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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** **ACQUIRING 50% EQUITY INTEREST IN** **OPEN UNIVERSITY ONLINE WHICH WILL HOLD 100% EQUITY** **INTEREST IN OPEN UNIVERSITY ONLINE**

#### **SUMMARY**

Reference is made to the announcement dated 28 December 2020 (the “**Announcement**”) issued by the Company in relation to the transfer of the Target Equity, i.e. 50% of the equity interest of Open University Online held by Guokai Xiangyun to Beijing Minsheng (an indirect wholly-owned subsidiary of the Company). Unless otherwise stated, terms defined in the Announcement shall have the same meanings when used in this announcement.

#### **THE ACQUISITION**

The Board is pleased to announce that on 31 December 2020 (after trading hours), Beijing Minsheng (as the Transferee, an indirect wholly-owned subsidiary of the Company), and Guokai Xiangyun (as the Transferor) entered into the Equity Transaction Agreement, pursuant to which Beijing Minsheng agreed to acquire, and Guokai Xiangyun agreed to transfer, the Target Equity at the Transfer Price of RMB410,000,000.

As of the date of this announcement, the Company holds a total of 50% of equity interest in Open University Online through TCL Educational Web and Beijing Minsheng. Upon the completion of the Acquisition, the Company will hold 100% of equity interest in Open University Online. Open University Online will become an indirect wholly-owned subsidiary of the Company, and its financial results will be fully consolidated into the Company.

As of the date of this announcement, (i) Open Distance Education has carried out online education cooperation with more than 30 well-known domestic universities including Peking University, Nankai University, Tianjin University, Beijing Normal University, etc., providing a few hundred undergraduate and junior college majors, with approximately 1 million students enrolled and more than 1,800 learning centers in 31 provinces (autonomous regions, municipalities) across China; (ii) Open Distance Education has cooperated with 9 open universities; (iii) Open Distance Education has trained teachers throughout 2020 for approximately 2.9 million person counts cumulatively, (iv) IMOOC.com, having been registered by over 20 million users with approximately eight million current registered users, provides more than 3,000 courses; (vi) the national unified examination for online education takes an average of about 2 million person counts per year, and an average of 4.6 million persons counts per year for course examinations and social examinations.

### **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.

The Company has obtained from Minsheng Group, the controlling shareholder of the Company, which holds 3,000,000,000 shares of the Company (representing approximately 71.13% of the total number of issued shares of the Company as at the date of this announcement), a written shareholder's approval for the Equity Transaction Agreement and the transactions thereunder pursuant to Rule 14.44 of the Listing Rules in lieu of holding a general meeting for the approval of the same matters. Therefore, no general meeting of the Company for the approval of the Equity Transaction Agreement and the transactions thereunder will be convened and held.

### **CIRCULAR**

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) details of the Equity Transaction Agreement and the transactions under it; (ii) financial information of the Group; (iii) financial information of Open University Online, shall be despatched within 15 business days after publication of this announcement, i.e. on or before 22 January 2021. Since the Company requires additional time to allow for the completion of the relevant audit procedures of the auditors regarding the financial information of Open University Online and prepare the disclosure of such financial information to be included in the circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and will make further announcement regarding the expected date of despatch of circular.

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As of the date of this announcement, the Company holds a total of 50% of equity interest in Open University Online through TCL Educational Web and Beijing Minsheng. Upon the completion of the Acquisition, the Company will hold 100% of equity interest in Open University Online. Open University Online will become an indirect wholly-owned subsidiary of the Company, and its financial results will be fully consolidated into the Company.

As of the date of this announcement, (i) Open Distance Education has carried out online education cooperation with more than 30 well-known domestic universities including Peking University, Nankai University, Tianjin University, Beijing Normal University, etc., providing a few hundred undergraduate and junior college majors, with approximately 1 million students enrolled and more than 1,800 learning centers in 31 provinces (autonomous regions, municipalities) across China; (ii) Open Distance Education has cooperated with 9 open universities; (iii) Open Distance Education has trained teachers throughout 2020 for approximately 2.9 million person counts cumulatively, (iv) IMOOC.com, having been registered by over 20 million users with approximately eight million current registered users, provides more than 3,000 courses; (v) the national unified examination for online education takes an average of about 2 million person counts per year, and an average of 4.6 million persons counts per year for course examinations and social examinations.

Details of the terms and conditions of the Equity Transaction Agreement are set out below:

## **EQUITY TRANSACTION AGREEMENT**

**Date:** 31 December 2020 (after trading hours)

**Parties:** Beijing Minsheng, as the Transferee; and

Guokai Xiangyun, as the Transferor

## **TRANSFER PRICE**

The Transfer Price of the Acquisition is RMB410,000,000.

## **PAYMENT OF THE TRANSFER PRICE**

1. The deposit of RMB82,000,000 that Beijing Minsheng paid to Tianjin PRE on 24 December 2020 will be applied towards the partial settlement of the Transfer Price.
2. The remaining part of the Transfer Price which amounted to RMB328,000,000, will be remitted to the special settlement account of Tianjin PRE in one lump sum within five working days from the effective date of the Equity Transaction Agreement for settlement.

## **COMPLETION**

Beijing Minsheng shall, with the cooperation from Guokai Xiangyun, complete the industrial and commerce registration filings at the market supervision and management department of which Open University Online locate in within 15 business days from the issue of transaction certificate by Tianjin PRE, upon which the transfer of the Target Equity is deemed completed. From the date of Completion, Beijing Minsheng entitles all the sole shareholder's rights and obligations of the Target Equity.

## **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.

## **WRITTEN SHAREHOLDER'S APPROVAL**

Under Rule 14.44 of the Listing Rules, Shareholders' approval for the Acquisition 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. As such, no Shareholders would be required to abstain from voting in favour of the resolution approving the Acquisition and the transactions under it.

The Company has obtained from Minsheng Group, the controlling shareholder of the Company, which holds 3,000,000,000 shares of the Company (representing approximately 71.13% of the total number of issued shares of the Company as at the date of this announcement), a written shareholder's approval for the Equity Transaction Agreement and the transactions thereunder pursuant to Rule 14.44 of the Listing Rules in lieu of holding a general meeting for the approval of the same matters. Therefore, no general meeting of the Company for the approval of the Equity Transaction Agreement and the transactions thereunder will be convened and held.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) details of the Equity Transaction Agreement and the transactions under it; (ii) financial information of the Group; (iii) financial information of Open University Online, shall be despatched within 15 business days after publication of this announcement, i.e. on or before 22 January 2021. Since the Company requires additional time to allow for the completion of the relevant audit procedures of the auditors regarding the financial information of Open University Online and prepare the disclosure of such financial information to be included in the circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and will make further announcement regarding the expected date of despatch of circular.

## DEFINITIONS

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

“Acquisition”	Acquisition of the Target Equity, i.e. the remaining 50% of equity interest in Open University Online, in accordance with the Equity Transaction Agreement
“Minsheng Group”	Minsheng Group Company Limited (民生集团有限公司), a company incorporated in BVI

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

Hong Kong, 31 December 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.*