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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)**

**DISCLOSEABLE TRANSACTION**  
**ACQUISITION OF 100% ISSUED SHARE CAPITAL IN TCL**  
**EDUCATIONAL WEB LIMITED WHICH INDIRECTLY HOLDS 50%**  
**OF EQUITY INTEREST IN BEIJING OPEN DISTANCE EDUCATION**  
**LONG DISTANCE EDUCATION CENTRE COMPANY LIMITED**  
**AND**  
**80% OF EQUITY INTERESTS IN SILK ROAD (BEIJING) INTERNATIONAL**  
**EDUCATION TECHNOLOGY CENTRE COMPANY LIMITED**

**THE ACQUISITION**

The Board is pleased to announce that on 25 March 2020 (after trading hours), TCL Technology and Minsheng Education Technology, a wholly-owned subsidiary of the Company entered into the Share Purchase Agreement, pursuant to which Minsheng Education Technology agreed to acquire, and TCL Technology agreed to sell, 100% of the issued share capital of TCL Educational Web, at a total consideration of RMB420,000,000 equivalent USD. Upon Completion, Minsheng Education Technology will hold 100% of the issued share capital in TCL Educational Web and will indirectly hold 50% of the equity interests in Open Distance Education through Open University Online and 80% of the equity interests in Silk Road through Shenzhen TCL.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under the Listing Rules and is therefore subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

## **THE ACQUISITION**

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The following sets out the major terms of the Share Purchase Agreement:

### **SHARE PURCHASE AGREEMENT**

Date : 25 March 2020 (after trading hours);

Parties : Minsheng Education Technology, as the purchaser; and  
TCL Technology, as the vendor.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, TCL Technology and its ultimate beneficiary owner are the Independent Third Parties of the Company and its connected persons.

For further information on TCL Technology, please refer to the paragraph headed "Information on TCL Technology, TCL Educational Web, Open Distance Education and Silk Road" below in this announcement.

### **Target Shares**

According to the Share Purchase Agreement, Minsheng Education Technology agreed to acquire and TCL Technology agreed to sell the Target Shares, i.e. 5,522,829 shares of TCL Educational Web, which is the entire issued share capital of TCL Education Web.

### **Consideration**

Both parties agreed that Minsheng Education Technology will pay a total of RMB420,000,000 equivalent USD to TCL Technology for the Target Shares as the consideration for the Acquisition.

The Consideration was determined after arm's length negotiations between the Company and TCL Technology on normal commercial terms, taking into account (among others) (i) the equity structure of TCL Educational Web, the brand, reputation, industry status, business, number of students, asset quality of Open Distance Education and Silk Road which are hold directly or indirectly by TCL

Educational Web and the future prospects of online education business in the PRC; and (ii) the reasons and benefits of the Acquisition are set out in the paragraph headed “Reasons and benefits of the Acquisition” below in this announcement.

The Directors consider that the Consideration is fair, reasonable and in the interests of the Company and its shareholders.

## **Payment of the Consideration**

### ***The first instalment***

The first instalment will be RMB214,200,000 equivalent USD, i.e. 51% of the Consideration. After TCL Technology issued a certificate to Minsheng Education Technology that the following conditions precedent, among others, have been fulfilled and is reasonably confirmed by Minsheng Education Technology in accordance with the Share Purchase Agreement, Minsheng Education Technology shall pay TCL Technology the first instalment:

- 1) the Share Purchase Agreement is officially signed and becomes effective;
- 2) all documents required for the change of shareholders and directors of TCL Educational Web have been submitted to and accepted by its secretarial service agency in Hong Kong for forward submission to the company registry of the BVI;
- 3) the related directors of Shenzhen TCL, Silk Road, Open University Online, Open Distance Education have respectively signed the Acting-in-Concert Agreement with Minsheng Education Technology and express their opinions and exercise their voting rights or decision making rights in strict accordance with the written resolutions of Minsheng Education Technology; and
- 4) the registration and/or filing documents that are required to be submitted to the administrative department of industry and commerce for the relevant changes of directors of Shenzhen TCL and Silk Road, change(s) of legal representative, and amendments to the articles of association of Shenzhen TCL have been duly signed.

Pursuant to the Share Purchase Agreement, while Minsheng Education Technology provides TCL Technology with the remittance voucher for which the first instalment has been paid in accordance with the Share Purchase Agreement, TCL Technology shall deliver the seal and relevant registration certificate, bank account information (including seal card) of TCL Educational Web to Minsheng Education Technology. Further, within fifteen (15) working days from the date of the payment of the first instalment, TCL Technology shall hand over to Minsheng Education Technology (i) a new share certificate and an updated register of members of TCL Educational Web reflecting the change of shareholder and that Minsheng Education Technology holds the Target Shares; (ii) an updated register of directors of TCL Educational Web reflecting the appointments of directors designated by Minsheng Education Technology as directors of TCL Educational Web; and (iii) other required documents in accordance with the Share Purchase Agreement.

### ***The second instalment***

The second instalment will be RMB105,000,000 equivalent USD, i.e. 25% of the Consideration. Within ten (10) working days from the issuance of the certificate by TCL Technology that the following conditions precedent have been fulfilled (if there is any objection, Minsheng Education Technology will submit it within (10) working days after receiving the certificate), Minsheng Education Technology shall pay to TCL Technology the second instalment:

- 1) the legal representatives, directors, supervisors and managers of Shenzhen TCL and Silk Road have been changed to be representatives designated by Minsheng Education Technology and the amendments to the articles of association of Shenzhen TCL have been completed in change and registration with the relevant administrative department of industry and commerce in accordance with the Share Purchase Agreement, and a new business license have been issued by the China Administration for Industry and Commerce with the person designated by Minsheng Education Technology as the legal representative; and
- 2) TCL Technology shall deliver all seals (including official seal, financial seal, contract seal, etc.) of Shenzhen TCL and Silk Road, and related business licenses, account opening permits, institutional credits, bank account information to the entity designated by Minsheng Education Technology for safe-keeping, management and use.

### ***The third instalment***

The third instalment will be RMB100,800,000 equivalent USD, i.e. 24% of the Consideration. Within ten (10) working days from the issuance of the certificate by TCL Technology that the following conditions precedent have been fulfilled (if there is any objection, Minsheng Education Technology will submit it within (10) working days after receiving the certificate), Minsheng Education Technology shall pay to TCL Technology the third instalment:

- 1) the directors of Open University Online have been replaced by the representatives designed by Minsheng Education Technology and the related registration procedures for industrial and commercial changes for the change of directors have been completed in accordance with the Share Purchase Agreement;
- 2) except as disclosed in the Share Purchase Agreement in relation to its external debt and guarantees, the Target Group has no other material debts and no other external guarantees that have not been fulfilled, as of 29 February 2020; and
- 3) Open University Online or other qualified entities (directly or indirectly) designated by the shareholder of Open University Online obtain relevant intellectual property rights from Open Culture

Should the prerequisites for the payment of the second instalments have been met and Minsheng Education Technology failed to pay on time, and after the written notice still failed to pay within 60 days, Minsheng Education Technology shall return the Target Company's shares in proportion to the unpaid amount.

## **Completion**

Pursuant to the Share Purchase Agreement, the Completion Date shall be the next following day after the following conditions precedent have been fulfilled:

- 1) TCL Technology has received at least 51% of the Consideration;
- 2) the materials provided by TCL Technology to Minsheng Education Technology in relation to the Target Group, the Target Shares and the representations, warranties and undertakings made in the Share Purchase Agreement remain true and accurate in all major respects as of the Completion Date; and
- 3) four (4) directors appointed by TCL Technology to Open University Online through TCL Educational Web have been replaced by the representatives designated by Minsheng Education Technology, and the related changes of these directors have completed the industrial and commercial changes and registration procedures as agreed in the Share Purchase Agreement.

## **INFORMATION ON TCL TECHNOLOGY, TCL EDUCATIONAL WEB, OPEN DISTANCE EDUCATION AND SILK ROAD**

### ***TCL Technology***

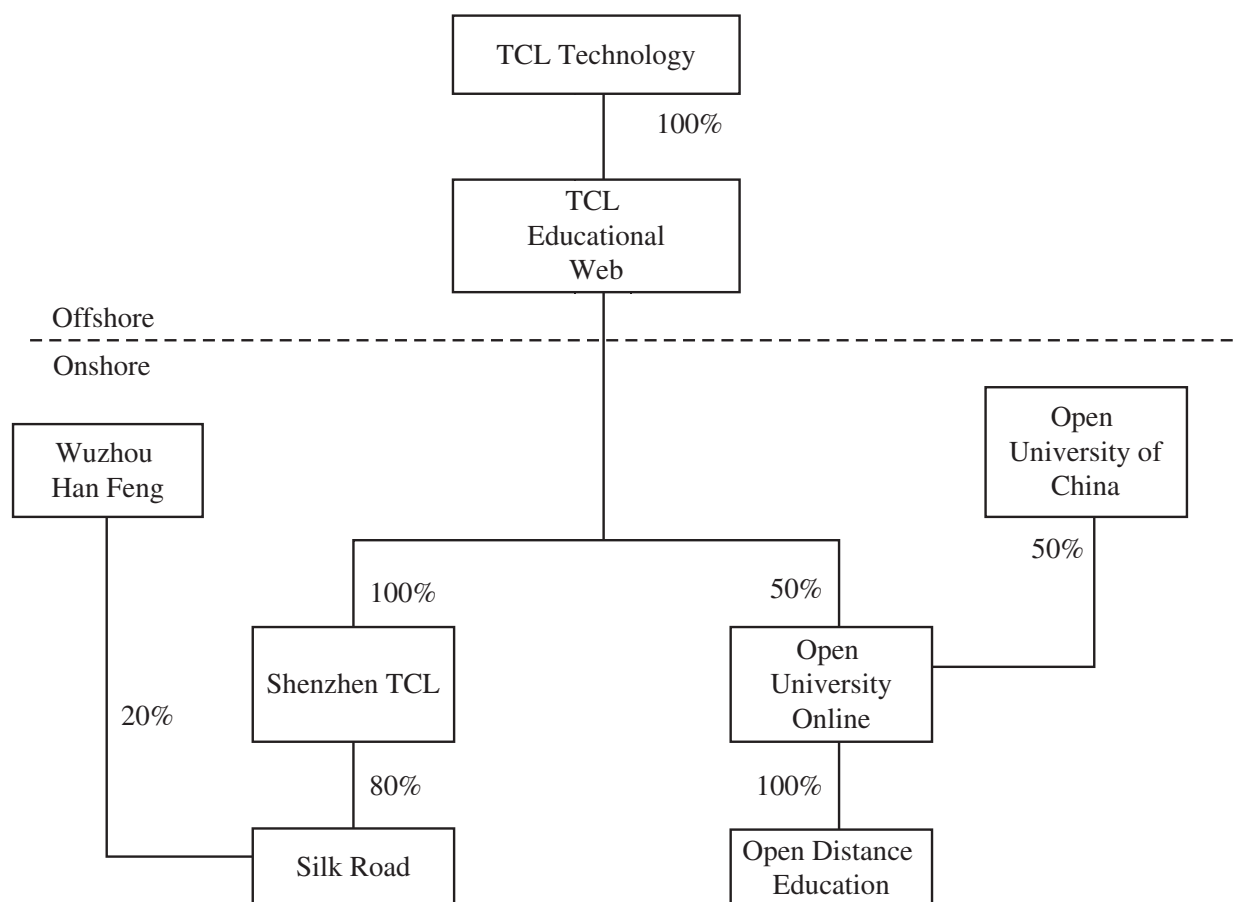
TCL Technology is an investment holding company incorporated in Hong Kong with limited liability. As of the date of this announcement, TCL Technology holds 100% of the issued share capital of TCL Educational Web. TCL Technology is a subsidiary of TCL Technology Group Co., Ltd. (listed on the Shenzhen Stock Exchange, stock code: 00100).

### ***TCL Educational Web***

TCL Educational Web is an investment holding company incorporated in the BVI with limited liability. As of the date of this announcement, TCL Educational Web:

- (i) directly holds 100% equity interests in Shenzhen TCL;
- (ii) directly holds 50% equity interests in Open University Online;
- (iii) indirectly holds 50% equity interests in Open Distance Education; and
- (iv) indirectly holds 80% equity interests in Silk Road.

The following sets forth the shareholding structure of TCL Educational Web and its subsidiaries at the date of the Share Purchase Agreement:



Below sets out the information of the subsidiaries of TCL Educational Web:

***Open University Online***

Open University Online is a limited liability company established under the law of the PRC on 2 April 2001. It is mainly engaged in the wholesale and retail of domestic books, newspapers, and periodicals; development and production of computer software, hardware, and distance education software; technology development of information networks and other businesses.

As at the date of this announcement, Open University Online holds 100% equity interests of Open Distance Education.

***Open Distance Education***

Open Distance Education is a limited liability company established under the law of the PRC on 26 September 2003 and is mainly engaged in distance education, teaching support services, training, computer software and hardware development, technical consulting, technical training, technical development, technical services, sales of self-developed products and other businesses.

Open Distance Education is the first domestic distance education public service system officially approved by the Ministry of Education of the PRC, the only national distance education public service system, and the largest distance education service operator in PRC. Its principal business includes four sectors: academic education services, MOOC education, continuing education for teachers and vocational education.

### *1. Academic education services*

Open Distance Education cooperates with 43 national-wide prestigious universities and provides academic education support services to students through the learning centres of Open Distance Education across the country. Through these learning centers, students can enroll in more than 140 academic programs in nine discipline categories, including the junior college sub-degree programs starting from high school level, bachelor's degree programs starting from high school level, bachelor's degree programs starting from junior college level, and dual bachelor's degree programs etc.

Open Distance Education provides 7 categories of services to partner universities, including:

- (1) Provide network technology platform and resource transmission;
- (2) Provide teaching support services;
- (3) Provide student support services;
- (4) Provide distance reception services;
- (5) Provide recruitment advertising and marketing services;
- (6) Provide examination services;
- (7) Undertake other specific services entrusted by the educational authorities and partner universities (or educational providers).

**Partner Universities:** the 43 national-wide prestigious partner universities includes Peking University, Renmin University of China, Nankai University, Tianjin University, Xi'an Jiaotong University, Sichuan University, Jilin University, Beijing Normal University, University of Electronic Science and Technology of China, Northwestern Polytechnical University, Dalian University of Technology and other "Double First Class" Initiative Universities (Class A).

**Size of Students:** as at 31 December 2019, Open Distance Education provided academic education service to approximately 1.15 million enrolled students at undergraduate level and junior college level.



Network coverage: as at 31 December 2019, Open Distance Education had 1,479 learning centres covering 31 provinces, autonomous regions and municipalities directly under the central government in the PRC.

## 2. *Massive Online Open Course (“MOOC”) Education*

Open Distance Education provides MOOC education on IMOOC (慕課網). IMOOC is a platform launched in September 2013 focusing on IT online education. It is currently the largest mobile Internet IT online education platform in China, focusing on cultivating practical-oriented technical professionals for enterprises with users all over the world, covering USA, UK, Australia, Hong Kong China, Taiwan China and other countries and regions.

**Size of users:** as at 31 December 2019, Open Distance Education’s IMOOC has approximately 7.16 million registered users and approximately 200,000 paying users.

## 3. *Continuing education for teachers*

Open Distance Education is one of the first batch of recommended teacher distance training institutions of the National Cultivation Plan” initiated by the Ministry of Education of the PRC and has established a complete curriculum system facing to teachers at all levels of pre-school education, compulsory education, and high school curriculum reform projects, covering all 23 subjects. Open Distance Education extends its business coverage in teacher training, government officials training, specialized training, etc., providing a full range of distance training support services for educational administrations, universities and colleges, teacher development centres and other educational institutions across the country.

**Partner Schools:** as at 31 December 2019, Open Distance Education had commenced cooperation with 281 schools in continuing education for teachers, within which 176 are contracted schools and 105 are further education school, covering 23 provinces, municipalities and autonomous regions nationwide.

**Size of Trainees:** Open Distance Education had trained approximately 975,000 teachers in 2019 annually.

## 4. *Vocational education*

In terms of vocational education, Open Distance Education mainly provides vocational or professional qualification certificate training. As at 31 December 2019, Open Distance Education is cooperating with 16 junior colleges.



## ***Shenzhen TCL***

Shenzhen TCL is a limited liability company established under the law of the PRC on 11 October 2004 and is mainly engaged in the technical development of computer software, education software, hardware and information networks, and providing related technical services and sales of self-developed products, etc.

As at the date of this announcement, Shenzhen TCL holds 80% equity interests in Silk Road.

## ***Silk Road***

Silk Road is a limited liability company established under the law of the PRC on 18 February 2011 and is mainly engaged in technology development, services, promotion, education consulting, computer technology training and other businesses.

Silk Road is a professional distance examination service under the Confucius Institute Headquarters (Hanban). In April 2010, it became the first online examination site for the Chinese Proficiency Test (HSK) in China, and is responsible for the expansion of the global Chinese Proficiency Test network and undertake the construction of the online examination system. As at 31 December 2019, Silk Road has 80 online examination centres in China and 9 online examination centres abroad.

Set out below is the summary of consolidated financial information of TCL Educational Web, according to the financial information provided by TCL Technology:

	<b>As at 31 December 2018 RMB (Unaudited)</b>	<b>As at 31 December 2019 RMB (Unaudited)</b>
Revenue	7,520,871	13,768,527
Profit before tax ( <i>Note</i> )	24,246,011	23,421,029
Profit after tax ( <i>Note</i> )	17,878,785	23,240,277

*Note:* Included profit before tax and profit after tax of Open University Online, the joint venture, attributable to TCL Educational Web under the accounting equity method.

According to the financial information provided by TCL Technology, the unaudited net assets of TCL Educational Web was RMB164,475,694 as of 31 December 2019.

## REASONS FOR AND BENEFITS OF THE ACQUISITION

The Directors consider that the “Internet + Education” and the online and offline education integration are the primary industry trend and the great opportunity of the future development of education trends. In addition, the development of online education is in line with the national policy orientation and the Company’s “Campus Education + Online Education” integrated development strategy.

The benefits of the Acquisition are mainly reflected in:

1. *Creating synergies.* The Company and Open Distance Education will integrate the existing campus education and online education resources including teachers, majors, courses, scientific research, technology, funds, campus facilities and other resources, complement each other’s advantages, coordinate the development, create a brand of quality education and achieve a win-win situation.
2. *Conductive to the development of vocational education.* In combination with the policies of credit banks and “1+X” certificates advocated by the State, the Acquisition will expand business orientation, provide education enhancement and vocational skill training for social groups including ex-servicemen, laid-off and unemployed workers, migrant workers and new-type professional farmers, promote the collaborative development of degree education and vocational education, and realize the online layout of “Degree Education+ Vocational Education”.
3. *Tremendous future development potential.* Open Distance Education, as a leading long-distance degree education company in China, has a good foundation for development and has a high position in the industry, business scale, brand, network platform, technology and management level and cooperative colleges and universities. The Company, through the nationwide Open Distance Education’s learning centers network, will realize the nationwide development layout of 31 provinces, autonomous regions and municipalities directly under the central government, and may further exploit the cooperation with universities and colleges at home and abroad, further increase market shares, improve service quality and expand business territory at home and abroad in the future.

The Directors consider that the national policies encourage the development of online education, the construction of education systems serving the lifelong learning of the public, the improvement of a coordinated development mechanism for vocational and technical education, higher education and continuing education, exerting the advantage of online education and artificial intelligence, the innovation of education and learning methods, the development of a more open and flexible education system suitable for and open to everyone and building a study-oriented society. On the basis of policies such as the *Guiding Opinions of Eleven Departments Including the Ministry of Education on Promoting the Healthy Development of Online Education* (《教育部等十一部委關於促進線上教育健康發展的指導意見》), the online education market has tremendous potential and will continue to bring new long-term development opportunities to the Group.

The Directors are of the view that the Acquisition is on normal commercial terms, which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

When the opportunity arises in future, the Company shall actively pursue the further acquisition of the remaining equity interests in Open University Online with a view to attain a controlling interest in Open University Online. The Company shall make announcement (s) as and when appropriate in accordance with the Listing Rules.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

## **DEFINITION**

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

Acquisition	the acquisition of 100% of the issued share capital in TCL Educational Web according to the Share Purchase Agreement
Board	the Board of Directors
BVI	British Virgin Islands
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 pursuant to the Share Purchase Agreement
Completion Date	the day of all terms and conditions of Completion are fulfilled according to the Share Purchase Agreement
Director(s)	director(s) of the Company
Consideration	RMB420,000,000 equivalent USD, the aggregate amount to be paid for the Acquisition by Minsheng Education Technology pursuant to the Share Purchase Agreement

Acting-in-Concert Agreement	An acting-in-concert agreement entered into between Minsheng Education Technology and the 13 directors of Shenzhen TCL, Silk Road, Open University Online and Open Distance Education
Open University Online	Open University Online Long Distance Learning Education Technology Company Limited* (電大在線遠程教育技術有限公司), a company established in the PRC
The Group	the Company and its subsidiaries
Independent Third Party(ies)	has the meaning ascribed thereto under the Listing Rules
Listing Rules	The Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
Minsheng Education Technology	Minsheng Education Technology Company Limited (民生教育科技有限公司), a limited liability company incorporated in the Cayman Islands and an indirectly wholly-owned subsidiary of the Company
Open Distance Education	Beijing Open Distance Education Centre Company Limited* (北京奧鵬遠程教育中心有限公司), a company established in the PRC
Open Culture	Beijing Open Culture Media Company Limited* (北京奧鵬文化傳媒有限公司), a company established in the PRC, an Independent Third Party.  As at the date of this announcement, Open Culture holds some qualifications and intellectual property rights.
PRC	the People's Republic of China, which for the purpose of this announcement and unless context suggests otherwise, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
RMB	Renminbi, the lawful currency of the PRC
Share Purchase Agreement	a share purchase agreement entered into between Minsheng Education Technology and TCL Technology in relation to the Acquisition
Shareholder(s)	Shareholder(s) of the Company
Shenzhen TCL	Shenzhen TCL Education Technology Company Limited* (深圳TCL教育科技有限公司), a company established in the PRC

Silk Road	Silk Road (Beijing) International Educational Technology Center Company Limited* (絲綢之路(北京)國際教育科技中心有限公司), a company established in the PRC
Stock Exchange	The Stock Exchange of Hong Kong Limited
Target Company	TCL Educational Web
Target Group	TCL Educational Web, Shenzhen TCL, Silk Road, Open University Online, Open Distance Education and its subsidiaries
Target Shares	5,522,829 shares of TCL Educational Web, being 100% of the issued share capital of TCL Educational Web
TCL Educational Web	TCL Educational Web Limited, a limited liability company incorporated in the BVI
TCL Technology	TCL Technology Investments Limited, a company incorporated in Hong Kong
USD	US lawful currency
Wuzhou Han Feng	Wuzhou Han Feng Education Technology (Beijing) Company Limited* (五洲漢風教育科技(北京)有限公司), a company established in the PRC
%	Percentage

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

Hong Kong, 25 March 2020

*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*