

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

BUSINESS UPDATE

COMPREHENSIVE STRATEGIC COOPERATION AGREEMENT ENTERED BY THE COMPANY

AND

THE INDUSTRIAL AND COMMERCIAL BANK OF CHINA CHONGQING BRANCH

This announcement is made by Minsheng Education Group Company Limited (the “**Company**” and together with its subsidiaries referred as the “**Group**”) on a voluntary basis to provide the shareholders of the Company and potential investors an update on the latest business development of the Company.

STRATEGIC COOPERATION AGREEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 23 August 2018, the Company entered into comprehensive strategic cooperation agreement (the “**Strategic Cooperation Agreement**”) with The Industrial and Commercial Bank of China Limited Chongqing Branch (“**ICBC**”) in order to build a long-term and stable comprehensive strategic cooperation relationship between ICBC and the Company.

According to the Strategic Cooperation Agreement, ICBC will provide the following financial services to the Company:

Financial Services

Services to be provided

Loan businesses services:

RMB10 billion intentional financing

According to the company's needs, business conditions, the national industrial policy and ICBC credit policy, ICBC approves the approved credit line. Subject to credit approval, ICBC intend to provide the Company the indicative overall financing credit of no less than RMB 10 billion in the next three years to support various funding needs of the Company in developing education and education-related businesses, including but not limited to pre-project loans, project loans, working capital loans, M&A loans, M&A funds, equity financing and financial leasing.

Financing cost are in-line with the bank's benchmark interest rate

ICBC regards the Company as a key customer of Chongqing Branch, and will offer the Company the same treatment as the public schools in terms of financing. In principle, ICBC will offer loans to the Group at interest rates to be determined according to the bank's benchmark interest rate. The relevant terms and conditions of such loans will be in line with those applicable to Chongqing key middle schools and key universities.

Standby loan of RMB1 billion

On the basis of adherence to national policy and the requirements for the approval of ICBC, ICBC agreed to provide the company with a standby loan of no less than RMB1 billion.

Asset securitization and issuance of bonds:

ICBC agreed to provide consultation services including policy consultation, business analysis and solutions for corporate bond issuance and asset securitization to the Company, to help the Company coordinate with securities firm and fund management companies in relation to the issuance of the relevant securities (if any), and to endeavor to seek investment in the Group by investors for up to RMB5 billion (excluding the credit facility which may be provided by ICBC to the Group).

Cash management services:

Leveraging on its extensive service points and products, ICBC will design a customized cash management solution for the Company.

Investment banking services:

ICBC provides investment consulting, perennial financial, private equity and overseas M&A advisory services to the Company.

International banking services:

Leveraging on its advantages in domestic and overseas network, capital and products, ICBC will provide the Group with professional consulting, international settlement, foreign exchange fund transactions and cross-border RMB services for the Group's cross-border businesses.

According to the Strategic Cooperation Agreement, provided that the services and commercial terms provided by ICBC are not inferior as to the other banks, the Company will give priority to ICBC to act as the main bank for its financial business to take the Group's domestic and foreign currency deposits, provide local and foreign currency loans, settlement of transactions in local and foreign currencies, provide external guarantee services, handle foreign exchange transactions, overseas bond issuance, cross-border foreign currency or RMB two-way fund pool, fund transfers, e-banking services, enterprise annuity account management services, and to provide financial or financing consulting services.

The Strategic Cooperation Agreement is valid for five years from the date of signing the Strategic Cooperation Agreement.

KEY BENEFITS OF ENTERING INTO THE STRATEGIC COOPERATION AGREEMENT

The Directors are of the view that taking into account that the Group and ICBC have cooperated extensively for more than 20 years, the Strategic Cooperation Agreement will (i) enable the Company to benefit from a long-term stable development with the necessary financing arrangement; (ii) provide an organized platform to finance the Group's expansion plan and construction of campuses; and (iii) allow the Group to obtain financing at favorable interest rates, which will in turn allow the Group to enjoy a lower cost of capital and hence create greater value for shareholders of the Company.

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

Hong Kong, 27 August 2018

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