

An aerial photograph of a large, modern university campus. The campus features several large, multi-story buildings with light-colored facades and blue accents. A prominent circular building with a glass facade is located in the center. To the left, there is a large stadium with a green field and a red running track. The campus is surrounded by lush green hills and mountains in the background under a clear blue sky with some light clouds.

Neuedu

东软教育科技有限公司

Neusoft Education Technology Co. Limited

(股份代码: 09616.HK)

2021 Annual Results Announcement

For the year ended 31 December 2021

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我们的愿景

中国数字化人才教育服务引领者

Leading Education Service Provider of Digital Talents in China

Business Review



Technology empowers education innovation, education creates value for students

Neuedu 東軟教育



Continuing Education Services

Product & Service

Formal continuing education
2C training
2B training

Student enrolment

32,379

Revenue for 2021

Revenue: 133 million
Growth: 6.7%



Full-time Formal Higher Education Services

Product & Service

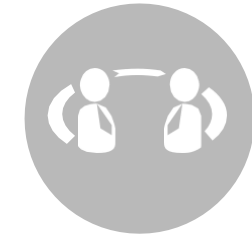
Bachelor degree programmes
Junior college diploma programmes
Junior college to bachelor degree
transfer programmes

Student enrolment

45,618

Revenue for 2021

Revenue: 1.03 billion
Growth: 27.9%



Education resources

Product & Service

Joint establishment of industrial colleges and
academic majors (Apprenticeship programme)
Smart education platform and teaching content
Practical training laboratory solutions

Student enrolment

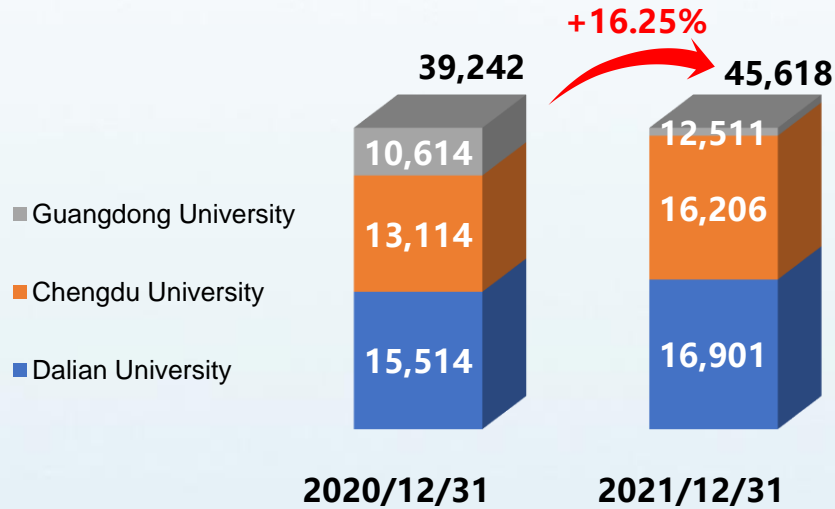
Joint establishment of industrial colleges and
academic majors
21,156

Revenue for 2021

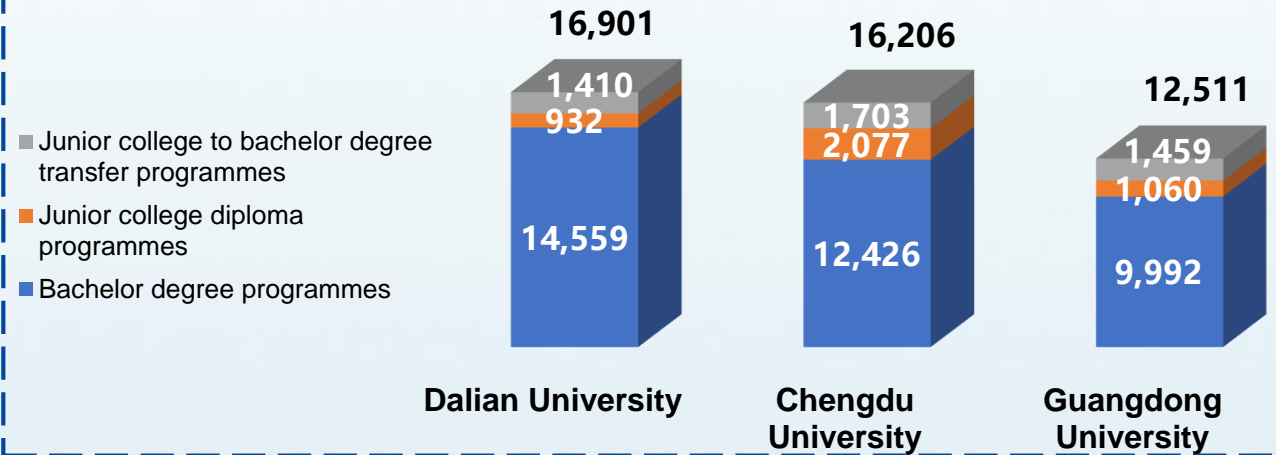
Revenue for education resources: 140 million
Growth: 51.5%

Student enrolment for full-time formal higher education continues growing

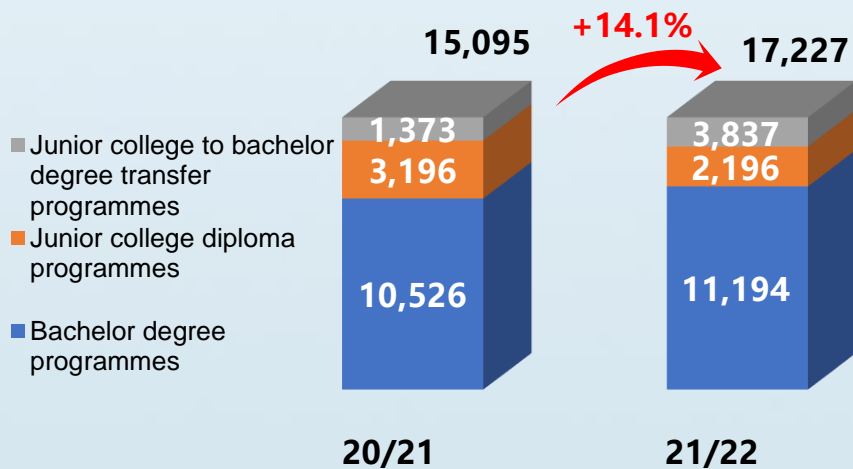
1 Student enrolment continues growing



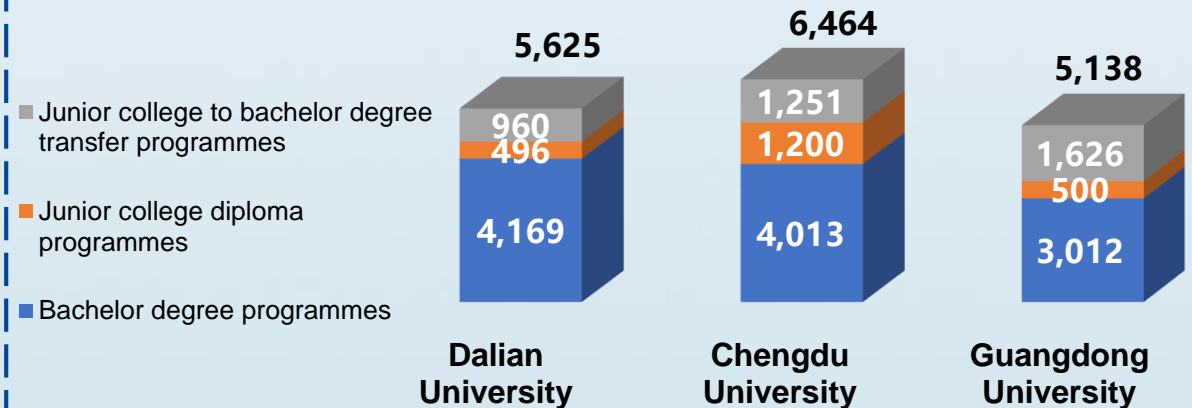
Student Enrolment in Three Universities as of 31 December 2021



2 Admission quota continues growing



Admission Quota in Three Universities for 21/22 school year



Continue optimizing pricing strategy and improving student quality

Neuedu 東軟教育

Raise tuition fee appropriately

Improve student quality steadily



In 2021, average tuition fee for each student is RMB22,896 with an increase of 8%.

Unit: RMB

| University | Programmes | 21/22 tuition fee | 20/21 tuition fee |
|----------------------|---|--------------------------------|---|
| Dalian University | Bachelor degree | 28,000 - 34,000 | 24,000 - 28,000 |
| | Junior college diploma programmes | 28,000 | 28,000 |
| | Junior college to bachelor degree transfer programmes | 28,000 | 24,000 |
| Chengdu University | Bachelor degree | 18,000 - 20,000 | 18,000 - 19,000 |
| | Junior college diploma programmes | 18,000 - 19,000 | 16,000 |
| | Junior college to bachelor degree transfer programmes | 18,000 - 19,000 | 18,000 - 19,000 |
| Guangdong University | Bachelor degree | 28,000 - 32,000 ⁽¹⁾ | 28,000 - 32,000/ 34,000 ⁽²⁾ |
| | Junior college diploma programmes | 23,000 | 22,000/30,000 ⁽²⁾ |
| | Junior college to bachelor degree transfer programmes | 28,000 - 32,000 | — |

The score range between admission score and provincial control line in three universities in 2021

| | Dalian University | | Chengdu University | | Guangdong University | |
|---|-------------------|---------|--------------------|------|----------------------|---------|
| | Physics | History | Science | Arts | Physics | History |
| Maximum admission score above provincial control line | 158 | 70 | 120 | 39 | 78 | 46 |
| Minimum admission score above provincial control line | 51 | 32 | 17 | 14 | 22 | 13 |

Notes: (1) The tuition fee for the cooperative education project between Guangdong University and the University of the West of England is RMB68,000 per year for bachelor degree programmes for the 2021/2022 school year. (2) Guangdong University carried out programmes of mutual recognition of credit with several foreign cooperative institutions in the 2020/2021 school year, the tuition fees of which were RMB34,000 per year for bachelor degree programmes and RMB30,000 per year for junior college diploma programmes.

Continue optimizing major construction in three universities

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Chengdu University

Existing majors

- 29 bachelor degree programmes
- 12 junior college diploma programmes
- 9 junior college to bachelor degree transfer programmes
- IT related programmes accounted for 74%

Including:

Newly established bachelor degree programmes

21/22 school year

- Medical imaging technologies
- Artificial intelligence
- Intelligent medical engineering
- Big data management and application

22/23 school year

- Visual communication design



Chengdu University



Guangdong University

Guangdong University

Existing majors

- 23 bachelor degree programmes
- 6 junior college diploma programmes
- 10 junior college to bachelor degree transfer programmes
- IT related programmes accounted for 71%

Including:

Newly established bachelor degree programmes

21/22 school year

- Computer science and technology
- Artificial intelligence
- Health services and management

22/23 school year

- Robot engineering design

Dalian University

Existing majors

- 33 bachelor degree programmes
- 7 junior college diploma programmes
- 3 junior college to bachelor degree transfer programmes
- IT related programmes accounted for 84.7%

Including:

Newly established bachelor degree programmes

21/22 school year

- VR technologies
- + 3 vocational bachelor degree programmes
- Computer application engineering
- Software engineering technology
- Digital media technology

22/23 school year

- Supply chain management



Dalian University

Three universities achieved remarkable achievements in major construction and teaching reform

Major Construction

- **4** National-level First-class Bachelor Degree Programmes Construction Sites (Accumulated, **Private university NO.1**)
- **18** Provincial-level First-class Bachelor Degree Programmes Construction Sites (Accumulated)
- **4** Provincial-level key Major Construction Programmes

Course Construction

- **1** National-level First-class Bachelor Degree Course (Accumulated)
- **55** Provincial-level First-class Bachelor Degree Courses (Accumulated)
- **5** Provincial-level Demonstration Courses for Ideological and Political Theory Courses

Teaching Reformation

- **17** Provincial-level Teaching Achievement Awards (Since 2019, including three provincial first prizes)
- **1** Provincial-level Characteristic Demonstration Software Colleges
- **137** Provincial-level Teaching Research Programmes
- **140** National-level, **327** Provincial-level Graduate Enterprise Programmes
- **2700** Provincial-level Student Subject Competition Awards

The brand reputation and social influence of three universities have been continuously enhanced

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Brand Reputation

◆ Dalian University

- ✓ “2021 Comprehensive Strength Private University” at the 12th Xinhuanet Education Forum;
- ✓ One of “The First Batch Cooperative University of Sino-Foreign Cultural Exchange Omnimedia Industry Education Integration Project”
- ✓ “Typical Demonstration University of Entrepreneurship and Innovation in China”
- ✓ “Pilot Organization of Digital Campus Pilot Construction Project of Universities in Liaoning Province”

◆ Chengdu University

- ✓ Won the title of “2021 University Brand Influence Award” by China Online Education”
- ✓ “2021 Private University with Comprehensive Strength” by Netease Education

◆ Guangdong University

- ✓ Recognized as “2021 Model University in Employment and Entrepreneurship”



External Evaluation

- ◆ **Best China’s Private Universities Ranking of Software and Science:** Dalian University ranked **Third** across the country and **First** among engineering universities and colleges

- ◆ **National Private and Independent College Teacher Teaching Development Index issued by the China Association of Higher Education:** Dalian University ranked **First** for 3 consecutive years

- ◆ **WURI 2021 Global Top 100 innovative universities :** Dalian University and Tsinghua University、 Peking University、 CKGSB、 Beijing Normal University、 Beijing Technology and Business University and The Hong Kong University of Science and Technology etc. 6 universities were shortlisted

- ◆ **Entrepreneurship Times-Innovation and Entrepreneurship Competitiveness Rankings of China’s Private Universities:** Dalian University ranked **Fifth**

- ◆ **Comprehensive Strength Ranking of China’s Private Universities by WU Shulian :** Dalian University ranked the **First** in Liaoning province

- ◆ **Private Universities Ranking by Network of Science & Education Evaluation in China :** Chengdu University Ranked **Third** in Sichuan province;
Guangdong University Ranked **Fifth** in Guangdong province

Industry-university integration and employment and entrepreneurship well advanced

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Industry-university integration and collaborative operation

Innate industry gene and resource advantage
More than 20 years of experience in school-enterprise cooperation and education

- ◆ **82** industry-university cooperative education projects were approved by the MOE in 2021;
- ◆ In the supply-demand matching employment education program of the MOE in 2021, Dalian University ranked the **Third** in China with **49** university-enterprise cooperation projects, and is also the private university with **the most** university-enterprise cooperation projects in China.
- ◆ In 2021, **5** provincial-level industrial colleges were approved;

Dalian University

Chengdu University

Provincial-level modern industrial colleges

Neuedu Baidu Artificial Intelligence College

Digital Media Creative Industrial College

Network Security Industrial College

Revitalizing Liaoning Vocational Education Industrial Colleges

Neuedu Baidu Intelligent Industrial College

Neuedu Generalized IT Industrial College

Employment and entrepreneurship well advanced

2021 Graduates Employment Rate



The employment rate is 90%+ based on the third-party institution research report of MYCOS, the average salary is higher than the corresponding period of last year;

Employed by



In 2021, about **6,000** students from the three universities participated in the SOVO entrepreneurship projects;



In 2021, SOVO successfully incubating **74** virtual companies and **62** physical companies;



In 2021, a total of **140** national-level and **327** provincial-level undergraduate innovation and entrepreneurship training programmes in the three universities had been approved.

Rapid progress had been made in the expansion project to build 5G smart campuses

Dalian University Bochuan Campus



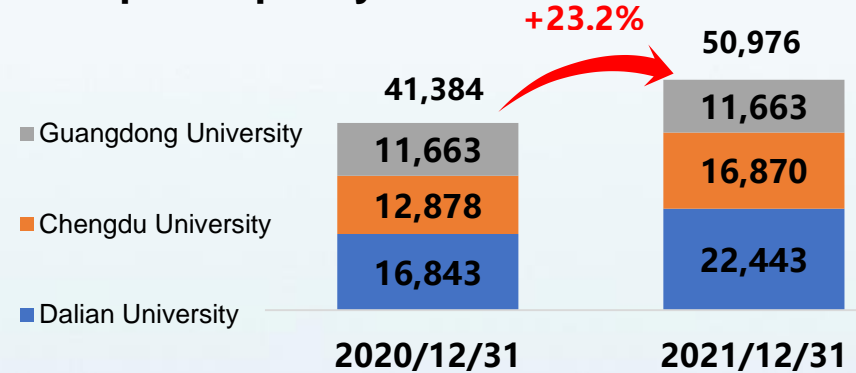
Chengdu University New Campus



Guangdong University Expansion Project



Campus capacity

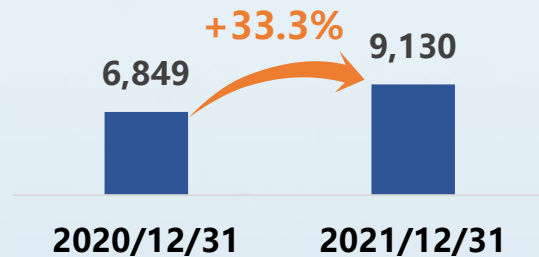


Promoting 5G smart campus construction

- Promoted in-depth cooperation with 5G operators, obtained equipment support, optimized the digital environment of campus;
- Realized network interconnection among three universities through the integration of network and communication deployment;
- Promoted the collection, analysis and application of big data, promoted the deployment and implementation of more than 10 self-developed system platforms in the three universities, and contributed to the construction of 5G smart campus.



Student enrolment



- ✓ In 2021, the new student enrolment was **5,565**, representing an increase of **81%** as compared with that of 2020;
- ✓ The revenue generated was approximately **RMB67 million**;

- ✓ The Group carried out **99** charging programmes of 2B training in **19** provinces, representing an increase of **28** programmes as compared with corresponding period of last year;
- ✓ The trainings cover **8,861** trainees, realizing a revenue of approximately **RMB21 million**;

In 2021,

- ✓ **3** new national-level training qualifications;
- ✓ **7** new provincial-level training qualifications;
- ✓ **7** new municipal-level training qualifications.

Accumulative 50+

- ✓ Admitted a total of 14,388 trainees;
- ✓ Realizing revenue of approximately RMB44 million;

- ✓ offering multiple employment supporting services, such as employment counseling, referral and internship arrangement to our trainees; the referral employment rate of 2C business reached 97%, and the annual salary of excellent trainees after probationary period reached over RMB350,000.

Education resources-Joint establishment of industrial colleges and academic majors expanded rapidly

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Overview of joint establishment of industrial colleges and academic majors in 2021

Expanded business to **18** provinces, municipalities and autonomous regions

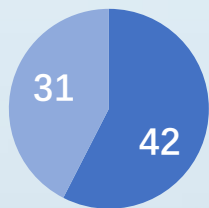
The number of cooperating universities and colleges reached **73**

Nearly **300** joint establishment of academic majors projects

Covered **21,156** students with an increase of **41.5%**

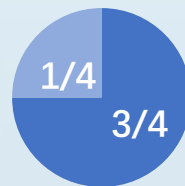
Realizing approximately **RMB52 million** revenue with an increase of **48.6%**

Cooperative universities



■ Joint establishment of academic majors
■ Joint establishment of industrial colleges

Cooperative universities



■ Public universities
■ Private universities

Industrial colleges are widely recognized and produce demonstration effect

- The software colleges, jointly established by us with Dalian University of Technology, Northeastern University and China University of Petroleum, were approved among **the first batch of the Characteristic Demonstration Software Colleges nationwide**;
- The “Artificial Intelligence Industrial Colleges”, jointly established with Nanjing University of Information Science and Technology, and the “Intelligent Software College”, jointly established with Guangzhou University, were recognized as **the national-level modern industrial colleges**.

“3+N” Model Benchmarking Industrial Colleges Projects

| Neuedu Modern Industrial College (Meizhouwan Vocational Technology College) | Neuedu Information Industrial College (Yunnan Vocational College Industry) |
|---|--|
| <ul style="list-style-type: none"> – Degree: Junior college diploma programmes – Majors: 5 (Focus on IT area) – Admission: 948, with registration rate of 96% – Operation period: 2021-2024 | <ul style="list-style-type: none"> – Degree: Junior college diploma programmes – Admission: Realized synchronous launch of cooperation among the three grades for the first year, with the number of students under cooperation reaching 822. |

Education resources—smart education platform, teaching contents and practical training laboratory solutions expanded rapidly

Neuedu 東軟教育

Overview of smart education platform, teaching contents and practical training laboratory solutions in 2021

The Group sold 65 sets of education and teaching platform systems and 15 sets of laboratory products to 59 institutions

The total revenue was approximately RMB 69 million with an increase of 68.3%

Organized and supported more than **30** IT competitions in the scale of provincial or municipal or the whole industry, in which over **400** colleges and universities participated

Neuedu Java Web Application Development Vocational Skills Level Certificate was selected as one of the fourth batch of 1+X certificates by the MOE, for which more than 140 colleges and universities have applied on a trial basis

the “Software Project Development Practical Training System V1.0”, our star product, was awarded the “Excellent Software Product in Liaoning Province”

Smart Education Products and Resources

| | |
|--|---|
| Neuedu cloud lab system + resource bundle | Neuedu MOOC platform + resource bundle |
| Project development and training platform+ resource bundle | Business software platform+ resource bundle |
| Curriculum practice teaching platform+ resource bundle | Neuedu smart teaching platform |
| Neuedu engineering education certification support system | Neuedu practical teaching management system |

Apprenticeship programme gradually promoted transformation

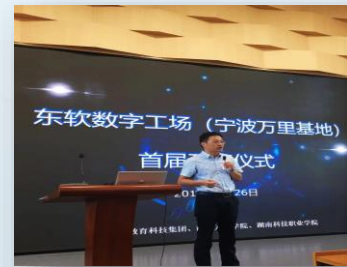
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2021 Apprenticeship programme training bases nationwide layout map



Ningbo Wanli Neuedu apprenticeship programme wokshop was awarded the excellent case of industry-education Integration Training Base by the Ministry of Education.

- ✓ The apprenticeship programme serves as a platform for students to obtain practical training in a real corporate environment and is an important part for our cooperation with other colleges and universities on joint establishment of industrial colleges and academic majors.
- ✓ Replacing the self-established apprenticeship programme training bases with those jointly established with government; there are 2 new apprenticeship programme training bases in Chengdu Sichuan, Huzhou Zhejiang in 2021, and until now, there have been 9 jointly established apprenticeship programme training bases in total, accounting for more than 60%.
- ✓ Replacing the project development and training programmes directly participated in by engineers with self-developed online training project resources.



Open ceremony



Student training



Teacher tutorial



Student activity



Roundtable forum



Graduation ceremony

Online education achieves excellent start

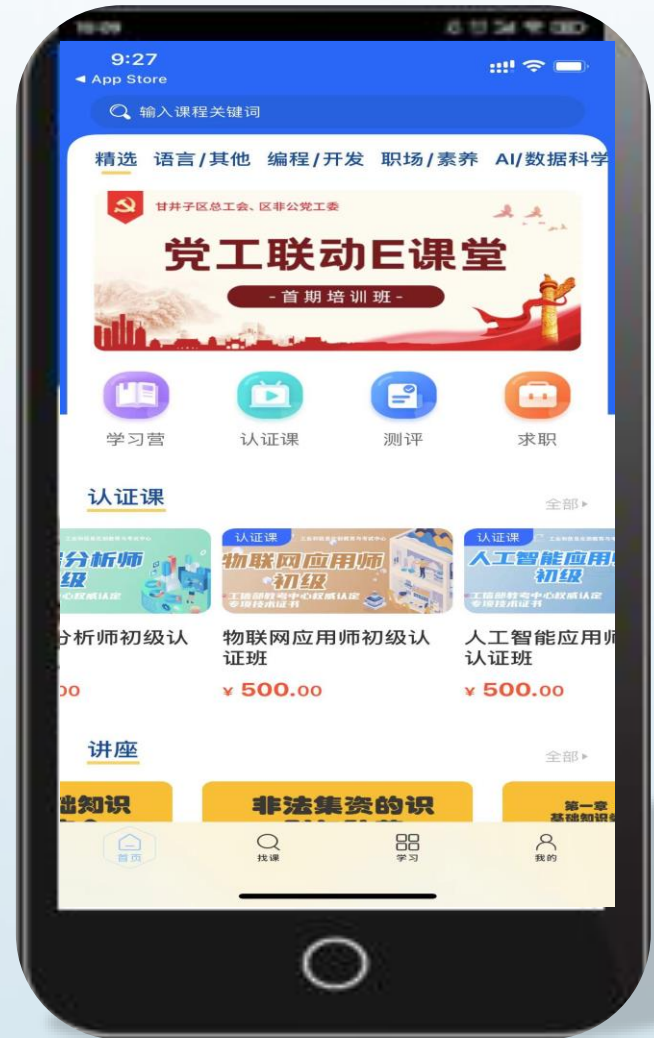
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“Neuedu online” APP

- ✓ “Neuedu online” registered users exceeded **570,000** and paid users were over 80,000;
- ✓ The cumulative hours of courses exceeded 3,200 hours , while the proportion of paid courses was nearly 70%;
- ✓ The total number of participants in lecturing reached over 15,000, and the cumulative lecturing duration was over 3,000 hours;
- ✓ Nearly 10,000 persons participated in human resource assessment services and received professional employment suggestions

Awards and honors

- ✓ The online platform cooperating enterprises of the Education and Examination Center of the MIIT
- ✓ 100 Quality Online Vocational Skill Platforms recommended by the MHRSS
- ✓ The Video-on-demand Platform for Vocational Skills Upgrading Programmes by Beijing Bureau of Human Resources and Social Security



High-tech nature continues highlighting



✓ Science and technology enterprise qualification :

- 3 High-tech enterprises
- 2 Software enterprises
- 1 Gazelle enterprise
- 1 Young eagle enterprise
- 1 Technology-based small and medium-sized enterprise



Liaoning Software Industry
20-year Best Service
Support Enterprise

Liaoning Excellent
Software Product Award

Liaoning Top Ten science and
technology progress and nominated
projects of higher education

Liaoning top ten scientific and
technological achievements
transformation project

2020-2021 Excellent Solutions for
Information Technology
Application Innovation by China
Information Association

Liaoning Wisdom Education
Professional Technology
Innovation Center

Dalian High-tech Zone Key
R&D Investment Enterprises

Smart education products and laboratories upgraded



■ Developed 9 management systems and operation platforms



Intelligent Student Management System



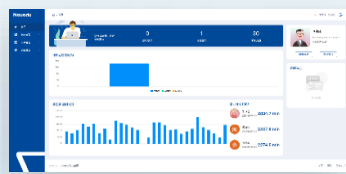
Engineering Education Certification Support System



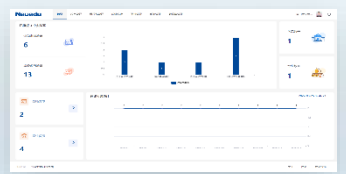
Smart Teaching Platform



Professional Appraisal System



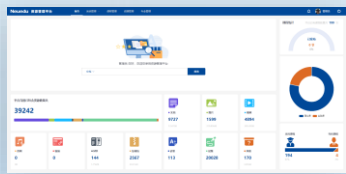
Cloud Lab Platform



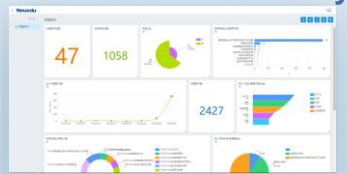
Practice Teaching Management System



Smart Practice English System



Resource Management Platform



Data Management Platform

■ Developed 8 professional full-set educational contents and resources

Covered national-level, provincial-level first-class and new major course resources like software engineering major etc. and developed 8 laboratories with systematic level 1-5 project resources;

■ Developed 8 laboratory products



Intelligent Robotics Laboratory



Computer Technology Laboratory



Software Engineering laboratory



Embedded Laboratory



Internet of Things Laboratory



Digital Media Laboratory



Big Data Laboratory



Intelligent Management Laboratory

Actively fulfilled social responsibility, further promoted brand reputation and social influence

Neuedu 東軟教育

Formal higher education

Two wings business

- Dalian University youth league committee won "Dalian Hope Project 2020 Annual Contribution Award";
- Chengdu University and Derong County of Sichuan province had carried out village assistance for many years and won the "Poverty Alleviation Special Award" of Sichuan Province;
- Guangdong University supporting team went to Suixi County, Zhanjiang city to carry out basic education research and docking support work;
- Neuedu Modern Industrial College helped launch the public welfare campaign of "Fighting COVID-19" and "Helping Farmers".
- Assisted the development of vocational education and training of skilled personnel in Jinggu County, Yunnan province;
- Assisted the Human Resources Society system to launch the "Spring Festival Training for Job Retention" through the online platform of Neuedu IT Vocational Skills Training;
- "Neuedu online" had been selected into the vod platform of "Vocational Skill Improvement Action" by Beijing Municipal Human Resources and Social Security Bureau to provide high-quality learning services for enterprise employees.



Poverty alleviation



Docking support



Assisted farmer to fight epidemic



Neuedu 2021 Annual Awards:

- Interface News: 2021 Annual ESG Pioneer 60 [Annual Social Responsibility Excellence Award]
- Smart Finance- Flush Finance: The 6th Golden Hong Kong Stock [Most Valuable Education Company]
- 2021 China Financing Awards: [Best Investment Value Awards]

我们的使命

教育创造学生价值

Empower Students with Innovative Education

Financial Review



2021 Annual Financial Highlights

Neuedu 東軟教育

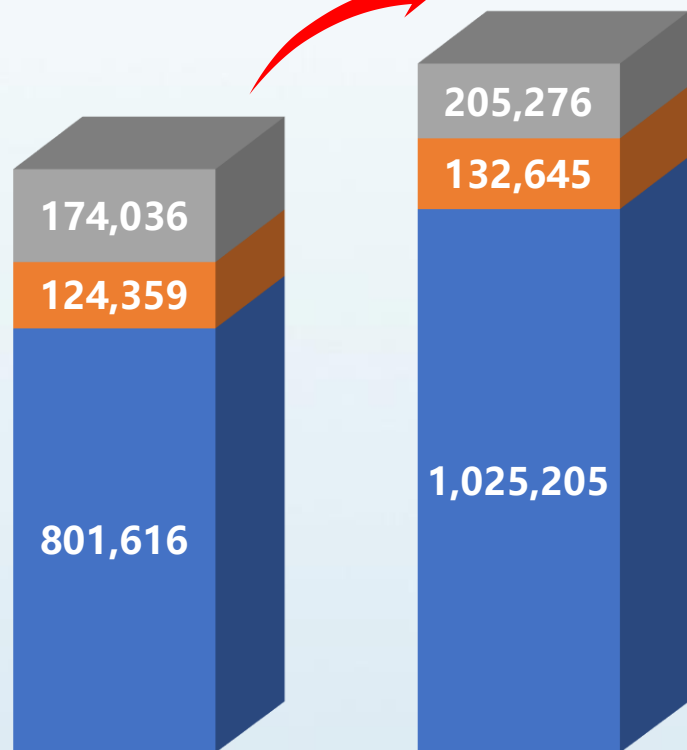
| (RMB '000) | 2021 | 2020 | Percentage of change |
|---|-----------|-----------|----------------------|
| Revenue | 1,363,126 | 1,100,011 | 23.9% |
| Cost of revenue | 771,696 | 678,923 | 13.7% |
| Gross profit | 591,430 | 421,088 | 40.5% |
| Profit for the year | 301,220 | 102,936 | 192.6% |
| Adjusted net profit ^(note) | 328,132 | 275,817 | 19.0% |
| Adjusted net profit attributable to owners of the company | 309,320 | 225,930 | 36.9% |
| Gross profit margin | 43.4% | 38.3% | 13.3% |
| Profit for the year margin | 22.1% | 9.4% | 135.1% |
| Adjusted net profit margin | 24.1% | 25.1% | -4.0% |

Note: Adjusted net profit = profit for the year + listing expenses + share-based compensation expenses + net exchange loss

Revenue review

(RMB '000)

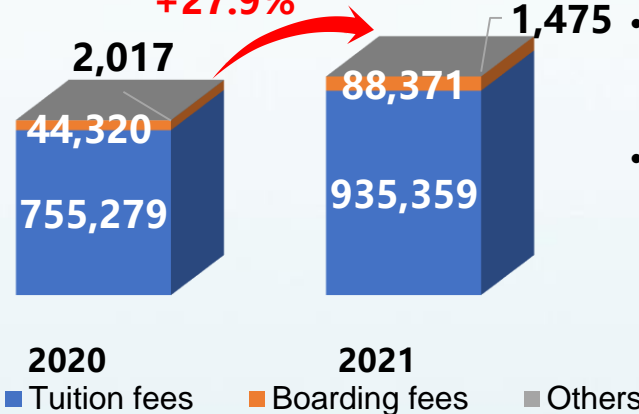
+23.9%



- Education resources and apprenticeship programme
- Continuing education services
- Full-time formal higher education services

Full-time formal higher education services (RMB '000)

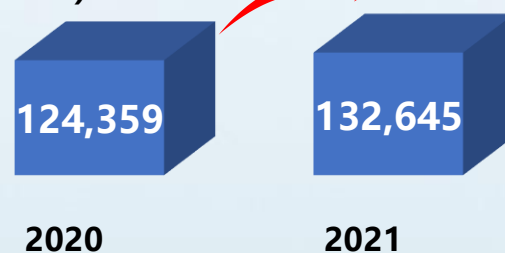
+27.9%



- Tuition fees
- Boarding fees
- Others

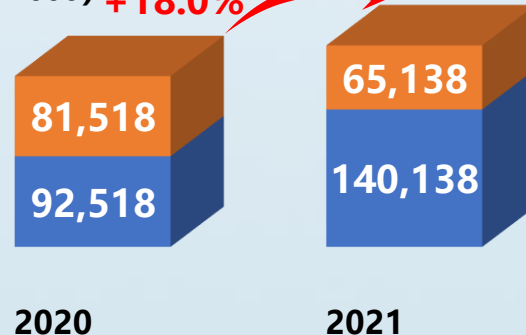
Continuing education services (RMB '000)

+6.7%



Education resources and apprenticeship programme (RMB '000)

+18.0%



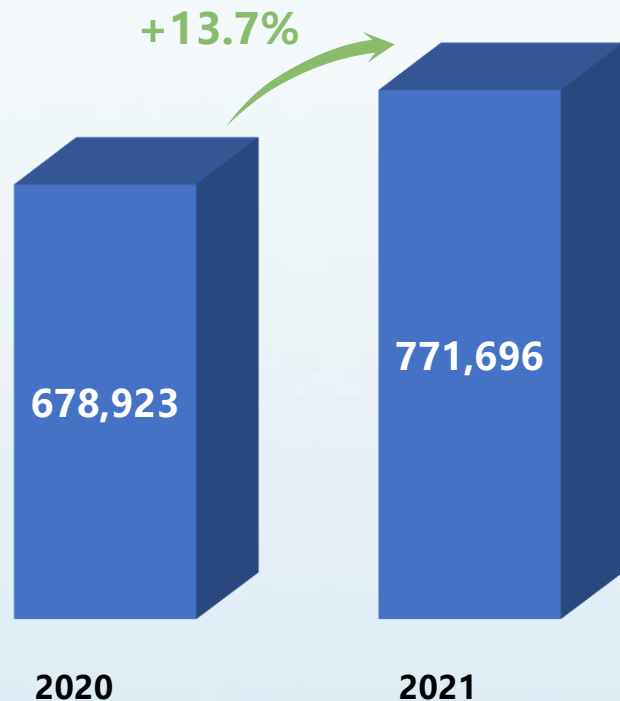
- Education resources
- Apprenticeship programme

- Tuition fees increase by 23.8%, mainly due to the increase of student enrolment and average tuition fee of three universities;
- Boarding fees increase by 99.4%, mainly due to RMB30.8 million returned to the students in 2020 as a result of the outbreak of the COVID-19 pandemic, whereas the three universities have resumed offline teaching and the students in the three universities have returned to campus in 2021.
- Continuing education services revenue increases by 6.7%, mainly due to the growth of formal continuing education and training services.
- Education resources revenue increases by 51.5%, mainly due to the expanding of joint establishment of industrial colleges and academic majors business;
- Apprenticeship programme revenue decreases by 20.1%, mainly due to business model transformation thus decrease engineer team staff.

Cost review

Cost of revenue

(RMB '000)

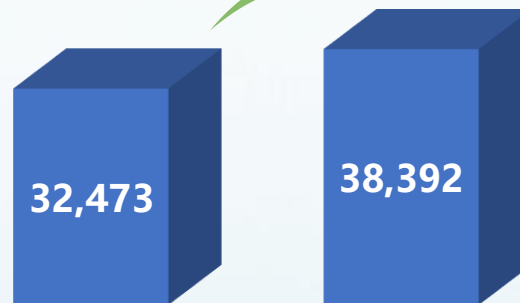


Cost of revenue increases by 13.7%, mainly due to (i) the increase of staff remuneration resulted from the business growth; (ii) the increase in depreciation and operating cost as the new campus of Dalian University and Chengdu University was built, and put into use.

Selling expenses

(RMB '000)

+18.2%



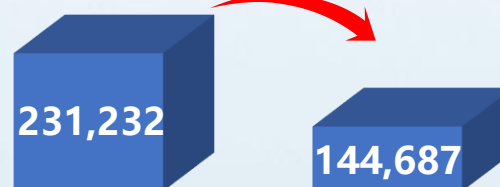
2020

2021

Administrative expenses

(RMB '000)

-37.4%



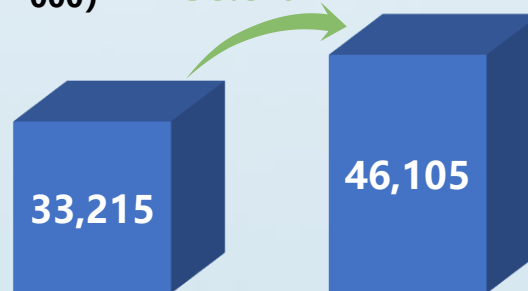
2020

2021

Research and development expenses

(RMB '000)

+38.8%



2020

2021

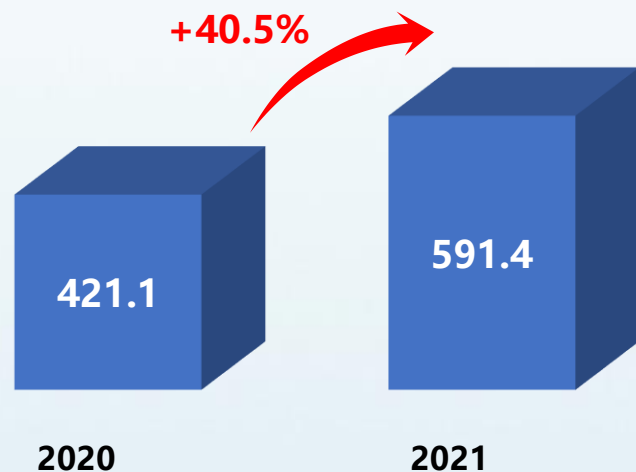
Neuedu 東軟教育

- **Selling expenses increase by 18.2%**, mainly due to our great efforts to develop the market of two wings business.
- **Administrative expenses decrease by 37.4%**, mainly due to (i) the substantial amount of listing expenses in 2020; (ii) the larger amount of share option cost incurred in 2020 due to the grant of share options by the Group.
- **Research and development expenses increase by 38.8%**, mainly due to the Group's increased investment in research and development of education platform products and education resources, laying foundation to the sustainable development of business in the future.

Profitability Analysis

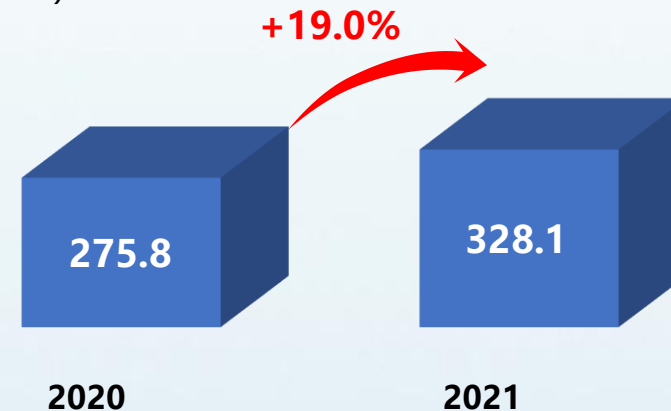
Gross profit

(RMB Million)



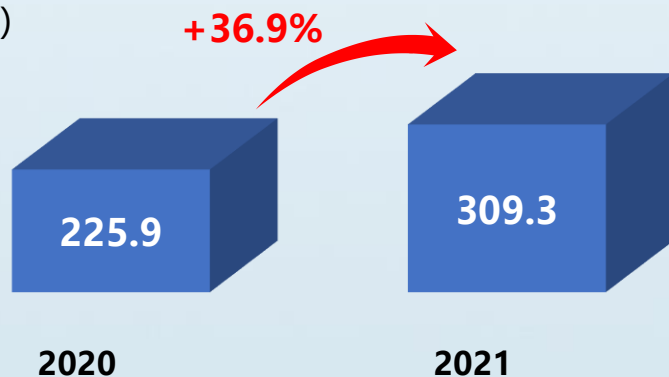
Adjusted net profit ⁽¹⁾

(RMB Million)

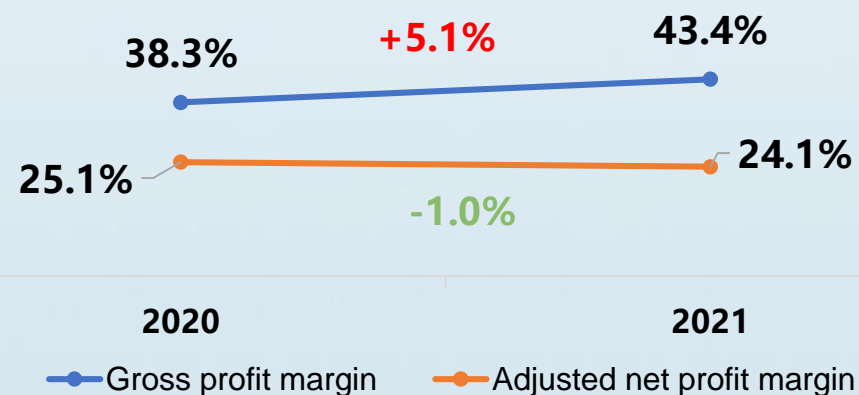


Adjusted net profit attributable to owners of the company

(RMB Million)



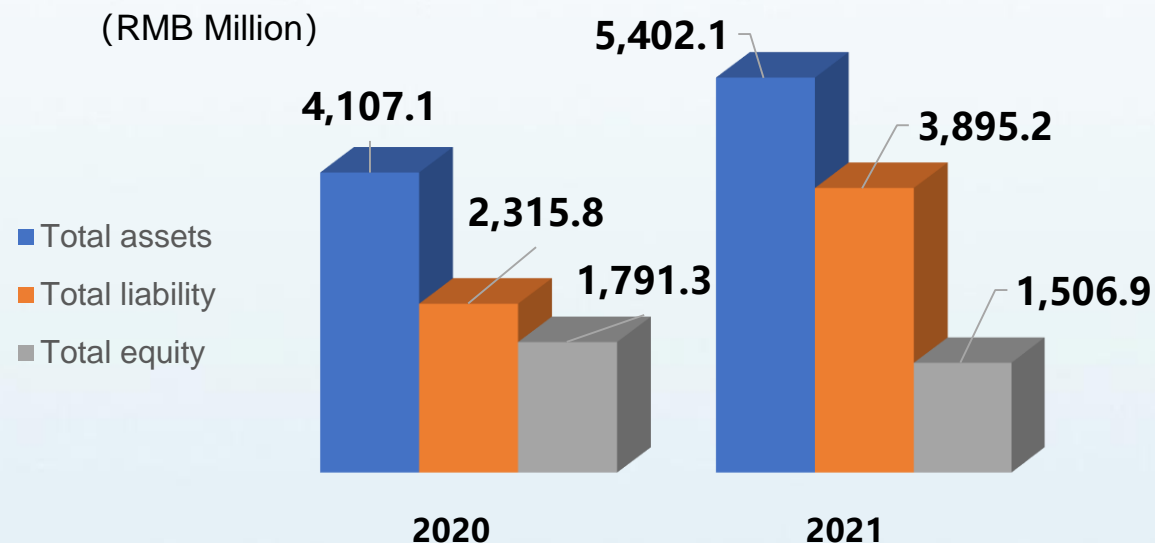
Gross profit margin and adjusted net profit margin



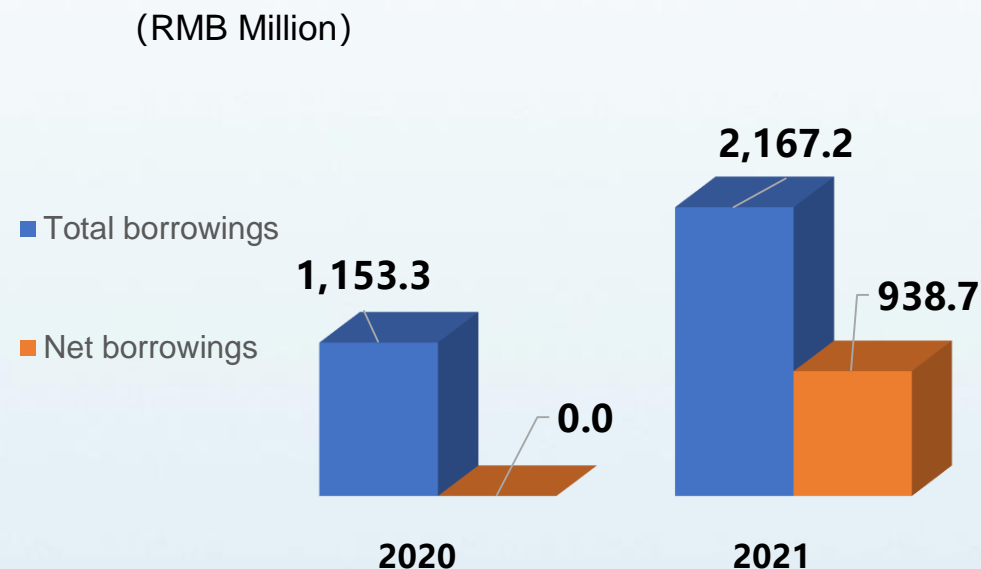
Note: Adjusted net profit = profit for the year + listing expenses + share-based compensation expenses + net exchange loss

Capital Structure Analysis

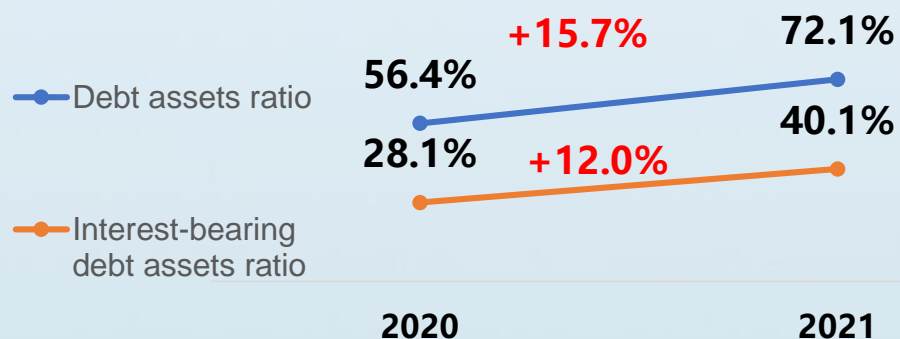
Total assets, total liability and total equity



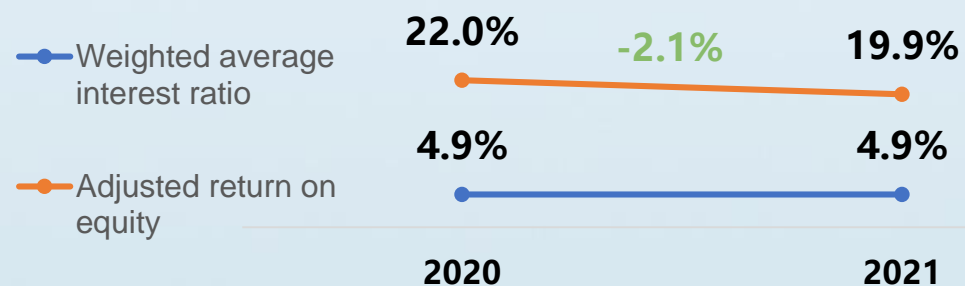
Total borrowings ⁽¹⁾ and net borrowings ⁽²⁾



Debt assets ratio and interest-bearing debt assets ratio



Weighted average interest ratio and adjusted return on equity



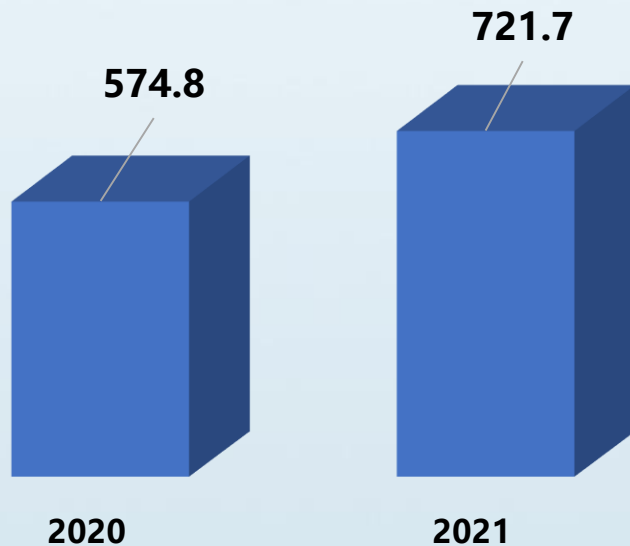
Notes: (1) Total borrowings include bank borrowings and borrowings from other related parties.

(2) Net borrowings equals total borrowings minus cash and cash equivalents and restricted cash.

Cash Flow Analysis

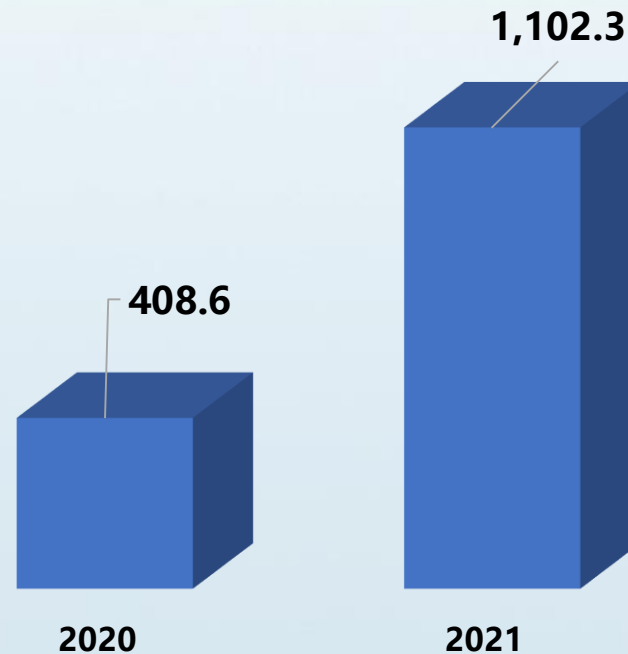
Cash flows from operating activities

(RMB Million)



Total capital expenditure

(RMB Million)



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Cash and cash equivalents at end of year

(RMB Million)



Use of Proceeds From the Initial Public Offering

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As at 31 December 2021

Net proceeds from IPO: 777.5

(RMB Million)



On 8 June 2021, the Board resolved to reallocate part of the unutilized 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.

我们的价值观

创新 融合 进取

Innovation, Integration, Progression

Future Outlook



Favorable policies support education high-quality development

- ◆ Encourage and support social forces to participate in operating schools, especially encourage social capital to participate more extensively and deeply in the development of vocational education;

- ◆ Policies on financial support, tax incentives and land guarantee have been clarified to provide more support for the development of private colleges and universities.

- ◆ During the 14th Five-Year Plan period, there are more than 40 million new skilled personnel, accounting for 30% of the total number of employed people;

- ◆ Establish and improve a lifelong vocational skills training system that covers all workers in urban and rural areas, which runs through their lifetime study and work, and meets the needs of employment, entrepreneurship, talent development, and high-quality development.

Regulations on the Implementation of Private Education Promotion Law

01

02

Opinions on Promoting the High-quality Development of Modern Vocational Education

Implementation Plan of "China Skill Action"

03

04

The implementation plan of the Education Empower Project in the 14th Five-year Plan period

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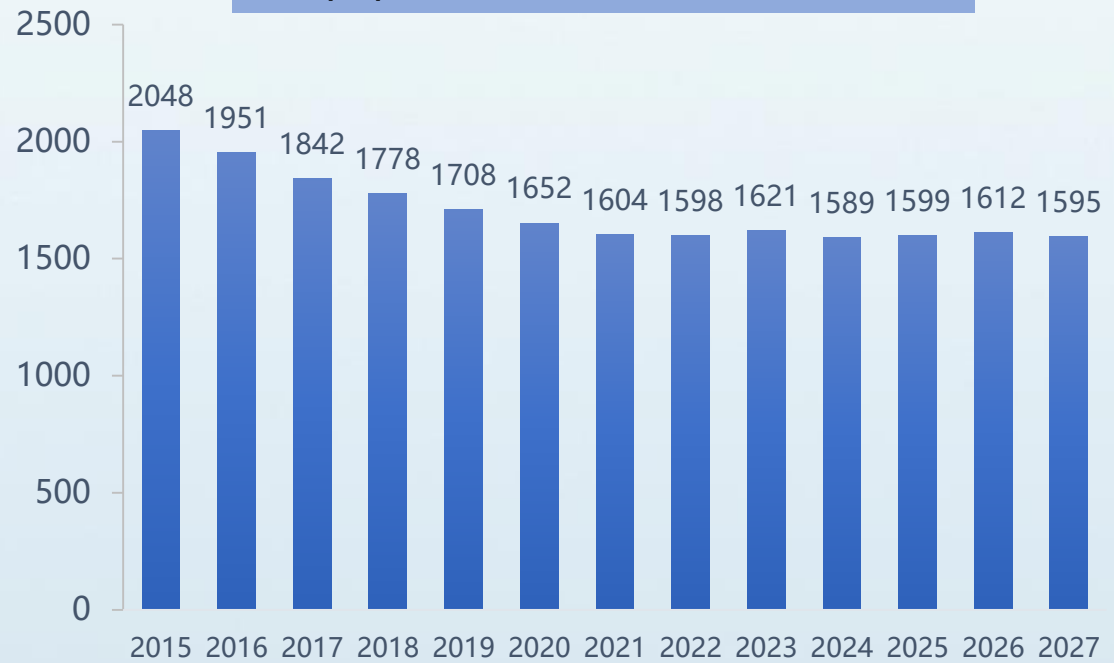
- ◆ Encourage listed companies and leading enterprises in the industry to provide vocational education, and encourage all kinds of enterprises to participate in providing vocational education in accordance with the law;
- ◆ Encourage vocational schools and social capital to jointly build vocational education infrastructure and training bases, and jointly build and share public training bases;
- ◆ Working together to promote deeper integration of industry and education, and governments at all levels should put such integration in their economic and social development plans.

- ◆ Concentrating on supporting a number of high-quality vocational colleges and application-oriented undergraduate colleges and universities, to build a number of high-level and specialized industry and education integration training bases.

The gross enrolment rate of higher education continues rising, and the number of students increases steadily

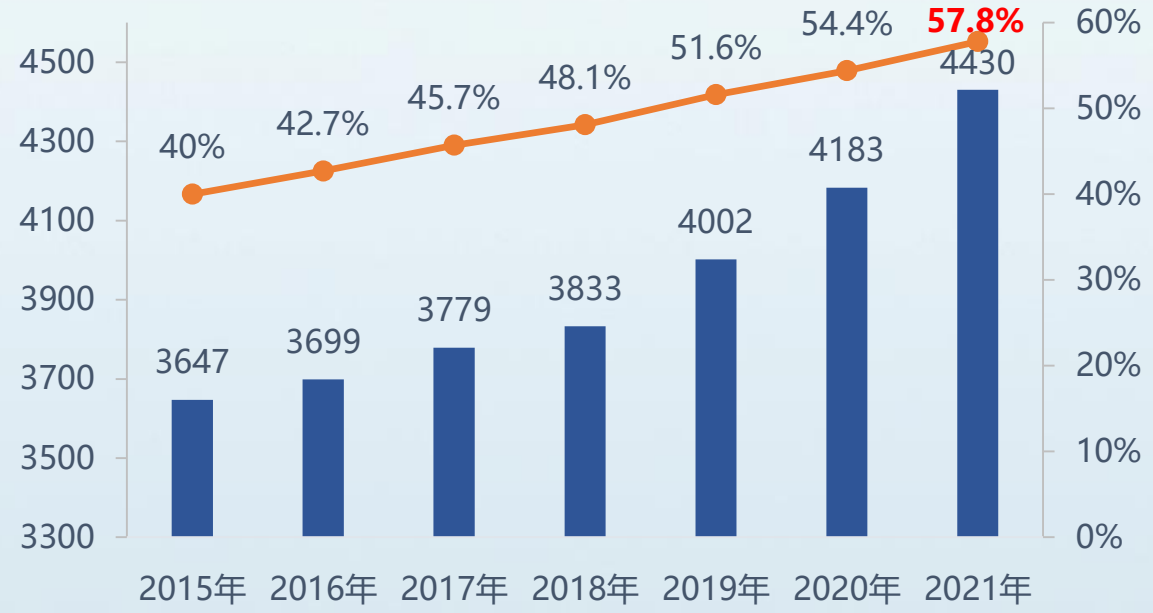
- From 2021 to 2027, the college-age population of China will be basically stable at 16 million; the Ministry of Education proposes that the gross enrolment rate of higher education will reach to 60% by 2025. The demands for higher education are still strong, and the market size of student sources will grow steadily.

The change of college-age population from 2015 to 2027



China college-age population (ten thousand)

The change of higher education students scale and gross enrolment rate from 2015 to 2021

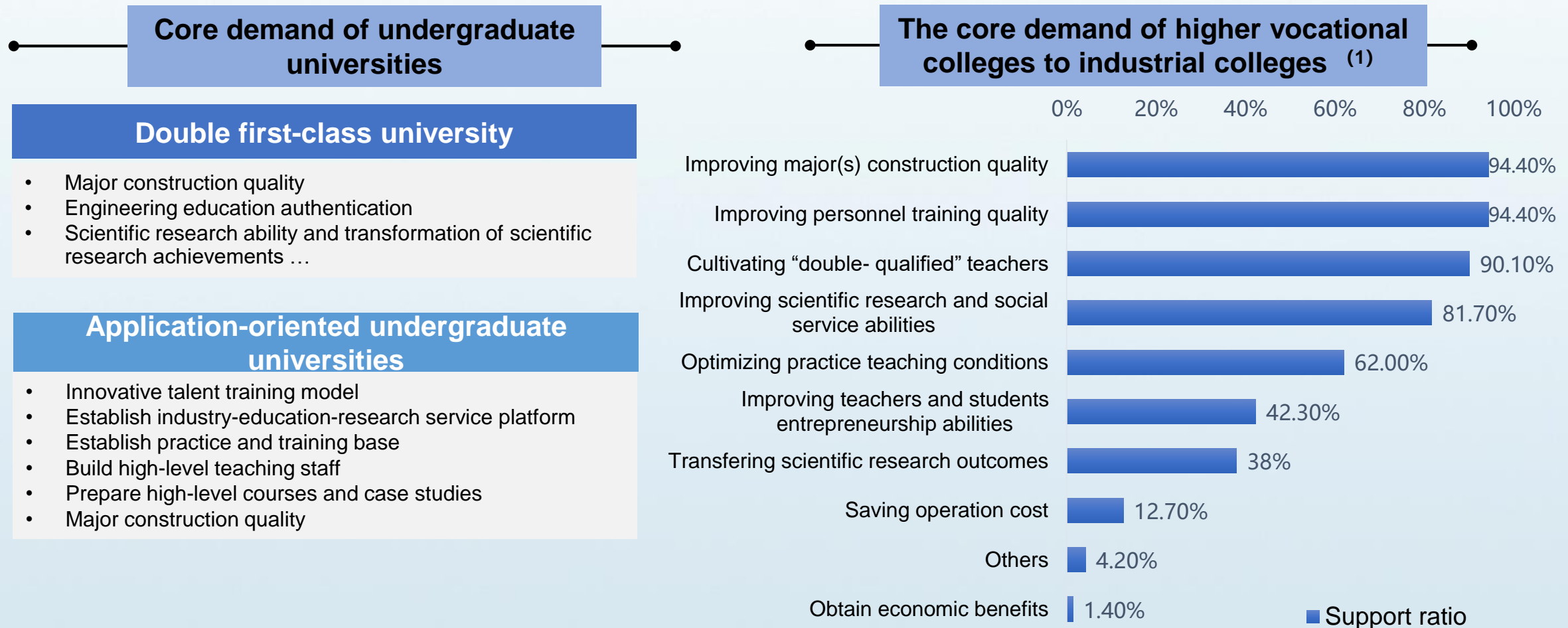


Higher education student scale (ten thousand)
Gross enrolment rate

Source: National Bureau of Statistics

Different types of colleges and universities are increasingly demanding high-quality education resources

- The high-level development of colleges and universities has gradually entered into soft resource construction stage from hardware input stage. Although the demands for professional construction resources are obviously different due to different degrees, types and qualities of schools, high-quality resources are always the common demands.

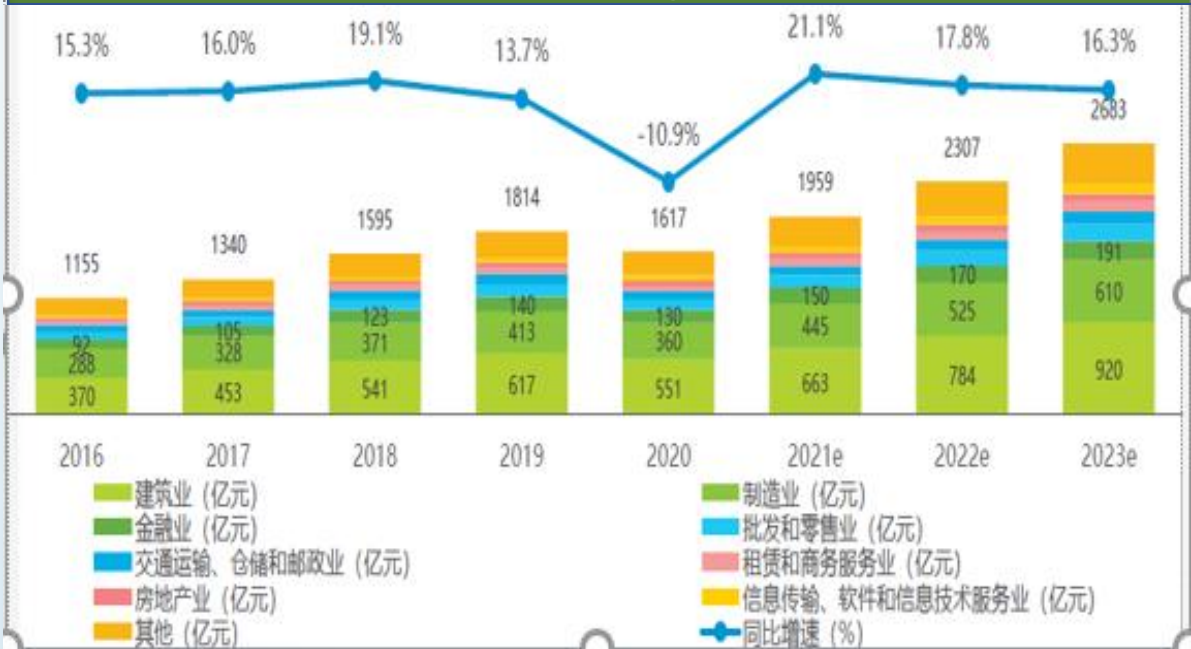


Note: (1) Zhidong Zhang, Huaxin Wang, Lin Chen . Higher vocational colleges industrial colleges situation, problem and development suggestion [J].China vocational and technical education, 2021(34):77-81.

The demands for to B and to C training are strong and the market space is broad

TO B training

Affected by the COVID-19 pandemic, the growth rate of enterprise training market slowed down in 2020, but the growth trend remained unchanged year by year



2016-2023 enterprise training market size

To C training

IT training industry market space is broad



IT training market size (100 million)

Online education is developing rapidly and the market size will be larger in the future

- Online working and learning normalized during the COVID-19 pandemic, which accelerating expansion of online education and vocational training market size;
- As at June 2021, the number of online education users had reached to 0.324 Billion; although the scale of users had dropped after the domestic epidemic improved, the overall positive trend remained unchanged.

● 2016-2023 online education industry market size (1) ●



■ Online education market size (100 million)
 ■ Online vocational education training market size(100 million)

● 2018-2021 online education user scale and usage rate (2) ●

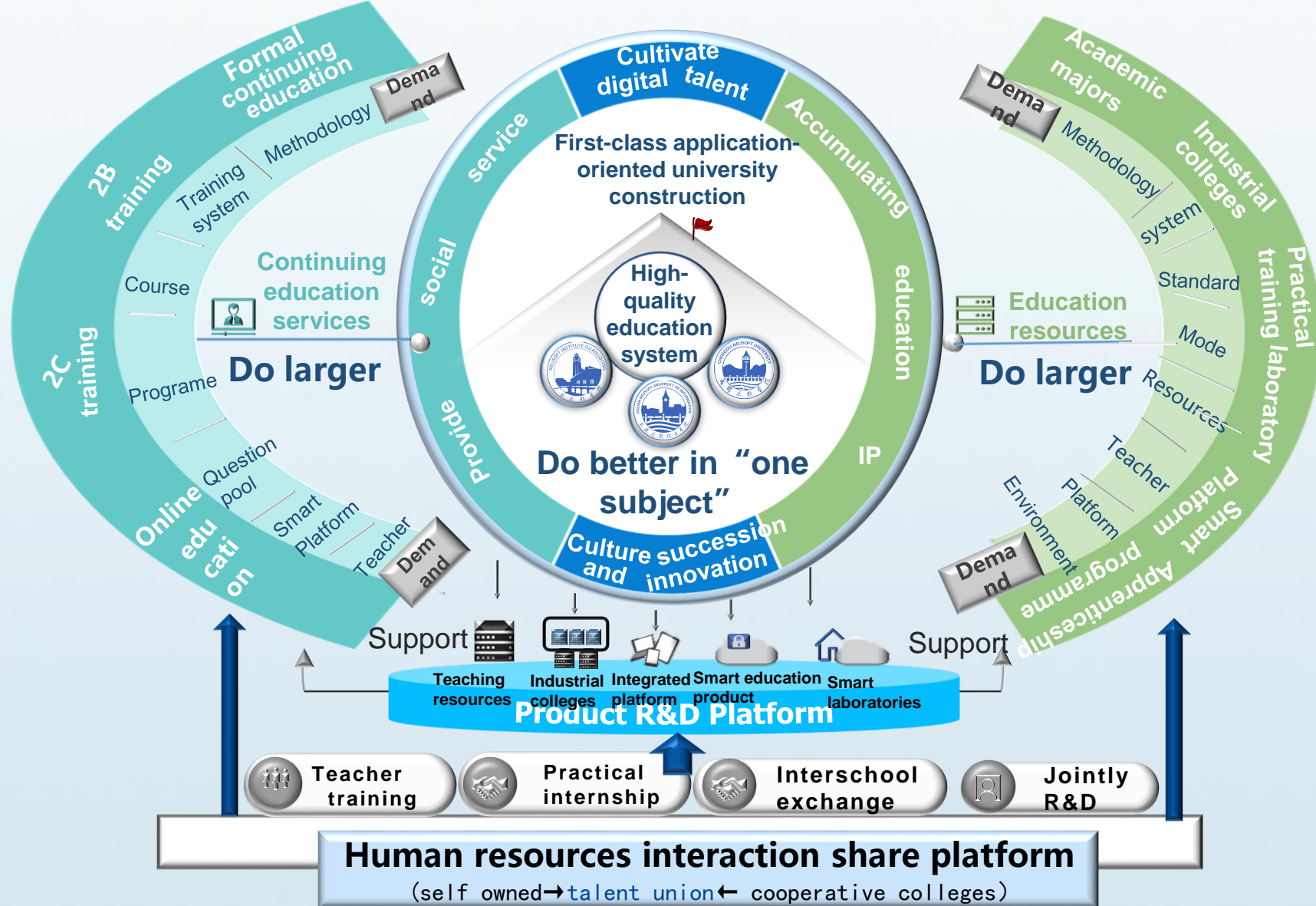


■ User scale (10 thousand) ● Usage rate

Note:(1) Iresearch consulting data ; (2) China Internet Network Information Center (CNNIC) published the 48th 《China Internet Network Development Status Statistic Report》

Overall strategy: Unique business model driven by R&D and human resource sharing

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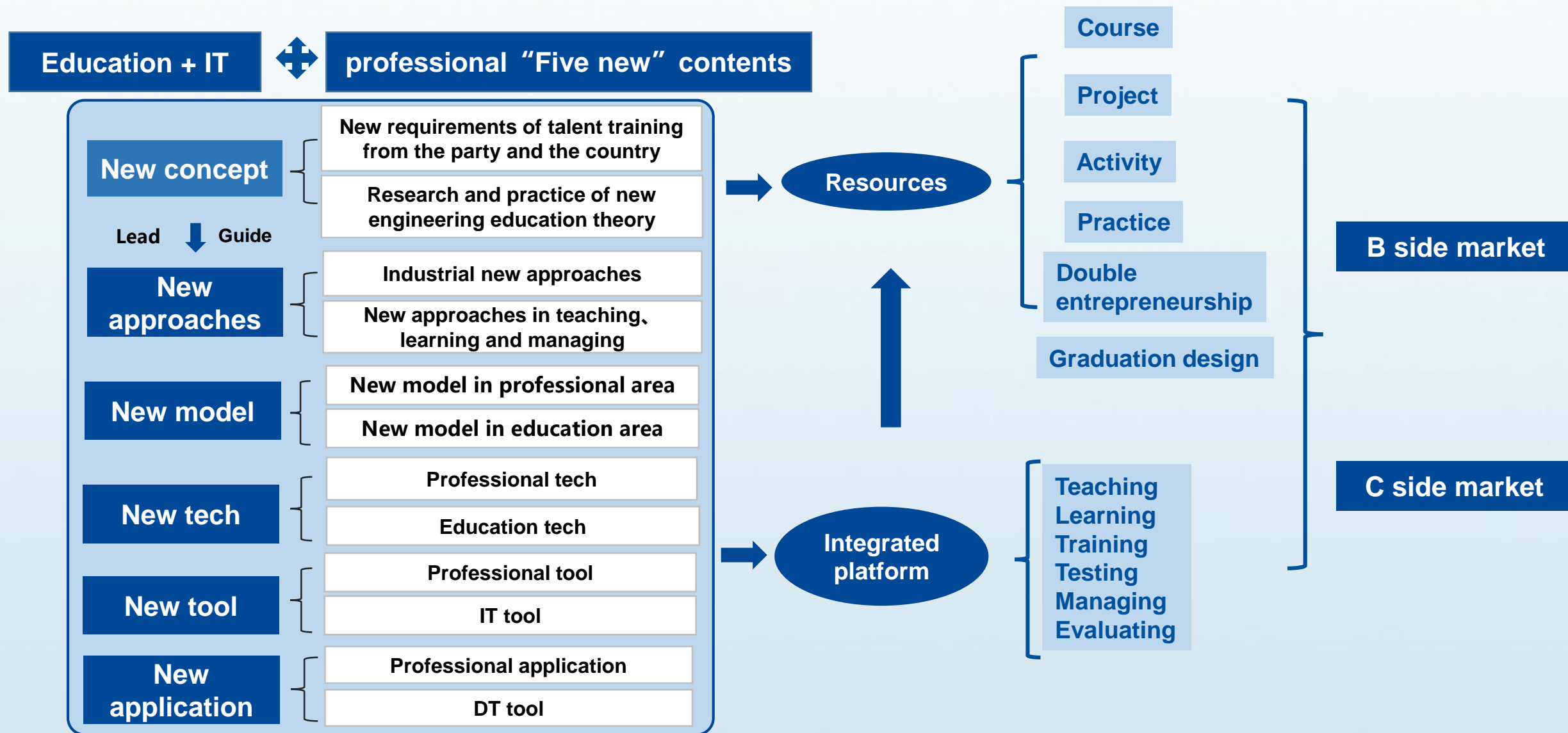


Strategy

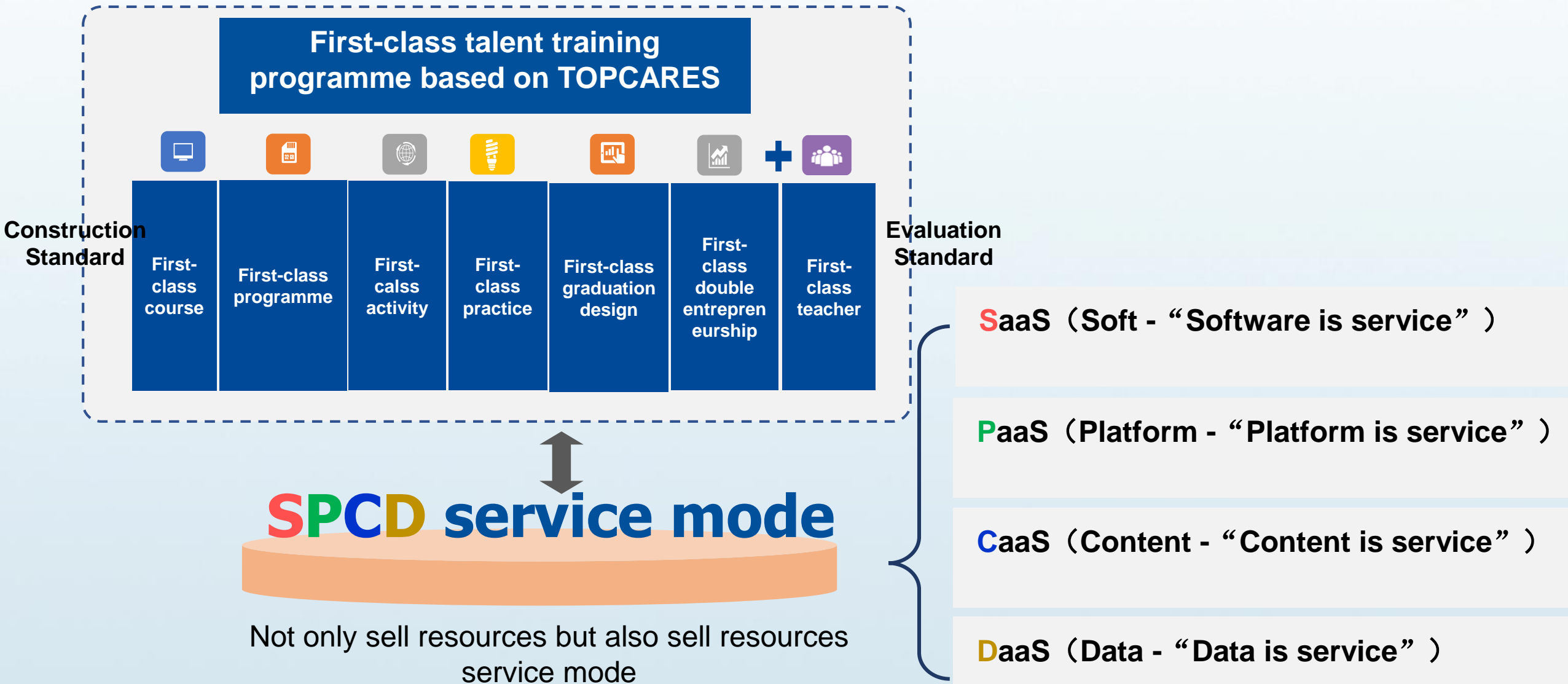
- "One subject" is core support
- "Two wings" are key compositions
- "One subject" serves "two wings"
- "Two wings" support "One subject"
- "One subject and two wings" interaction
- "Resources and talent" share

Build high-quality education service system

Increase investment in R&D to empower education **Neuedu** 東軟教育 innovation with science and technology



Implement “SPCD” service mode based on education resources research and development



Do better in full-time formal higher education services

Do better in
"Formal higher
education"

Taking the development of high-quality education system construction as the core, striving to build first-class application-oriented universities

Taking the moral education as foundation and TOPCARES as guidance

Supplying demand as core

Taking school-enterprise double win as basis

Taking results output as guidance

Taking continuous improvement as goal

Upgrading education revolution innovation system

Upgrading major construction system

Upgrading industry-education integration system

Upgrading R&D system

Upgrading operation evaluation system

Do larger in education resources business

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Do larger in
"Education
resources"

With the support of Neuedu's educational methods and the digitalized, productized and platform-based education contents, the company will expand its business network and implement the asset-light model to become a first-class provider of educational products and management services.

Smart education platform and teaching content

- On the premise of integrated design, enrich product resources and optimize product combination;
- Optimize the marketing channel system to expand market size.

Joint establishment of industrial colleges and academic majors

- Identify the core demands of colleges and universities, focus on superior majors, distinguish customers at different levels, and optimize product delivery modes;
- Optimize the layout of apprenticeship programme training bases, promote model transformation, and realize the sharing of resources.

Practical training laboratory solutions

- Establish the linkage and integration mechanism of R&D, sales, delivery and after-sales service to ensure the rapid response of product optimization and iteration upgrade;
- Enhance brand awareness through professional events and skill certification.

SaaS(Software is service) + PaaS(Platform is service) + CaaS(Content is service) + DaaS(Data is service)
To implement the SPCD service model in a comprehensive and systematic way, improve service quality, expand service mode

Neusoft "IT + Health medical technology" industrial practice

+

Neuedu three universities application-oriented education accumulation



As an Education Group

Provide high-quality education services to create value for learners and empower social organizations

As a Technology Group

Continue increasing investment in R&D to empower education innovative transformation with technology

As a Listed Company

Maintain steady growth in business performance and high-quality sustainable development to pay back to shareholders and investors

Review Past:

“One subject two wings” business model obtained market recognition;
Formal higher education: kept steady development with great student enrolment and high-quality operation;
Two wings business : The service scale continued expanding, and the asset-light and O2O business model was rapidly advancing.

See Future

Under the background of rapid development of digital intelligence, we re-examine our competition environment, positioning, business model and development strategy to keep pace with the times to create value for students.

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