Neutech

東軟睿新科技集團有限公司

Neutech Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9616)

CONTINUING CONNECTED TRANSACTIONS RELATING TO THE ENTRY OF THE VIE AGREEMENTS

THE VIE AGREEMENTS

The Board is pleased to announce that on 1 July 2026, Ruixin Health, Ruixin Cloud and the Registered Shareholders entered into the VIE Agreements to provide profitable internet information service to third-party vendors and customers in the PRC on the Citywide Smart Elderly Care Platform. The VIE Agreements enable the Group to (i) receive the entire economic benefits from Ruixin Cloud in consideration for the services provided by Ruixin Health to Ruixin Cloud; (ii) exercise effective control over Ruixin Cloud; and (iii) hold an exclusive option to purchase all or part of the equity interest in Ruixin Cloud held by the Registered Shareholders.

Upon the entry of the VIE Agreements, the financial results of Ruixin Cloud will be consolidated into the consolidated financial statements of the Group and Ruixin Cloud will be a wholly-owned subsidiary of the Company.

LISTING RULES IMPLICATIONS

Dr. Wen, being a Registered Shareholder holding 16% equity interest in Ruixin Cloud, is an executive Director of the Company. Pursuant to Chapter 14A of the Listing Rules, Dr. Wen is a connected person of the Company. Accordingly, the transactions contemplated under the VIE Agreements constitute continuing connected transactions pursuant to Chapter 14A of the Listing Rules.

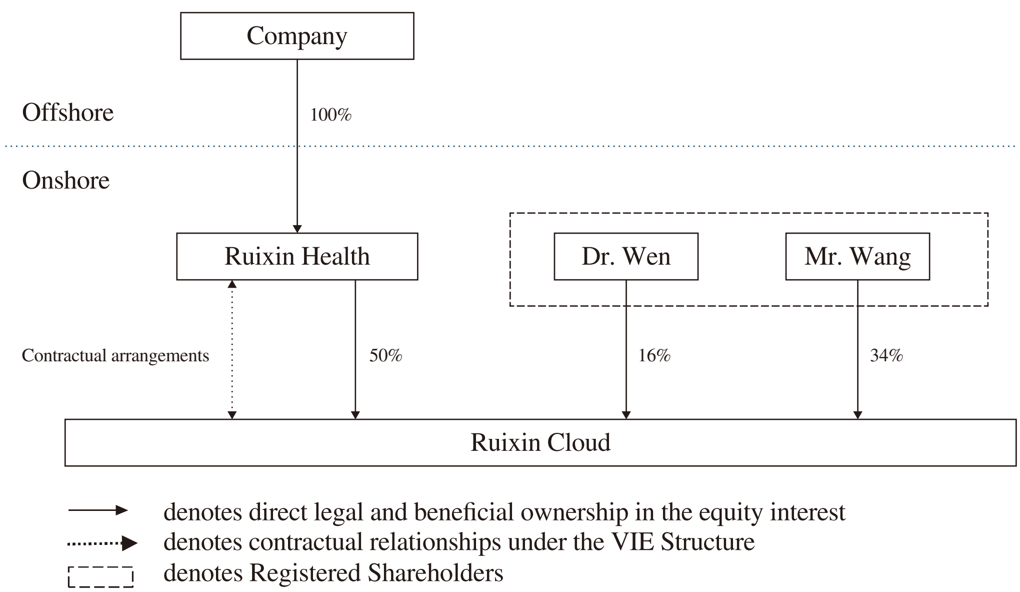
The Company has applied for, and the Stock Exchange has granted, a waiver pursuant to Rule 14A.102 of the Listing Rules from (i) fixing the term of the VIE Agreements for a period of not exceeding three years pursuant to Rule 14A.52 of the Listing Rules, and (ii) setting a maximum aggregate annual cap pursuant to Rule 14A.53 of the Listing Rules for the services fees payable by Ruixin Cloud to Ruixin Health and the amount of loans to be made available by Dalian Ruixin to the Registered Shareholders under the relevant VIE Agreements, subject to the conditions as set out more particularly in this announcement.

INTRODUCTION

On 1 July 2026, Ruixin Health entered into the VIE Agreements with Ruixin Cloud and the Registered Shareholders. The VIE Agreements enable the Group to (i) receive the entire economic benefits from Ruixin Cloud in consideration for the services provided by Ruixin Health to Ruixin Cloud; (ii) exercise effective control over Ruixin Cloud; and (iii) hold an exclusive option to purchase all or part of the equity interest in Ruixin Cloud held by the Registered Shareholders.

VIE STRUCTURE

The following simplified diagram sets out the VIE Structure:



VIE AGREEMENTS

A summary of the terms of the VIE Agreements is set out below:

(a) Exclusive Management Consultancy and Business Cooperation Agreement

On 1 July 2026, Ruixin Health, Ruixin Cloud and the Registered Shareholders entered into the exclusive management consultancy and business cooperation agreement (the "**Exclusive Management Consultancy and Business Cooperation Agreement**"), pursuant to which Ruixin Health has the exclusive right to provide, or the right to designate a third party to provide Ruixin Cloud and its subsidiaries with corporate management consulting services, technical services, business training (excluding trainings subject to license requirements), system integration, product research and development, system maintenance, office space leasing services, and loan services. Such services include:

(i) the provision of advisory services and recommendations on corporate management, Information technology consulting services, asset and business operation, debt disposal, material contracts (including negotiations, execution and performance of the same), mergers and acquisitions, the development, maintenance and research services on computer system, software and products, employee management training, technology development, transfer and consulting services, public relation services, market survey, research and consulting services, market development and planning services, human resources and internal informatization management, network development, upgrade and ordinary maintenance services, sales of propriety products, office space leasing, provision of loan, licensing software, trademark, domain name and know-how and/or the use of related intellectual property rights, and

(ii) other additional services as the parties may mutually agree from time to time.

Without Ruixin Health's prior written consent, Ruixin Cloud and its subsidiaries shall not accept from, or establish any cooperation with, a third party in relation to any services covered by the Exclusive Management Consultancy and Business Cooperation Agreement. Ruixin Health owns all intellectual property rights arising out of the performance of the Exclusive Management Consultancy and Business Cooperation Agreement.

In exchange, Ruixin Cloud and its subsidiaries agree to pay the entirety of their total income (net of costs, expenses, taxes and payments required by the relevant laws and regulations to be reserved or withheld except the enterprise income tax) to Ruixin Health as the service fee.

Under the Exclusive Management Consultancy and Business Cooperation Agreement, without prior written approval from Ruixin Health, Ruixin Cloud and its subsidiaries shall not enter into any transaction that may affect its assets, obligations, rights or operation, including but not limited to (i) the provision of any security or guarantee in favour of any third party with a value higher than RMB30 million in respect of the debt obligations of Ruixin Cloud and its subsidiaries; (ii) the provision of any security or guarantee in favour of any third party not arising from the debt obligations of Ruixin Cloud and its subsidiaries; (iii) the entry into of any loan or debt obligations in favour of any third party; and (iv) in relation to any third party the disposal, acquisition or otherwise dealing of any assets (including but not limited to intellectual properties) with a value higher than RMB500,000.

In addition, under the Exclusive Management Consultancy and Business Cooperation Agreement, without prior written consent of Ruixin Health, neither Ruixin Cloud nor any of its subsidiaries can change or remove its executive directors or senior management. Ruixin Health also has the right to appoint the executive directors, general managers, financial controllers and other senior managers of Ruixin Cloud and its subsidiaries. Ruixin Health has absolute control over the distribution of dividends or any other amounts to the shareholders of Ruixin Cloud as Ruixin Cloud and its subsidiaries have undertaken not to make any distribution without Ruixin Health's prior written consent.

(b) Exclusive Call Option Agreement

On 1 July 2026, Ruixin Health, the Registered Shareholders and Ruixin Cloud entered into the exclusive call option agreement (the "**Exclusive Call Option Agreement**"), pursuant to which the Registered Shareholders unconditionally and irrevocably agrees to grant Ruixin Health an exclusive option to purchase all or part of their equity interest in Ruixin Cloud held by the Registered Shareholders, as the case may be, with a consideration at the par value of the registered capital of the equity interest permitted under PRC laws, under circumstances in which Ruixin Health or its designated third party is permitted under PRC laws to acquire all or part of the equity interest in Ruixin Cloud.

Where the purchase price is not the par value of the registered capital, the Registered Shareholders undertake to return the amount of purchase price it has received in excess of the par value of the registered capital to Ruixin Health or any of its designated third party.

To prevent the flow of the assets and value of Ruixin Cloud to its shareholders, pursuant to the Exclusive Call Option Agreement, none of the assets of Ruixin Cloud are to be transferred or otherwise disposed of without the prior written consent of Ruixin Health. In addition, under the Exclusive Call Option Agreement, no transfer of, or encumbrance over, the equity interest in Ruixin Cloud is permitted without Ruixin Health's prior written consent.

In the event that the Registered Shareholders receive any profit distribution or dividend from Ruixin Cloud, the Registered Shareholders shall immediately pay such amount (subject to the relevant tax payment being made under the relevant laws and regulations) to Ruixin Health. If Ruixin Health exercises this option, all or any part of the equity interest in Ruixin Cloud acquired would be transferred to Ruixin Health and the benefits of equity ownership would flow to Ruixin Health and its shareholders.

(c) Equity Pledge Agreement

On 1 July 2026, each of the Registered Shareholders entered into the equity pledge agreement (the "**Equity Pledge Agreement**") with Ruixin Health and Ruixin Cloud, pursuant to which the Registered Shareholders unconditionally and irrevocably agrees to pledge all of their respective equity interest in Ruixin Cloud in favor of Ruixin Health in order to guarantee the performance of obligations of Ruixin Cloud and the Registered Shareholders under the VIE Agreements.

The pledge in respect of Ruixin Cloud establishes upon completion of registration with the relevant administration for market regulation and shall remain valid until (i) the satisfaction of all contractual obligations of Ruixin Cloud and the Registered Shareholders in full under the VIE Agreements, or (ii) the nullification or termination of the VIE Agreements, whichever is later.

Ruixin Cloud and the Registered Shareholders will register the pledge contemplated under the Equity Pledge Agreement with the relevant administration for market regulation pursuant to the PRC laws.

To further enhance the Group's control over Ruixin Cloud, the Company has taken measures to ensure that the register of shareholders of Ruixin Cloud and share certificate of the Registered Shareholders are properly secured, within full control of Ruixin Health, and cannot be used by Ruixin Cloud except for the registration and change of registration procedure necessary for the operation of Ruixin Cloud.

(d) Power of Attorney

On 1 July 2026, each of the Registered Shareholders executed a power of attorney (the "**Power of Attorney**"), pursuant to which the Registered Shareholders irrevocably appoints Ruixin Health (or any person designated by Ruixin Health (other than Dr. Wen and Mr. Wang), provided that this person does not have a conflict of interest with Ruixin Health or its parent companies) as its exclusive agent and attorney to act on its behalf on all matters concerning Ruixin Cloud and to exercise all of its rights as a registered shareholder of Ruixin Cloud. These rights include: (i) the right to exercise all the shareholder's rights, including but not limited to the signing of minutes, sale and transfer of any or all of the equity interest in Ruixin Cloud; (ii) the right to file documents with the relevant regulatory authorities; and (iii) the right to nominate and appoint the directors of Ruixin Cloud.

Further, pursuant to the Power of Attorney and to ensure that it does not give rise to a conflict of interest, each of the Registered Shareholders irrevocably undertakes that:

(i) the authorizations under the Power of Attorney will not lead to any potential conflict of interests between Ruixin Health and the Registered Shareholders; and

(ii) if any conflict of interest occurs during the performance of the VIE Agreements, Ruixin Health's interest shall take priority.

Through the Power of Attorney, the Company and Ruixin Health can exercise effective control over Ruixin Cloud through shareholder votes, which allows the Company and Ruixin Health to control the composition of the board of directors of Ruixin Cloud.

(e) Loan Agreements

On 10 March 2025, each of the Registered Shareholders entered into a loan agreement with Dalian Ruixin, an indirectly wholly- owned subsidiary of the Company which wholly owns Ruixin Health, and on 1 July 2026, each of the Registered Shareholders entered into a supplemental agreement to the aforementioned loan agreement with Dalian Ruixin (together, the "**Loan Agreements**"), pursuant to which Dalian Ruixin will provide an interest-free loan with an amount of RMB1.6 million and RMB3.4 million to Dr. Wen and Mr. Wang, respectively, which will be used for the capital contribution to be made by the Registered Shareholders to Ruixin Cloud.

Pursuant to the Loan Agreements, after receiving the option purchase price under the Exclusive Call Option Agreement paid by Ruixin Health or its designated third party, the Registered Shareholders shall use the option purchase price to repay the outstanding loan under the Loan Agreements. The term of the loan commences from the drawdown date of the loan and expires on the date on which Ruixin Health exercises the call option under the Exclusive Call Option Agreement and pays the option purchase price to the Registered Shareholders, and requires the Registered Shareholders to transfer their equity interest in Ruixin Cloud to Ruixin Health or its designated entity.

(f) Spouse Undertakings

On 1 July 2026, the spouse of each of the Registered Shareholders signed a letter of undertaking (the "**Spouse Undertaking**") in respect of the VIE Agreements to the effect, among others, that:

(i) she has full knowledge of Ruixin Health, and has consented to the entry into of the VIE Agreements by Ruixin Health, the Registered Shareholders and Ruixin Cloud;

(ii) she will enter into all necessary documents and take all necessary actions to ensure the due performance of VIE Agreements as amended from time to time; and

(iii) she unconditionally and irrevocably waives any right or benefits on such equity interest and assets in accordance with applicable laws and confirms that she will not have any claim on such equity interest and assets; and she has not and does not intend to participate in the operation and management or other voting matters of Ruixin Cloud.

(g) Other key terms of the VIE Agreements

Dispute resolution

In the event of any dispute with respect to the interpretation or performance of the provisions, each of the VIE Agreements, where applicable, stipulates: (i) that the parties shall negotiate in good faith to resolve the dispute, and (ii) in the event the parties fail to reach an agreement on the resolution of the dispute, any party may submit the relevant dispute to the Dalian Arbitration Commission for arbitration, in accordance with the then effective arbitration rules. The seat of arbitration is Dalian. The arbitration award shall be final and binding on all parties.

The dispute resolution clause of each of the VIE Agreements, where applicable, also provides that, subject to the relevant laws of the PRC, (i) the arbitrator may award remedies over the shares or assets of Ruixin Cloud, injunctive relief (e.g., for the conduct of business or to compel the transfer of assets) or order the winding up of Ruixin Cloud, and (ii) the courts of Hong Kong, the Cayman Islands (being the place of incorporation of the Company), the PRC (being the place of incorporation of Ruixin Cloud) and the place where the principal assets of the Company or Ruixin Cloud are located, have the power to grant interim remedies in support of the arbitration pending formation of the arbitral tribunal or in appropriate cases.

However, the PRC Legal Adviser has advised that the tribunal has no power to grant such injunctive relief, nor will it be able to order the winding up of Ruixin Cloud pursuant to current PRC laws. In addition, interim remedies or enforcement orders granted by overseas courts such as those of Hong Kong and the Cayman Islands may not be recognizable or enforceable under the current PRC laws.

As a result of the above, if Ruixin Cloud or the Registered Shareholders breach any of the VIE Agreements, the Company may not be able to obtain sufficient remedies in a timely manner, and its ability to exert effective control over Ruixin Cloud and conduct business could be adversely affected.

Succession

Pursuant to the VIE Agreements, the provisions set out in the VIE Agreements are also binding on any successor(s) of the Registered Shareholders, and any successor(s) of the Registered Shareholders shall assume any and all rights and obligations of the Registered Shareholders under the VIE Agreements as a result of his death, loss of civil capacity, bankruptcy, divorce, or under any other circumstance which would affect his exercise of equity interest in Ruixin Cloud and shall cooperate with the signing parties to the VIE Agreements to make all necessary arrangements so as to ensure that the successor(s) will not interrupt the operation of the VIE Agreements.

Conflicts of interests

The Registered Shareholders has given its irrevocable undertaking in the Power of Attorney to address potential conflicts of interests that may arise in connection with the VIE Agreements. For further details, please refer to section headed “Power of Attorney.”

Loss sharing

Under relevant PRC laws and regulations, neither the Company nor Ruixin Health is legally required to share the losses of, or provide financial support to, Ruixin Cloud. Further, Ruixin Cloud is a limited liability company and shall be solely liable for its own debts and losses with assets owned by it.

Nevertheless, Ruixin Health intends to provide continuous assistance to Ruixin Cloud in obtaining financial support when deemed necessary. In addition, given that the Group conducts certain business operations through Ruixin Cloud, which holds relevant PRC operational licenses and approvals, and its financial position and results of operations will consolidate into the Group’s financial statements under applicable accounting principles, the Company’s business, financial position and results of operations would be adversely affected if Ruixin Cloud suffers losses.

However, the provisions in VIE Agreements are tailored to limit, to the greatest extent possible, the potential adverse effect on Ruixin Health and the Company as a result of any loss suffered by Ruixin Cloud, for instance:

(i) under the Exclusive Call Option Agreement, the assets of Ruixin Cloud are not to be transferred or otherwise disposed of without the prior written consent of Ruixin Health;

(ii) under the Exclusive Call Option Agreement, no transfer of, or encumbrance over, the equity interest in Ruixin Cloud is permitted without Ruixin Health's prior written consent;

(iii) under the Exclusive Management Consultancy and Business Cooperation Agreement and Power of Attorney, (i) without prior written consent of Ruixin Health, neither Ruixin Cloud nor any of its subsidiaries can change or remove its executive directors or senior management; (ii) Ruixin Health has the right to appoint the directors, general managers, financial controllers and other senior managers of Ruixin Cloud and its subsidiaries; (iii) Ruixin Health has absolute control over the distribution of dividends or any other amounts to the shareholders of Ruixin Cloud; and (iv) without the prior written approval of Ruixin Health, Ruixin Cloud and its subsidiaries shall not enter into, among other things, an acquisition, disposal or dealings in any assets (including but not limited to intellectual properties), with a third party, that has a value higher than RMB500,000.

Liquidation

Pursuant to the Exclusive Management Consultancy and Business Cooperation Agreement and the Exclusive Call Option Agreement, a committee designated by Ruixin Health will be appointed as the liquidation committee upon the winding-up of Ruixin Cloud to manage its assets. In the event of a liquidation or dissolution, all of the remaining assets and residual interests of Ruixin Cloud will be transferred to Ruixin Health to the maximum extent permissible under PRC Laws.

Insurance

The Company does not maintain an insurance policy to cover the risks relating to the VIE Agreements.

Circumstances under which the Group will adjust or unwind the VIE Agreements

The Group will adjust or partially unwind (as the case maybe) the VIE Agreements and hold (directly or indirectly) equity interest in Ruixin Cloud up to the maximum percentage as permitted under PRC laws, or fully unwind the VIE Agreements and directly hold 100% equity interest in Ruixin Cloud if there is no prescribed limit on the percentage of equity interest permitted to be held by foreign investors.

Information about Ruixin Health and Ruixin Cloud

Ruixin Health is a limited liability company established in the PRC on 2 September 2024 and an indirect wholly-owned subsidiary of the Company. It mainly engages the development and sales of healthcare and elderly care technology products, information technology and health consulting services, education consulting services and professional training services.

Ruixin Cloud is a limited liability company established in the PRC on 7 March 2025, which is currently held by Ruixin Health as to 50%, Dr. Wen as to 16% and Mr. Wang as to 34%. The main business of Ruixin Cloud is the operation of the Citywide Smart Elderly Care Platform. Upon the entry of the VIE Agreements, the Group will provide "profitable internet information services" to third-party vendors and customers through Ruixin Cloud on the Citywide Smart Elderly Care Platform via its WeChat mini programs.

BACKGROUND AND REASONS FOR USE OF THE VIE STRUCTURE

Background

To proactively address the profound impacts and unique opportunities arising from China's increasingly prominent "aging" society, the Group has strategically initiated and expanded its presence in the silver economy market. The Group, with education services as its fundamental business, has developed an integrated "Education, Healthcare and Wellness" digital-smart ecosystem in the PRC. In the elderly care field, the Group focuses on "empowering elderly care through technology" and is actively exploring related business of elderly care technology, focusing on creating and promoting the Citywide Smart Elderly Care Platform which makes full use of digital and intelligent means to empower the elderly care industry and innovate elderly care models. With the operation of the Citywide Smart Elderly Care Platform, the Group will provide "profitable internet information services" to third-party vendors and customers through Ruixin Cloud via its WeChat mini programs.

However, as outlined below, since the relevant business of providing "profitable internet information services" is classified as restricted foreign investment under the applicable PRC Laws, the Group cannot directly hold more than 50% of the equity interest in Ruixin Cloud, which currently holds and will continue to hold certain licences and permits required for the provision of the "profitable internet information services".

Laws and regulations relating to the profitable internet information services in the PRC

Foreign Investment

On 15 March 2019, the NPC, promulgated the PRC Foreign Investment Law (中華人民共和國外商投資法) (the "**Foreign Investment Law**"), which came into effect on 1 January 2020 and replaced the previous laws regulating foreign investment in the PRC, namely, the Sino-foreign Equity Joint Venture Enterprise Law of PRC (中華人民共和國中外合資經營企業法), the Sino-foreign Cooperative Joint Venture Enterprise Law of the PRC (中華人民共和國中外合作經營企業法) and the Wholly Foreign-invested Enterprise Law of the PRC (中華人民共和國外資企業法), together with their implementation rules and the ancillary regulations. The Foreign Investment Law is formulated to further expand opening-up, vigorously promote foreign investment and protect the legitimate rights and interests of foreign investors.

According to the Foreign Investment Law, foreign investments are entitled to pre-entry national treatment and are subject to negative list management system. The pre-entry national treatment means that the treatment given to foreign investors and their investments at the stage of investment access is not lower than that of domestic investors and their investments. The negative list management system means that the state implements special management measures for the access of foreign investment in specific fields. Foreign investors shall not invest in any forbidden fields stipulated in the negative list and shall meet the conditions stipulated in the negative list before investing in any restricted fields.

The 2024 Negative List

Pursuant to the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024) (外商投資准入特別管理措施(負面清單)(2024年版)) (the "**2024 Negative List**"), jointly promulgated by the NDRC and MOFCOM on 8 September 2024 and came into effect on 1 November 2024, limitations were stipulated for foreign investments in different industries in the PRC. The 2024 Negative List is further classified into "Catalogue of Industries Limited for Foreign Investment" and "Catalogue of Industries Prohibited for Foreign Investment." Industries which do not fall within the "Special Management Measures (Negative List) for the Access of Foreign Investment" are industries permitted for foreign investment. According to the 2024 Negative List, the proportion of foreign investments in an entity engaging in value-added telecommunications services (except for e-commerce, domestic multi-party communications, storage-forwarding and call centers) shall not exceed 50%.

Regulations Related to Value-Added Telecommunications Services

The Telecommunications Regulations of the PRC (中華人民共和國電信條例) (the "**Telecommunications Regulations**") promulgated by the State Council on 25 September 2000 and last amended on 6 February 2016, provide a regulatory framework for telecommunications services providers in the PRC. The Telecommunications Regulations require telecommunications services providers to obtain an operating license prior to the commencement of their operations. The Telecommunications Regulations categorize telecommunications services into basic telecommunications services and the value-added telecommunications services (the "**VATS**"). According to the Catalogue of Telecommunications Business (電信業務分類目錄), attached to the Telecommunications Regulations, which was promulgated by the Ministry of Information Industry of the PRC (the "**MII**", which is the predecessor of Ministry of Industry and Information Technology of the PRC, the "**MIIT**") and last amended by MIIT on 6 June 2019, internet information services fall within the VATS.

The Administrative Measures for Telecommunications Businesses Operating Licensing (電信業務經營許可管理辦法) (the "**Telecommunications Measures**"), which took effect on 10 April 2009 and was last amended on 3 July 2017, set forth more specific provisions regarding the types of licenses required to operate value-added telecommunications services, the qualifications and procedures for obtaining the licenses, and the administration and supervision of these licenses.

The Administrative Measures on Internet Information Services (互聯網信息服務管理辦法) (the "**Internet Measures**"), which were promulgated by the State Council on 25 September 2000 and most recently amended and took effect from 20 January 2025, set out guidelines on the provision of internet information services. The Internet Measures classified internet information services into commercial internet information services and non-commercial internet information services. A commercial internet information services provider shall obtain a value-added telecommunications business operating license from the competent telecommunications authorities.

Foreign direct investment in telecommunications companies in China is governed by the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (外商投資電信企業管理規定) (the "**FITE Regulations**"), which was promulgated by the State Council on 11 December 2001 and most recently amended and took effect from 1 May 2022. According to the FITE Regulations and the 2024 Negative List, as for the value-added telecommunications business types which fall within China's commitment to the World Trade Organization ("**WTO**"), the ultimate capital contribution percentage by foreign investor(s) in a foreign-invested value-added telecommunications enterprise shall not exceed 50%, except as otherwise stipulated by the state. The FITE Regulations explicitly remove the requirement of "good performance and operational experience".

In July 2006, the MII released the Notice on Strengthening the Administration of Foreign Investment in and Operation of Value-added Telecommunications Business (信息產業部關於加強外商投資經營增值電信業務管理的通知) (the "**MII Notice**"), pursuant to which, if any foreign investor intends to invest in telecommunications business in China, a foreign-invested telecommunications enterprise must be established and such enterprise must apply for the relevant telecommunications business operation licenses. Furthermore, under the MII Notice, domestic telecommunications enterprises may not rent, transfer or sell a telecommunications business operation license to foreign investors in any form, nor may they provide any resources, premises, facilities and other assistance in any form to foreign investors for their illegal operation of any telecommunications business in China. In addition, under the MII Notice, the internet domain names and registered trademarks used by a foreign-invested value-added telecommunication service operator shall be legally owned by that operator (or its shareholders).

On 8 April 2024, the MIIT promulgated the Notice on the Pilot Program for Expanding the Opening up of Value-added Telecommunications Services (關於開展增值電信業務擴大對外開放試點工作的通告), which clarify that the foreign ownership restrictions are abolished, as for the FITE engaging in internet data centers (IDC), content distribution networks (CDN), internet access services (ISP), online data processing and transaction processing, information publishing platforms and delivery services (except internet news and information, online publishing, online audiovisual and internet cultural operations), information protection and processing services in the Beijing Comprehensive Demonstration Zone for Expanding the opening up of the Service industry, the Shanghai Pilot Free Trade Zone, the new Lingang Area and the Socialist Modernization Leading Zone, the Hainan Free Trade Port, and the Shenzhen Socialist Pilot Demonstration Zone.

Regulations Related to Mobile Internet Applications Information Services

In addition to the Telecommunications Regulations and other regulations above, mobile internet applications and the internet application store are specifically regulated by the Administrative Provisions on Mobile Internet Application Information Services (移動互聯網應用程序信息服務管理規定) (the "**Mobile Application Administrative Provisions**") which were promulgated by the CAC on 28 June 2016, effective on 1 August 2016 and lastly amended on 14 June 2022 and effective on 1 August 2022. Pursuant to the Mobile Application Administrative Provisions, application information service providers shall obtain the relevant qualifications prescribed by laws and regulations, strictly implement their information content administrator responsibilities and carry out certain duties, including authenticate the real identity information of users, establish and complete information content inspection and management mechanisms, fulfill the data security protection obligations and regulate personal information processing activities. Furthermore, internet application information service providers shall sign service agreements with registered users, to determinate both sides' rights and obligations.

Reasons for adopting the VIE Structure

The primary purpose for the Group to adopt the VIE Structure is to enable the Group to provide profitable internet information service (經營性互聯網信息服務) through Ruixin Cloud, thereby expanding the Group's elderly care technology business and extending relevant online services to third-party vendors and customers in the PRC. However, due to the foreign ownership restrictions under the PRC Laws as outlined above, the Group was not able to engage in the profitable internet information service directly without first adopting the VIE Structure.

In order to control Ruixin Cloud to prevent leakages of equity and values to the relevant Registered Shareholders of Ruixin Cloud, except for our Group, and to obtain the maximum economic benefits from Ruixin Cloud, on 1 July 2026, the VIE Agreements were entered into among Ruixin Health, Ruixin Cloud and the Registered Shareholders. The VIE Agreements enable the Group to (i) receive the entire economic benefits from Ruixin Cloud in consideration for the services provided by Ruixin Health to Ruixin Cloud; (ii) exercise effective control over Ruixin Cloud; and (iii) hold an exclusive option to purchase all or part of the equity interest in Ruixin Cloud held by the Registered Shareholders.

The Company has discussed with its auditor and confirms that the financial results of the Ruixin Cloud will be consolidated into the consolidated financial statements of the Group under the prevailing accounting principles upon entering into the VIE Agreements.

On the basis of the aforesaid confirmation and pursuant to Rule 1.01 of the Listing Rules, the Company further confirms that Ruixin Cloud will be a wholly-owned subsidiary of the Company.

In view of the need to meet the fast-growing demand for the online services and to utilize the ICP license for the operation of the online business by Ruixin Cloud, the Company is of the view that it would be the most viable and commercial sensible approach to have effective control over Ruixin Cloud through the VIE Structure taking into account that (i) Ruixin Cloud currently owns the domain name for the operation of the online business and (ii) Ruixin Cloud has obtained its renewed value-added telecommunications business operating license (增值電信業務經營許可證) issued by the MIIT in January 2026 which includes permits for the operation of information service business (for Internet information services only) (信息服務業務(僅限互聯網信息服務)) and online data processing and transaction processing business (在線數據處理與交易處理業務), which are known as ICP license and EDI license, respectively.

Legality of the VIE Agreements

The PRC Legal Adviser of the Company, following completion of reasonable due diligence steps and consulting with Dalian Communications Administration (大連市通信管理局), are of the following legal opinion:

(a) each of Ruixin Health and Ruixin Cloud is a duly incorporated and validly existing company, and their respective establishment is valid, effective and complies with the relevant PRC laws and regulations; the Registered Shareholders are natural persons with full civil and legal capacity;

(b) the parties to each of the VIE Agreements are entitled to execute the agreements and perform their respective obligations thereunder;

(c) none of the VIE Agreements violates any provisions of the articles of association of each of Ruixin Health or Ruixin Cloud;

(d) pursuant to Articles 144, 146, 153 and 154 of the Civil Code of the PRC (《中華人民共和國民法典》), a contract is void if the civil juristic act: (i) is performed by a person and another person based on a false expression of intent; (ii) is performed by a person without civil capacity; (iii) is in violation of the mandatory provisions of laws or administrative regulations, unless such mandatory provisions do not lead to invalidity of such a civil juristic act; (iv) offends the public order or good morals; or (v) is conducted through malicious collusion between a person who performs the act and a counterparty thereof and thus harms the lawful rights and interests of another person. The execution and performance of the VIE Agreements does not fall within any of the circumstances under which a contract may become null and void pursuant to the Civil Code of the PRC;

(e) the parties to each of the VIE Agreements are not required to obtain any approvals or authorizations from the PRC governmental authorities, except that:

    (i) the exercise of the option by Ruixin Health or its designee of its rights under the Exclusive Call Option Agreement to acquire all or part of the equity interest in Ruixin Cloud is subject to the approvals of and/or registration with the PRC regulatory authorities;

    (ii) any share pledge contemplated under the Equity Pledge Agreement is subject to the registration with local administration bureau for market regulation; and

(iii) the arbitration awards/interim remedies provided under the dispute resolution provision of the VIE Agreements shall be recognized by PRC courts before compulsory enforcement; and

(f) each of the VIE Agreements is valid, legal and binding under PRC laws, except for the following provisions regarding dispute resolution and the liquidation committee:

(i) the VIE Agreements provide that any dispute shall be submitted to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with the then effective arbitration rules. The seat of arbitration is Beijing. They also provide that the arbitrator may award interim remedies over the shares or assets of Ruixin Cloud or injunctive relief (e.g. for the conduct of business or to compel the transfer of assets) or order the winding-up of Ruixin Cloud; and the courts of Hong Kong, the Cayman Islands (being the place of incorporation of the Company), the PRC (being the place of incorporation of Ruixin Cloud) and the place where the principal assets of the Company or Ruixin Cloud are located, have the power to grant interim remedies in support of the arbitration pending formation of the arbitral tribunal or in appropriate cases. However, the PRC Legal Adviser has advised that interim remedies or enforcement orders granted by overseas courts such as those of Hong Kong and the Cayman Islands may not be recognizable or enforceable in the PRC; and

(ii) the VIE Agreements provide that a committee designated by Ruixin Health will be appointed as the liquidation committee upon the winding-up of Ruixin Cloud to manage its assets. However, in the event of a liquidation or dissolution, these provisions may not be enforceable under PRC Laws.

However, the PRC Legal Adviser also advised that the interpretation and application of current and future PRC laws and regulations are subject to changes from time to time. Accordingly, there can be no assurance that the PRC regulatory authorities will not in the future take a view that is contrary to or otherwise different from the above opinion of the PRC Legal Adviser.

INTERNAL CONTROL MEASURES TO BE IMPLEMENTED BY THE GROUP

The VIE Agreements contain certain provisions in order to exercise effective control over and to safeguard the assets of Ruixin Cloud.

In addition to the internal control measures as provided in the VIE Agreements, the Company will adopt additional internal control measures through Ruixin Health against Ruixin Cloud as appropriate, having regard to the internal control measures to be adopted by the Group from time to time, which may include but not limited to:

Management controls

(a) the Company will submit any major issues arising from implementing or complying with the VIE Agreements to the Board for discussion and review;

(b) the Company shall conduct regular site visits to Ruixin Cloud and conduct personnel interviews annually;

(c) all seals, chops, incorporation documents and all other legal documents, to the extent permitted by the PRC law, of Ruixin Cloud must be kept at the office of Ruixin Health or any other proper locations as specified by the Company;

(d) the Board will review the overall performance of, and compliance with, the VIE Agreements at least annually; and

(e) the Company will disclose the overall performance of, and compliance with, the VIE Agreements in the annual reports.

Financial controls

(a) Ruixin Cloud must submit its financial statements and detailed accounts to Ruixin Health every month;

(b) Ruixin Cloud must assist and facilitate the Company to conduct all on-site internal audits on Ruixin Cloud if required by the Company; and

(c) The Company's auditors will carry out procedures annually on the transactions carried out pursuant to the VIE Agreements and will provide a letter to the Directors.

Legal review

(a) the Company will engage professional advisers (if necessary) to assist the Board with reviewing the implementation of the VIE Agreements, and to deal with specific issues or matters arising out of the VIE Agreements; and

(b) the Company shall review on a regular basis the compliance of the conditions prescribed under the waiver granted by the Stock Exchange in connection with the continuing connected transactions contemplated under the VIE Agreements.

THE BOARD'S VIEW ON THE VIE AGREEMENTS

Based on the above and the advice from the PRC Legal Adviser, the Board is of the view that (i) the VIE Agreements are narrowly tailored as they are used to enable the Group to conduct businesses in industries that are subject to the foreign ownership restriction in the PRC; and (ii) save as disclosed in the section headed "Risk Factors in Relation to the VIE Agreements", the VIE Agreements are enforceable under the relevant laws and regulations, and will provide a mechanism that enables the Group to exercise effective control over Ruixin Cloud. The Company indirectly owns 50% equity interest in Ruixin Cloud and as a result of the VIE Agreements, the Company will obtain control of the remaining 50% equity interest in Ruixin Cloud. As such, the Company can receive the entire economic benefits from Ruixin Cloud.

The Directors (including the independent non-executive Directors) are of the view that the VIE Agreements and the transactions contemplated thereunder are fundamental to the Group's legal structure and business operations, will be conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole, and the terms thereunder are on normal commercial terms and are fair and reasonable.

The VIE Agreements also provide that the Group will adjust or partially unwind (as the case maybe) the VIE Agreements and hold (directly or indirectly) equity interest in Ruixin Cloud up to the maximum percentage as permitted under PRC laws, or fully unwind the VIE Agreements and directly hold 100% equity interest in Ruixin Cloud if there is no prescribed limit on the percentage of equity interest permitted to be held by foreign investors.

As of the date of this announcement, to the best of the knowledge, information and belief of the Directors, after making all reasonable enquiries, the Directors were not aware of any factors that has led or would lead to any interference or encumbrance from any PRC governing bodies on the Group's operating the businesses of Ruixin Cloud under the VIE Agreements.

COMPLIANCE OF VIE AGREEMENTS WITH PRC LAWS, RULES AND REGULATIONS

As advised by the PRC Legal Adviser, (i) the ownership structure of Ruixin Cloud and its subsidiaries does not violate any mandatory provisions of PRC laws and administrative regulations promulgated by the State Council currently in effect, (ii) except for certain clauses regarding the liquidation committee and the dispute resolution, see "Risk Factors - Certain of the terms of the VIE Agreements may not be enforceable under PRC laws" below, the VIE Agreements, taken individually or collectively, are valid, legally binding and enforceable against each party of such agreements in accordance with their terms, and (iii) the VIE Agreements do not violate any mandatory provisions of the Civil Code of the PRC or fall within any of the circumstances under which a contract may become null and void pursuant to the Civil Code of the PRC and would not be regarded as "concealing illegal intentions with a lawful form" and void under PRC laws.

APPLICATION FOR AND CONDITIONS OF WAIVER

The Directors consider that, given that the Group is placed in a special situation in relation to the connected transactions rules under the VIE Agreements, it would be unduly burdensome and impracticable and would add unnecessary administration costs to the Company if the transactions contemplated under the VIE Agreements are subject to strict compliance with the requirements of setting a fixed term or limiting the term to three years or less under Rule 14A.52 of the Listing Rules and the requirements of setting an annual cap under Rule 14A.53 of the Listing Rules. Therefore, the Company has applied for, and the Stock Exchange has granted, a waiver pursuant to Rule 14A.102 of the Listing Rules from (i) fixing the term of the VIE Agreements for a period of not exceeding three years pursuant to Rule 14A.52 of the Listing Rules, and (ii) setting a maximum aggregate annual cap pursuant to Rule 14A.53 of the Listing Rules for the services fees payable by Ruixin Cloud to Ruixin Health and the amount of loans to be made available by Dalian Ruixin to the Registered Shareholders under the relevant VIE Agreements, subject to the following conditions:

(a) *No Change without Independent non-executive Directors' Approval:* No changes to the terms of any of the VIE Agreements will be made without the approval of the independent non-executive Directors.

(b) *No Change without Independent Shareholders' Approval:* Save as described in paragraph (d) below, no changes to the terms of any of the VIE Agreements will be made without the approval of the independent Shareholders. Once independent Shareholders' approval of any change has been obtained, no further announcement, circular or approval of the independent Shareholders, will be required under Chapter 14A of the Listing Rules unless and until further changes are proposed. The periodic reporting requirement regarding the VIE Agreements in the annual reports of the Company (as set out in paragraph (e) below) will however continue to be applicable.

(c) *Economic Benefits Flexibility:* The VIE Agreements shall continue to enable the Group to receive the economic benefits derived by Ruixin Cloud Group through (i) the Group's potential right (if and when so allowed under the applicable PRC Laws) to acquire the entire equity interest in Ruixin Cloud held by the Registered Shareholders, as the case may be, with a consideration at the par value of the registered capital of the equity interest permitted under the then applicable PRC Laws, (ii) the business structure under which the total before-income-tax profits generated by Ruixin Cloud Group (after deducting the necessary costs, expenses, taxes and other statutory contribution and retention as required by the PRC Laws) is substantially retained by the Group (such that no annual caps shall be set on the amount of the services fees payable to Ruixin Health under the relevant VIE Agreements), and (iii) the Group's right to control the management and operation of, as well as, in substance, all of the voting rights of Ruixin Cloud Group.

(d) *Renewal and reproduction:* On the basis that the VIE Agreements provide an acceptable framework for the relationship between the Company and its subsidiaries in which the Company has equity interest, on the one hand, and Ruixin Cloud Group, on the other hand, such framework may be renewed and/or reproduced upon the expiry of the existing arrangements or in relation to any existing or new wholly foreign owned enterprise or operating company (including branch company) engaging in the same business in the PRC as that of the Group which the Group might wish to establish when justified by business expediency, without obtaining the approval of the independent Shareholders, on substantially the same terms and conditions as the existing VIE Agreements. The directors, chief executive or substantial shareholders of any existing or new wholly foreign owned enterprise or operating company (including branch company) engaging in the same business that the Company may establish upon renewal and/or reproduction of the VIE Agreements will be treated as the connected persons of the Company and transactions between these connected persons and the Company other than those under similar VIE Agreements shall comply with Chapter 14A of the Listing Rules. This condition is subject to relevant PRC Laws and approvals from the relevant PRC authorities.

(e) *Ongoing Reporting and Approvals:* the Group will disclose details relating to the VIE Agreements on an ongoing basis as follows:

  (i) The VIE Agreements in place during each financial period will be disclosed in the Company's annual report and accounts in accordance with the relevant provisions of the Listing Rules.

(ii) The independent non-executive Directors will review the VIE Agreements annually and confirm in the Company's annual report and accounts for the relevant year that (1) the transactions carried out during such year have been entered into in accordance with the relevant provisions of the VIE Agreements, have been operated so that the revenue generated by Ruixin Cloud Group has been substantially retained by Ruixin Health; (2) no dividends or other distributions have been made by Ruixin Cloud to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group; and (3) any new contracts entered into, renewed or reproduced between the Group and Ruixin Cloud Group during the relevant financial period under paragraph (d) above are fair and reasonable, or advantageous to the Shareholders, so far as the Group is concerned and in the interests of the Shareholders as a whole.

(iii) The Company's auditors will carry out procedures annually on the transactions carried out pursuant to the VIE Agreements and will provide a letter to the Directors, confirming that the transactions carried out pursuant to the VIE Agreements have received the approval of the Directors, have been entered into in accordance with the relevant VIE Agreements and that no dividends or other distributions have been made by Ruixin Cloud Group to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group.

(iv) For the purposes of Chapter 14A of the Listing Rules, and in particular the definition of "connected person", Ruixin Cloud and its subsidiaries (if any) will be treated as the Company's subsidiaries, and the directors, chief executives or substantial shareholders (as defined in the Listing Rules) of Ruixin Cloud and its subsidiaries (if any) and their respective associates will be treated as the Company's "connected persons" (excluding for this purpose, Ruixin Cloud Group). As such, the transactions between these connected persons and the Group (including for this purpose, Ruixin Cloud Group), other than those under the VIE Agreements, shall comply with Chapter 14A of the Listing Rules.

(v) Ruixin Cloud also undertakes that, during the term of the relevant VIE Agreements, it will provide the Group's management and the Company's auditors with full access to its relevant records for the purpose of the Company's auditors' review on the continuing connected transactions.

RISK FACTORS IN RELATION TO THE VIE AGREEMENTS

If the PRC government finds that the VIE Agreements do not comply with applicable PRC laws and regulations, or if these regulations or their interpretations change in the future, the Group could be subject to penalties or be forced to relinquish its interests in relation to its elderly care technology business.

Current PRC laws and regulations impose certain restrictions on foreign ownership of companies that engage in the provision of profitable internet information services. The Company is an exempted company incorporated under the laws of the Cayman Islands, and Ruixin Health is considered a foreign-invested enterprise. To comply with PRC laws and regulations, the Group, through Ruixin Health, will enter into the VIE Agreements with Ruixin Cloud and the Registered Shareholders. For details of the VIE Agreements, please refer to the section headed "VIE Agreements."

The PRC Legal Adviser is of the opinion that (i) the ownership structure of Ruixin Cloud and its subsidiaries does not violate mandatory provisions of PRC laws and administrative regulations promulgated by the State Council currently in effect, (ii) except for certain clauses regarding the liquidation committee and the dispute resolution, see "– Certain of the terms of the VIE Agreements may not be enforceable under PRC laws" below, the VIE Agreements, taken individually or collectively, are valid, legally binding and enforceable against each party of such agreements in accordance with their terms, and (iii) the VIE Agreements do not violate any mandatory provisions of the Civil Code of the PRC (《中華人民共和國民法典》) or fall within any of the circumstances under which a contract may become null and void pursuant to the Civil Code of the PRC and would not be regarded as "concealing illegal intentions with a lawful form" and void under PRC laws. However, there can be no assurance that the PRC government authorities will take a view in the future that is not contrary to or otherwise different from the opinion of the PRC Legal Adviser stated above. If the PRC government determines that the VIE Agreements are in violation of PRC laws or regulations or the Group lacks the necessary permits or licenses to operate its business, the relevant PRC regulatory authorities would have a certain degree of discretion within their scope of authority in dealing with such violations or failures, including, but not limited to:

- revoking the business and operating licenses of Ruixin Cloud;
- discontinuing or restricting Ruixin Cloud's operations;
- imposing fines or confiscating any of the Group's income that they deem to have been obtained through illegal operations;
- imposing conditions or requirements with which the Group may not be able to comply;
- requiring the Group to restructure the relevant ownership structure or operations;
- restricting or prohibiting the Group's financing activities to finance the business and operations of Ruixin Cloud and its subsidiaries; or
- taking other regulatory or enforcement actions that could be harmful to the Group's business.

Any of these actions could cause disruption to the Group's elderly care technology business operations, and may adversely affect the Group's elderly care technology business, financial condition and results of operations. In addition, it is unclear what impact the PRC government actions would have on Ruixin Health and on the Group's ability to consolidate the financial results of Ruixin Cloud in its consolidated financial statements, if the PRC governmental authorities find the Group's relevant legal structure and the VIE Agreements to be in violation of PRC laws, rules and regulations. If any of these penalties results in the Group's inability to direct the activities of Ruixin Cloud that most significantly impact their economic performance and/or the Group's failure to receive the economic benefits from Ruixin Cloud, the Group may not be able to consolidate Ruixin Cloud into its consolidated financial statements in accordance with the International Financial Reporting Standards.

The VIE Agreements may not be as effective in providing operational control as direct ownership, and the Registered Shareholders and Ruixin Cloud may fail to perform their obligations under the VIE Agreements.

The VIE Agreements may not be as effective in providing control over Ruixin Cloud as direct ownership. If the Registered Shareholders or Ruixin Cloud fails to perform their respective obligations under the VIE Agreements, the Group may incur substantial costs and expend substantial resources to enforce its rights. All of the VIE Agreements are governed by and interpreted in accordance with PRC laws, and disputes arising from the VIE Agreements will be resolved through arbitration or litigation in China. However, there are very few precedents and little official guidance as to how contractual arrangements in the context of a variable interest entity should be interpreted or enforced under PRC laws. There remain uncertainties regarding the outcome of arbitration or litigation. Such uncertainties could limit the Group's ability to enforce the VIE Agreements. In the event that the Group is unable to enforce the VIE Agreements or it experiences significant delays or other obstacles in the process of enforcing the VIE Agreements, the Group may not be able to exert effective control over Ruixin Cloud and may lose control over the assets owned by Ruixin Cloud. As a result, the Group may be unable to consolidate Ruixin Cloud in its consolidated financial statements, and its ability to conduct the elderly care technology business may be adversely affected.

The Group may lose the ability to use and enjoy assets held by Ruixin Cloud that are material to its elderly care technology business operations if Ruixin Cloud declares bankruptcy or become subject to a dissolution or liquidation proceeding.

The Group does not have priority pledges and liens against the assets of Ruixin Cloud. If Ruixin Cloud undergoes an involuntary liquidation proceeding, third-party creditors may claim rights to some or all of its assets and the Group may not have priority against such third-party creditors on the assets of Ruixin Cloud. If Ruixin Cloud liquidates, the Group may take part in the liquidation procedures as a general creditor under the PRC Enterprise Bankruptcy Law and recover any outstanding liabilities owed by Ruixin Cloud to the Registered Shareholders under the Exclusive Management Consultancy and Business Cooperation Agreement. Under the VIE Agreements, the Registered Shareholders covenant that they shall not sell, transfer, pledge or dispose of in any other manner the legal or beneficial interest in Ruixin Cloud, or allow the encumbrance thereon of any security interest, except for the Equity Pledge Agreement without the prior written consent of Ruixin Health. In addition, the Registered Shareholders covenant that they shall not request Ruixin Cloud to, in any manner, distribute profit or dividends, raise such relevant shareholders' resolution or vote in favor of any such relevant shareholders' resolution without the prior written consent of Ruixin Health. In the event that Ruixin Cloud receives any income, profit distribution or dividend, except as otherwise determined by the Group, Ruixin Cloud shall promptly transfer or pay, as part of the services fee under the Exclusive Management Consultancy and Business Cooperation Agreement, such income, profit distribution or dividend to Ruixin Health or any other person designated by it to the extent permitted under applicable PRC laws. In the event that Registered Shareholders breach the relevant covenants, the Group may need to resort to legal proceedings to enforce the terms of the VIE Agreements. Any such legal proceeding may be costly and may divert management's time and attention away from the operation of the Group's business, and the outcome of such legal proceeding is uncertain.

The interests of the Registered Shareholders may not align with the interests of the Shareholders, which may adversely affect the Group's elderly care technology business.

Although that pursuant to the Exclusive Call Option Agreement, the Registered Shareholders unconditionally and irrevocably agrees to grant Ruixin Health an exclusive option to purchase all or part of the equity interest in Ruixin Cloud, as the case may be, under circumstances in which Ruixin Health or its designated third party is permitted under PRC laws to acquire all or part of the equity interest of in Ruixin Cloud, the Group cannot assure that when conflicts arise, the Registered Shareholders will act in the best interest of the Shareholders or that conflicts will be resolved in favor of the Group. As such, the interests of the Registered Shareholders may not align with the interests of the Shareholders in the Company and it is possible that the Registered Shareholders may breach or cause Ruixin Cloud to breach the VIE Agreements. If the Group cannot resolve any conflicts of interest or disputes between itself and the Registered Shareholders, it would have to rely on legal proceedings, which may be expensive, time-consuming and disruptive to its operations. There is also uncertainty as to the outcome of any such legal proceedings.

In addition, although the Equity Pledge Agreement provides that the pledged equity interest in Ruixin Cloud shall constitute continuing security for any and all of the indebtedness, obligations and liabilities under the Exclusive Management Consultancy and Business Cooperation Agreement, it is possible that a PRC court could take the position that the amounts listed on the equity pledge registration forms or estimated in the Equity Pledge Agreement represent the full amounts of the collateral that have been registered and perfected. If this were to happen, the obligations that are supposed to be secured in the Equity Pledge Agreement in excess of the amounts listed on the equity pledge registration forms or estimated in the Equity Pledge Agreement could be deemed unsecured debts by the PRC court, which take the last priority among creditors.

Certain of the terms of the VIE Agreements may not be enforceable under PRC laws.

All the agreements which constitute the VIE Agreements are governed by PRC laws and provide for the resolution of disputes through arbitration in the PRC. Accordingly, these agreements would be interpreted in accordance with PRC laws and disputes would be resolved in accordance with PRC legal procedures. In the event that the Group is unable to enforce the VIE Agreements, or if the Group suffers significant time delays or other obstacles in the process of enforcing them, it would be very difficult to exert effective control over Ruixin Cloud, and the Group's ability to conduct its elderly care technology business and its financial condition and results of operations may be adversely affected.

The VIE Agreements contain provisions to the effect that the arbitral body may award remedies over the equity interests, assets or properties of Ruixin Cloud, injunctive relief (for example, for the conduct of business or to compel the transfer of assets) or order the winding up of Ruixin Cloud. These agreements also contain provisions to the effect that courts of competent jurisdictions are empowered to grant interim relief to a party when requested for the purpose of preserving the assets and properties or enforcement measures, subject to the requirements under the PRC laws. However, under PRC laws, these terms may not be enforceable. Under PRC laws, an arbitral body does not have the power to grant injunctive relief or to issue a provisional or final liquidation order for the purpose of protecting assets of or equity interest in Ruixin Cloud in case of disputes. In addition, interim remedies or enforcement order granted by overseas courts such as Hong Kong and the Cayman Islands may not be recognizable or enforceable in the PRC. PRC laws do allow the arbitral body to grant an award of transfer of assets of or equity interests in Ruixin Cloud in favor of an aggrieved party. In the event of non-compliance with such award, enforcement measures may be sought from the court. The court will decide whether to take enforcement measures according to applicable laws and regulations. Therefore, in the event of breach of any agreements constituting the VIE Agreements by Ruixin Cloud and/or the Registered Shareholders, and if the Group is unable to enforce the VIE Agreements, the Group may not be able to exert effective control over Ruixin Cloud, which could adversely affect the Group's ability to conduct its elderly care technology business.

If the Group exercises the option to acquire equity ownership and assets of Ruixin Cloud, the ownership or asset transfer may subject the Group to certain limitations and costs.

Pursuant to the VIE Agreements, Ruixin Health or its designated person(s) has the irrevocable and exclusive right to purchase all or any part of the equity interests in Ruixin Cloud from its shareholder at any time and from time to time in Ruixin Health's absolute discretion to the extent permitted by PRC laws. The consideration shall be the par value of the registered capital of the equity interest as permitted under applicable PRC laws, provided that such transfer does not violate the PRC laws. The equity transfer may be subject to the approvals from, or filings with, the relevant authorities. In addition, the equity transfer price may be subject to review and tax adjustment by the relevant tax authorities. The Registered Shareholders should return the equity transfer price amount to Ruixin Health under the VIE Agreements, if such amount is above the par value of the registered capital. The amount to be received by Ruixin Health under the VIE Agreements may also be subject to enterprise income tax, and such tax amounts could be substantial.

The Group's relevant corporate structure and elderly care technology business operations may be affected by the Foreign Investment Law.

On 15 March 2019, the National People's Congress promulgated the Foreign Investment Law, which took effect on 1 January 2020. The Foreign Investment Law does not explicitly classify whether variable interest entities that are controlled through contractual arrangements would be deemed as foreign invested enterprises if they are ultimately "controlled" by foreign investors. However, it has a catch-all provision under definition of "foreign investment" that includes investments made by foreign investors in China through other means as provided by laws, administrative regulations or the State Council. Therefore, it still leaves leeway for future laws, administrative regulations or provisions of the State Council to provide for contractual arrangements as a form of foreign investment, until when it remains uncertain whether VIE Agreements will be deemed to be in violation of the market access requirements for foreign investment in the PRC and if yes, how the VIE Agreements should be dealt with.

The Foreign Investment Law grants national treatment to foreign-invested entities, except for those foreign-invested entities that operate in industries specified as either "restricted" or "prohibited" from foreign investment in the Negative List. The Foreign Investment Law provides that foreign-invested entities are not allowed to operate in "prohibited" industries and their operating in "restricted" industries shall satisfy certain conditions and will require market entry clearance and other approvals from relevant PRC government authorities. On

26 December 2019, the Supreme People's Court issued the Interpretations on Certain Issues Regarding the Applicable of Foreign Investment Law (the "**FIL Interpretation**"), which came into effect on 1 January 2020. In accordance with the FIL Interpretations, any claim to invalidate an investment agreement will be supported by courts if such agreement is found to be entered into for purposes of making investments in the "prohibited industries" under the negative list or for purposes of investing in "restricted industries" while failing to satisfy the conditions set out in the negative list. If the Group's control over Ruixin Cloud through contractual arrangements are deemed as foreign investment in the future, and any business of Ruixin Cloud is "restricted" from foreign investment under the "negative list" effective at the time, the Group may be deemed to be in violation of the Foreign Investment Law, the VIE Agreements that allow the Group to have control over Ruixin Cloud may be deemed as invalid and illegal, and the Group may be required to unwind such VIE Agreements and/or restructure its business operations, any of which may have an adverse effect on the Group's elderly care technology business operations.

Furthermore, if future laws, administrative regulations or provisions mandate further actions to be taken by companies with respect to existing contractual arrangements, the Group may face uncertainties as to whether it can complete such actions in a timely manner, or at all. Failure to take timely and appropriate measures to cope with any of these or similar regulatory compliance challenges could adversely affect the Group's relevant corporate structure and its elderly care technology business operations.

The VIE Agreements may be subject to scrutiny by the PRC tax authorities, and a finding that the Group owes additional taxes could reduce its consolidated net income and the value of the Shareholder's investment.

Under PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities. The Group could face adverse tax consequences if the PRC tax authorities determine that the VIE Agreements do not represent an arms-length price and adjust Ruixin Cloud's income in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, result in a reduction, for PRC tax purposes, of expense deductions recorded by Ruixin Cloud, which could in turn increase their tax liabilities. In addition, the PRC tax authorities may impose late payment fees and other penalties to Ruixin Cloud for under-paid taxes. The Group's results of operations may be adversely affected if Ruixin Cloud's tax liabilities increase or if the Group is found to be subject to late payment fees or other penalties.

LISTING RULES IMPLICATIONS

Dr. Wen, being a Registered Shareholder holding 16% equity interest in Ruixin Cloud, is an executive Director of the Company. Pursuant to Chapter 14A of the Listing Rules, Dr. Wen is a connected person of the Company. Accordingly, the transactions contemplated under the VIE Agreements constitute continuing connected transactions pursuant to Chapter 14A of the Listing Rules.

The Company has applied for, and the Stock Exchange has granted, a waiver pursuant to Rule 14A.102 of the Listing Rules from (i) fixing the term of the VIE Agreements for a period of not exceeding three years pursuant to Rule 14A.52 of the Listing Rules, and (ii) setting a maximum aggregate annual cap pursuant to Rule 14A.53 of the Listing Rules for the services fees payable by Ruixin Cloud to Ruixin Health and the amount of loans to be made available by Dalian Ruixin to the Registered Shareholders under the relevant VIE Agreements, subject to the conditions as set out more particularly in this announcement.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"associate"	has the meaning as ascribed thereto in the Listing Rules;
"Board"	the board of Directors;
"Citywide Smart Elderly Care Platform"	the digital citywide smart elderly care platform operated through the WeChat mini programs by the Group
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules;
"Company"	Neutech Group Limited (東軟睿新科技集團有限公司), formerly known as Neusoft Education Technology Co. Limited (東軟教育科技有限公司), a company incorporated in the Cayman Islands on 20 August 2018 as an exempted company with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 9616);
"connected person(s)"	has the meaning as ascribed thereto in the Listing Rules;
"continuing connected transaction(s)"	has the meaning as ascribed thereto in the Listing Rules;
"Dalian Ruixin"	Dalian Neusoft Ruixin Technology Group Co., Ltd. (大連東軟睿新科技集團有限公司), a limited liability company established in the PRC on 17 May 2019, formerly known as Dalian Neusoft Ruixin Technology Development Co., Ltd. (大連東軟睿新科技發展有限公司), and an indirectly wholly- owned subsidiary of the Company;
"Director(s)"	the director(s) of the Company;
"Dr. Liu"	LIU Jiren (劉積仁), a non-executive Director and core founding member of the Group;

"Dr. Wen"	WEN Tao (溫濤), a Registered Shareholder holding 16% equity interest in Ruixin Cloud and an executive director of the Company;
"Equity Pledge Agreement"	the equity pledge agreement (股份質押協議) entered into between Ruixin Health and the Registered Shareholders, details of which are set out in the section headed "VIE Agreements" in this announcement;
"Exclusive Call Option Agreement"	the exclusive call option agreement (獨家購股權協議) entered into between Ruixin Health, the Registered Shareholders and Ruixin Cloud, details of which are set out in the section headed "VIE Agreements" in this announcement;
"Exclusive Management Consultancy and Business Cooperation Agreement"	the exclusive management consultancy and business cooperation agreement (獨家管理顧問及業務合作協議) entered into among Ruixin Health, the Registered Shareholders and Ruixin Cloud, details of which are set out in the section headed "VIE Agreements" in this announcement;
"Group"	the Company and its subsidiaries;
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Independent Third Party(ies)"	person(s) who is(are) third party(ies) independent of the Company and its connected persons (as defined under the Listing Rules);
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Loan Agreements"	the loan agreement (借款協議) dated 10 March 2025 and the supplemental agreement to the aforementioned loan agreement entered into between Dalian Ruixin and each of the Registered Shareholders, details of which are set out in the section headed "VIE Agreements";
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange;
"MIIT"	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部);
"MOFCOM"	the Ministry of Commerce of the PRC (中華人民共和國商務部) or its predecessor, the Ministry of Foreign Trade and Economic Cooperation of the PRC (中華人民共和國對外經濟貿易部);

"Mr. Wang"	WANG Xinghui (王星輝), a Registered Shareholder holding 34% equity interest in Ruixin Cloud and a vice president of the Company;
"NDRC"	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會);
"PRC"	the People's Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan);
"PRC Legal Adviser"	Tian Yuan Law Firm, the legal adviser to the Company as to the laws of the PRC;
"Registered Shareholder(s)"	the registered shareholders of Ruixin Cloud, being Dr. Wen and Mr. Wang;
"RMB"	Renminbi, the lawful currency of the PRC;
"Ruixin Cloud"	Dalian Ruixin Cloud Technology Co., Ltd. (大連睿新雲科技有限公司), a limited liability company established in the PRC on 7 March 2025;
"Ruixin Cloud Group"	Ruixin Cloud and its subsidiaries;
"Ruixin Health"	Dalian Neusoft Ruixin Health Technology Co., Ltd. (大連東軟睿新健康科技有限公司), a limited liability company established in the PRC on 2 September 2024, a wholly-owned subsidiary of Dalian Ruixin and the Company;
"SFO"	the Securities and Futures Ordinance of Hong Kong, (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time;
"Share(s)"	the ordinary share(s) in the share capital of the Company;
"Shareholder(s)"	the holder(s) of the Share(s);
"Spousal Undertakings"	the spousal undertakings (配偶同意函) entered into by the spouse of each of the Registered Shareholders, details of which are set out in the section headed "VIE Agreements" in this announcement;
"State Council"	State Council of the PRC (中華人民共和國國務院)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"subsidiary(ies)"	has the same meaning ascribed thereto under the Listing Rules;

"VIE"	variable interest entity, being an entity (the investee) in which the investor holds a controlling interest that is not based on the majority of voting rights;
"VIE Agreements"	collectively, the Exclusive Management Consultancy and Business Cooperation Agreement, the Exclusive Call Option Agreement, the Equity Pledge Agreement, the Loan Agreements, the Power of Attorney and the Spousal Undertakings, details of which are set out in the section headed "VIE Agreements" in this announcement;
"VIE Structure"	the structure established through the entering into of the VIE Agreements, which enables the Group to effectively hold and control Ruixin Cloud;
"%"	per cent

By Order of the Board
NEUTECH GROUP LIMITED
Chairperson and non-executive Director
Dr. LIU Jiren

Hong Kong, 1 July 2026

As at the date of this announcement, the Board comprises Dr. LIU Jiren as chairperson and non-executive Director; Dr. WEN Tao as executive Director; Mr. RONG Xinjie, Dr. ZHANG Xia, Dr. ZHANG Yinghui and Mr. SUN Yinhuan as non-executive Directors (aside from our chairperson); and Dr. LIU Shulian, Dr. QU Daokui and Dr. WANG Weiping as independent non-executive Directors.