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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)**

**MAJOR TRANSACTION**  
**THE ACQUISITION OF 51% OF THE ISSUED SHARE CAPITAL OF**  
**LEED INTERNATIONAL EDUCATION GROUP INC.**  
**AND**  
**COMMENCEMENT OF THE ENTRUSTED ARRANGEMENT**  
**AND**  
**ENTITLEMENT OF 100% NET PROFITS OF DIANCHI COLLEGE**

**THE ACQUISITION**

The Board is pleased to announce that on 20 August 2018 (after trading hours), Minsheng Vocational (as the purchaser), a wholly-owned subsidiary of the Company, and the Vendors entered into the Share Purchase Agreement, pursuant to which Minsheng Vocational conditionally agreed to acquire from the Vendors, and the Vendors conditionally agreed to sell, the Sale Shares which represent 51% of the issued share capital of Leed International, at the consideration of RMB582.5 million. The Consideration shall be paid by three instalments.

On the same date subsequent to the execution of the Share Purchase Agreement, Minsheng Vocational will pay the First Instalment as a deposit, and the entrustment arrangement in relation to Dianchi College has commenced in accordance with the terms of the Share Purchase Agreement and the Dianchi College Management Agreement.

**IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition are more than 25% but less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to reporting, announcement and circular and shareholders' approval requirement under the Listing Rules.

As the exercise price of the Put Option, the exercise of which will be subject to the discretion of the Vendors, will be determined based on the valuation of the Company and the net profit Leed International at the time of exercise of the Put Option, it is not possible to determine such exercise price before the exercise of the Put Option. Accordingly, pursuant to Rule 14.76(1) of the Listing

Rules, the Directors consider it appropriate to treat the grant of the Put Option a major transaction of the Company subject to notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Honest Cheer, the controlling shareholder of the Company holds 3,000,000,000 shares of the Company, representing approximately 74.67% of the total number of issued shares of the Company and written Shareholder' approval for the Acquisition and the grant of the Put Option has been obtained from Honest Cheer. Accordingly, pursuant to Rule 14.44 of the Listing Rules, such written Shareholder's approval may be accepted in lieu of holding a general meeting of the Company approving the terms of, and the transactions contemplated, under the Share Purchase Agreement upon satisfaction of the conditions set out under Rule 14.44 of the Listing Rules.

### **CIRCULAR**

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) details of the Share Purchase Agreement and the transactions contemplated under it; (ii) financial information of the Group; (iii) financial information of Leed International, shall be despatched within 15 business days after publication of this announcement, which is expected to be on or before 11 September 2018.

### **THE ACQUISITION**

The Board is pleased to announce that on 20 August 2018 (after trading hours), Minsheng Vocational (as the purchaser), a wholly-owned subsidiary of the Company, and the Vendors entered into the Share Purchase Agreement, pursuant to which Minsheng Vocational conditionally agreed to acquire from the Vendors, and the Vendors conditionally agreed to sell, the Sale Shares which represent 51% of the issued share capital of Leed International, at the consideration of RMB582.5 million. The Consideration shall be paid by three instalments.

On the same date subsequent to the execution of the Share Purchase Agreement, Minsheng Vocational will pay the First Installment as a deposit and the entrusted arrangement in relation to Dianchi College has commenced in accordance with the terms of the Share Purchase Agreement and the Dianchi College Management Agreement.

Details of the terms and conditions of the Share Purchase Agreement are set out below:

## **THE SHARE PURCHASE AGREEMENT**

**Date** : 20 August 2018 (after trading hours)

**Parties** : Minsheng Vocational, as the purchaser; and

Leed Education;

National Education; and

Hyde Education, as the vendors (collectively referred to as “**Vendors**”).

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, the Vendors and their respective ultimate beneficial owners are Independent Third Parties.

### **Sale Shares**

Pursuant to the Share Purchase Agreement, Minsheng Vocational conditionally agreed to acquire and the Vendors conditionally agreed to sell the Sale Shares.

The Sale Shares of 22,886,250, representing 51% of the entire issued share capital of Leed International, comprise:

- (a) 2,358,750 shares of Leed International, representing approximately 5.26% of the entire issued share capital of Leed International, to be sold by Leed Education;
- (b) 18,678,750 shares of Leed International, representing approximately 41.62% of the entire issued share capital of Leed International, to be sold by National Education; and
- (c) 1,848,750 shares of Leed International, representing approximately 4.12% of the entire issued share capital of Leed International, to be sold by Hyde Education,

in each case free from all encumbrances together with all rights to any dividend or other distribution declared, made or paid after the date of the Share Purchase Agreement.

Details of Leed International are set out in the section headed “Information on the Vendors, Leed International and the Dianchi College” in this announcement.

## **Consideration**

It is agreed that the Consideration payable by Minsheng Vocational to the Vendors for the Sale Shares shall be such amount of USD which is equivalent to RMB582.5 million. The USD equivalent of RMB60,055,750, RMB475,378,250 and RMB47,066,000 will be paid to Leed Education, National Education, and Hyde Education, respectively, pursuant to the Share Purchase Agreement in accordance with its terms.

In addition to the Consideration, pursuant to the terms of the Share Purchase Agreement, Minsheng Vocational shall be responsible to repay on behalf of Leed International a debt (the “**Debt**”) in the principal amount of the USD equivalent of RMB231 million to China Education Holdings Limited (“**China Education**”) within the thirty (30) days after completion of payment of the Consideration. To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, China Education and its respective ultimate beneficial owners are Independent Third Parties.

The Consideration was determined after arm’s length negotiations between the Company and the Vendors on normal commercial terms taking into account of, among others, (i) the shareholding structure, quality of assets of Leed International, the market valuation of the PRC education industry, the number of students and the fee tuition fee of Dianchi College, the brand and reputation and market position of Dianchi College and the future prospect of PRC education industry; and (ii) reasons and benefits of the Acquisition as stated under the section headed “Reasons for and benefits of the Acquisition” in this announcement. The Acquisition will be financed by the internal resources of the Group.

The Directors are of the view that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### ***The First Instalment***

The First Instalment amounts to a USD amount which is equivalent to RMB233 million, representing 40% of the Consideration. Out of the First Instalment, the USD equivalent of RMB24,022,300, RMB190,151,300 and RMB18,826,400 will be paid to Leed Educational, National Education and Hyde Education, respectively.

The First Instalment will be settled by Minsheng Vocational in cash within five (5) days after all documents in relation to the Acquisition required for the approval by and/or the approval application and/or filing with the Cayman Islands Registrar of Companies, the Hong Kong Companies Registry, and the relevant regulatory authorities in the PRC having been signed or executed by the relevant parties and the consent of the relevant parties having been obtained.

The First Instalment is a deposit which shall be refunded to Minsheng Vocational in the event that Minsheng Vocational terminates the Share Purchase Agreement as a result of the Vendors' breach of the Share Purchase Agreement, together with an additional amount equal to 30% of the First Instalment.

### ***The Second Instalment***

Pursuant to the terms of the Share Purchase Agreement, Minsheng Vocational and the Vendors shall jointly manage the Joint Account for the purpose of deposit of the Second Instalment.

The Second Instalment shall be amounted of USD which is equivalent to RMB116.5 million, represents 20% of the Consideration, will be deposited into the Joint Account by Minsheng Vocational to the within ten (10) working days upon completion of the transfer of the title to the Sale Shares to Minsheng Vocational and the relevant procedures in connection with such transfers, appointment of new directors to the board of directors of, and the new management teams in, Leed International, Leed HK, Leed China and Dianchi Co as contemplated under the Share Purchase Agreement.

The Second Instalment deposited in the Joint Account will be released to the Vendors at the time when Minsheng Vocational settles the Final Instalment. Out of the Second Instalment, the USD equivalent of RMB12,011,150, RMB95,075,650 and RMB9,413,200 will be released to Leed Education, National Education and Hyde Education, respectively.

### ***The Final Instalment***

The Final Instalment shall be amounted of USD which is equivalent to RMB233 million, represents 40% of the Consideration. Out of the Final Instalment, approximately RMB24,022,300 RMB190,151,300 and RMB18,826,400 equivalent USD will be paid to Leed Education, National Education and Hyde Education, respectively.

The Final Instalment will be settled by Minsheng Vocational in cash within ten (10) working days after the board of directors and legal representatives of all the subsidiaries of Leed International having been changed in accordance with the terms of the Share Purchase Agreement with new certificates issued by the relevant authorities reflecting such changes, and certain other customary conditions precedent.

### ***The Debt***

Within thirty (30) days upon the full payment of the Consideration according to the Share Purchase Agreement, Minsheng Vocational shall, on behalf of Leed HK, repay the Debt of RMB231 million or equivalent of USD to China Education.

## Completion

The day on which a new Private Non-enterprise Unit Registration Certificate (Legal Person) (民辦非企業單位登記證(法人)) is issued by the Yunnan Provincial Civil Affairs Department (雲南省民政廳) to Dianchi College shall be regarded as the date of Completion for the purpose of the Share Purchase Agreement.

Upon Completion, Leed International will become an indirect subsidiary of the Company and the financial results of Leed International will be consolidated with the Group.

## Other material terms

### *Grant of put option*

During the 4th anniversary and the 5th anniversary from the effective date of the Share Purchase Agreement, Minsheng Vocational must grant an option to the Vendors pursuant to which the Vendors shall have the right to sell to Minsheng Vocational the remaining 49% of the issued share capital of Leed International (the “**Put Option**”). Details of the Put Option are set out as follows:

Put Option : Subject to (1) the Completion and (2) the compliance with the Listing Rules and the applicable laws and regulations, Minsheng Vocational must grant the option to the Vendors during 4th anniversary and the 5th anniversary from the effective date of the Share Purchase Agreement, that is, on or after the 3rd anniversary but before the 5th anniversary of the effective date of the Share Purchase Agreement to exercise at the exercise price based on the formula as set out below.

Premium and exercise price : No premium is payable for the grant of the Put Option.

The exercise price of the Put Option shall be determined by the following formula at the time of the exercise of the Put Option:

85% of the Company’s valuation by reference to the average price-to-earnings (P/E) ratio (which shall not exceed 25 times in any event) over the preceding 3 months from the date of exercising the Put Option.

x

net profit after tax (excluding the non-recurring profits/losses) based on the audited accounts of Leed International for the preceding financial year of the date of exercising the Put Option

x

49%

In the event that the exercise price (as determined by the above formula) is less than RMB981.5 million, the exercise price of the Put Option shall be RMB981.5 million.

- Non-competition : In the event that the Vendors choose not to exercise the Put Option, the Vendors may at their discretion (and subject to certain terms of the Share Purchase Agreement) sell their respective shares in Leed International to any parties, except to any PRC or overseas educational institutions providing higher education services.
- Pre-emptive right : In the event that the Vendors choose to sell the remaining 49% shares in Leed International to other third parties, Minsheng Vocational and any companies associated with it shall have the right to purchase such remaining shares under the same conditions offered to that other third parties.

### ***The Dianchi College Management Agreement***

As a condition precedent to the payment of the First Instalment, the Dianchi College Management Agreement shall be executed by Minsheng Vocational, Chongqing Huizhi, Dianchi Co, Dianjiao AM Co and Dianchi College. Pursuant to the Dianchi College Management Agreement, Dianchi Co, Dianchi AM Co and Dianchi College shall entrust the management of Dianchi College and Dianjiao AM Co to Minsheng Vocational and Chongqing Huizhi with effect from the effective date of the Share Purchase Agreement until the Completion, and Minsheng Vocational and Chongqing Huizhi shall be entitled to the 100% profit of Dianchi College and Dianjiao AM Co during the term of the Dianchi Management Agreement as management fee.

On the same date subsequent to the execution of the Share Purchase Agreement, the entrustment arrangement in relation to Dianchi College has commenced in accordance with the terms of the Share Purchase Agreement and the Dianchi College Management Agreement.

### ***Equity Entrustment Arrangement***

Upon the Completion, Minsheng Vocational will be entrusted to manage the Leed Group, including but not limited to the remaining 49% of issued share capital of Leed International, the aspects of the assets, business operation, human resources, financial matters, all certificates and licenses, company seals and chops of the Leed International.

In return of its management services, during the management period, Minsheng Vocational is entitled to 100% net profits generated from the operations of the Leed International.

The term of such entrustment arrangement shall be the earliest of (a) the 5th anniversary after the Completion; or (b) from the Completion to the completion date of the disposal of all the shares of Leed International by the Vendors.

### ***Campus arrangement***

At present, the school campus of Dianchi College is situated certain parcels of land in Kunming, with buildings comprising a gross floor area of approximately 156,800 square meters (the “**Existing Campus**”), all of which is owned by Dianchi Co. Pursuant to the Share Purchase Agreement, the Existing Campus shall not form part of the Acquisition and shall be returned to the Vendors within 3 months after Dianchi College has constructed and moved into a new school campus in which the buildings will comprise a gross floor area of not less than 156,800 square meters. Dianchi College shall be entitled to use the Existing Campus for free until it is moved into the new school campus.

### ***Information on The Vendors***

Each of Leed Education, National Education and Hyde Education is a limited liability company established in the British Virgin Islands and is owned by a Chinese citizen respectively. As at the date of this announcement, Leed Education, National Education and Hyde Education hold 10.31%, 81.61% and 8.08% of Leed International respectively.

### ***Information on Leed International***

Leed International is a company incorporated in Cayman Islands with limited liability, its principal business is investment holding. As at the date of this announcement, Leed International (i) owns 100% equity interest in Leed HK directly; (ii) owns 100% equity interest in Leed China, Dianchi Co, Vocational Co, Dianjiao AM Co, Dianchi EM Co and Yunnan Leed indirectly; and (iii) owns the sponsorship interests of Dianchi College through Dianchi Co.

The subsidiaries of Leed International are as follow:

- (a) Leed HK is a company incorporated in Hong Kong with limited liability, its principal business is investment holding;
- (b) Leed China is a limited liability company established under the laws of the PRC, its principal businesses are education consultation, management and services;
- (c) Dianchi Co is a limited liability company established under the laws of the PRC, its principal businesses are educational consultation services for talents, scientific and technological talents and various professionals in colleges and universities.
- (d) Vocational Co is a limited liability company established under the law of the PRC. As at the date of this announcement, it has not commenced any business.



- (e) Dianjiao AM Co. is a limited liability company established under the law of the PRC, its principal businesses are management of the assets and facilities in the main campus and Yang Lin campus of Dianchi College;
- (f) Dianchi EM Co. is a limited liability company established under the law of the PRC, its principal business are management and consultation services of education projects;
- (g) Leed Yunnan is a limited liability company established under the law of the PRC, its principal businesses are educational consultation and services.

### **INFORMATION ON DIANCHI COLLEGE**

Dianchi College is a private higher education institution (an independent college) offering undergraduate courses in Kunming, Yunnan Province, China. In the 2017-2018 school year, there were approximately 18,470 students in Dianchi College. As of the date of this announcement, Dianchi College has admitted about 6,000 new students and is expected to reach approximately 19,200 students in the 2018-2019 school year. The tuition fee for the Dianchi College for the 2018-2019 school year is approximately RMB 16,000 to RMB 24,500 (the tuition fee depends on the major).

According to the Notice of the Yunnan Provincial Department of Education on the 13th Five-Year Plan for the Development of Ordinary Higher Education Scales issued by the Yunnan Provincial Department of Education on January 13, 2017, the Yunnan Provincial Department of Education gave the Dianchi College “General Higher Education 2020”. The annual development goal of the scale has reached 28,000.

### **FINANCIAL INFORMATION OF LEED INTERNATIONAL**

Set out below is the summary of consolidated financial information of Leed International as provided by the Vendors:

	<b>For the year ended 31 December 2015</b>	<b>For the year ended 31 December 2016</b>	<b>For the year ended 31 December 2017</b>	<b>For the seven months ended 31 July 2018</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Total revenue	213,323	230,721	257,137	171,967
Net profit before tax	69,769	78,703	87,739	30,158
Net profit after tax	69,711	78,578	87,638	30,112

Based on the financial information provided by Vendors, the unaudited consolidated net asset value of Leed International as at 31 July 2018 was approximately RMB204,195,000.

An accountant's report of Leed International shall be included in the circular to be despatched to the Shareholders in respect of the Acquisition.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group is principally engaged in providing private formal higher education in the PRC.

Taken into consideration that Dianchi College is (i) a quality independent colleges in PRC; (ii) improvement in the number of students enrolment in Dianchi College and the tuition fees collected by Dianchi College for next few school years; (iii) further expansion in the school network.

The Directors consider that the Share Purchase Agreement has been entered into on normal commercial terms and the terms of the Share Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

### **The Acquisition**

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition are more than 25% but less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to reporting, announcement and circular and shareholders' approval requirement under the Listing Rules.

### **The Put Option**

As the exercise price of the Put Option, the exercise of which will be subject to the discretion of the Vendors, will be determined based on the valuation of the Company and the net profit Leed International at the time of exercise of the Put Option, it is not possible to determine such exercise price before the exercise of the Put Option. Accordingly, pursuant to Rule 14.76(1) of the Listing Rules, the Directors consider that the grant of the Put Option constitutes a possible major transaction of the Company subject to notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules, as the discretion to excise such option belongs to the Vendors.

## **IMPLICATIONS UNDER THE PRC LAWS AND REGULATIONS**

According to the PRC laws and regulations, higher education is a restricted business to foreign investors and limited to Sino-foreign cooperative operations led by Chinese parties.

Dianchi College started to operate as a Sino-foreign joint venture since 2008. As confirmed by the PRC legal advisor to the Company, in accordance with the foreign investment industry guidance catalogue of the PRC which was in effect at that time, higher education belonged to the category of businesses where foreign investment was encouraged, and was limited to joint venture and cooperation. At that time, the relevant laws and regulations did not require any qualification or

experience for foreign investors to participate in the provision of higher education services. In accordance with the Legislative Law (立法法) of the PRC, laws, administrative regulations, local regulations, autonomous and separate regulations and rules are not retroactive (except for special provisions for the purpose of better protecting the rights and interests of citizens, legal persons and other organizations). In addition, Dianchi College has passed the latest annual inspection conducted by Yunnan Province Education Department and is validly existing at present. Therefore, the existing sponsor structure of Dianchi College complies with the relevant laws of the PRC.

The Acquisition will take place outside of the PRC, and the Vendors, Minsheng Vocational (i.e. the purchaser) and Leed International (i.e. the target company) are incorporated outside of the PRC. After completion of the Acquisition, only the actual controller of Dianchi Company (i.e. the sponsor of Dianchi College) will be changed, while the sponsor of Dianchi College will remain unchanged. As advised in the PRC legal advisor to the Company, under the current laws of the PRC, there is no requirement to obtain approval from or filing with the relevant Education and Civil Affairs Department in case of changes of actual controller(s) of a school sponsor. Accordingly, as the Acquisition will not directly change the sponsor of Dianchi College or its foreign investment enterprise reinvestment nature, the Acquisition will not affect the legality of the current sponsor structure of Dianchi College.

Therefore, the Group is able to exercise control over Dianchi College and consolidate the financial results of the Leed Group into the account of the Group.

## **WRITTEN SHAREHOLDER'S APPROVAL**

Under Rule 14.44 of the Listing Rules, Shareholders' approval for the Acquisition and the grant of the Put Option may be obtained by way of written Shareholders' approval in lieu of holding a general meeting if (a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting to obtain such Shareholders' approval; and (b) written Shareholder's approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% in nominal value of the issued share capital of the Company having the right to attend and vote at that general meeting to approve such transactions.

The Directors confirmed that, to the best of their knowledge, information and belief after having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the Acquisition or the grant of the Put Option. As such, no Shareholders would be required to abstain from voting in favour of the resolution approving the Share Purchase Agreement and the transactions contemplated under it.

As at the date of this announcement, Honest Cheer, the controlling shareholder of the Company holds 3,000,000,000 shares of the Company, representing approximately 74.67% of the total number of issued shares of the Company and written Shareholder' approval for the Share Purchase Agreement and the transition contemplated under it, including the Acquisition and the grant of Put Option, has been obtained from Honest Cheer. Accordingly, pursuant to Rule 14.44 of the Listing Rules, such

written Shareholder's approval may be accepted in lieu of holding a general meeting of the Company approving the terms of, and the transactions contemplated, under the Share Purchase Agreement upon satisfaction of the conditions set out under Rule 14.44 of the Listing Rules.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) details of the Acquisition; (ii) financial information of the Group; (iii) financial information of Leed International, shall be despatched within 15 business days after publication of this announcement, which is expected to be on or before 11 September 2018.

**As the Acquisition is conditional on the satisfaction (or, if applicable, waiver) of certain conditions, it may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.**

## **DEFINITIONS**

In this announcement, the following expressions shall have the following meanings unless the context otherwise requires:

“Acquisition”	Acquisition of 51% of the issued share capital of Leed International in accordance with the Share Purchase Agreement
“Board”	the board of Directors
“BVI”	British Virgin Islands
“Chongqing Huizhi”	Chongqing Huizhi Education Services Company Limited* (重慶匯智教育服務有限公司), a limited liability company established in the PRC and an indirect subsidiary of the Company
“Company”	Minsheng Education Group Company Limited (民生教育集團有限公司), a company incorporated under the laws of the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1569)
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Share Purchase Agreement
“Consideration”	the consideration of RMB582.5 million equivalent USD payable by Mincheng Vocational for the Acquisition
“Dianjiao AM Co”	Yunnan Dianjiao Asset Management Company Limited* (雲南滇教資產管理有限公司), a company established under the laws of the PRC and a wholly-owned subsidiary of Leed International

“Dianchi Co”	Yunnan Dianchi Education Training Company Limited* (雲南滇池教育培訓有限公司), a company established under the laws of the PRC and a wholly-owned subsidiary of Leed International
“Dianchi College”	Yunnan University Dianchi College (雲南大學滇池學院), an institution of full-time private undergraduate education college
“Dianchi EM Co”	Yunnan Dianchi Education Management Company Limited* (雲南滇池教育管理有限公司), a company established under the laws of the PRC and a wholly-owned subsidiary of Leed International
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Honest Cheer”	Honest Cheer Investments Limited (誠悅投資有限公司), a company incorporated in BVI
“Hyde Education”	Hyde Education Holding Limited, a company incorporated in BVI
“Independent Third Parties”	has the meaning ascribed thereto under the Listing Rules
“Joint Account”	the joint account to be opened in accordance with a joint management bank account agreement to be entered into between Minsheng Vocational and the Vendors on the date of the Share Purchase Agreement
“Leed China”	Leed (China) Education Technology Company Limited (勵德(中國)教育科技有限公司), a company established under the laws of the PRC and a wholly-owned subsidiary of Leed International
“Leed Education”	Leed Education Holding Limited, a company incorporated in BVI
“Leed HK”	Leed International Education Group (China) Limited (勵德國際教育集團(中國)有限公司), a company incorporated in Hong Kong and a wholly-owned subsidiary of Leed International
“Leed International”	Leed International Education Group Inc. (勵德國際教育集團公司), a company with limited liability incorporated in the Cayman Islands
“Leed Yunnan”	Yunnan Leed Education Technology Company Limited* (雲南勵德教育科技有限公司), a company established under the laws of the PRC and a wholly-owned subsidiary of Leed International

“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Minsheng Vocational”	Minsheng Vocational Education Company Limited, a company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of the Company
“National Education”	National Education Holding Limited, a company incorporated in BVI
“PRC”	the People’s Republic of China, which for the purpose of this announcement and unless context suggests otherwise, excludes Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“Put Option”	the option granted by Minsheng Vocation to the Vendors to sell the remaining 49% of the issued share capital of Leed International pursuant to the Share Purchase Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	22,886,250 shares in the capital of Leed International, representing 51% of the entire issued share capital of Leed International
“Share Purchase Agreement”	the share purchase agreement entered into between the Vendors and Minsheng Vocational in relation to the Acquisition
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USD”	United States dollars, the lawful currency for the time being of the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“Vendors”	Leed Education, National Education and Hyde Education

“Vocational Co”

Yunnan Dianchi Vocational College Company Limited (雲南滇池職業學院有限公司), a company established under the laws of the PRC and a wholly-owned subsidiary of Leed International

“%”

per cent.

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

Hong Kong, 21 August 2018

*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*