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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)

VOLUNTARY ANNOUNCEMENT **BUILD A NEW ECOLOGY OF “INTERNET +” VOCATIONAL EDUCATION**

This announcement is a voluntary announcement issued by Minsheng Education Group Company Limited (the “**Company**”, together with its subsidiaries, collectively referred to as the “**Group**”). The board of directors (the “**Directors**”) of the Company (the “**Board**”) is continuously reviewing policies, market and industry development trends in the course of business development. Based on the business development performance of the Group in recent years, the Board hereby announces that the Group has achieved phased results in its transformation and development and hopes to use this announcement to provide further information to the shareholders and potential investors of the Company on the future development prospects of the Group.

Unless the context requires otherwise, the definition used in this announcement shall have the same meaning as the terms defined in the interim results announcement for the six months ended 30 June 2021 which published on 17 August 2021.

TRANSFORMATION AND DEVELOPMENT: THE ESTABLISHMENT OF AN “INTERNET +” VOCATIONAL EDUCATION SERVICE PLATFORM

1. Laws and Regulations

The nation strongly supports and encourages the development of vocational education. The newly revised Regulations on the Implementation of the Private Education Promotion Law of the People’s Republic of China (中華人民共和國民辦教育促進法實施條例) stipulates that “the nation encourages enterprises to establish or participate in the establishment of private schools for the implementation of vocational education in the form of sole proprietorship, joint ventures, cooperation, etc.”. The Vocational Education Law of the People’s Republic of China (Revised Draft) (中華人民共和國職業教育法(修訂草案)) states that “vocational education and general

education have the same important status”, “overseas vocational education institutions, industry associations or enterprises with vocational education resources may independently or cooperatively hold vocational education in China in accordance with the law”. The National Vocational Education Reform Implementation Plan (國家職業教育改革實施方案) stipulates that “social forces shall be supported and regulated to establish vocational education and training, and the development of joint-stock, mixed-ownership and other vocational colleges and various vocational training institutions shall be encouraged”.

2. Development positioning

The national policy orientation and the rapid development of the digital economy have ushered in major development opportunities for China’s vocational education and clarified the industry coordinates of vocational education in the general trend of digital economy development. The Group firmly selected the vocational education track, clarifies the positioning of the “Internet +” vocational education group, takes the lead in deploying online vocational education, grasps the core key of the value chain, and moves from heavy assets, and stable growth of on-campus education to asset-light, and high-growth business model of online education; utilizing technology to empower the development of vocational education, to promote the deep integration of the internet and vocational education, to build a high-quality, full-chain “Internet+” vocational education service platform, and open up a new space for the development of vocational education.

3. Business model

Through “platform + collaboration”, the Group restructures business behavior and releases enterprise value. According to the needs of learners and the industry’s demand for talents, we will rapidly and iteratively improve product and service capabilities, upgrade and optimize all links in the service value chain, and establish a learner-orientated “full education, full connection, and full chain” new business model.

4. Business structure

The Group constructed a systematic business structure of vocational education with on-campus education + continuing education, online + offline academic qualifications + non-academic qualifications, secondary vocational to professional postgraduate with full academic qualifications, and “recruitment and training” full-chain integrated services to provide learners with professional development and skills and skills improvement-oriented comprehensive service of vocational education.

5. Product matrix

Seven categories of products including on-campus education, online academic education services, vocational ability improvement, examination services, human resources and employment services, technology platform services, and international education have been formed, and a product matrix that complements, supports and collaborates with each other has been initially built.

6. Platform brand

Complying with the development trend of online business and scenario-based business, gathering industry-leading platforms of each segment, the Group has become one of the largest online vocational education operators in China, with six platform brands including Open University Online/Open Distance Education, MBACHina/Doxue Network, IMOOC, Xiaoai Technology, Silk Road HSK Internet Test, Minsheng Online, covering comprehensive online academic education services, professional degree postgraduate education services, Internet IT professional talent training, human resources and employment services, international Chinese education and examination services.

7. Quality content

Through originality and aggregation, a massive learning resource library has been formed (more than 30,000 digital courses, more than 5 million questions in the question bank, more than 1,500 TB of digital learning resources, and more than 4,000 elite lecturers) with intensive sharing of resources and continuous output of high-quality content to drive user growth, forming a key advantage for corporate development, and creating a “moat” for long-term growth.

8. Technology empowerment

The new education infrastructure is empowered to create core productivity and build a user-centric, end-to-end, fully closed-loop education service cloud platform (including IaaS infrastructure, developer platform, multi-cloud resource management platform, middle-office services, technical products, OPEN application center, terminal service, etc.). A number of core technologies of the Group have reached the leading level in the industry.

A total amount of more than RMB1 billion has been invested in the construction of technological basic capacity. The Group has 3 national high-tech enterprises, 7 content and knowledge transfer technology research and development bases, more than 700 technical research and development engineers, more than 100 external innovation developers and more than 20 consulting experts, including academicians of the two academies. It owns more than 110 patents and more than 300 software copyrights, and accumulatively undertakes more than 200 national, provincial and ministerial scientific research topics and projects including major national science and technology projects. We have accumulated strong technological innovation capabilities.

9. Overall scale

Up to now, the Group has operated and invested in 13 colleges and universities domestically and overseas, built more than 1,800 offline learning centers covering 31 provinces across the nation, cooperated with more than 20 state ministries and academic societies, more than 30 industry-leading enterprises and more than 400 universities and colleges. The platform has gathered more than 750 human resources companies and more than 10,000 employers. The total scale of serving students and users has reached more than 37 million. It has formed a certain scale effect and laid the foundation for building an industrial ecology in the future.

DEVELOPMENT VISION GOAL: TO BUILD A MUTUALLY BENEFICIAL AND WIN-WIN “INTERNET +” NEW VOCATIONAL EDUCATION ECOSYSTEM

The Group will actively implement the national “14th Five-Year Plan” and the 2035 long-term goal outline on the deployment requirements of “building a high-quality education system”, combined with the “Belt and Road” and “Rural Revitalization” and other national strategies, adhere to technology empowerment, learners as the center and quality as the lifeline, continue to build a high-quality, integrated “Internet +” vocational education comprehensive service system, and jointly build a mutually beneficial and win-win “Internet +” vocational education new ecology. The Group targets to let every learner get more education and learning opportunities, more ability improvement opportunities, more employment options and more career promotion opportunities, run vocational education that satisfies the people, cultivate the high-quality professional talents that the country urgently needs, and promote China’s industry to the middle and high end of the global industrial value chain.

1. Development model

1.1 Growth flywheel

The combination of endogenous growth and exogenous growth builds a virtuous circle of business development and forms a unique growth flywheel for the Group. In terms of endogenous growth: to create a virtuous circle of “continuous iteration of high-quality products and services-user growth-business growth”. In terms of exogenous growth: to attract more effective users and bring more high-quality resources through the growth and drainage of cost-effective resources; empower the education industry chain with education technology, promote new education infrastructure, and create comprehensive and integrated education services. The platform and ecological knowledge service platform (2B/2C/2G/2I) release huge commercial value and create a leaping growth model.

1.2 *Digital intelligence drive*

Driven by digitization and intelligence, build a “full-scene education network world”, create a “knowledge mall” for scholars, an “one-click” for students to find teachers, a “digital human resources market” for job seekers, and a “Beidou Navigation” in the talent training field.

Digital brain: Utilizing intelligent means to plan the growth path of learners, provide learners with optimal learning strategies and guidance services, create a full range of educational application scenarios, and build a “digital brain” of a modern education service system in the intelligent age.

Digital stores: The front-end entrance, the establishment of more than 2,000 “digital stores”, based on data-driven, online and offline omni-channel accurate customer acquisition, product layout and efficient services.

Knowledge production factory: With the underlying support, change the way of knowledge production and supply and demand, and build a new scene of educational services and a win-win knowledge digital ecology. Utilizing smart technology to provide a full-process vocational education innovation solution for the “knowledge production factory”, export vocational education industry management practices, data assets, cloud services, etc. to industry partners and high-quality makers, and realize intelligent collaboration and operation across the value chain optimization and reform the organization of educational content to create a new growth engine in the future.

Digital content bank: Explore the field of value internet, establish a credible “digital content bank” in the education field, and realize functions such as points/rights circulation, academic records, employment traceability, intellectual property deposits, lifelong learning portraits, and mixed alliance rights.

2. **Implementation path**

Integration period (2021-2022): On the basis of the existing “Internet +” vocational education service platform, improve the construction of various basic services, open up the underlying data, integrate various business platforms, and strengthen the coordination of various entities and business sectors within the Group, to realize the coherence of the whole business and the whole process.

Upgrade period (2022-2024): Adopt the “self-operation + partner” model, unite industry, industry resources and service stakeholders to provide partners with online services and integrated solutions, and achieve cross-platform and cross-field collaboration, promote business upgrading and value co-creation.

Open period (2024 -): Take advantage of digital assets, service capabilities, industry links, etc., build a talent supply chain innovation ecological platform cluster in the cloud through highly concentrated content production and close collaboration and intelligent operation and dissemination, and jointly build the education chain, the talent chain, the industrial chain, and the innovation chain, which are mutually beneficial and win-win “Internet +” vocational education open ecology and promote industrial prosperity.

There are no guarantees as to whether any forward-looking statements regarding the business development of the Group contained in this announcement and any matters or transactions contained therein can be reached, whether they will actually occur or will be realized, or whether they are complete or correct. Shareholders of the Company and/or potential investors should exercise caution when dealing in the Company’s securities and should not rely excessively on the information disclosed in this announcement. If in doubt, shareholders or potential investors should consult professional advisers.

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

Hong Kong, 17 August 2021

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.