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## **Minsheng Education Group Company Limited** **民生教育集团有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1569)**

### **BUSINESS UPDATE**

#### **THE ENTERING INTO FRAMEWORK AGREEMENT IN RESPECT OF THE PROPOSED INVESTMENT IN THE TARGET SCHOOLS**

This announcement is made by Minsheng Education Group Company Limited (the “**Company**”) on a voluntary basis to provide the shareholders of the Company and potential investors an update on the latest business development of the Company.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 30 August 2017 (after trading hours), Chongqing Yuecheng Zhiyuan Education Technology Co., Ltd.\* (重慶悅誠智遠教育科技有限公司) (“**Chongqing Yuecheng**”), an indirect subsidiary of the Company, entered into a non-binding framework agreement (the “**Framework Agreement**”) with (i) Anhui Wenda Electronics Co., Ltd\* (安徽文達電子有限公司) (“**Wenda Electronics**”), (ii) Anhui Senhai Garden Landscape Construction Group Co., Ltd.\* (安徽森海園林景觀建設集團有限公司) (“**Senhai Garden**”), (iii) Anhui Wending Energy Investment Management Co., Ltd\* (安徽文鼎能源投資管理有限公司) (“**Wending Energy**”) and (iv) Mr. Xie Chungui (“**Mr. Xie**”), all of them are independent third parties, in relation to Chongqing Yuecheng’s potential investment in (a) Anhui Sky-Aviation International Flight Academy Limited Liability Company\* (安徽藍天國際飛行學院有限責任公司) (“**Anhui Sky-Aviation Academy**”) and (b) Anhui Hefei Information Technology School\* (安徽合肥信息技術學校) (“**Anhui IT School**”, together with Anhui Sky-Aviation Academy, the “**Target Schools**”).

Pursuant to the Framework Agreement, in the event that the transactions contemplated thereunder are materialized, Chongqing Yuecheng will acquire 51% school sponsor’s interest in each of the Target Schools by contributing in aggregate RMB100 million to the Target Schools as capital (the “**Proposed Investment**”), subject to the terms and conditions of the definitive legally binding agreement to be entered into by and among the relevant parties.

The parties to the Framework Agreement agree that, subject to an exclusivity period from the date of the Framework Agreement to the date of granting the approval from the relevant courts on the reorganization plan in relation to the Target Schools and their respective school sponsors, neither

Wenda Electronics, Senhai Garden, Wending Energy nor Mr. Xie will directly or indirectly, enter or agree to enter into any discussions, negotiations or agreements with any third person in relation to: (i) the disposal or transfer of any school sponsor's interest in the Target Schools; (ii) the set-up of any joint venture companies engaging in business of the Target Schools, regardless of whether the set-up is line with the business practice; (iii) for the purpose of selling school sponsor's interest in the Target Schools (with or without conditions), the delegation of any exclusive or non-exclusive rights for negotiation to any person; or (iv) the obstruction or prevention of the transactions as contemplated under the Framework Agreement.

Pursuant to the Framework Agreement, during the transition period from the date of the Framework Agreement to the date of signing the definitive legally binding agreement(s) between the parties, Wenda Electronics, Senhai Garden, Wending Energy and Mr. Xie as the school sponsors of the Target Schools undertake that, among others, they will not enter into any agreements or make any undertakings which would be outside of the ordinary course of the Target Schools' business or would have a material adverse effect on the daily operation of the Target Schools and will take all reasonable steps to safeguard the reputation of the Target Schools.

Save for the provisions regarding exclusivity, arrangements during the transition period, confidentiality, binding effect and termination obligations and governing law, the Framework Agreement does not constitute any legally binding commitment in respect of the Proposed Investment until definitive agreement(s) are executed and delivered by the relevant parties.

**The Board wishes to emphasize that no legally binding agreement for the Proposed Investment has been entered into as of the date of this announcement, and there is no assurance that any legally binding agreement in respect thereof will be entered into by Chongqing Yuecheng. The Proposed Investment may or may not proceed. The holders of the securities and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

By the order of the Board  
**Minsheng Education Group Company Limited**  
**Li Xuechun**  
*Chairman*

Hong Kong, 30 August 2017

*As at the date of this announcement, the executive Directors are Mr. Li Xuechun, Ms. Zhang Weiping, Mr. Zuo Yichen and Mr. Lam Ngai Lung, the non-executive Directors are Mr. Lin Kaihua and Ms. Li Yanping, and the independent non-executive Directors are Mr. Chan Ngai Sang, Kenny, Mr. Yu Huangcheng and Mr. Wang Wei Hung, Andrew.*

\* *for identification purpose only*