is the second large-scale tertiary-standard stomatological specialist hospital in Dalian. It opened in June 2023 and obtained outpatient medical insurance settlement qualifications in September 2023.

Occupying an area of 10,000 square meters, Stomatological Hospital could accommodate 150 dental chairs and 50 beds at full capacity. It houses six major medical centers: Children’s Dental Medical Center, Orthodontics and Aesthetic Center, Maxillofacial Surgery and Implantology Center, Comprehensive Stomatological Medical Center, VIP Special Medical Center, and Characteristic Outpatient Clinic, catering to the needs for oral health diagnosis and treatment and healthcare of pediatric dentistry, dental implants, maxillofacial surgery, aesthetic restoration, orthodontics, and comprehensive stomatological treatment.

Integrating clinical practice, education, training, research, and prevention, Stomatological Hospital collaborates closely with multiple hospitals, expert doctor groups, and universities to share diagnostic and treatment services. It combines medical and engineering expertise to build a smart stomatological hospital. Managed by a team of high-level experts, the hospital introduces international advanced diagnostic and treatment equipment and smart medical systems, establishing a high-level stomatological medical talent team. It strictly adheres to tertiary-level hospital infection prevention and control standards, providing comfortable, convenient, and intelligent medical services. Committed to public oral health education, diagnosis, and management, the hospital innovates the oral medical service and treatment system. In the first half of 2024, Stomatological Hospital received over 10,000 outpatient visits.

2.2.2 Wellness business

2.2.2.1 Wecare Family Nursing Home

Covering a total area of approximately 5,000 square meters, Wecare Family Nursing Home is designed with 50 rooms and 59 beds. Officially opened in January 2024, it has achieved a remarkable occupancy rate of 34% within just half a year.

As a nursing home that deeply integrates medical care and elderly support, Wecare Family breaks the conventional separation between medical treatment and elderly care, sharing medical services from tertiary hospitals. Its mission is to address the industry's pain points such as weak medical capabilities and untimely access to medical care in traditional nursing homes, and low comfort levels for long-term hospitalization.

- **Deep Integration of Medical Care and Elderly Support:** Leveraging the high-quality medical resources of Neuedu Health Park, Wecare Family collaborates with the Cardiovascular Hospital (a tertiary hospital) and Stomatological Hospital within the park, to provide comprehensive medical service guarantees. Elders can receive routine laboratory sampling, vital sign monitoring, color doppler ultrasound, medication management, and other medical services right at their bedside. They also enjoy chronic disease management, regular ward rounds, online consultations from designated doctors, and access to a 180-meter express medical emergency green channel that connects directly to the Cardiovascular Hospital and Stomatological Hospital for examination and treatment. Furthermore, consultation on demand and accompaniment for medical appointments are also provided.
- **AI-Powered Monitoring Technology:** Millimeter-wave radar sensors are installed at every bedside, precisely detecting situations such as elders leaving their beds or falling and immediately notifying staff. Wearable smart bracelets continuously track elders' heart rate, blood oxygen levels, sleep quality, and other health indicators, assisting staff in medication administration and rehabilitation training. Customized family apps keep families updated in real-time about elders' diets, daily routines, and health status, enhancing their sense of security.

- **Elderly education Programmes:** Drawing upon the adjacent Neuedu Phoenix Academy’s elderly education programmes, Wecare Family offers a diverse curriculum featuring “AI and Artistic Creation + Health and Rehabilitation + Mental Wellness Travel”. These programmes empower elders to reconstruct their lives, boost confidence, make new friends, and achieve better health in the digital age, and to enhance their self-cultivation and realize self-worth within a culturally and artistically rich living space.
- **Personalized Wellness Activities:** Equipped with various intelligent assessment and training systems for cognition, swallowing, respiration, speech, movement, and bedside care, Wecare Family collaborates with rehabilitation specialists to tailor personalized elderly care and rehabilitation plans based on individual health conditions. These plans aim to improve elders’ daily cognitive abilities and physical activity levels, restore mental and physical strength, alleviate functional impairments, and help disabled and semi-disabled elders regain physical balance and rhythm.

3 FINANCIAL REVIEW

Revenue

Our revenue was RMB968.1 million for the six months ended 30 June 2024, representing an increase of 5.4% 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 RMB802.9 million, representing an increase of 7.2% 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 RMB101.5 million, representing a decrease of 0.9% as compared with the corresponding period of last year, mainly due to the decrease in revenue from joint establishment academic majors.
- Revenue generated from the continuing education services was approximately RMB56.8 million, representing a decrease of 12.5% as compared with the corresponding period of last year, mainly due to the decrease in revenue from formal continuing education.
- Revenue generated from the healthcare and wellness business was approximately RMB6.9 million, mainly due to that the Group completed the acquisition of Neusoft Healthcare on 31 May 2024.

Gross Profit

Gross profit was approximately RMB510.7 million for the six months ended 30 June 2024, representing an increase of 11.2% as compared with the corresponding period of last year. Such increase was mainly due to the increase in revenue.

Administrative Expenses

Administrative expenses was approximately RMB92.2 million for the six months ended 30 June 2024, representing an increase of 22.9% as compared with the corresponding period of last year. Such increase was mainly due to (i) the increase in start-up costs of health and wellness business, (ii) the increased professional fees in relation to the acquisition of Neusoft Healthcare and others, and (iii) increased administrative expenses brought by the consolidation of Neusoft Healthcare Group.

Net Impairment Losses on Financial Assets

Net impairment losses on financial assets was approximately RMB14.4 million for the six months ended 30 June 2024, representing an increase of 410.8% as compared with the corresponding period of last year, mainly due to the increase of aging relating to trade receivables.

Other Income

Other income was approximately RMB55.5 million for the six months ended 30 June 2024, representing a decrease of 18.8% as compared with the corresponding period of last year, mainly due to the decrease of government grants.

Net Finance Expenses

Net finance expenses was approximately RMB42.8 million for the six months ended 30 June 2024, representing an increase of 7.8% as compared with the corresponding period of last year, mainly due to the increase of interest expenses from borrowings.

Income Tax Expenses

Income tax expenses was approximately RMB82.7 million for the six months ended 30 June 2024, representing an increase of 0.3% as compared with the corresponding period of last year, mainly due to the increase in taxable profit.

Profit for the Period

As a result of the foregoing, for the six months ended 30 June 2024, profit for the period increased by approximately 1.4% as compared with the corresponding period of last year, and the earnings per share increased by about 2.4% compared with the corresponding period of last year.

Net profit attributable to owners of the Company was approximately RMB277.4 million for the six months ended 30 June 2024, representing an increase of 1.2% as compared with the corresponding period of last year, mainly due to the increase in profit for the period.

Non-IFRS Accounting Standards 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 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 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 tools 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 Accounting Standards 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/year or any other operating performance measure that is calculated in accordance with IFRS Accounting Standards. In addition, because this non-IFRS Accounting Standards 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 period presented to the profit for the period calculated and presented in accordance with IFRS Accounting Standards:

	For the six months ended	
	30 June	
	2024	2023
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Profit for the period	277,571	273,733
Adjusted items:		
Exchange gains – net	<u>(777)</u>	<u>(1,882)</u>
Adjusted Net Profit	<u>276,794</u>	<u>271,851</u>

Adjusted Net Profit was approximately RMB276.8 million for the six months ended 30 June 2024, representing an increase of 1.8% as compared with the corresponding period of last year. Adjusted Net Profit Margin were 28.6% and 29.6% for the six months ended 30 June 2024 and 30 June 2023 respectively.

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

	For the six months ended	
	30 June	
	2024	2023
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Profit for the period attributable to owners of the Company	277,414	274,138
Adjusted items:		
Exchange gains – net	<u>(777)</u>	<u>(1,882)</u>
Adjusted Net Profit Attributable to Owners of the Company	<u>276,637</u>	<u>272,256</u>

Adjusted Net Profit Attributable to Owners of the Company was approximately RMB276.6 million for the six months ended 30 June 2024, representing an increase of 1.6% 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 30 June 2024, the issued share capital of the Company was HK\$129,241, and the number of issued ordinary Shares was 646,205,135 of HK\$0.0002 each.

As at 30 June 2024, cash and cash equivalents of the Group amounted to approximately RMB874.6 million (31 December 2023: approximately RMB1,708.4 million). As at 30 June 2024, total borrowings from financial institutions of the Group amounted to approximately RMB2,808.9 million (31 December 2023: approximately RMB2,724.9 million). The maturity range of loan is from one year to more than five years. Borrowings were all denominated in Renminbi. Interests were charged at fixed rates and floating rates, with approximately RMB205.1 million for fixed rate loans and approximately RMB2,603.8 million for floating rate loans. The Group finances its working capital requirements through a combination of funds generated from operations and alternative funding resources from equity and debt. 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.

Current ratio

As at 30 June 2024, the current ratio of the Group (i.e. current assets divided by current liabilities) was 0.81 (31 December 2023: 0.84).

Contingent liabilities

As at 30 June 2024, the Group did not have any 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 six months ended 30 June 2024, the Group did not experience any significant difficulties in or impacts on its operations or liquidity due to fluctuations in currency exchange rates. The Group is currently not engaged in hedging activities that are designed or intended to manage foreign exchange rate risk. 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 30 June 2024, the Group had (i) bank borrowings of RMB1,845.8 million pledged by certain collection rights of tuition fees and boarding fees, and (ii) bank borrowings of RMB266.6 million pledged by certain equity interests.

Gearing ratio

As at 30 June 2024, 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 138.3% (31 December 2023: 133.6%).

Capital expenditures

The capital expenditures of the Group for the six months ended 30 June 2024 amounted to approximately RMB119.8 million, which was primarily related to the upgrade and expansion of our campuses.

Material acquisitions or disposals of subsidiaries, associates and joint venture

On 26 March 2024, the Group entered into a share transfer agreement with Neusoft Holdings regarding the acquisition of Neusoft Healthcare and its subsidiaries (including two hospitals and a nursing home), with the relevant capital contributions made accordingly. Such acquisition was completed on 31 May 2024. For details, please refer to the Company's announcements dated 26 March 2024, 16 May 2024 and 31 May 2024.

Save as disclosed above, for the six months ended 30 June 2024, the Group had no other material acquisitions or disposals of subsidiaries, associates and joint ventures.

Significant investments

As at 30 June 2024, the Company did not have any significant investment accounting for 5% or more of the Company's total assets.

Future plans for material investments or capital assets

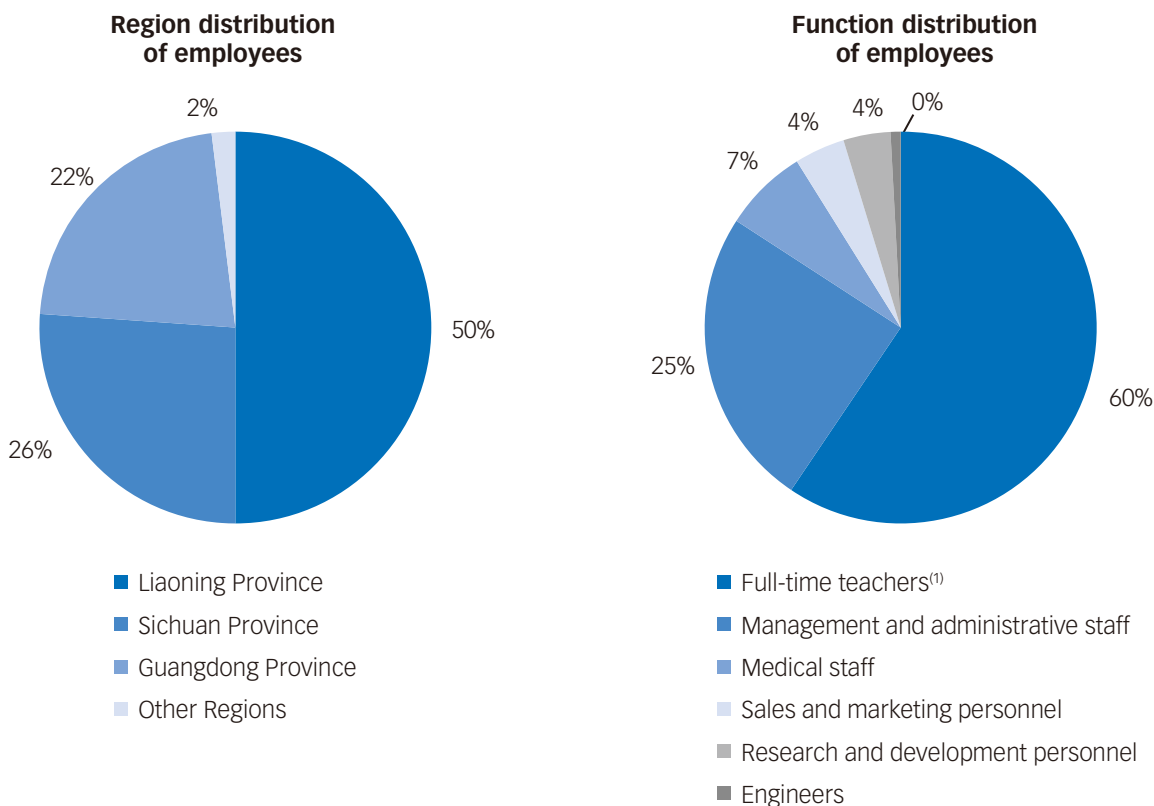
Save as disclosed under the section headed "Use of Proceeds from the IPO" of this announcement, the Group did not have any other plans for material investments or capital assets as of the date of this announcement.

4 EMPLOYEE AND REMUNERATION POLICY

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. In addition, to better serve our integrated “education – healthcare – wellness” strategic layout, we have also recruited a high-level, professional, and experienced team of doctors.

As of 30 June 2024, there were a total of 2,208 full-time teachers and 1,076 part-time teachers in our three universities. Approximately 94% of the full-time teachers have a master degree or Ph.D. degree, approximately 53% with engineering practice experience in enterprises, and approximately 21% with overseas studies and/or work experience. Our medical and nursing team comprises 284 individuals, including 27 part-time doctors. Approximately 68% of the doctor team have over ten years of experience, and 37% have over twenty years of experience. Furthermore, we collaborate closely with multiple hospitals and doctor groups, providing a multi-site practice sharing platform for renowned doctors and building a robust medical team cooperation and service network.

As of 30 June 2024, the Group had 3,755 full-time employees, of which the distributions by regions and functions are set forth as the charts below.



(1) Including 2,208 full-time teachers in our three universities and 43 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 development, and provides them with benefits, including commercial insurance, corporate annuities, welfare medical examinations, and holiday gifts. For the six months ended 30 June 2024, the total cost of employee remuneration of the Group (including Directors' fees) was RMB340.6 million (For the six months ended 30 June 2023: RMB346.9 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 30 June 2024, (i) 33,135,452 options have been cancelled, 4,465,116 options have lapsed, and 3,373,935 options have been exercised under the Pre-IPO Share Incentive Scheme; and (ii) no options have been granted, exercised, lapsed or cancelled under the Post-IPO Share Incentive Scheme.

5 FUTURE DEVELOPMENT

5.1 Development Environment

5.1.1 Rapid growth of the "silver economy" spurs the development of elderly education and healthcare markets

According to data from the National Bureau of Statistics, 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”, introducing the concept of the “silver economy” and proposing 26 measures under four aspects for both the “aging economy during the elderly stage” and the “pre-aging economy during the pre-elderly stage”. These measures aim to accelerate the large-scale, standardized, clustered, and branded development of the silver economy, cultivate high-tech products and high-quality service models, and enable the elderly to share the fruits of development and enjoy a happy later life. Emphasis is placed on optimizing elderly health services, improving elderly care services, enriching cultural and sports services for the elderly, and fostering new formats of smart and healthy elderly care.

In July 2024, the Third Plenary Session of the 20th Central Committee of the Communist Party of China reviewed and approved the “Decision of the Communist Party of China Central Committee on Further Comprehensively Deepening Reforms and Advancing Chinese-style Modernization”, which explicitly calls for optimizing the supply of basic elderly care services, fostering community-based elderly care service institutions, improving the operational mechanisms of public elderly care institutions, encouraging and guiding the active participation of enterprises and other social forces, promoting mutual assistance in elderly care services, and facilitating the integration of healthcare and eldercare.

5.1.2 Shortage of talent in healthcare, medical services, and elderly care spurs the development of related majors

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.

In January 2024, 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”. The document calls for attracting, cultivating, utilizing, and retaining talents in all aspects, focusing on developing skilled talents in elderly care services, in order to build a moderately sized, structurally rational, and morally and technically competent elderly care talent team, providing strong talent support for the high-quality development of elderly care services in the new era. In February 2024, the National Development and Reform Commission revised and released the “Guidance Catalog for Industrial Restructuring (2024 Edition)”, explicitly encouraging the development of aging services and the cultivation of elderly care talents.

5.1.3 Adhering to high-quality development as the lifeblood of education and actively promoting the deep integration of industry and education

The “2024 Government Work Report” issued in March 2024 clearly stated the need to strengthen the construction of a high-quality education system, adhering to high-quality development as the lifeblood of education at all levels and types, guiding and regulating the development of private education, and vigorously improving the quality of vocational education.

In May 2024, the General Offices of the Communist Party of China Central Committee and the State Council issued the “Opinions on Promoting the High-quality Development of Modern Vocational Education”, explicitly advocating for the integration of industry and education, as well as school-enterprise cooperation, to foster a development pattern featuring positive interactions between industry and education and complementary advantages between schools and enterprises. Governments at all levels are encouraged to take cities as nodes, industries as pivots, and enterprises as key points, and establish a batch of pilot cities for industry-education integration, foster benchmark industries that lead in this area, and cultivate a group of industry-leading enterprises engaged in industry-education integration.

In March 2024, the Ministry of Education and three other departments jointly issued the “Key Points for Enhancing National Digital Literacy and Skills in 2024”, which specifically emphasizes the implementation of the integration project of digital skills into industry and education. Enterprises are encouraged to establish joint colleges, laboratories, and internship bases with general universities and vocational colleges, thereby enriching the supply of high-quality digital resources and constructing a lifelong digital learning system to facilitate new achievements in promoting national digital literacy and skills.

5.1.4 AI extensively empowers social services, and the development of the digital economy urgently needs digital talent support

The “Key Points for Digital Economy Development in 2024” explicitly states the need to enhance the digitalization and intelligence of social services such as elderly care, education, healthcare, and social security. In March 2024, the Ministry of Education launched the AI-Powered Education Initiative, aiming to promote the integrated application of AI in teaching and learning, elevate national digital education literacy and skills, and develop dedicated AI large models for education, thereby injecting new momentum into educational development. The “Action Plan for the Development of Smart Healthcare Aging Industry (2021-2025)” highlights the importance of strengthening interdisciplinary and cross-sectoral cooperation to promote the integrated innovation and converged application of new-generation information technologies like the internet of things, big data, cloud computing, AI, blockchain, ultra-high-definition video, and virtual reality in the health and aging sectors, thereby enhancing the intelligence level of healthcare and aging products and services.

The widespread application of AI and the rapid development of the digital economy have posed new demands for the cultivation of innovative, applied, and composite digital talents. In April 2024, the MHRSS, the Central Organization Department, the Ministry of Education, and six other departments jointly issued the “Action Plan for Accelerating the Cultivation of Digital Talents to Support the Development of the Digital Economy (2024-2026)”, which clarifies the need to closely align with the development requirements of digital industrialization and industrial digitization and solidly carry out special actions for the cultivation, attraction, retention, and utilization of digital talents over a period of approximately three years. The goal is to increase the effective supply of digital talents, create a clustering effect, and strive to build a high-level digital talent team with a large scale, excellent quality, optimized structure, and rational distribution, thereby better supporting the high-quality development of the digital economy.

5.2 Development Strategies

5.2.1 Deepening the development of elderly education and constructing an integrated “education – healthcare – wellness” ecosystem

On the one hand, we will fully utilize the excellent teaching faculties, high-quality educational resources, and advanced teaching facilities of our three universities, and combine the advantageous majors of Neuedu with the interests and hobbies of the elderly, in order to develop and design a wide range of diversified elderly education courses. Through our integrated online and offline platform, we will provide more flexible teaching services for the elderly. On the other hand, relying on the campuses' infrastructure, we will establish various new practical training bases for healthcare, wellness, tourism, and other fields, forming more operational assets and resources for the universities. This will fully realize the interconnection, interaction, sharing, and mutual utilization of resources between the universities and their affiliated institutions, driving the integrated fusion of “education – healthcare – wellness” and forming a stable, mutually beneficial, efficient, and sustainable triangular pyramid-shaped new business model.

5.2.2 Actively expanding the cooperation network and forming the new benchmark in China’s elderly care technology industry

We plan to actively seek strategic partnerships with renowned domestic and international wellness centers, healthcare groups, universities, and research institutions to achieve resource sharing. We intend to refer to international advanced standards to formulate and improve the wellness service standard system. We will jointly establish a research and development center for elderly care technology, collaborate on the development of innovative smart elderly care technology products and smart healthcare and wellness systems, and apply them in our healthcare and wellness training bases, which are built as showcases for smart elderly care technology products and systems and committed to become the new benchmark in China’s elderly care technology industry. Simultaneously, we plan to establish joint training programmes for wellness talents, jointly construct an internationally advanced wellness talent training system, and continuously output wellness talents to domestic and international elderly care institutions.

5.2.3 Accelerating the professional layout of healthcare and wellness services with a focus on quality enhancement and cultivation improvement to support our business development

We will continue to prioritize quality enhancement and cultivation improvement, with internal construction as the foundation. We will work on the construction and layout of major groups, develop first-class majors, and build an interactive ecosystem for collaborative education, accelerating the development of our three universities into first-class applied universities. We will adhere to deepening the integration of industry and education, implementing teaching reforms, focusing on enhancing research capabilities, continuously optimizing the talent team, effectively improving resource utilization, and develop our three universities into model universities for education resources, providing continuous support for our first-class platforms, resources, models, and management outputs. Focusing on the advantageous major clusters of “IT + digital media + smart healthcare & wellness”, we will cultivate a group of interdisciplinary, digital, innovative, practical, and high-quality healthcare and wellness professionals to support our integrated “education – healthcare – wellness” ecosystem for specialized elderly services.

5.2.4 Building the integrated and intelligent platforms leveraging advanced technologies and superior resources

Guided by our unique TOPCARES methodology and integrating “new theories, new technologies, new applications, new tools, and new products”, we will harness new technologies such as the metaverse to empower education with artificial intelligence, continuously optimizing the construction of education and teaching, practical training platform resources, expanding and upgrading various education resource contents, and establishing a product matrix centered on the integrated Neuedu Smart Education Platform. Meanwhile, with “technological research and development” as the bridge, we will empower healthcare and wellness with artificial intelligence, fully leveraging and sharing existing superior resources to create an intelligent healthcare and wellness platform that connects and integrates the entire elderly care sector, enabling the integrated and coordinated development of education, medicine, and care, and opening up a second growth curve beyond academic education.

5.2.5 Continuously improving product services to establish Neuedu’s leading brand with distinctive features

We will precisely identify the cooperation needs of clients at all levels, continuously optimize service processes and content, enhance delivery quality and efficiency, accelerate the expansion of product and service sales networks, and establish our leading brand in education resources and continuing education services with distinctive features.

In the field of education resources, we will integrate real-time industry policies and market demands, taking our three universities as best practices, to further innovate and improve our “resources + platform + services” holistic solution based on the 4S service model, which will empower our partners with digital management and smart teaching capabilities, driving high-quality development in higher education and vocational education.

In the field of continuing education services, we will take the qualification application for training bases as the core growth driver, and continuously launch digital literacy enhancement courses that meet market demands relying on the Neuedu Online and Neuedu IT Cloud Class online education platforms, empowering learners to recreate their self-worth and enabling partners to revalue their human resources.

USE OF PROCEEDS FROM THE IPO

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**”) were approximately HK\$924.2 million (approximately RMB777.5 million), which were intended to be used for the purposes set out in the Prospectus.

On 8 June 2021, the Board resolved to reallocated 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 of the change in the use of proceeds from the IPO, please refer to the announcement issued by the Company on 8 June 2021.

On 8 March 2024, the Board resolved to further 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.

As of 30 June 2024, 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 six months ended 30 June 2024 <i>RMB million</i>	Amount utilised as at 30 June 2024 <i>RMB million</i>	Amount unutilised as at 30 June 2024 <i>RMB million</i>	Expected timeline for fully utilising unutilised amount
Upgrading our existing school facilities and expanding our campus	51.4%	399.6	–	399.6	–	N/A By 30 June 2025 ^(Note)
Repay commercial loans	37.5%	291.4	69.9	267.9	23.5	
Supplement working capital	11.1%	86.5	6.6	86.5	–	N/A
Total	100%	777.5	76.5	754.0	23.5	

Note: The delay of expected timeline for fully utilising unutilised amount planned to repay commercial loans is because the bank loans are not due yet.

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 (including sale of treasury shares (as defined in the Listing Rules)) during the six months ended 30 June 2024. The Company did not hold any treasury shares as of 30 June 2024.

INTERIM DIVIDEND

The Board did not recommend any payment of interim dividend for the Reporting Period.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company has maintained the prescribed minimum public float under the Listing Rules during the six months ended 30 June 2024.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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 Shareholders. The Company's corporate governance practices are based on the principles and code provisions as set out in Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules.

For the six months ended 30 June 2024, the Company has complied with the code provisions of the CG Code and, where appropriate, adopted the recommended best practices as set out in the CG Code.

The Board will continue to review and monitor the Company's practice to ensure the compliance with the CG Code and maintain a high standard of corporate governance practices of the Company.

COMPLIANCE WITH THE CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

Having made specific enquiry of the Directors, all Directors confirmed that they have complied with the Model Code and the Code of Conduct during the six months ended 30 June 2024.

FINANCIAL INFORMATION REVIEW

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. As of the date of this announcement, the Audit Committee is comprised of two independent non-executive Directors (Dr. LIU Shulian and Dr. QU Daokui) and one non-executive Director (Mr. RONG Xinjie). Dr. LIU Shulian is the chairperson of the Audit Committee.

The Audit Committee has reviewed the Company's unaudited interim condensed consolidated financial information for the six months ended 30 June 2024, and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The interim financial information for the six months ended 30 June 2024 is unaudited, but has been reviewed by the Company's auditor, PricewaterhouseCoopers, in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the International Auditing and Assurance Standards Board.

PUBLICATIONS OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<https://www.neuedu.com/>). The interim report of the Group for the six months ended 30 June 2024 will be available on the above websites of the Stock Exchange and the Company in due course.

MATERIAL EVENTS AFTER THE REPORTING PERIOD

After the Reporting Period and up to the date of this announcement, there were no material events affecting the Company or any of its subsidiaries.

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
“Adjusted Net Profit”	a non-IFRS Accounting Standards measure that eliminates the effect of certain non-recurring items from our profit for the period. 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
“Chengdu University”	Chengdu Neusoft University (成都東軟學院), established in 2003, and one of the higher education schools operated by the 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
“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
“Consolidated Affiliated Entities”	entities controlled by the Company through the Contractual Arrangements and considered as our subsidiaries
“Contractual Arrangements”	the contractual arrangements entered into by the 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)
“Dalian Development”	Dalian Neusoft Software Park Industry Development Co., Ltd. (大連東軟軟件園產業發展有限公司), a company incorporated under PRC Laws on 10 July 2002
“Dalian University”	Dalian Neusoft University of Information (大連東軟信息學院), established in 2004, and one of the higher education schools operated by the 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
“Five New”	five new concepts of “new theory, new technology, new application, new tools, and new products”
“Group”, “we”, “us”, “our”, or “Neuedu”	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 the Group
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong dollars”, “HK dollars”, or “HK\$”	the current lawful currency of Hong Kong

“IFRS Accounting Standards”	International Financial Reporting 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
“LIFECARES”	our unique elderly education concept, which covers the needs of the elderly in learning, life, health, social interaction, and other aspects from nine dimensions, namely, Learning joyful, Individual renewal, Fitness and well-being, Eating healthily, Community connection, Arts workshop, Rehabilitation, Entertainment activities, Scenic journey. LIFECARES is an acronym for these nine English phrases
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	29 September 2020, on which the Shares of the Company are listed and from which dealings therein are permitted to take place on 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
“MHRSS”	Ministry of Human Resources and Social Security of the People’s Republic of China (中華人民共和國人力資源和社會保障部)
“MIIT”	Ministry of Industry and Information Technology of the People’s Republic of China (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 (東軟教育科技集團有限公司) (Previously Dalian Neusoft Education Technology Group Co. Limited (大連東軟教育科技集團有限公司)), a company incorporated under PRC Laws on 3 August 2018 and a wholly-owned subsidiary of the Company
“Neusoft Healthcare”	Neusoft Healthcare Management Co., Ltd. (東軟健康醫療管理有限公司), a company incorporated under PRC Laws on 21 April 2020 and a wholly-owned subsidiary of the Company as of the date of this announcement
“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
“OMO”	online merge offline
“One Fundamental Business with Two Strategic Businesses”	an ecosystem of education business developed by Neuedu, which is, with full-time formal higher education services as our fundamental business, and with education resources and continuing education services as our two strategic businesses
“Post-IPO Share Incentive Scheme”	the share option scheme of the Company as approved by the Board on 11 September 2020 and detailed in “Statutory and general information – Share Incentive Schemes – Post-IPO Share Incentive Scheme” in Appendix V to the Prospectus of the Company dated 17 September 2020
“Pre-IPO Share Incentive Scheme”	the share option scheme of the Company as approved by the Board on 19 June 2019, as amended from time to time, and detailed in “Statutory and general information – Share Incentive Schemes – Pre-IPO Share Incentive Scheme” in Appendix V of the Prospectus of the Company dated 17 September 2020
“Prospectus”	the prospectus of the Company dated 17 September 2020
“Registered Shareholder” or “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 Development
“Reporting Period”	the six months ended 30 June 2024
“RMB” or “Renminbi”	Renminbi, the current lawful currency of China

“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
“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

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