

Stock Code: 1569

MINSHENG EDUCATION GROUP

FIRST HALF 2020 RESULTS

民生教育集团有限公司
Minsheng Education Group Co. Ltd



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■ CONTENTS

01

PERFORMANCE
REVIEW

02

INVESTMENT
HIGHLIGHTS

03

MINSHENG
AT A GLANCE

04

FUTURE
PROSPECTS

05

APPENDIX

01.

PART ONE

PERFORMANCE REVIEW



Month	Value
Jul	9.71
Aug	8.45
Sep	6.15
Oct	2.43
Nov	
Dec	

FINANCIAL HIGHLIGHTS

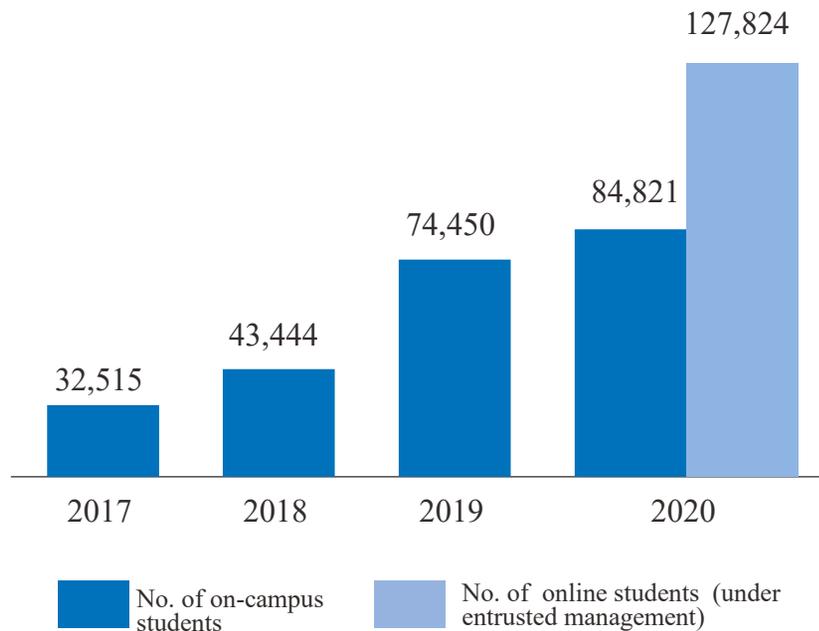
In the 1st half of 2020, the Group has a realized strong organic growth, with a YoY increase of **16.1%** in profit for the reporting period and a YoY increase of **32.8%** in profit for the reporting period after adding back deferred tuition, marking the highest organic growth since the listing of the Company.

	Financial results before adding back deferred tuition		Financial results after adding back deferred tuition ^{Note ①}	
	Six months ended June 30 2020 (In RMB thousands)	Year-on-year (%)	Six months ended June 30 2020 (In RMB thousands)	Year-on-year (%)
Revenue	542,735	+3.1%	576,735	+9.6%
Profit for the Period	236,420	+16.1%	270,420	+32.8%
Adjusted Net Profit	251,086	+7.8%	285,086	+22.5%
Gross Profit Margin	56.5%		59.1%	
Net Profit Margin	43.6%		46.9%	
Adjusted Net Profit Margin	46.3%		49.4%	

Note ①: The teaching plans of certain schools of the Group have been adjusted due to the impact of the Novel Coronavirus Disease 2019 (COVID-19) pandemic, therefore tuition fees income amounting to approximately RMB34 million has been deferred to be recognized in July 2020 ("Deferred Tuition").

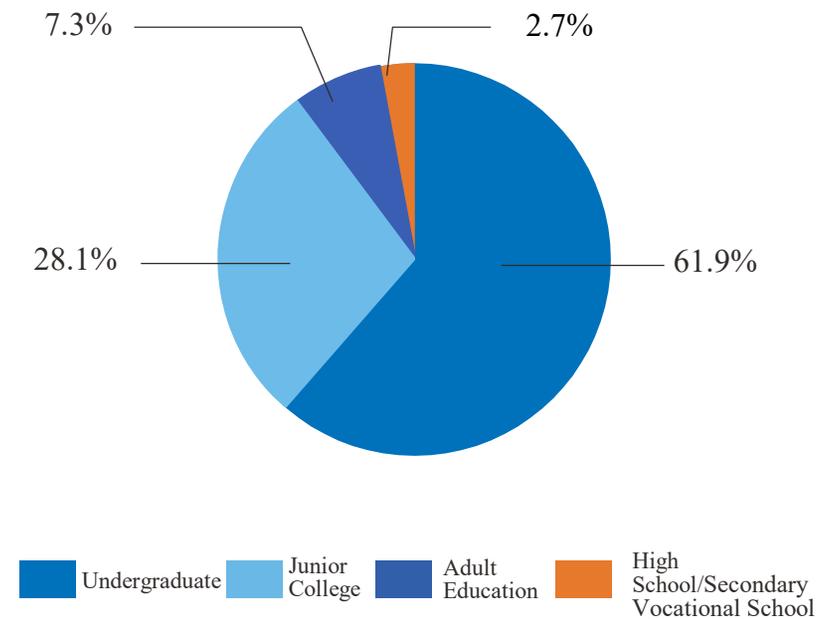
OPERATIONAL HIGHLIGHTS

Total Number of Students
(As of June 30)



The total number of on-campus students was 84,821, with a **CAGR of 37.7%** over the past four years.

Distribution of Students : On-campus Education
(As of June 30, 2020)



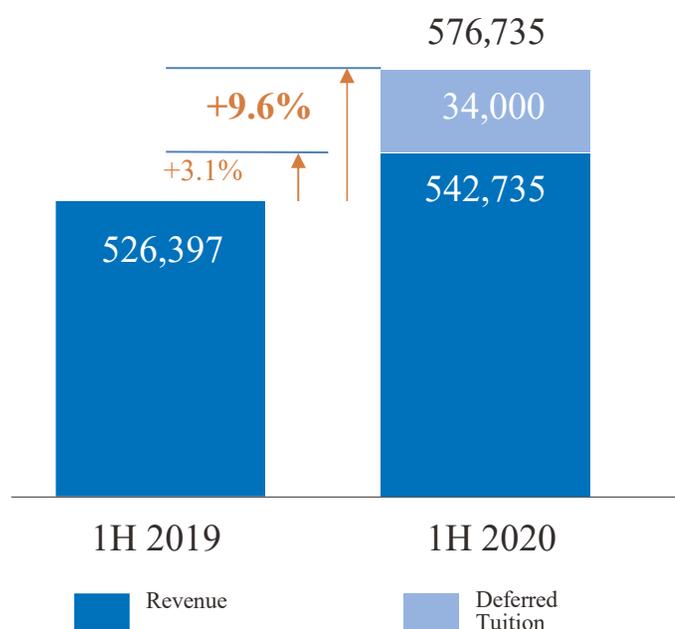
The total number of undergraduate students of the Group was 52,531, an increase of **9.1%** YoY, accounting for **61.9%** of the total on-campus students.

REVENUE & COST OF SALES

Revenue

(For the six months ended June 30)

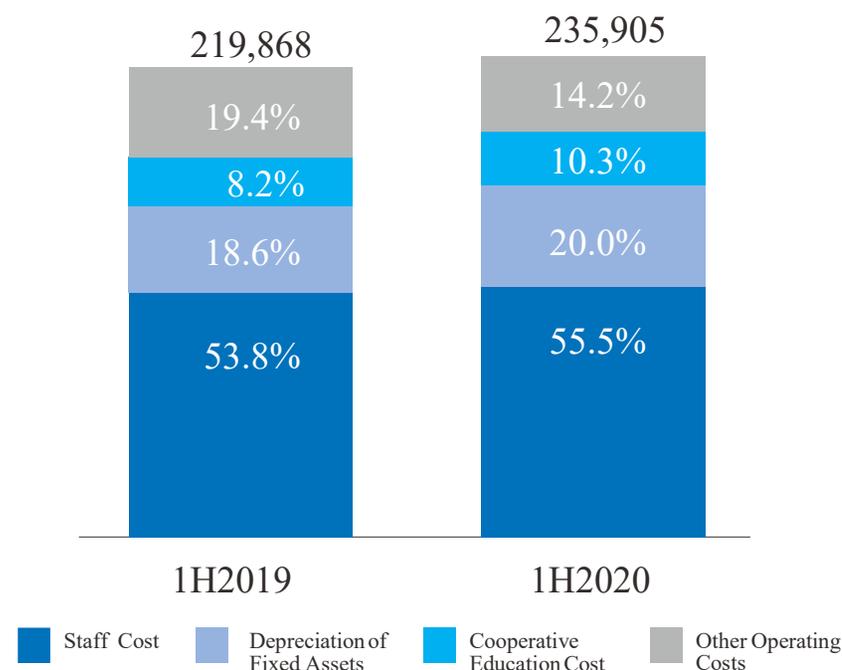
In RMB thousands



Cost of Sales

(For the six months ended June 30)

In RMB thousands



- Revenue was approx. **RMB 543 million**, up by **3.1% YoY**.
- Revenue after adding back deferred tuition was approx. **RMB 577million**, up by **9.6% YoY**.

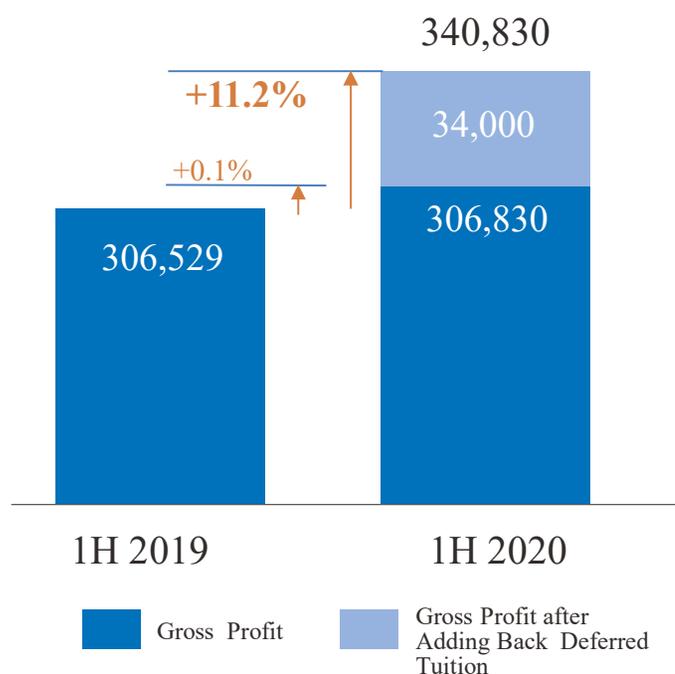
- In the 1st half of 2020, the Group actively expanded the teaching staff of its schools. As a result, salary cost increased as compared to the corresponding period in 2019.

GROSS PROFIT AND GROSS PROFIT MARGIN

Gross Profit

(For the six months ended June 30)

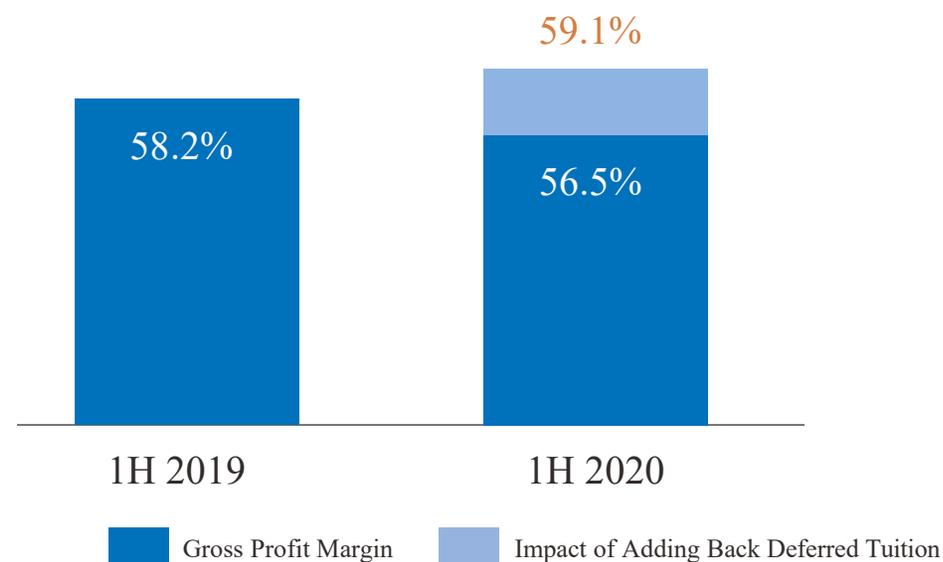
In RMB thousands



Gross Profit Margin

(For the six months ended June 30)

In RMB thousands

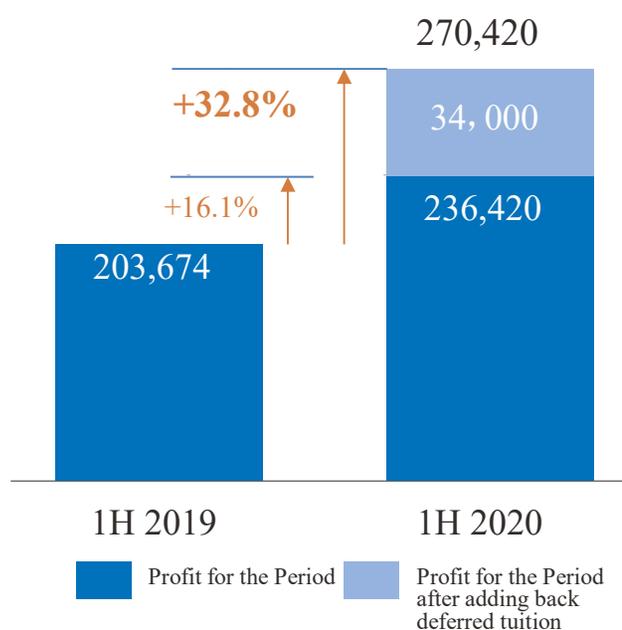


In the 1st half of 2020, the Group's gross profit after adding back deferred tuition was **RMB 341 million**, an increase of 11.2% YoY.

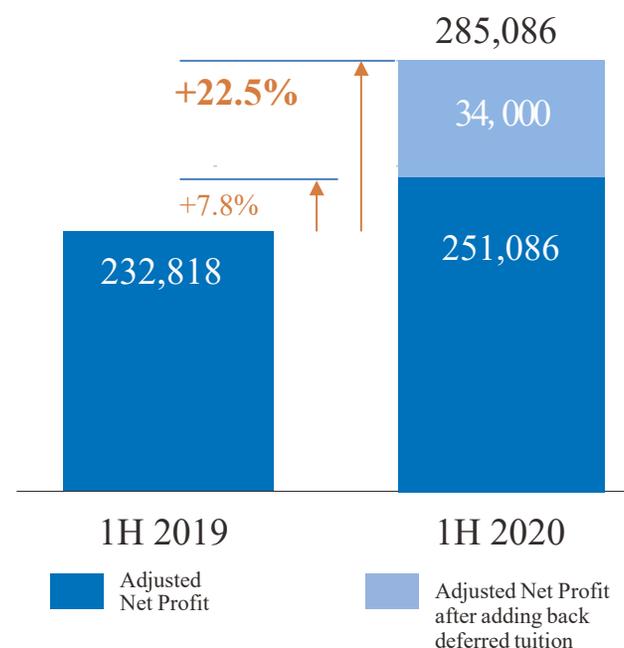
In the 1st half of 2020, the Group's gross profit margin after adding back deferred tuition was **59.1%**, an increase of 0.9 percentage point YoY.

PROFIT FOR THE PERIOD & ADJUSTED NET PROFIT

Profit for the Period
(For the six months ended June 30)
In RMB thousands



Adjusted Net Profit
(For the six months ended June 30)
In RMB thousands

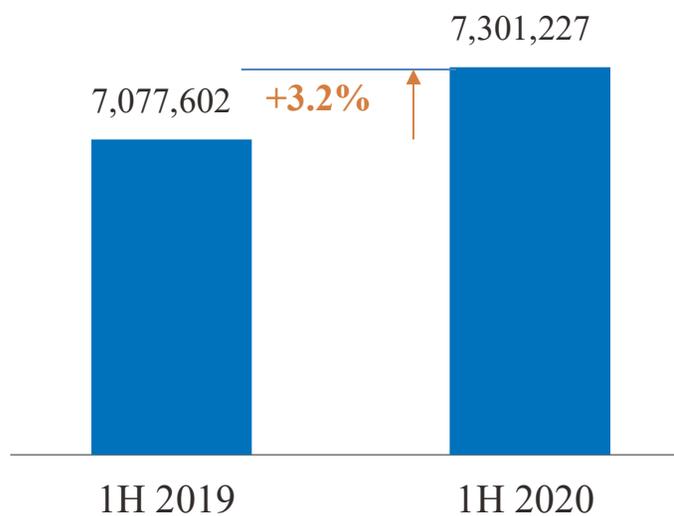


In the 1st half of 2020, the Group's net profit margin after adding back deferred tuition was approx. **46.9%**, up by **8.2 percentage points YoY**.

ASSETS

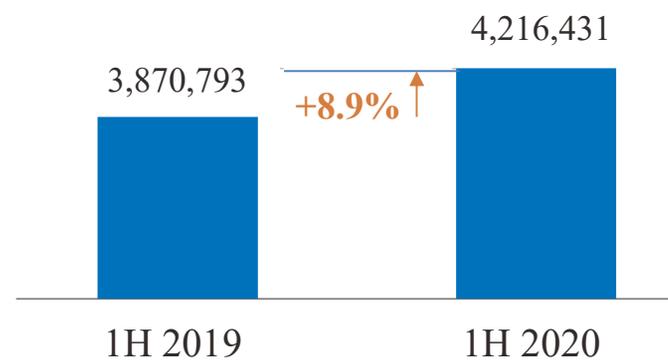
Total Assets
(As of June 30)

In RMB thousands



Net Assets
(As of June 30)

In RMB thousands



SOLID CASH AND FINANCIAL POSITION



The Group has strong cashflow. As of June 30 2020, the balance of cash and bank deposit was approx. **RMB 1.31 billion**.



The Group's financial position was healthy and stable. As of June 30 2020, the Group's net gearing ratio was approx. **16.01%**, a decrease of 0.81 percentage point YoY.

SUSPENDING SCHOOLS WITHOUT SUSPENDING LEARNING

Organize Online Teaching and Learning from home

Our schools have taken effective prevention and control measures and have actively organized online teaching activities to achieve the goal of “suspending schools without suspending learning.” The Group has paid great emphasis on pandemic prevention and control while reopening schools. Our students gradually returned to schools from May to June in 2020.



CCTV Report on Dianchi College of Yunnan University

Fulfilling Social Responsibilities and Donating Pandemic Prevention Materials

To combat the COVID-19 pandemic, the Group donated supplies and equipment for pandemic prevention with a total value of RMB 4 million to all universities and colleges in Chongqing, and organized teacher and student volunteers to participate in anti-pandemic work in Hubei and other places. Alumni of our schools went to Wuhan to participate frontline anti-pandemic work as members of Chongqing Medical Team in Support of Hubei, which was reported by People's Daily, Xinhuanet and many other mainstream media.

Impact of Pandemic on Our Financials

As of June 30 2020, (i) due to the impact of the pandemic, the teaching plans of some schools of the Group have been adjusted, so a total of tuition fee income of RMB 34 million has been deferred to be recognised in July 2020; and (ii) our schools have refunded a total accommodation fee of approx. RMB 21 million in accordance with relevant guidelines of local education authorities. Apart from the above disclosure, financials of the Group has not been materially affected at this point.



PART TWO

02.

INVESTMENT HIGHLIGHTS

INVESTMENT HIGHLIGHTS

1. Consistent Growth of On-Campus Education Business

2. Strong Pipeline of M&A Projects

3. Major Breakthrough in Online Education Business

4. Diversified Sources of Financing

5. Quality Education with High Reputation

6. Experienced Management Team

7. Stable Long-term Dividend Distribution Strategy



Consistent Growth of on-Campus Education Business

Chongqing College of Humanities, Science & Technology

The first and only independently-established private undergraduate college in the city of Chongqing approved by government. It has been successfully converted from a public university affiliated "independent college" .

- Chongqing College of Humanities, Science & Technology is preparing for "Eligibility Evaluation of Undergraduate Education", the periodical mandatory evaluation to all colleges nationwide conducted by the Ministry of Education. In this year, the College has (i) stabilized student population size and improved education quality; (ii) increased investment in teachers, equipment and campus construction. Tuition for the 2020-2021 academic year is not adjusted.
- The Eligibility Evaluation of Undergraduate Education is expected to be completed by the end of 2020 or no later than the first half of 2021.

Key Drivers of Growth



Increase in Tuition

Increase in revenue



Enrollment of Students

Growing rapidly

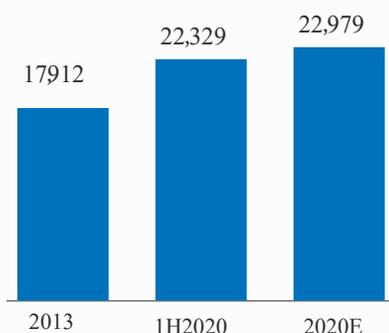


Campus Expansion

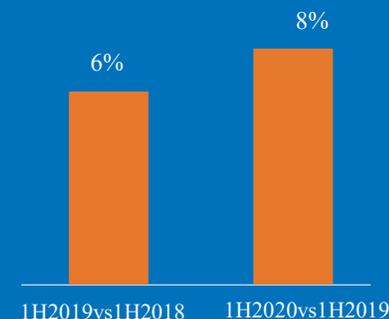
More than 80,000 square meters of school buildings are being constructed to expand student capacity.



Number of Enrolled Students



Growth of Enrolled Students



Consistent Growth of on-Campus Education Business

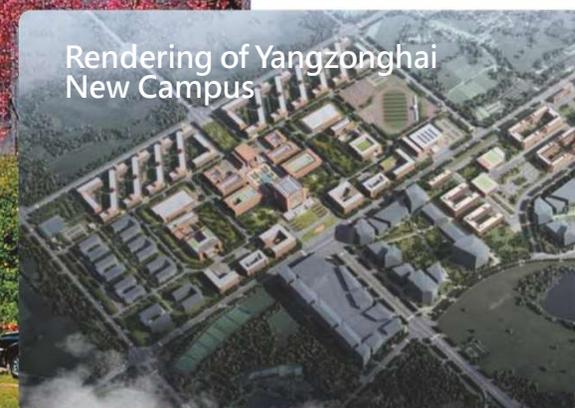
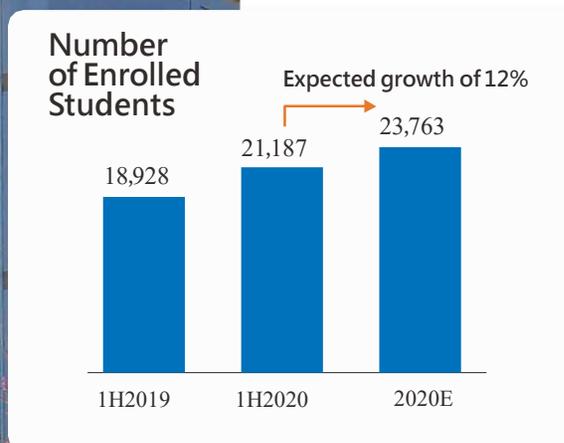
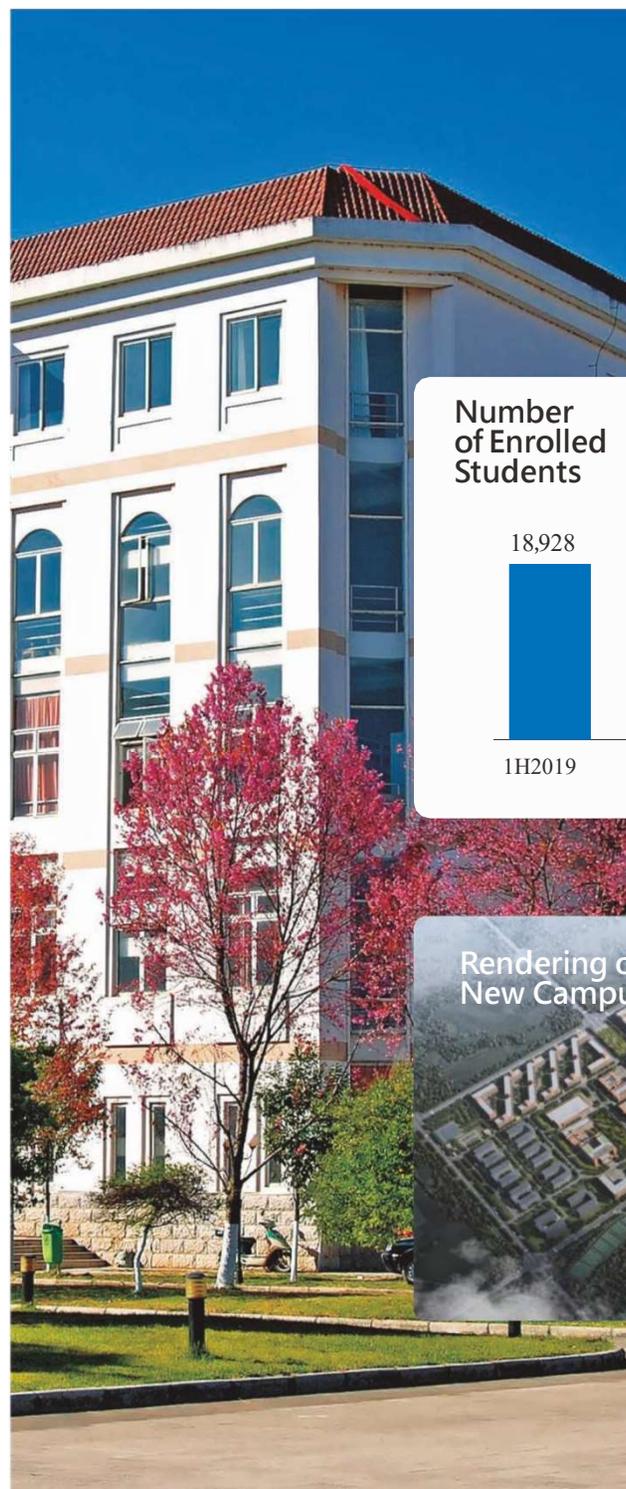
Dianchi College of Yunnan University

A top ranked 5-star independent college in China

- Dianchi College of Yunnan University is preparing for the "Conversion of Independent College". The college has (i) stabilized student population size and improved education quality; (ii) increased investment in teachers, equipment and campus construction. Tuition fees for the 2020-2021 academic year are not adjusted.
- The conversion is expected to be completed in 2021.

Key Drivers of Growth

- 
Increase in Tuition Increase in revenue
- 
Exemption of Management Fee Profit increase of more than RMB 34 million per year
- 
Enrollment of Students Growing rapidly
- 
Campus Expansion The first phase of Yangzonghai campus is about 200,000 square meters; After completion, an additional capacity for 12,500 students will be added; It is expected to enter service in 2022.



Consistent Growth of on-Campus Education Business

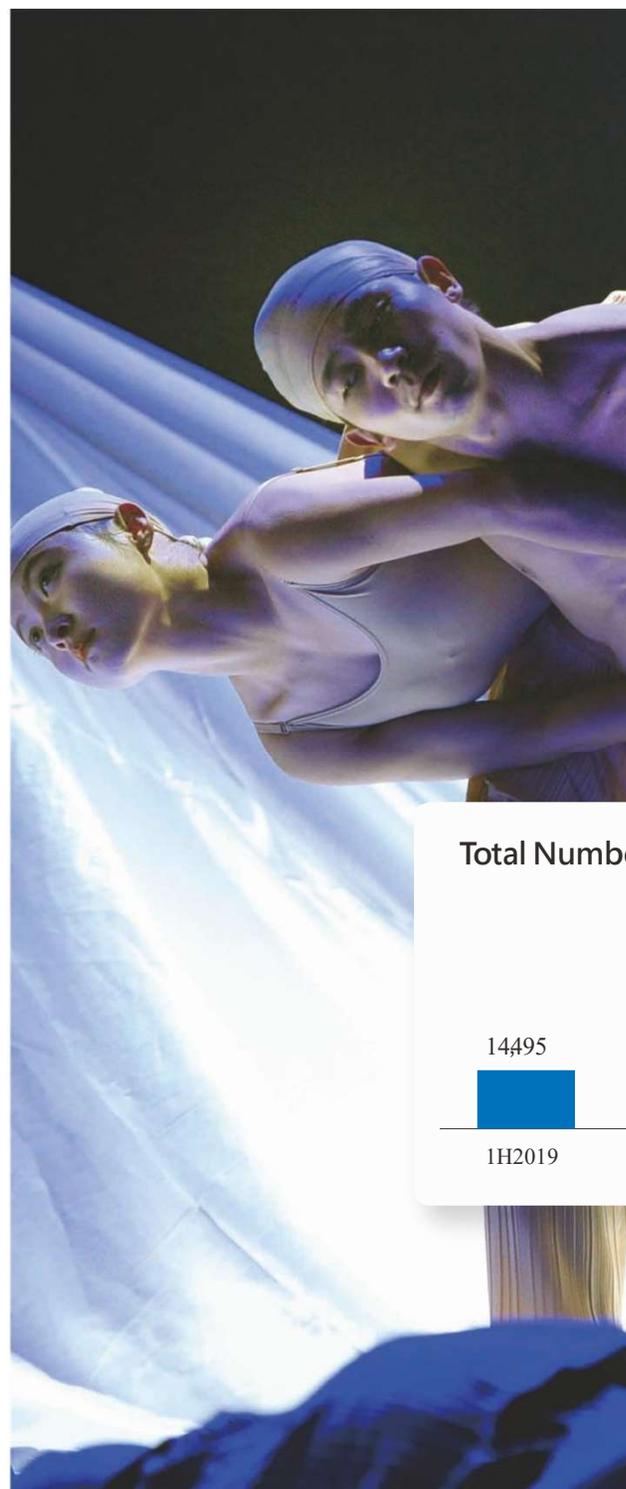
Pass College of Chongqing Technology and Business University

Pass College is an independent college of Chongqing Technology and Business University. It will be renamed as "Chongqing College of Economics " after the completion of conversion.

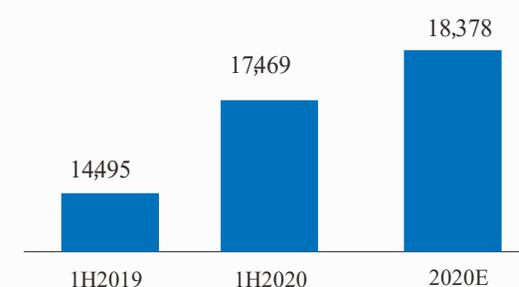
- Pass College of Chongqing Technology and Business University is preparing for the "Conversion of Independent College" , the college has (i) stabilized student population size and improved education quality; (ii) increased the investment in teachers, equipment and campus expansion. Tuition fees for the 2020-2021 academic year are not adjusted.
- The conversion is expected to be completed in 2021.

Key Drivers of Growth

- 
Increase in Tuition Increase in revenue
- 
Exemption of Management Fee Profit increase of more than RMB 14 million per year
- 
Enrollment of Students Growing rapidly
- 
Campus Expansion The new campus buildings cover about 140,000 square meters, which could accommodate 5,000 students. An additional 382 mu of land was added for campus expansion to further expand student capacity.



Total Number of Enrolled Students



Consistent Growth of on-Campus Education Business

Junior Colleges

The Group now has four junior colleges in Chongqing, Shandong and Inner Mongolia Autonomous Region.

- As of June 30 2020, the number of students enrolled in **Qufu Fareast Vocational and Technical College** was **10,604**, an increase of **91%** YoY. Double-digit growth is expected to be maintained 2020.
- The new high-speed railway campus of **Qufu Fareast Vocational and Technical College** covers an area of about 463 mu and has a construction of about 60,000 square meters in the first phase, which is expected to be put into use in 2020.

Key Drivers of Growth



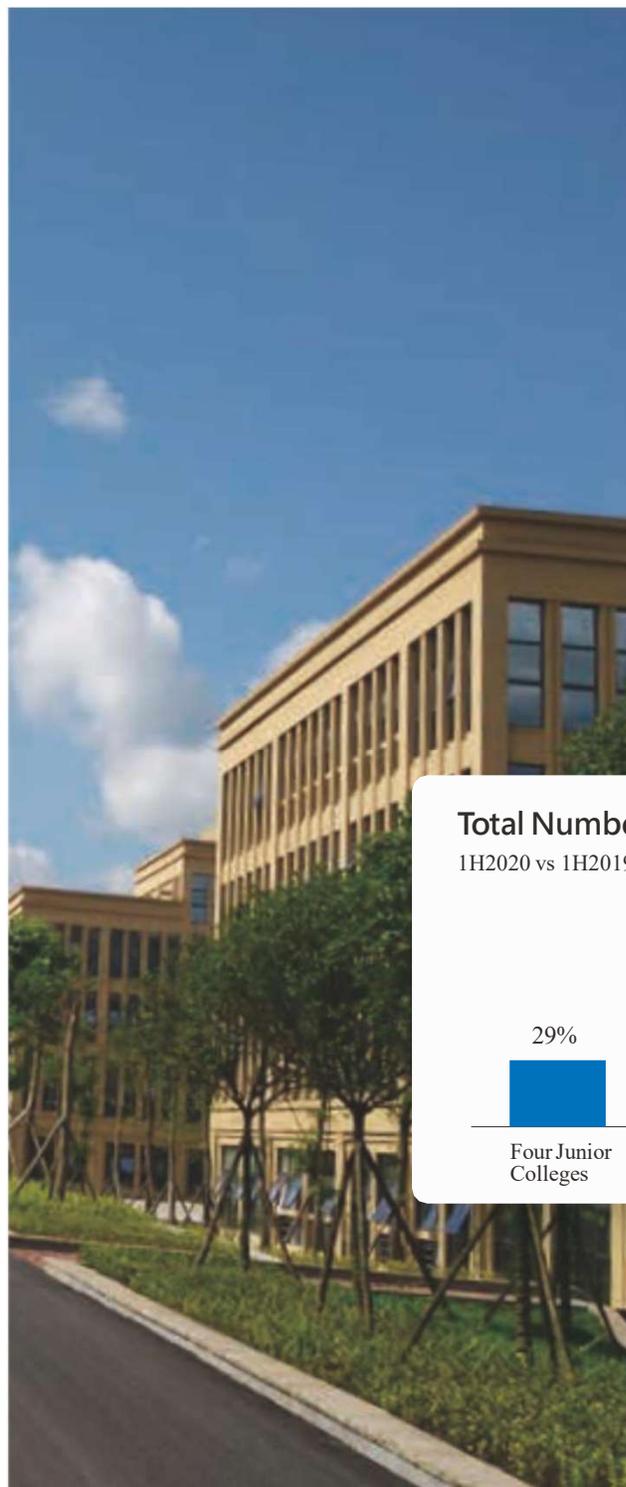
Expanding Enrollment

It is expected that the Group will maintain a double-digit growth in student population



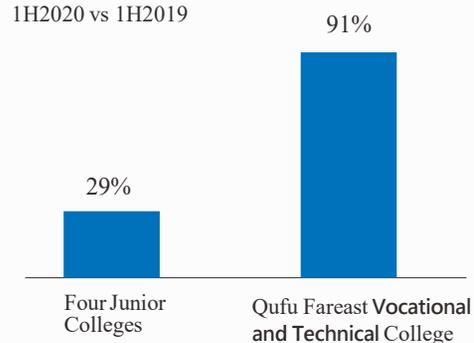
Upgrade to Undergraduate College

The Group actively promotes its junior colleges to develop into undergraduate colleges



Total Number of Enrolled Students

1H2020 vs 1H2019

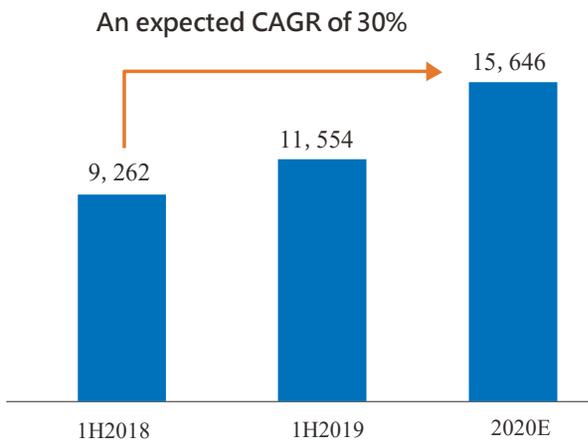


Strong Pipeline of M&A Projects

Nanchang Vocational University

- Nanchang Vocational University is one of the first 15 pilot colleges for undergraduate vocational education reform in China, and it is an independently established undergraduate vocational college.
- The changes of sponsorship at Nanchang Vocational University has moved past the public notification stage, and is now subject to the approval by the Ministry of Education.
- The M&A is expected to be completed by March 31, 2021.

Total Number of Enrolled Students



Key Drivers of Growth

Enrollment Growth

The College started recruiting undergraduate students in September 2019; As of June 30 2020, the total number of students was 11,554. The estimated enrollment for the 2020-2021 academic year is over 15,600.

Tuition Increase

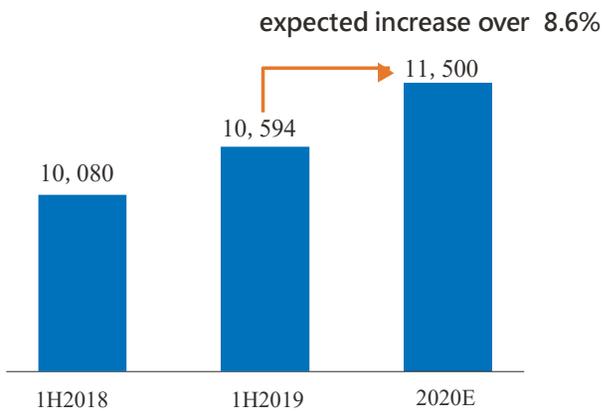
2020-2021 Junior College Tuition
A maximum increase of 24% to RMB 15,500
2020-2021 Undergraduate Tuition
A maximum increase of 16% to RMB 23,500

Strong Pipeline of M&A Projects

Anhui Wonder University of Information Engineering

- Anhui Wonder University of Information Engineering is an independently established private undergraduate college.
- Aim to complete the M&A in the 1st half of 2021.

Total Number of Enrolled Students



Key Drivers of Growth

Enrollment Growth

As of June 30, 2020, student enrollment was 10,594. For 2020-2021 academic year, it is estimated that 11,500 students will be enrolled, a YoY increase of over 8.6%

Tuition Increase

2020-2021 Junior College Tuition
A maximum increase of 26% to RMB 11,800
2020/21 Undergraduate Tuition
A maximum increase of 30% to RMB 20,800

Anhui Sky Aviation International Flight Academy

- A CCAR-141 flight training academy certified by the Civil Aviation Administration, which has been approved for courses of private licenses, commercial licenses and so on.
- Aim to complete the M&A in the first half of 2021.



Excellent Hardware

The training base is located at Fuyang Airport in Anhui Province with 7 training aircrafts



Airline Cooperation

Starting commercial pilot training cooperation with **Spring Airlines**.

The first group of 10-12 trainees will arrive in the 2020-2021 academic year, with a training fee of **RMB 600,000** per trainee.



Future Growth

25 students are expected to enroll in 2020-2021 academic year. The policy on special training subsidy of **RMB 120,000** for each student after graduation will continue to be valid.



Strong Pipeline of M&A Projects

Qufu Fareast Vocational and Technical College

- Qufu Fareast Vocational and Technical College is a higher vocational college located in Qufu City, Shandong Province.
- Aim to complete the M&A by 2021.

Expanding recruitment and new campus construction will lead to sustained double-digit growth in student enrollment



The recruitment expansion of higher vocational colleges drives the growth in student population

As of June 30 2020, there were **10,604** students on campus, an increase of **90.7%** YoY

It is expected that in the 2020-2021 academic year, the number of students will reach **12,000**, an increase of **13.2%** YoY



The new campus will drive sustained future growth

The high-speed railway campus covers an area of **463** mu.

The first phase of construction of 60,000 square meters, is expected to be put into use in 2020.



OVERVIEW OF ONLINE EDUCATION BRANDS

Three online education brands & over 140 partner colleges and universities, providing services to nearly 10 million students and users

	Ownership	Courses Offered	Partnered College	Network Covered	Number of Students/Users
	Entrusted management arrangement	1. Online academic education 2. Vocational qualification training	105 colleges and universities	5 provinces/cities/autonomous regions, There are 13 campuses in total	1. Online academic education: 113 thousand students. 2. Vocational certification training: 15,000 students.
	Indirect 50% shareholding through TCL Education Network. (TCL Education Network was merged in April 2020)	1. Online academic education 2. MOOC education 3. Continuing education for teachers	39 colleges and universities (985/211 undergraduate universities)	31 provinces/municipalities/autonomous regions, total of more than 1,600 outlets	1. Online academic education: 980 thousand students 2. MOOC: 7.86 million registered users 3. Continuing education for Teachers: 760 thousand students
 Silk Roads	Indirect 80% shareholding through TCL Education Network. (TCL Education Network was merged in April 2020)	Online HSK Test	—	70 online examination sites in China and 9 overseas examination sites	More than 8,000 persons participated in the online HSK test

Growth Drivers of Online Education Business



Increase in Users and Tuition

- The number of students of Guangdong Online Entities has increased by **25.6%** YoY.
- In the first half of 2020, the average tuition fee of Open Education increased by **6.3%** year on year.
- In the first half of 2020, newly registered users and spending per user of MOOC increased by **37.8%** and **28.0%** YoY respectively.



Consolidation of M&A Transactions

- Guangdong Online Entities transaction is expected to be completed in the first half of 2021.
- The Company is actively pursuing a purchase of remaining shares of Open Education.
- The consolidation of the above two transactions will add a total revenue of **RMB 2 Billion** to the Group.

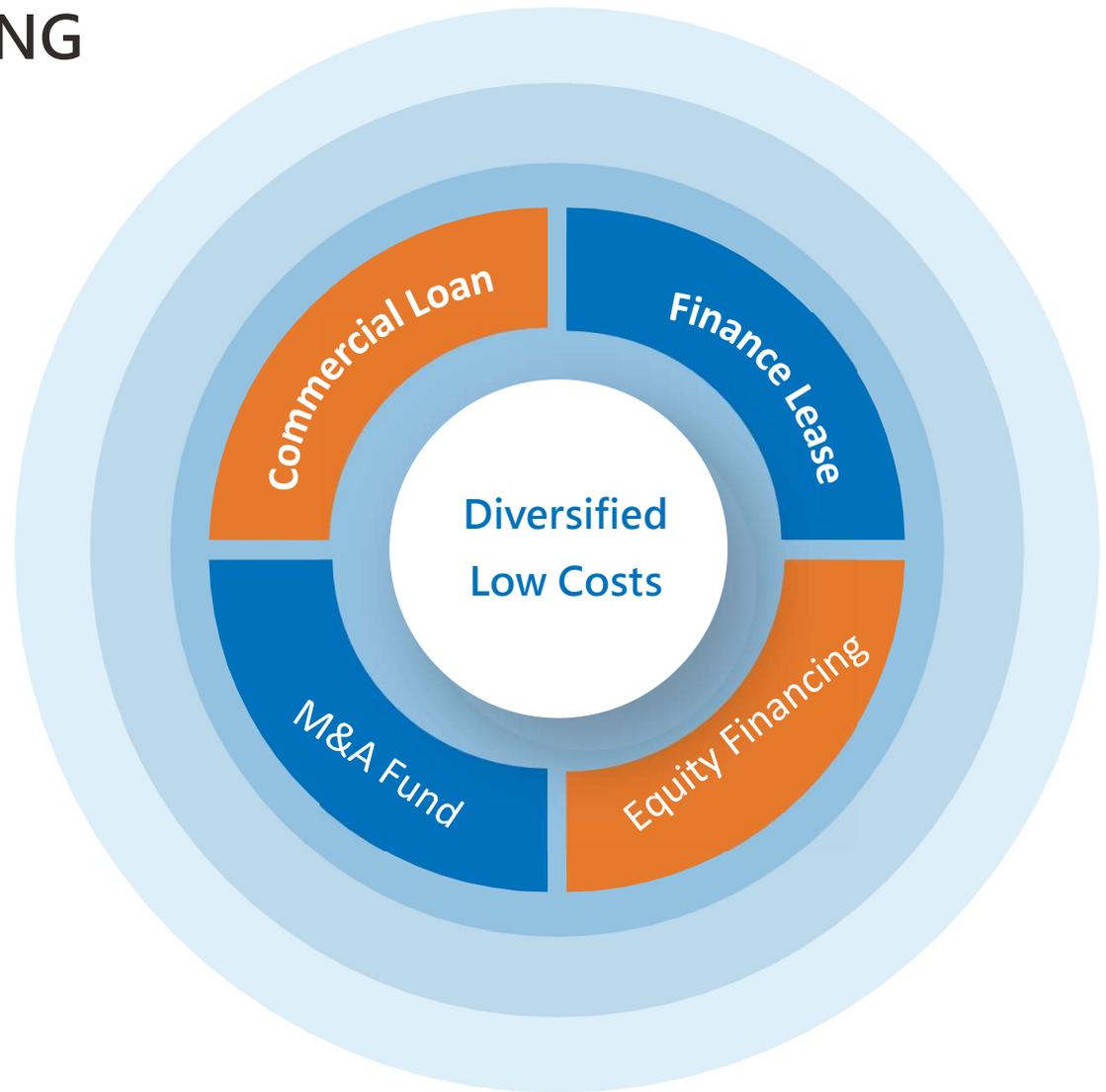


Empower Education with Technology

- Merge offline and online curriculum
- Merge offline and online including mobile studying
- End-to-end digitization

DIVERSIFIED FINANCING CHANNELS

- Actively expanding sources of financing to obtain lower funding cost through debt and equity financing. Providing long term and stable funding support for business development.
- Cost of new debt inside and outside China averaged less than 4%



QUALITY REPUTATION OF SCHOOLING

Top National Comprehensive Ranking

Dianchi College of Yunnan University ranked 10th in the "2019 Comprehensive Strength Ranking of 255 Independent Colleges in China"

Chongqing College of Humanities and Science and Technology ranked 29th in the "2019 Ranking List of Private Universities in China"

Achieved Remarkable Results in Vocational Examinations

Passing rate of the legal professional qualification examination of our Dianchi College of Yunnan University (School of Laws) in 2019 is 56%, which is very remarkable.



Top Ranking by Majors in China

The law major of Dianchi College of Yunnan University ranked the first in the "2019 Comprehensive Strength Ranking of 255 Independent Colleges in China"

The preschool education major of Chongqing College of Humanities and Science and Technology ranked the second in the "2019 List of Private Universities in China"

International and Domestic Awards

Design Award of international Top design Competition

Gold Award in Internet + Innovation and Entrepreneurship Competition

First Prize of National Applied Talents Competition

EXPERIENCED MANAGEMENT TEAM



Mr. LI Xuechun

Founder and Chairman of the Board

Responsible for the strategic development of the Group

Member of the National Committee of the 11th and 12th CPPCC

Member of Education, Science, Culture, Health and Sports Committee of the 12th Chinese People's Political Consultative Conference

Member of the Standing Committee of the 10th and 11th All-China Federation of Industry and Commerce

Vice President of China Private Education Association

2014 National Outstanding Educator



Mr. ZUO Yichen

President and Executive Director

Responsible for the Group's overall business development and investment mergers and acquisitions

Worked at the head office of Bank of China
14 years of experience in banking practice, investment and financing. Graduated from Beijing Foreign Studies University



Mr. LIN Yilong

Financial Controller and Executive Director

Responsible for the overall financial management of the Group

Worked for KPMG and Pricewaterhousecoopers; holding CFA and CPA

15 years experience in accounting and finance

Graduated from Hong Kong University of Science and Technology



Mrs. ZHANG Weiping

Vice Chairman of the Board and CEO

Responsible for the overall management and operation of the Group

More than 30 years educational management experience

Member of Chongqing CPPCC

Deputy to the Third Chongqing Municipal People's Congress

Vice President of Higher Education Committee of China

Association for Private Education Supervisor of Chongqing

Association of Private Education



Mr. Feng Yiyi

President

Responsible for the Group's online education business and overseas acquisitions

Held several leadership positions at General Electric (GE)

Served as CEO of several listed education groups

14 years of educational management experience

Graduated from Tsinghua University in Beijing and

University of California, Los Angeles



Mrs. HUANG Yu

President

Responsible for campus business and public relations of the Group

Worked in the "Double First-class" university and relevant education authorities, and held many management positions

18 years of experience in education industry

Graduated from Central China Normal University



Mr. WANG wei

Director of Auditing

Responsible for the Group's auditing and risk control; finance and auditing of the Group's mainland schools

15 years of financial and audit experience

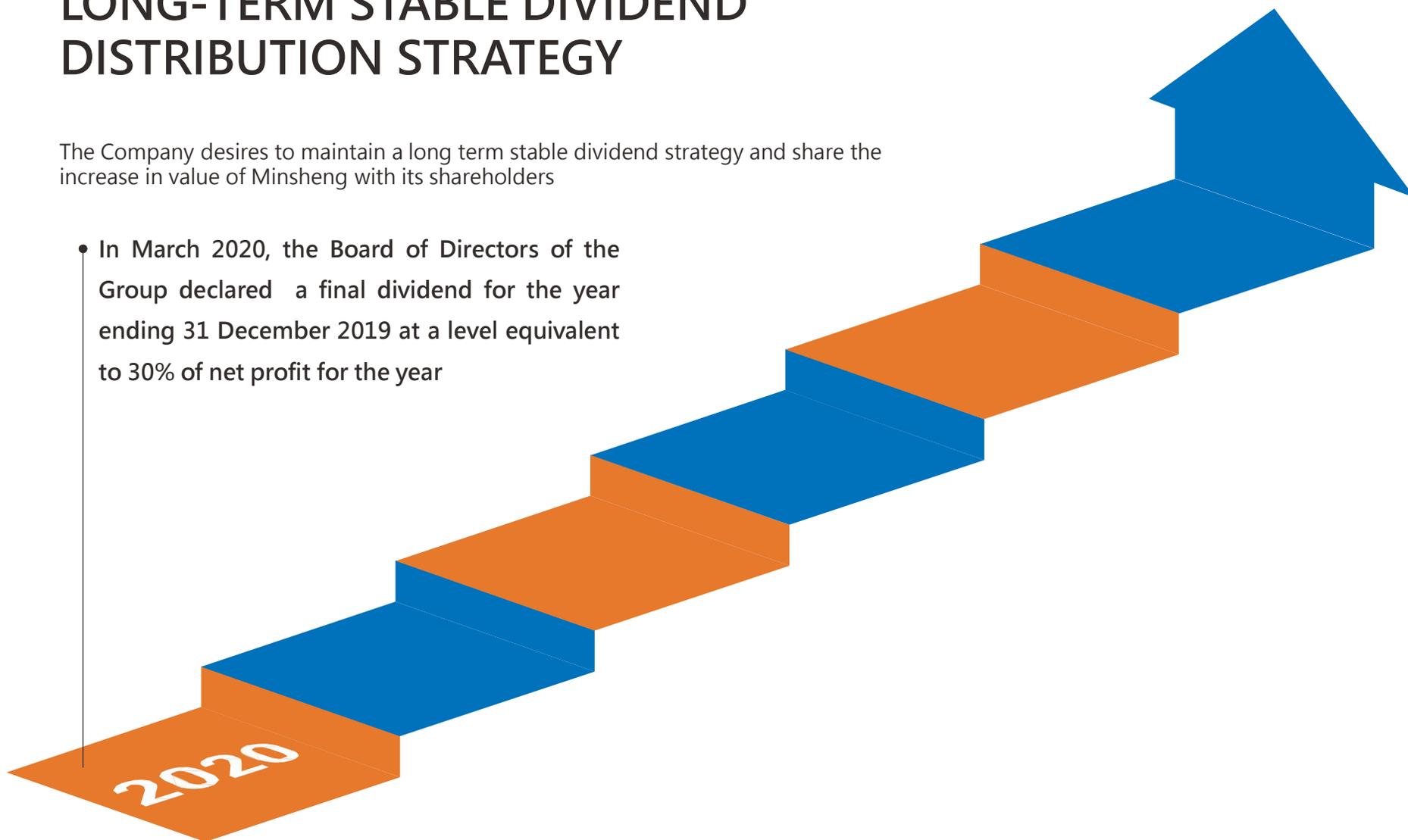
Graduated from Jiangxi University of Finance and Economics

The management team has rich experience in education management, investment, merger and acquisition and financial management

LONG-TERM STABLE DIVIDEND DISTRIBUTION STRATEGY

The Company desires to maintain a long term stable dividend strategy and share the increase in value of Minsheng with its shareholders

- In March 2020, the Board of Directors of the Group declared a final dividend for the year ending 31 December 2019 at a level equivalent to 30% of net profit for the year





PART THREE

03.

**MINSHENG
AT A GLANCE**

OUR BUSINESS ROADMAP

- The Company operates and manages 10 schools in Chongqing, Yunnan, Shandong and Inner Mongolia Autonomous Region

We are one of the largest operators of private universities and colleges in China

2003.3

- The Company is listed on the main board of the Hong Kong Stock Exchange

Included in Shenzhen-Hong Kong Stock Connect

Included in the MSCI China All-share Small-cap Index

2017.3

- The Group has achieved a major breakthrough in its online education strategy

Entrusted Management of Guangdong Online Education Entities

Acquisition of TCL Education Network

HSK

2019.5

ON-CAMPUS EDUCATION



One of the largest private higher education group in China

- The Company's on-campus network covers Chongqing, Yunnan, Shandong, Inner Mongolia, Anhui and Jiangxi provinces/cities/autonomous region
- The total number of on-campus students is

84,821

As of June 30, 2020, the Company had 3 undergraduate colleges, 4 vocational colleges, 2 secondary vocational schools and 1 senior high school



Giving priority to undergraduate education and developing in the direction of graduate education

- As of June 30, 2020, the number of undergraduates is

52,531

Accounting for about **61.9%** of on-campus students, the highest among comparable companies

- The Company invested in the Australian National Institute of Management and Commerce, which offers the MBA and the LLM programs

ON-CAMPUS EDUCATION SCHOOL NETWORK

Chongqing College of Humanities, Science & Technology

- An independently established private university
- Providing 42 undergraduate majors and 1 junior college major
- Number of students: 22,329



Pass College of Chongqing Technology and Business University

- Independent college
- Providing 24 undergraduate majors and 3 junior college majors
- Number of students: 17,469



Chongqing Vocational College of Applied Technology

- Higher vocational college
- Providing 27 junior college majors
- Number of students: 3,919



Chongqing Electronic Information College

- Higher vocational college
- Providing 28 college majors
- Number of students: 5,272



Dianchi College of Yunnan University

- Independent college
- It offers 47 undergraduate majors
- Number of students: 21,187



Inner Mongolia Fengzhou Vocational College (Qingcheng Branch)

- Higher vocational college
- Providing 21 junior college majors
- Number of students: 1,779



Qufu Fareast Vocational and Technical College

- Higher vocational college
- Providing 27 junior college majors
- Number of students :10,604



Laoling Minsheng Secondary Vocational School

- Technical secondary school
- Providing technical secondary courses
- Number of students: 515



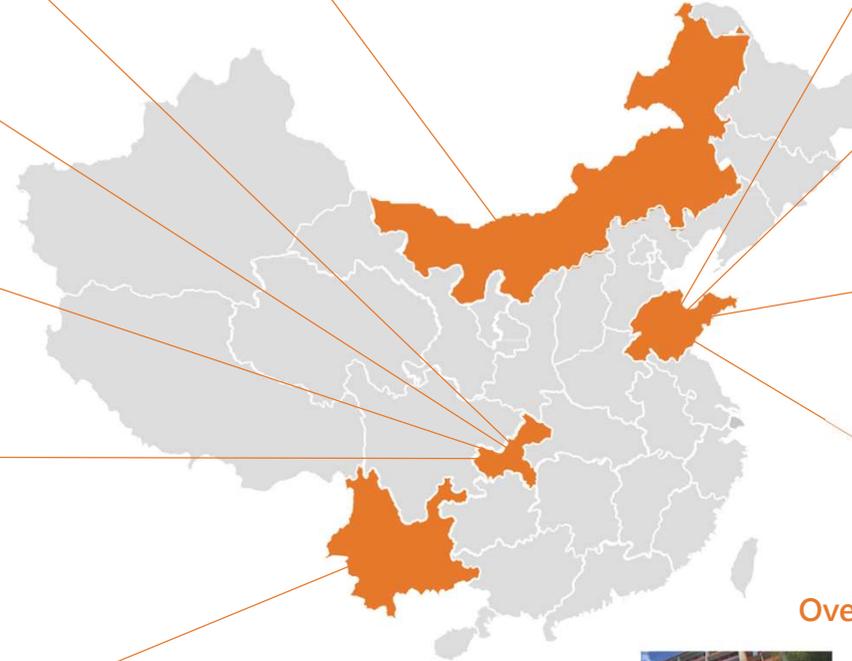
Laoling Secondary Vocational and Technical School

- Technical secondary school
- Providing technical secondary courses
- Number of students: 454



Laoling Minsheng Education High School

- High school
- Providing high school courses
- Number of students: 1,293



Overseas Investment Projects



Singapore Beacon International College



Australian National Institute of Management and Commerce



Hong Kong Nan Yan College of Higher Education

Schools to be consolidated

ON-CAMPUS EDUCATION SCHOOL NETWORK



Anhui Wonder University of Information Engineering

- An independently established private university
- Providing 35 undergraduate and 22 junior college majors
- Number of students: about 10,594



Anhui Hefei Information Engineering School

- Technical secondary school
- Providing technical secondary courses
- Number of students: 2014



Anhui Sky Aviation Academy

- Flight academy
- Providing private and commercial flight training courses
- Number of students: 15



Nanchang Vocational College

- An independently established private university
- Providing 10 undergraduate majors and 37 junior college majors
- Number of students: about 11,554

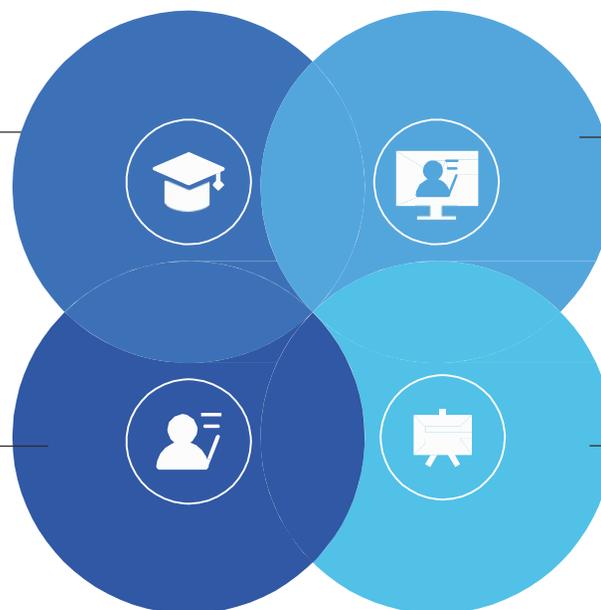
ONLINE EDUCATION

Degree Granting Education

Providing junior college and undergraduate degree granting courses on-line together with partnership universities

Continuing Education for Teachers

Providing training courses for kindergarten, elementary, middle and high school teachers



MOOC Education

China's largest on-line IT education platform

Certificate Training

Providing the courses of vocational certificate training and HSK

3 online education institutions, covering degree granting education, MOOC education, continuing education for teachers and vocational education



Silk Roads

ONLINE EDUCATION NETWORK



More than **1,600** centers in **31** provinces and autonomous regions



The centers are located in **5** provinces, cities and autonomous regions, with more than **13** centers in total



Silk Roads

70 online examination centers in China and **9** overseas examination centers

3 Online Education Institutions

About **1,680** Centers

Located in **31** Provinces / Municipalities / Autonomous Regions



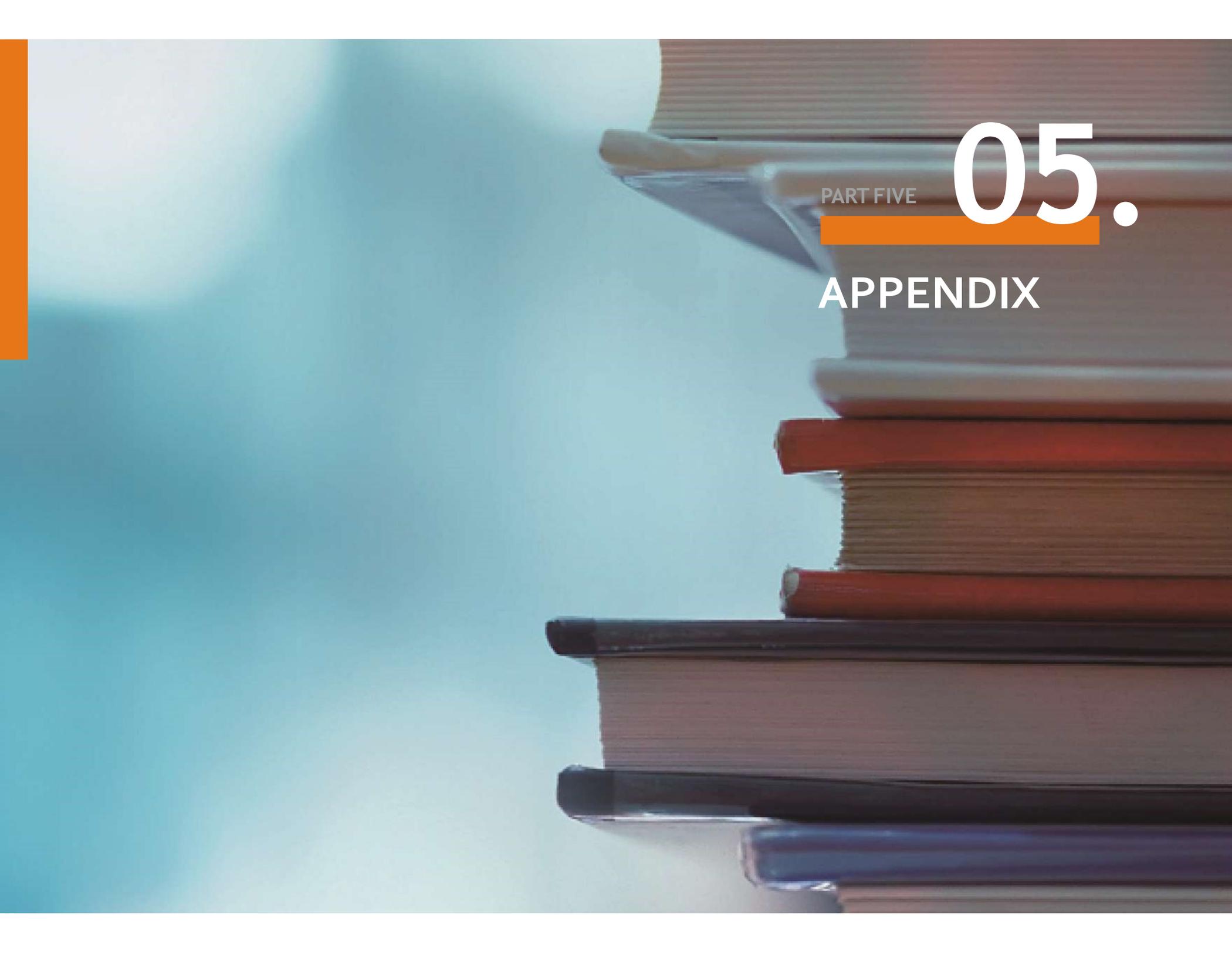
PART FOUR **04.**

**FUTURE
PROSPECTS**

PROSPECTS

Minsheng Education will use technology to empower education and build a new higher education ecosystem. We strive to grow our business with both off-line and on-line engines, as well as, the opportunities from the merge of them.

Minsheng Education will continue to innovate and expand. We are committed to provide students with higher quality of education, develop more talented professionals for society and create greater value for our shareholders.

A stack of books is shown on the right side of the page, with their spines facing left. The books have various colored covers, including red, brown, and blue. The background is a soft, out-of-focus blue. On the far left, there is a solid orange vertical bar. The text 'PART FIVE' is positioned above the large number '05.', which is underlined with an orange bar. Below this, the word 'APPENDIX' is written in white capital letters.

PART FIVE

05.

APPENDIX

Appendix I: Our Schools of Campus Education

As at June 30, 2020, the Company had 10 schools under its operations or management:

No.	Schools	Level	No. of Students as of June 30 2019	No. of Students as of June 30 2019	Expected No. of students for 2020-2021 academic year	Expected Tuition for 2020-2021 academic year (RMB)
1	Chongqing College of Humanities, Science & Technology	Undergraduate College	20,673	22,329	22,900	12,000-18,000
2	Dianchi College of Yunnan University	Undergraduate College	18,928	21,187	23,700	16,000-24,500
3	Pass College of Chongqing Technology and Business University	Undergraduate College	14,495	17,469	18,300	12,000-16,000
4	Chongqing Electronic Information College	Junior College	6,003	5,272	5,300	5,000-12,000
5	Qufu Fareast Vocational and Technical College	Junior College	5,561	10,604	12,000	7, 180-9,980
6	Chongqing Vocational College of Applied Technology	Junior College	3,138	3,919	4,300	4,800-9,800
7	Inner Mongolia Fengzhou Vocational College (Qingcheng Branch)	Junior College	2,030	1,779	1,790	7, 500-8,000
8	Laoling Minsheng Secondary Vocational School	Secondary Vocational School	226	515	1,100	5,000
9	Laoling Secondary Vocational and Technical School	Secondary Vocational School	387	454	500	-
10	Laoling Minsheng Education High School	High School	447	1,293	2,300	15,000
		Total	74,450	84,821	92,190	

Appendix II: Overview of On-Campus Education Projects under Merge Agreements

As of June 30, 2020, the Company has 4 signed campus education merger projects to be completed:

No.	Schools	Level	No. of students as of June 30 2019	No. of students as of June 30 2020	Expected No. of students for 2020-2021 academic year	Expected tuition for 2020-2021 academic year (RMB)
1	Nanchang Vocational University	Undergraduate College	9,262	11,554	15,600	9,500-23,500
2	Anhui Wonder University of Information Engineering	Undergraduate College	10,080	10,594	11,500	10,800-20,800
3	Anhui Hefei Information Engineering School	Specialized Secondary School	1,160	2,014	2,000	1,950
4	Anhui Sky-Aviation International Flight Academy	Training	15	15	25 (full-year target)	600,000 – 800,000
		Total	20,517	24,177	29,125	

Appendix III: Summary of Financial Data

Unit: In RMB thousands	Six months Period By June 30 2020	Six months Period By June 30 2019
Revenue	542,735	526,397
Gross Profit	306,830	306,529
EBITDA	338,510	304,871
Profit for the Period	236,420	203,674
Adjusted Net Profit	251,086	232,818

Unit: In RMB thousands	As of June 30 2020	As of June 30 2019
Total Assets	7,301,227	7,077,602
Current Assets	1,479,689	1,494,790
Non-current Assets	5,821,538	5,582,812
Total Liabilities	3,084,796	3,206,809
Current Liabilities	1,435,683	1,482,443
Non-current Liabilities	1,649,113	1,724,366
Shareholders' Equity	4,216,431	3,870,793

Appendix IV: Incentives For Higher Education and Vocational Education

Issued Date	Policy Name	Summary
2019 Feb.	National Vocational Education Reform and Implementation Plan	Starting from 2019, pilot programs will be launched in vocational colleges and application-oriented undergraduate universities for the system of " academic certificates + certificates of certain vocational skills. " By 2022, vocational colleges will basically meet the teaching requirements, and a large number of ordinary undergraduate institutions of higher learning will become application-oriented.
2019 May	Implementation Plan of Special Work of Higher Vocational College Enrollment Expansion	The relevant requirements for large-scale enrollment expansion of 1 million students in higher vocational colleges will be implemented and the enrollment will be expanded.
2019 May	Vocational and Occupational Skills Upgrading Action Plan (2019-2021)	It will continue to carry out actions to improve vocational skills, make training more targeted and effective, and comprehensively improve workers' vocational skills and their ability to find jobs and start businesses. Over the past three years, more than 50 million people have received various kinds of subsidized vocational skills training.
2019 Sep.	Guidance on Promoting the Healthy Development of Online Education jointly issued by the Ministry of Education and other 11 departments	It will encourage social forces to set up online educational institutions , promote schools to increase the research and sharing of online educational resources, speed up the integration of online and offline education, encourage close cooperation among vocational colleges, ordinary universities, scientific research institutes and enterprises, promote the integrated development of online education, encourage vocational colleges and ordinary colleges and universities to combine social needs and characteristics, and strengthen the construction of relevant specialties and the training of online education talents to save up and develop power.
2019 Dec.	Revised Draft of Vocational Education Law of the People's Republic of China (Draft for Comments)	The State encourages the development of vocational education at various levels and supports the wide participation of various social entities in vocational education.
2020 May.	Notice of General Office of the Ministry of Education on Continuing Education for Second Bachelor's Degree in Regular Higher Education Institutions	It is clear that in order to meet the needs of more students to participate in the second bachelor degree education , students can not only apply for the second bachelor degree major which belongs to different disciplines from the original undergraduate major, but also apply for the second bachelor degree major which belongs to the same discipline category as the original undergraduate major, but does not belong to the same undergraduate major category, which greatly broadens the students' learning major.
2020 May.	In 2020, a total of 511,000 master and Top-up students will be expanded for enrollment.	The number of higher education enrolment will increase by 511,000 . Among them, 189,000 postgraduate students were expanded for enrollment., and 322,000 top-up degree students were expanded for enrollment in regular higher education institutions.
2020 Jul.	Notice on Special Work of Higher Vocational College Enrollment Expansion in 2020	More than 35 million students will be trained in vocational skills this year and next, and the enrollment of higher vocational colleges will be increased by 2 million.

Q & A

Minsheng Education Group Co., Ltd.
Hong Kong Office
Tel: + 852-3468 5563
Fax: + 852-3101 1179
Email: ir@minshengedu.com

Address: Suite 3202A, Floor 32, Tower 1,
Lippo Centre, Queensway No. 89, Hong Kong

Minsheng Education Group Co., Ltd.
Headquarters Office
Tel: + 86-10-8591 1099 / 8591 1180 ext. 8014
Fax: + 86-10-8591 0588
Email: ir@minshengedu.com

Address: Suite 301, Floor 3, Fuller Building, No.
9, East Third Ring Road, Chaoyang District,
Beijing Postcode: 100020



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