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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)**

**PLACING OF EXISTING SHARES  
AND  
SUBSCRIPTION OF NEW SHARES**

**Placing Agent**



On 4 June 2020 (before trading hours), Minsheng Group, the Company, Mr. Li, Xuechun and the Placing Agent entered into the Placing and Subscription Agreement. Pursuant to the Placing and Subscription Agreement, the Placing Agent conditionally agreed to place, on a best efforts basis, the Placing Shares held by Minsheng Group to independent placees at the Placing Price, and Minsheng Group conditionally agreed to subscribe, and the Company conditionally agreed to allot and issue to Minsheng Group, the Subscription Shares at the Subscription Price, being the same as the Placing Price, on the terms and subject to the conditions set out in the Placing and Subscription Agreement.

The Subscription is conditional upon, among other things, (i) the Listing Committee having granted listing of and permission to deal in the Subscription Shares (and such listing and permission not being subsequently revoked prior to the delivery of the definitive share certificate(s) representing the Subscription Shares); (ii) if necessary, the consent of the Cayman Islands Monetary Authority to the issue of the Subscription Shares; and (iii) completion of the Placing having occurred pursuant to the terms of the Placing and Subscription Agreement.

Assuming 200,000,000 Shares are allotted and issued by the Company and subscribed for by Minsheng Group pursuant to the Subscription, the net proceeds to be received by the Company from the Subscription will amount to approximately HK\$239 million. The Company intends to apply the net proceeds for the Group's general daily working capital, general operating purpose and potential merger and acquisition purposes.

**Shareholders and potential investors should note that completion of the Placing and the Subscription are subject to the satisfaction of their respective conditions precedent in the Placing and Subscription Agreement. As the Placing and/or the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **I. PLACING AND SUBSCRIPTION AGREEMENT**

### **Date**

4 June 2020 (before trading hours)

### **Parties**

- (i) Minsheng Group, the controlling shareholder of the Company;
- (ii) The Company;
- (iii) Mr. Li, Xuechun; and
- (iv) China international Capital Corporation Hong Kong Securities Limited, as the Placing Agent.

## **A. The Placing**

### ***The Placing and Number of Placing Shares***

The Placing Agent has agreed to place, on a best effort basis, up to 200,000,000 existing Shares owned by Minsheng Group, representing (i) approximately 4.98% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.74% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares immediately after the completion of the Placing and the Subscription.

### ***Placing Price***

HK\$1.22 per Placing Share (exclusive of Hong Kong stamp duty, brokerage (if any), SFC transaction levy and Stock Exchange trading fee as may be payable by the placees) representing:

- (i) a discount of approximately 8.27% to the closing price of HK\$1.33 per Share quoted on the Stock Exchange on 3 June 2020, being the last trading date immediately prior to the date of the Placing and Subscription Agreement
- (ii) a discount of approximately 5.43% to the average closing price of the Shares of approximately HK\$1.29 per Share as quoted on the Stock Exchange from 28 May 2020 to 3 June 2020, both dates inclusive, being the last five trading days immediately prior to the date of this announcement; and
- (iii) a discount of approximately 3.94% to the average closing price of the Shares of approximately HK\$1.27 per Share as quoted on the Stock Exchange from 21 May 2020 to 3 June 2020, both dates inclusive, being the last ten trading days immediately prior to the date of this announcement.

The net Placing Price per Share, after deduction of placing commission and all other fees and expenses, is approximately HK\$1.19 per Share.

The Placing Price has been determined after arm's length negotiations between the parties. The Directors are of the opinion that the Placing Price is fair and reasonable and is in the best interest of the Company and its Shareholders.

### ***Placing Agent***

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its respective ultimate beneficial owners are independent of and not connected with Minsheng Group. They are also independent of the Company and not connected persons (as defined in the Listing Rules) of the Company.

### ***The Placees***

The Placing Shares will be placed to six or more placees, being professional, institutional and/or other investors. The placees (and their beneficial owners) will be independent and not connected with Minsheng Group or any person acting in concert with it (as defined in the Takeovers Code), and will also be independent of the Company and its connected persons (as defined in the Listing Rules). It is expected that none of the placees will become a substantial shareholder of the Company as a result of the Placing.

### ***Rights and Ranking of the Placing Shares***

The Placing Shares will be sold free from all liens, claims, charges, encumbrances or third party rights whatsoever and ranking pari passu with existing Shares and together with all rights attaching to them as at the date of this announcement, including the right to receive all dividends declared, made or paid on or after the date of this announcement.

### ***Conditions of the Placing***

Completion of the Placing shall be conditional upon:

- (i) the representations warranties and undertakings given by the Company and Minsheng Group pursuant to the Placing and Subscription Agreement remaining true and accurate as of the date of the Closing Date;
- (ii) the Company and the Minsheng Group delivering to the Placing Agent on or before 9:00 a.m. on the Closing Date:
  - a) a copy of each of the certificates confirming the accuracy of the representations, warranties and undertakings given by the Company and Minsheng Group and as of the Closing Date and confirming the performance of all obligations hereunder to be performed by the Company and Minsheng Group at or prior to the Closing Date;
  - b) a copy of each of board resolutions of the Company and Minsheng Group approving the Placing and the Subscription and the entering into of the Placing and Subscription Agreement; and
  - c) a copy of each of the relevant legal opinions to be issued by the Company's legal advisers

### ***Completion of Placing***

Subject to the satisfaction of conditions of the Placing set out in the sub-section titled “Conditions of the Placing” above and the Placing Agent’s termination rights as set out in the sub-section titled “Termination” below, completion of the Placing shall take place on the Closing Date.

### ***Termination***

The Placing Agent reserves its right to terminate the Placing and Subscription Agreement without liability to Minsheng Group and/or the Company by the Placing Agent giving notice in writing to Minsheng Group and the Company on or at any time prior to 4 p.m. (Hong Kong time) on the Closing Date, if:

- (i) there develops, occurs or comes into force:
  - (a) any new Law or any change or development involving a prospective change in existing Laws in any relevant jurisdiction which in the sole opinion of the Placing Agent has or is likely to have a material adverse effect on the financial position of the Company and/or of the Group as a whole; or
  - (b) any change (whether or not permanent) in local, national or international monetary, economic, financial, political or military conditions which in the sole opinion of the Placing Agent is or would be materially adverse to the success of the Placing; or
  - (c) any change (whether or not permanent) in local, national or international securities market conditions or currency exchange rates or foreign exchange rates or foreign exchange controls which in the sole judgement of the Placing Agent is or would be materially adverse to the success of the Placing, or makes it impracticable or inadvisable or inexpedient to proceed therewith; or
  - (d) a general moratorium on commercial banking activities in Hong Kong, the PRC, European Union (or its member countries), New York, Singapore or Tokyo declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong, the PRC, European Union (or any member thereof), the United States, Singapore or Japan; or
  - (e) a change or development in Taxation which constitutes a material adverse effect on the Group as a whole or the Placing Shares and/or the transfer thereof; or

- (f) any outbreak or escalation of hostilities or act of terrorism involving Hong Kong, the PRC, the European Union (or any member thereof), the United States Singapore or Japan or the declaration by Hong Kong, the PRC, the European Union (or any member thereof), the United States, Singapore or Japan of a national emergency or war; or
- (g) any suspension of dealings in the Shares for any period whatsoever (other than as a result of the Placing and the Subscription); or
- (h) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, NYSE Amex Equities, the Shanghai Stock Exchange, the Shenzhen Stock Exchange or the London Stock Exchange, due to exceptional financial circumstances or otherwise at any time prior to the Closing Date; or
- (i) any event, or series of events beyond the control of the Placing Agent (including, without limitation, any calamity, act of government, strike, labour dispute, lock-out, fire, explosion, severe transportation disruption, flooding, earthquake, civil commotion, economic sanctions, epidemic, pandemic, outbreak of infectious disease including but not limited to H5N1, SARS, Coronavirus, outbreak or escalation of hostilities, act of terrorism and act of God) involving Hong Kong, the People's Republic of China, the United Kingdom, the European Union or the United States, or the declaration by Hong Kong, the People's Republic of China, the United Kingdom, the European Union or the United States of war or a state of emergency or calamity or crisis.
- (ii) any breach of any of the representations, warranties and undertakings by the Company and/or Minsheng Group comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing and Subscription Agreement and prior to the Closing Date which if it had occurred or arisen before the date of the Placing and Subscription Agreement would have rendered any of such representations, warranties and undertakings untrue or incorrect in any respect and any such breach or failure is material or (in the opinion of the Placing Agent) is or would materially and adversely affect the financial position or business of the Company and/or of the Group as a whole or is or would be materially adverse to the success of the Placing, or there has been a breach of, or failure to perform, any other provision of the Placing and Subscription Agreement on the part of Minsheng Group and/or the Company; or

- (iii) there is any such adverse change, or development involving a prospective adverse change in the general affairs, condition, results of operations or prospects, management, business, stockholders' equity or in the financial or trading position of the Company and/or of the Group as a whole which in the opinion of the Placing Agent is materially adverse to the success of the Placing.

### ***Undertaking***

According to the Placing and Subscription Agreement, the Company undertakes to the Placing Agent, and Minsheng Group undertakes to the Placing Agent to procure, that, during the period commencing on the date of the Placing and Subscription Agreement and ending on, and including, the date that is 90 days after the Closing Date, the Company will not, except for the Subscription Shares and save pursuant to (i) the terms of any employee share option scheme of the Company; (ii) any outstanding subscription warrants; (iii) conversion of outstanding convertible securities; or (iv) bonus or scrip dividend or similar arrangements which provide for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with its articles of association:

- (a) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Share(s) or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to Shares or interest in Shares;
- (b) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (a) above; or
- (c) announce any intention to enter into or effect any such transaction described in (a) or (b) above,

without first having obtained the written consent of the Placing Agent, such consent shall not be unreasonably withheld.

## **B. The Subscription**

### ***Subscriber***

Minsheng Group

### ***Number of Subscription Shares***

Such number up to 200,000,000 new Shares as may be equivalent to the number of Placing Shares actually placed under the Placing, representing (i) approximately 4.98% of the existing issued share capital of the Company as at the date of this announcement; and



(ii) approximately 4.74% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares immediately after the completion of the Placing and the Subscription.

### ***Subscription Price***

The Subscription Price per Subscription Share is HK\$1.22. At completion of the Subscription, Minsheng Group shall pay or shall procure the payment of the subscription monies, which is an amount equal to the number of Subscription Shares multiplied by the Placing Price less the Expenses, by electronic funds transfer (or by such other manner as agreed between the Company and Minsheng Group) in the amount thereof to the Company. The net Subscription Price, after deduction of fees and expenses, is approximately HK\$1.19 per Subscription Share.

### ***Ranking***

The Subscription Shares will, when fully paid, rank *pari passu* in all respects with the other Shares in issue or to be issued by the Company on or prior to the date of completion of the Subscription including the rights to all dividends and other distributions declared, made or paid at any time after the date of allotment

### ***Conditions of the Subscription***

Completion of the Subscription is conditional on:

1. the Listing Committee having granted listing of and permission to deal in the Subscription Shares (and such listing and permission not being subsequently revoked prior to the delivery of the definitive share certificate(s) representing the Subscription Shares); and
2. if necessary, the consent of the Cayman Islands Monetary Authority to the issue of the Subscription Shares; and
3. completion of the Placing having occurred pursuant to the terms of the Placing and Subscription Agreement.

Under Rule 14A.92(4) of the Listing Rules, no approval from Shareholders is required in connection with the Placing and the Subscription if the Subscription is completed within 14 days from the date of the Placing and Subscription Agreement, that is, on or before 18 June 2020. If the conditions are not fulfilled on or before 18 June 2020 or such later date as may be agreed between the Company and Minsheng Group, the obligations and liabilities of Minsheng Group and the Company under the Subscription shall be null and void and neither the Company nor Minsheng Group shall have any claim against the other



for costs, damages, compensation or otherwise provided that the Company shall reimburse Minsheng Group for any legal fees and out-of-pocket expenses which Minsheng Group shall be obliged to pay in connection with the Placing and the Subscription.

### *Completion of the Subscription*

Completion of the Subscription will take place on the second Business Day after the date upon which the last of the conditions of the Subscription to be satisfied has been so satisfied and in any event no later than 14 days after the date of the Placing and Subscription Agreement, that is, 18 June 2020 (or such later time and/or date as Minsheng Group and the Company may agree in writing).

### *Mandate to issue new Shares*

The Subscription Shares will be allotted and issued under the General Mandate granted to the Directors pursuant to a resolution passed by the Shareholders at the annual general meeting held on 22 May 2019, which authorised the Directors to allot and issue up to 803,544,000 Shares (representing 20% of the issued share capital of the Company as at such date).

Prior to entering into the Placing and Subscription Agreement, the Company has not utilised the General Mandate.

## **II. EFFECT OF THE PLACING AND THE SUBSCRIPTION ON SHAREHOLDING STRUCTURE**

The shareholding structure of the Company immediately before and after the Placing and the Subscription is summarised as follows:

	Immediately before the completion of the Placing		Immediately after the completion of the Placing but before the top-up Subscription		After completion of the Placing and the top-Up Subscription	
	<i>No. of shares</i>	<i>%</i>	<i>No. of shares</i>	<i>%</i>	<i>No. of shares</i>	<i>%</i>
Minsheng Group	3,000,000,000	74.67	2,800,000,000	69.69	3,000,000,000	71.13
<b>Shares held by Public Shareholders</b>						
Placing Shares	–	–	200,000,000	4.98	200,000,000	4.74
Other Shares	1,017,720,000	25.33	1,017,720,000	25.33	1,017,720,000	24.13
<b>Total</b>	<b>4,017,720,000</b>	<b>100.00</b>	<b>4,017,720,000</b>	<b>100.00</b>	<b>4,217,720,000</b>	<b>100.00</b>

### **III. REASONS FOR THE PLACING AND THE SUBSCRIPTION**

The Directors (including the independent non-executive Directors) are of the view that the Placing and the Subscription represent a good opportunity for the Company to broadening its shareholder and capital base and at the same time raise further capital for the Company.

### **IV. USE OF PROCEEDS**

The net proceeds from the Subscription, after deduction of related expenses, will be approximately 239 million Hong Kong dollars, which will be used for the Group's general daily working capital, general operating purpose and potential merger and acquisition purposes.

### **V. FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company has not conducted any equity fund raising activity in the past twelve month period immediately preceding this announcement

### **VI. APPLICATION FOR LISTING**

An application will be made to the Stock Exchange for the grant of listing of and permission to deal in the Subscription Shares.

### **VII. GENERAL INFORMATION OF THE GROUP**

The Group is one of the largest higher education group in the PRC. The Group mainly focuses on (i) providing higher quality higher education and vocational education; and (ii) online formal education and vocational training service.

### **DEFINITION**

Board	Board of Directors
Business Day	any day (excluding Saturdays, Sundays and public holidays) on which commercial banks generally are open for business in Hong Kong
Closing Date	the second Stock Exchange Trading Day after the Transaction Date
Company	Minsheng Education Group Company Limited, a company incorporated in Cayman Islands, the Shares of which are listed on the Stock Exchange
Director(s)	the director(s) of the Company

Expenses	fees, commissions and expenses relating to the Placing
General Mandate	the general mandate granted to the Directors pursuant to a resolution passed by the Shareholders at the annual general meeting held on 22 May 2019, which authorised the Directors to allot and issue up to 803,544,000 Shares (representing 20% of the issued share capital of the Company as at such date)
Group	the Company and its subsidiaries
HK\$	Hong Kong dollars, the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Listing Committee	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
Listing Rules	The Rules Governing the Listing of Securities on the Stock Exchange
Minsheng Group	Minsheng Group Company Limited (民生集团有限公司), a company incorporated in the British Virgin Islands with limited liability on 3 April 2006, which is controlled by Mr. Li Xuechun, the Chairman, an executive Director and a controlling shareholder of the Company
Placing	the placing of the Placing Shares by the Placing Agent pursuant to the Placing and Subscription Agreement
Placing Agent	China International Capital Corporation Hong Kong Securities Limited
Placing and Subscription Agreement	the placing and subscription agreement dated 4 June 2020 (before trading hours) entered into between Minsheng Group, the Company, Mr. Li Xuechun and the Placing Agent in relation to the Placing
Placing Price	HK\$1.22 per Placing Share
Placing Shares	Up to 200,000,000 Shares to be placed under the Placing, which are currently held by Minsheng Group
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

Share(s)	ordinary share(s) of nominal value of US\$0.00001 each in the capital of the Company
Shareholders	holders of Shares
Stock Exchange	The Stock Exchange of Hong Kong Limited
Subscription	the subscription of the Subscription Shares by Minsheng Group at the Subscription Price pursuant to the Placing and Subscription Agreement
Subscription Price	HK\$1.22 per Subscription Share
Subscription Shares	up to 200,000,000 new Shares to be subscribed by Minsheng Group at the Subscription Price under the Placing and Subscription Agreement and which shall be the same as the number of Placing Shares actually placed under the Placing and Subscription Agreement
substantial shareholder	shall have the meaning as defined in the Listing Rules
Taxation	all forms of taxation whether of China Hong Kong or elsewhere in the world whenever imposed and all statutory, governmental, state, provincial, local governmental or municipal impositions, duties and levies and all penalties, charges, costs and interests relating thereto
Trading day	has the meaning ascribed in the Listing Rules
Transaction Date	the date when the sale of the Placing Shares shall be reported as a cross-trade to the Stock Exchange which shall be (i) 4 June 2020; or (ii) if dealings in the Shares on the Stock Exchange are suspended at all times on 4 June 2020, the first day on which dealings resume and the cross-trade can be reported to the Stock Exchange in accordance with its rules, or such other date as the Vendor and Placing Agent may agree in writing

US\$ US dollars, the lawful currency of the United States of America

% percent

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

Hong Kong, 4 June 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.*