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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)

CHANGE OF STRUCTURE OF LOAN FROM INTERNATIONAL FINANCE CORPORATION AND DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

This announcement is made pursuant to Rule 13.18 of the Listing Rules.

BACKGROUND

Reference is made to the announcement dated 3 May 2020 (the “**Announcement**”) issued by Minsheng Education Group Company Limited (民生教育集团有限公司) in relation to the Loan Agreement and the relevant loan documents, pursuant to which International Finance Corporation agreed to lend, and Chongqing Minsheng agreed to borrow, a loan in an aggregate principal amount of up to RMB750,000,000 (the “**Loan**”). International Finance Corporation, Chongqing Minsheng and Minsheng Education Company Limited (“**Minsheng Education**”) have agreed to restructure the Loan in the manner disclosed herein. Unless otherwise stated, terms defined in the Announcement shall have the same meanings when used in this announcement.

CHANGE OF STRUCTURE OF THE LOAN

The Board announces that, on 30 October 2020 (after trading hours), Chongqing Minsheng and International Finance Corporation entered into the first amendment letter to the Loan Agreement, pursuant to which the Loan would be adjusted from RMB750,000,000 to RMB400,000,000. The full amount of RMB400,000,000 has been disbursed in July 2020 (“**Completed Disbursement**”).

On the same date, Minsheng Education, a wholly-owned subsidiary of the Company and International Finance Corporation entered into an USD loan agreement (the “**USD Loan Agreement**”), pursuant to which International Finance Corporation agreed to lend, and Minsheng Education agreed to borrow, a loan in an aggregate amount of up to 51,000,000 USD (the “**USD Loan**”), the USD Loan being the Completed Disbursement subtracted from the Loan, which is amounted to USD equivalent of

RMB350,000,000 (using the foreign currency exchange rate as mutually agreed by International Finance Corporation, Minsheng Education and Chongqing Minsheng as of the date of the USD Loan Agreement, if the amount of RMB equivalent of 51,000,000 USD exceeds RMB350,000,000 based on the applicable foreign currency exchange rate as of the date of such disbursement, the USD Loan will not exceed USD equivalent of RMB350,000,000). The USD Loan shall be repaid in 11 semi-annual instalments commencing from 15 June 2023 until 15 June 2028. The interest rate of the USD Loan is the sum of (i) interest rate spread of 1.5% per year and (ii) a rate reflecting the cost at which International Finance Corporation can provide USD funding at a fixed interest rate, which is determined by International Finance Corporation upon receipt of a request for disbursement from Minsheng Education. The USD Loan will be used for, among other things, the Group's business development and daily operations.

DISCLOSURE PURSUANT TO THE RULE 13.18 OF THE LISTING RULES

Pursuant to a share retention agreement ancillary to the Loan Agreement and the USD Loan Agreement, each of Mr. Li Xuechun, the chairman of the Board, an executive director and the ultimate controlling shareholder of the Company, and Minsheng Group, being controlling shareholders of the Company, is required to perform certain specific performance obligations. Specifically, Mr. Li Xuechun shall maintain directly not less than 51% of the legal and beneficial ownership of the shares of Minsheng Group, and Minsheng Group shall maintain directly not less than 51% of the legal and beneficial ownership of the shares of the Company, for so long as any indebtedness under the Loan or the USD Loan remains outstanding.

As at the date of this announcement, Mr. Li Xuechun, the chairman of the Board, an executive Director and the ultimate controlling shareholder of the Company, is interested in 71.13% of the total issued share capital of the Company.

A breach of any of the said specific performance obligations will constitute an event of default under the Loan Agreement and the USD Loan Agreement whereupon, International Finance Corporation will have the power to require the Borrower to repay all or part of the Loan or USD Loan (as applicable).

This announcement is made in compliance with the disclosure requirement under Rule 13.18 of the Listing Rules. In accordance with the requirements pursuant to Rule 13.21 of the Listing Rules, disclosure will be included in the subsequent interim and annual reports of the Company for so long as the said specific performance obligations imposed on Mr. Li Xuechun under the Loan Agreement and the USD Loan Agreement continue to exist.

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

Hong Kong, 30 October 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.