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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)

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

Reference is made to the announcement dated 25 March 2020 (the “**Announcement**”) issued by Minsheng Education Group Company Limited (民生教育集团有限公司) (the “**Company**”) in relation to the acquisition of 100% issued share capital in TCL Educational Web which indirectly holds 50% equity interests in Beijing Open Distance Education Centre Company Limited* (北京奧鵬遠程教育中心有限公司) and 80% equity interests in Silk Road (Beijing) International Educational Technology Centre Company Limited* (絲綢之路(北京)國際教育科技中心有限公司). Unless otherwise stated, terms defined in the Announcement shall have the same meanings when used in this announcement.

To enable the Shareholders and potential investors of the Company to better understand the Share Purchase Agreement, the Company would like to provide additional information in the aspects of (i) basis of determination of the Consideration; (ii) beneficial owners of the parties involved in the Share Purchase Agreement; and (iii) the relevant laws and regulations in the PRC in relation to the businesses conducted by Open Distance Education and Silk Road.

I. BASIS OF DETERMINATION OF THE CONSIDERATION

As disclosed in the Announcement, the Consideration was determined by the parties through arm’s length negotiation. In determining the Consideration, the Company has taken into account of, among others, (i) the financial information of TCL Educational Web as disclosed in the

Announcement, which reflected the relevant financial conditions and performance of its subsidiaries by way of consolidation and its joint venture, Open University Online, by way of the equity method; (ii) the 50% indirect equity interests in Open Distance Education and 80% indirect equity interests in Silk Road owned by TCL Educational Web, as well as the following factors:

- (1) *industry status*. Open Distance Education is the largest distance education service operator and is one of the three distance education service operators qualified to conduct such business in the PRC and the only one qualified to conduct such business nationally in the PRC;
- (2) *broad market coverage*. Being the largest distance education service operator in the PRC, as at 31 December 2019, it had 1,479 learning centres, covering 31 provinces, municipalities and autonomous regions in the PRC, which provides the students and registered users of Open Distance Education's services with the convenience to enjoy such services regardless of which region in the PRC they may be located from time to time, which is a competitive advantage of Open Distance Education;
- (3) *total students and users*. As at 31 December 2019, Open Distance Education provided academic education service to approximately 1.15 million of undergraduate and junior college students; and its IMOOC had approximately 7.16 million registered users and approximately 200,000 paid users. For the year of 2019, Open Distance Education had also provided training to around 975,000 teachers. Given that the PRC government promotes "lifelong learning" and encourages lifelong, universal and extensive learning, such user base represents a source of repeat customers;
- (4) *partner schools*. Open Distance Education currently cooperates with 43 nationwide prestigious universities, including 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). Through collaborating with different universities, Open Distance Education is able to provide more variety of subject and program choices to their students that suit their different needs or interests;
- (5) *school quality*. At the 2019 (18th) China Distance Education Conference in 2019 (2019年(第十八屆)中國遠程教育大會), six learning centres of Open Distance Education won the honorary title of "National Outstanding Learning Center of Modern Distance Education in Modern Universities" (全國高校現代遠程教育優秀校外學習中心); and the number of awards received by Open Distance Education ranked the first among all nationwide institutions and service operators providing distance web education. Such recognition enhances the brand of Open Distance Education, thereby attracting new students while infusing confidence in existing students regarding their learnings in Open Distance Education; and

- (6) *growth potential of online education industry in the PRC.* According to the analysis report of “China’s Online Education Industry Market Forecast and Investment Strategy Analysis Report” (《中國在線教育行業市場前瞻與投資戰略規劃分析報告》) issued by China Foresight Industry Research Institute (中國前瞻產業研究院) in August 2019, it is predicted that the size of China’s online education market will reach RMB315 billion by 2020 and a compound growth rate of about 19.2% from 2016 to 2020. According to Introduction to the Development of Education in 2018 (2018年教育事業發展有關情況介紹) released by the Ministry of Education, there were approximately 8.25 million online undergraduate and junior college students nationwide in 2018, with a year-over-year growth rate of approximately 12.19%.

The Directors are of the view that the achievements and competitive advantages mentioned in factors (1) to (5) above positively differentiate Open Distance Education from its competitors and will enable it to take advantage of the overall industry growth as mentioned in factors (6). In particular, the recognized leading position in the industry and a long history of successful operation contributes to the brand of Open Distance Education, which, according to a 2019-2020 online education industry research report published by iMedia Research (a marketing research institution headquartered in Guangzhou, the PRC), brand is one of the key factors considered by potential users in deciding which online education service provider to use. Although Open Distance Education is not a subsidiary of TCL Educational Web, TCL Educational Web’s pro rata share of its net profit, through Open University Online, will be recorded as investment income of TCL Educational Web in accordance with the equity method under IFRS and hence the profitability of Open Distance Education and the growth of such profitability will have a direct impact on the financial performance of TCL Educational Web. As the value of these factors are primarily in how they will drive future growth of the business of Open Distance Education, such value may not be fully reflected in the historical financial information of TCL Educational Web, but is reflected in the implied P/E ratio of TCL Educational Web in the Acquisition, which is discussed below.

As part of its due diligence, (i) with the assistance of the legal adviser to the Company as to the laws of the PRC, Global Law Office (the “**PRC Legal Advisor**”), the Company has conducted public searches on Shenzhen TCL, Silk Road, Open University Online, Open Distance Education and Open Culture and has reviewed their respective documents filed with Administration for Market Regulation of the PRC; (ii) the Company interviewed with the management of Silk Road and Open Distance Education in order to understand their daily business operation; and (iii) the Company interviewed with TCL Technology, Open Distance Education and its shareholders in order to ascertain the cooperation between Open Culture and Open Distance Education.

In terms of the valuation of TCL Educational Web (which has taken into account of its investments in subsidiaries and joint ventures, i.e. including its investment in Open University Online and Silk Road) by reference to its earnings and net assets, based on the financial information of TCL Educational Web provided by TCL Technology, as at 31 December 2019, (i) its unaudited net profit after tax amounted to approximately RMB23,240,277, representing an

implied P/E ratio (“**P/E ratio**”) of approximately 18 times; and (ii) its unaudited net assets amounted to approximately RMB164,475,694, representing an implied price-to-book ratio (“**P/B ratio**”) of approximately 2.6 times.

By way of illustration, the table below sets forth certain acquisitions of online education business companies conducted in the past three years by other issuers listed on the Stock Exchange, Shanghai Stock Exchange or Shenzhen Stock Exchange which the Company considers comparable to the Acquisition.

Listed companies and its principal business	Transaction nature and total consideration	Net profit/(loss) of the target	Net asset/ (liabilities) of the target	Implied P/E ratio	Implied P/B ratio
Koolearn Technology Holding Limited (Stock Exchange stock code: 1797), an online education service provider in China	Acquisition of 49% equity interests in a target company, which is an online education service operator that provides recording courses, at a total consideration of RMB94 million ⁽¹⁾	(RMB49,700,000)	(RMB64,400,000)	Not applicable as the target company was in a loss position	Not applicable as the target company was in a loss position
NetDragon Websoft Holdings Limited (stock code: 777), a company with principal business including online and mobile game development, education business and mobile solution, products and marketing	Acquisition of a target company, which is a global education network offering a free communication and collaboration platform to K-12 schools targeting teachers, students, administrators and parents, by way of merger at a total consideration of US\$137,500,000 ⁽²⁾	(US\$19,515,000)	US\$5,027,000	Not applicable as the target company was in a loss position	27.4x
北京立思辰科技股份有限公司 (Beijing Lanxum Technology Co., Ltd.*) (Shenzhen Stock Exchange stock code: 300010), an education service provider in China	Acquisition of 39% equity interests in a target company, which is an online and offline education service provider, at a consideration of RMB702 million ⁽³⁾	RMB23,211,829	RMB63,424,278	77.5x	28.3x

Listed companies and its principal business	Transaction nature and total consideration	Net profit/(loss) of the target	Net asset/(liabilities) of the target	Implied P/E ratio	Implied P/B ratio
長沙開元儀器股份有限公司 (Changsha Kaiyuen Instruments Co., Ltd.) (Shenzhen Stock Exchange stock code: 300338), a research and development, production and sales provider of coal quality testing equipment company in China	Acquisition of 30% equity interests in a target company, which is an online education service provider, at a consideration RMB144 million ⁽⁴⁾	RMB27,621,400	RMB70,976,200	17.4x	6.8x
中國高科集團股份有限公司 (China Hi-Tech Group Co., Ltd.) (Shanghai Stock Exchange stock code: 600730), an educational technology service provider in China	Acquisition of 51% equity interests in a target company, which is a medical mobile online learning solutions and platform provider, at a consideration of RMB114 million ⁽⁵⁾	RMB6,415,991	RMB30,757,526	35x	7.3x

Notes:

- (1) Based on the information set out in the announcement of Koolean Technology Holding Limited dated 16 August 2019.
- (2) Based on the information set out in the announcement of NetDragon Websoft Holdings Limited dated 8 April 2018.
- (3) Based on the information set out in the announcement of 北京立思辰科技股份有限公司 (Beijing Lanxum Technology Co., Ltd.*) dated 5 November 2018.
- (4) Based on the information set out in the announcement of 長沙開元儀器股份有限公司 (Changsha Kaiyuen Instruments Co., Ltd.) dated 4 June 2019.
- (5) Based on the information set out in the announcement of 中國高科集團股份有限公司 (China Hi-Tech Group Co., Ltd.) dated 30 June 2017.

The above transactions were selected as references by the Directors when considering the valuation of the Acquisition, based on the following criteria: (1) the acquisition took place within the past three years; (2) the main business of the target company is the provision of online education service; and (3) the purchaser is a listed company (in Hong Kong, Shanghai or Shenzhen, as the case may be), which represent the key characteristics of the Acquisition.

As illustrated in the table above, the implied P/E ratio of the above comparable companies ranged from 17.4x to 77.5x, and with an average of 43.3x; and the implied P/B ratio of the above comparable companies ranged from 6.8x to 28.3x, with an average of 17.5x. The implied P/E ratio of TCL Educational Web falls within the relevant range but below the average of that of the comparable transactions and the P/B ratio of TCL Educational Web is lower than both the range and average of that of the comparable transactions. In light of the consideration for the comparable transactions and the financial performance and conditions of the targets in such transactions, the amount of the Consideration represents a favorable price for the level of financial performance and conditions of the targets to be acquired under the Acquisition from the Company's perspective. No other quantitative factors other than the implied P/E ratio and P/B ratio as set out above were taken into account in the determination of the Consideration.

Accordingly, the Directors considered that these transactions are comparable transactions which are fair and representative references for the Acquisition; and are of the view that the Consideration is fair and reasonable.

II. INFORMATION ON BENEFICIAL OWNERS OF PARTIES INVOLVED IN THE SHARE PURCHASE AGREEMENT

The Open University of China

According to publicly available information, The Open University of China is a new type of university under the direct supervision of the Ministry of Education of the PRC. It provides distance and open education supported by modern information technology, including degree education and non-degree continuing education services to public. The beneficial owner of The Open University of China is the Ministry of Education of the PRC.

Wuzhou Han Feng

According to publicly available information, Wuzhou Han Feng is principally engaged in technology development, technical services, technical consulting, economic and trade consulting, corporate planning and organization of cultural and artistic exchange activities. Wuzhou Han Feng is also as a high-tech enterprise (高新技術企業) directly under Confucius Institute Headquarters (Hanban) (孔子學院總部/國家漢辦), which in turns is a direct unit under the Ministry of Education of the PRC. The beneficial owner of Wuzhou Han Feng is Confucius Institute Headquarters (Hanban).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, The Open University of China and Wuzhou Han Feng are Independent Third Parties, and that each of TCL Technology, The Open University of China and Wuzhou Han Feng and their respective ultimate beneficial owners does not have any other past or present relationships (formal or informal, business or otherwise) with the Company or its connected persons.

Open University Online

The Company would like to clarify that upon completion of the Acquisition, Open University Online and its subsidiaries will become joint ventures but not subsidiaries of the Company. Open University Online was established jointly by TCL Educational Web and The Open University of China. As at the date of the Share Purchase Agreement and the date of this announcement, (i) Open University Online holds 100% equity interests in Open Distance Education; and (ii) Open University Online is owned as to 50% by TCL Educational Web and 50% by the Open University of China. Open University Online is accounted for as a joint venture of TCL Educational Web under equity method of accounting. Upon completion of the Acquisition, the Company's interest in Open University Online comes from the investment to joint venture using equity method in accordance with IFRS. The investment in Open University Online as a joint venture will be stated in its consolidated statement of financial position at the Group's share of net assets under equity method of accounting, less any impairment loss, if any. The Group's share of result and other comprehensive income of Open University Online as a joint venture will be included in its consolidated statement of profit and loss and other comprehensive income.

III. RELEVANT LAWS AND REGULATIONS IN THE PRC

As advised by the PRC Legal Advisor, the business carried out by each of Open Distance Education and Silk Road is not a restricted business in the PRC nor subject to any ownership percentage restriction or prior experience in and a proven track record of operating such business in the PRC on the following bases:

Silk Road

According to the information provided by TCL Technology, Silk Road provides domestic and foreign users with online Chinese proficiency test (HSK) services and Certificate for Teachers of Chinese to Speakers of Other Languages (CTCSOL) test services, and comprehensive technology supports for testing. Silk Road was established jointly by Shenzhen TCL and Wuzhou Han Feng. Silk Road provides online examination services to Chinese Testing International Co., Ltd. (漢考國際教育科技(北京)有限公司) (“**Chinese Testing International**”), which is a wholly-owned subsidiary of Wuzhou Han Feng, in return of service fees (the “**Service Fees**”) payable by Chinese Testing International. Silk Road is not responsible for collecting registration fees or training fees from examination candidates. As advised by the PRC Legal Advisor, there are no foreign investment restrictions applicable to Silk Road's businesses under the laws of the PRC.

According to the information provided by the management of Silk Road, (i) for the three years ended 31 December 2019, the Service Fees amounted to RMB4,480,000, RMB4,690,000 and RMB5,150,000, respectively, representing approximately 86.1%, 80.3% and 87.6% of the total revenue of Silk Road, respectively; and (ii) for the three years ending 31 December 2022, the

Service Fees are expected to be RMB2,750,000, RMB6,760,000 and RMB9,440,000, respectively, representing approximately 90.2%, 55.1% and 54.6% of the total revenue of Silk Road, respectively.

The relatively high revenue contribution to Silk Road from the cooperative business with Chinese Testing International was attributable to the landscape of this segment of the market for testing services. Chinese Testing International is the only agency authorized to conduct HSK and CTCSOL, and Chinese Testing International has only authorized a total of three operators globally providing HSK and CTCSOL test services, which can operate and develop their relevant test sites independently. Hence there is a certain degree of mutual reliance between Chinese Testing International and its test operators such as Silk Road. Silk Road has established 89 test sites, which accounted for a larger market coverage in terms of the number of test sites as compared to the other two authorized service operators. Among these 89 test sites of Silk Road, 80 of them are located in the PRC and 9 test sites are located overseas.

To achieve a more diversified business model with a broader customer base, the Group and Silk Road will, through the Acquisition, combine the Group's high-quality of educational resources with Silk Road's experience and network in language teaching and language tests to develop other new services, namely (1) launching a visual network distance learning platform for Chinese language education by taking advantage of the established test site coverage of Silk Road and the on-campus academic education resources of the Group, so to cover both online and offline Chinese language teaching; (2) expanding the core business of HSK test services into more foreign countries; (3) developing courses and teaching materials related to Chinese language education; and (4) establishing an international exchange centre by providing all kinds of language learning experiences including teaching tours, summer/winter learning camps, exchange student programs and study aboard services. The Directors are of the view that the Acquisition, which includes the acquisition of equity interests in Silk Road, will assist the Group in achieving its strategy in expanding its business into the overseas market and therefore considered that the Acquisition is in the interests of the Company and its shareholders as a whole.

Upon completion of the Acquisition, Minsheng Education Technology will indirectly hold 80% equity interests in Silk Road, which will be an indirectly non-wholly owned subsidiary of the Company. Given that Wuzhou Han Feng is a substantial shareholder of Silk Road, the provision of online examination services by Silk Road to Chinese Testing International, which is a wholly-owned subsidiary of Wuzhou Han Feng, in return of service fees payable by Chinese Testing International would constitute continuing connected transactions at the subsidiary level of the Company, the Company will comply with the relevant requirements under Chapter 14A of the Listing Rules.

Open Distance Education

Open Distance Education has four principal business segments, being: (i) academic education services; (ii) MOOC education; (iii) continuing education for teachers; and (iv) vocational education.

According to information provided by TCL Technology, Open Distance Education is primarily engaged in the provision of academic education support services, namely the construction, management and operation of the Distance Education Public Service System, which include providing teaching support service, technology support service, resource construction service and resource transmission services to the distance academic education programs of the partner universities and other education institution. The business of providing such services is not subject to foreign investment restrictions. Open Distance Education's main business has obtained the approval of the relevant department of the Ministry of Education of the PRC. According to the Reply on Approving the Application for Registration of "Beijing Open Distance Education Centre" (《關於同意申請註冊「北京奧鵬遠程教育中心」的批復》) issued by the Department of Higher Education of the Ministry of Education on 5 March 2003, Open University Online is approved to apply for registration of Beijing Open Distance Education Centre, engaged in distance education, teaching support services, training and other related services and actively explore the management model and operation mechanism for the construction of China's modern distance education public service system. The General Office of the Ministry of Education issued the Reply on Approving the Establishment of the Modern Distance Education Public Service System of China Central Radio & TV University (《關於同意建設「中央廣播電視大學現代遠程教育公共服務體系」的批復》) on 1 March 2005, approving the establishment of the Modern Distance Education Public Service System of China Central Radio and TV University ("中央廣播電視大學現代遠程教育公共服務體系") by China Central Radio & TV University (the predecessor of The Open University of China) on the basis of the system of national radio and television universities system. As advised by the PRC Legal Advisor, the principal business of Open University Online is software technology service, which includes but not limited to operating the online distance teaching platform and the examination affairs management of The Open University of China. These software technology service provides the support system to Open Distance Education's academic education service business. There are no foreign investment restrictions in operating these businesses under the laws of the PRC.

Open Distance Education's MOOC education business provides free and paid exclusive professional training courses focusing on IT-related majors and online programming tools through IMOOC through its website (<http://www.imooc.com>) and its application (IMOOC APP), accounting for a small percentage of Open Distance Education's total income. Open Distance Education currently conducts such business through cooperation with Open Culture, which holds and maintain the license required for Open Distance Education to deliver its education services through the internet. Other than such cooperative relationship, the Company is not aware of any other relationship between Open Culture and Open Distance Education. MOOC education business involves the value-added telecommunication services, which is a

restricted foreign investment business. The certificates and qualifications related to IMOOC is held by Open Culture, besides, Open Culture is the subject of the domain name and ICP record-filing of IMOOC, and has obtained the Business Operating License for Telecom and Information Services (Jing ICP Certificate No. 090034) (《電信與信息服務業務經營許可證》(京ICP證090034號)). Open Distance Education is responsible for the construction, management and operation of IMOOC, including providing teaching support, technical support, resource construction, resource transmission and other services instead of providing the value-added telecommunication services. As advised by the PRC Legal Advisor, there is no foreign investment restriction for such business of Open Distance Education under the laws of the PRC.

Open Distance Education's teacher continuing education business accounts for a small percentage of Open Distance Education's total income. Open Distance Education provides teachers' online training programs to education authorities, schools and public institutions through its own online application platform. Such service fees are settled offline between education authorities, schools and public institutions and Open Distance Education, and the online application platform only serves as a teaching service platform and does not involve the collection of fees from training teachers through the online application platform, or charge advertising fees or operate value-added telecommunications business, and therefore, as advised by the PRC Legal Advisor, it is not subject to foreign investment restriction under the laws of the PRC.

Open Distance Education's vocational education business is mainly conducted by Open Distance Education by cooperating with partner educational institutions and accounts for a small percentage of Open Distance Education's total income. Open Distance Education provides services including teaching support, technical support, resource construction and resource transmission, to partner universities, and as advised by the PRC Legal Advisor, there is no foreign investment restriction for this business under the laws of the PRC.

In addition, Open Distance Education currently holds a License for Publication Business (Xin Chu Fa Jing Pi Zi No.190302) (《出版物經營許可證》(新出發京批字第190302號)), of which the business scope includes wholesale, retail and online sale of books and electronic publications, which business, as advised by the PRC Legal Advisor, is not subject to foreign investment restrictions.

Upon completion of the Acquisition, Minsheng Education Technology will indirectly hold 50% equity interests in Open Distance Education.

Minsheng Education Technology will procure Open Distance Education to operate IMOOC independently and obtain the Business License of Telecommunication and Information Service (《電信與信息服務業務經營許可證》). In accordance with the Share Purchase Agreement, as a condition precedent to the third payment of the Consideration, TCL Technology will be responsible for the transfer of the intellectual property rights owned by Open Culture and

related to the business of Open Distance Education to Open University Online or the person(s) designated by the shareholders of Open University Online (“transferee”), who shall apply for the Business License of Telecommunication and Information Service.

The Company expects the cooperative relationship between Open Distance Education and Open Culture would continue at the time of completion of the Acquisition but will eventually terminate when a Business License of Telecommunication and Information Service (《電信與信息服務業務經營許可證》) is obtained by the transferee and the gratuitous transfer of the intellectual property rights owned by Open Culture and related to the business of Open Distance Education to transferee as contemplated under the Share Purchase Agreement is completed. Such transfer is contemplated with a view to enable Open University Online to exercise greater control over the delivery of services to its registered users in the long-run, by eliminating the involvement of an external party, Open Culture, in the process. Although TCL Technology has undertaken to procure Open Culture in completing the aforesaid gratuitous transfer of intellectual property rights to transferee, which has also been listed as one of the conditions precedent for payment of the third instalment, any change relating to the cooperation with Open Culture will be discussed and decided in line with the agreement and cooperation between TCL Educational Web and Open University of China, the joint venture partner of TCL Educational Web in Open University Online.

In view of (a) the provisions in the Special Administrative Measures for Admission of Foreign Investments (Negative List) (2019 Version) (《外商投資准入特別管理措施(負面清單)(2019年版)》) that the shareholding percentage of foreign investment in value-added telecommunication businesses shall not exceed 50%, except for e-commerce, domestic multi-party communications, store-forward categories and call centers; and (b) the requirements of the Administrative Provisions on Foreign-invested Telecommunication Enterprises (State Council Order No. 534) (《外商投資電信企業管理規定》(國務院令 第534號)) that the primary foreign investor(s) of a foreign-invested telecommunication enterprise engaged in value-added telecommunication businesses shall have a proven record of business accomplishments and operational experience in value-added telecommunication businesses, Minsheng Education Technology will further negotiate and discuss with The Open University of China, for the purpose of optimizing the business structure of Open University Online and Open Distance Education, in a legally permissible manner, without exclusion of adopting the following plan, that is, Open University Online and/or Open Distance Education will, through contractual arrangement (i.e. a VIE structure instead of equity holding), control a domestic company which shall apply for the Business License of Telecommunication and Information Service, and Open University Online and Open Distance Education will operate the existing businesses through business cooperation with said domestic company.

As at the date of this announcement, Minsheng Education Technology is still in negotiation with The Open University of China and no agreement has been reached in this regard. Meanwhile, Open University Online and Open Distance Education shall maintain the current cooperative arrangement.

The Company will make further announcement and/or will comply with the relevant requirements of the Listing Rules in relation to any developments of the above.

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

Hong Kong, 3 May, 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 only*