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## HISTORY AND CORPORATE STRUCTURE

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### ESTABLISHMENT AND DEVELOPMENT OF THE GROUP

We commenced operations in 1996 with the establishment of our first school, Dalian Maple Leaf High School, in Dalian, China as a joint venture between Sherman (Holdings) Limited and China Shijiazhuang Yanshan Textile Corporation Limited (“**Shijiazhuang Textile**”), a company controlled by the Founder’s brother. The Founder, Mr. Sherman Jen, funded our first school with his own financial resources accumulated from operating his own textile business since the 1980s. This school represented the vision of Mr. Jen to operate a high quality, externally accredited, international private school in China. We have expanded significantly since then, with the number of schools we operate 40 schools as of the Latest Practicable Date, consisting of seven high schools, 10 middle schools, nine elementary schools, 12 preschools and two foreign national schools in nine cities throughout China. Approximately 13,459 students were enrolled in our schools as at May 31, 2014.

### KEY MILESTONES

Set out below are some of the key milestones in our Group’s history:

#### 1994

May	A cooperation agreement was signed regarding the establishment of Dalian Maple Leaf High School as a Sino-foreign joint venture between Sherman (Holdings) Limited and Shijiazhuang Textile with a view to providing high quality international school education in China
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#### 1996

April	Liaoning Province Education Commission granted approval for the establishment of Dalian Maple Leaf High School
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#### 1996

September	Dalian Maple Leaf International School (Middle School and Elementary School) opened in Jinshitan, Dalian
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#### 1998

April	Dalian Maple Leaf High School was the first school to have been granted certification status under the British Columbia Global Education Program — Offshore Schools
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#### 1999

June	The first graduating class from Dalian Maple Leaf High School received their high school diplomas and entered colleges and universities, including in Canada, the USA, the UK and South Korea
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#### 2004

May	Dalian Foreign School was established under the laws of the PRC to provide international high quality education for children of foreign nationals
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#### 2005

September	Dalian Foreign School opened in downtown Dalian Our first preschool, Dalian Maple Leaf Qianshan Xincheng Preschool, opened in downtown Dalian
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#### 2007

June	Our Company was incorporated in the Cayman Islands We acquired Dalian Maple Leaf Yuanjing Fengqiaoyuan Preschool, the name of which was later changed to Dalian Maple Leaf Fengqiao Preschool
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## HISTORY AND CORPORATE STRUCTURE

	We acquired Dalian Lanxi Wenyuan Preschool, the name of which was later changed to Dalian Maple Leaf Lanxi Wenyuan Preschool
September	Wuhan Foreign School and Wuhan Maple Leaf International School (High School) opened
<b>2008</b>	
February	Sequoia Capital China subscribed for a total of 18,000,000 Preferred Shares in our Company
March	Beipeng Software, our PRC wholly-owned subsidiary, was incorporated under the laws of the PRC
	Dalian Maple Leaf Sunshine Preschool opened
May	We acquired Dalian Jiabao Sunshine Preschool, the name of which was later changed to Dalian Maple Leaf Jiabao Preschool
September	Tianjin Taida Maple Leaf International School (High School, Middle School and Elementary School) opened
<b>2009</b>	
April	Dalian Maple Leaf Xiangzhou Preschool opened
May	We acquired Dalian Jinhai Preschool, the name of which was later changed to Dalian Maple Leaf Jinhai Preschool
August	Chongqing Maple Leaf International School (High School) opened
September	Dalian Maple Leaf High School opened a new campus to provide for separate, single-gender educational facilities
December	Dalian Maple Leaf Kaifaqu Preschool opened
<b>2010</b>	
September	Wuhan Maple Leaf School (Middle School) opened
December	Dalian Maple Leaf Xianghe Huayuan Preschool opened
<b>2011</b>	
January	New elementary and middle school facilities opened in Tianjin leading to the establishment of the Tianjin Maple Leaf Educational Park
June	Dalian Maple Leaf Zhonghua Mingcheng Preschool opened
September	Zhenjiang Maple Leaf International School (High School) opened
<b>2012</b>	
May	Ordos Maple Leaf First Preschool opened
September	Inner Mongolia Ordos Maple Leaf International School (Middle School and Elementary School) opened
	Henan Maple Leaf International School (Middle School and Elementary School) opened
	Chongqing Maple Leaf International School (Middle School) opened

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## HISTORY AND CORPORATE STRUCTURE

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### 2013

September	Henan Maple Leaf International School (High School) opened
	Shanghai Maple Leaf International School (High School) opened
	Wuhan Maple Leaf School (Elementary School) opened leading to the establishment of Wuhan Maple Leaf Education Park
	Zhenjiang Maple Leaf International School (Middle School and Elementary School) opened

### 2014

September	Pingdingshan Maple Leaf International School (Middle School and Elementary School), Pingdingshan Maple Leaf International School Preschool, Tianjin Huayuan Maple Leaf International School (Middle School and Elementary School), Shanghai Maple Leaf International School (Middle School), Chongqing Maple Leaf International School (Elementary School) opened
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## OUR CORPORATE HISTORY AND SHAREHOLDING CHANGES OF OUR GROUP

We are a holding company incorporated in the Cayman Islands and conduct our operations primarily through (i) a series of contractual arrangements among us, our wholly-owned PRC subsidiary, Beipeng Software and our consolidated affiliated entities in China, and (ii) Dalian Maple Leaf High School, our PRC subsidiary. The principal changes to the corporate structure of our Company, our subsidiaries and our consolidated affiliated entities since our establishment are described below. Further information regarding the contractual arrangements can be found in the section headed “Contractual Arrangements” in this [REDACTED].

### *Our Company*

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on June 5, 2007. As at the date of incorporation, our authorized share capital was US\$50,000 divided into 50,000 Shares of par value US\$1.00 each. On June 5, 2007, our Company allotted and issued one Share to Offshore Incorporations (Cayman) Limited which was transferred to Sherman Investment. Our Company allotted and issued an additional 49,999 Shares to Sherman Investment on the same day.

On November 2, 2007, the authorized share capital of our Company was increased to US\$200,000 divided into 200,000 Shares of a nominal or par value of US\$1.00, and each Share of par value US\$1.00 in the authorized share capital of our Company was then subdivided (the “**Share Subdivision**”) into 1,000 Shares of par value US\$0.001 each (the “**Subdivided Shares**”) such that immediately following the Share Subdivision, the authorized share capital of our Company became US\$200,000 divided into 200,000,000 Shares of a nominal or par value of US\$0.001 each. On November 19, 2007, 10,627,100 and 3,190,900 Shares were allotted and issued to Sherman Investment as fully paid and to TBIG for a consideration of US\$3.51 million, respectively. TBIG is incorporated in the BVI and an Independent Third Party which was 42.325% owned by Kazimir Investment Limited (“**Kazimir**”), 42.325% owned by Shipston Group Limited (“**Shipston**”) and 15.35% owned by Balloch Investment Holdings Limited (“**BIH**”). BIH is controlled by one of our non-executive Directors, Mr. Howard Robert Balloch. Kazimir and Shipston are Independent Third Parties of the Company and of Mr. Balloch. On February 29, 2008, 7,772,900 and 409,100 Shares were allotted and issued to Sherman Investment and TBIG as fully paid. On March 5, 2008, the authorized share capital of our Company of US\$200,000 divided into 200,000,000 Shares of a par value of US\$0.001 each was designated and classified into 21,000,000 Preferred Shares of par value US\$0.001 each and 179,000,000 Ordinary Shares of par value US\$0.001 each (including all of the 72,000,000 then existing issued Shares). On March 12, 2008, 18,000,000 Preferred Shares were allotted and issued to Sequoia Capital China Growth Fund I, L.P. For more details on the [REDACTED] Investment, see the sub-section headed “[REDACTED] Investment” in this [REDACTED].

## HISTORY AND CORPORATE STRUCTURE

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On April 11, 2008, Sherman Investment transferred 1,000,000 Ordinary Shares to Shu Ling Jen, the Founder’s cousin for nil consideration, 100,000 Ordinary Shares to James William Beeke, our executive Director and BC Program Superintendent for a consideration of RMB1 million, 50,000 Ordinary Shares to Richard David Rabson, an Independent Third Party for nil consideration and 25,000 Ordinary Shares to Chong Yuen Sang, an Independent Third Party for nil consideration, representing 1.11%, 0.11%, 0.06% and 0.03% of the share capital of the Company, respectively. On November 9, 2010, Sherman Investment transferred 1,397,160 Shares to Bei Kai China Fund I, L.P. (“**Bei Kai**”), for a consideration of US\$3 million, representing 1.56% of the share capital of the Company. Bei Kai is a limited liability partnership incorporated in the Cayman Islands. Its general partner is Bei Kai Capital Partners Limited which is owned 50% by Kazimir Bei Kai Holdings Limited, an Independent Third Party of the Company and of Mr. Balloch, and 50% by BIH, respectively. On January 12, 2011, Sherman Investment transferred 60,000 Shares to Chingching Yao, an Independent Third Party for a consideration of US\$100,000, representing 0.07% of the share capital of the Company. On July 14, 2011, TBIG transferred its entire interest in our Company represented by 3,600,000 Ordinary Shares to Bei Kai for a consideration of RMB36 million, representing 4.00% of the share capital of the Company. On September 23, 2011, Chong Yuen Sang transferred her entire interest in our Company represented by 25,000 Ordinary Shares to Shu Ling Jen for nil consideration. On August 29, 2012 and September 24, 2012, Bei Kai transferred 1,067,275 and 213,455 Ordinary Shares to Sherman Investment for a consideration of US\$2.75 million and US\$550,000, respectively, representing 1.19% and 0.24% of the share capital of the Company, respectively. The consideration for each of the share transfers above was determined based on arm’s length negotiations. On April 17, 2014, Bei Kai transferred 1,513,800 Ordinary Shares to Shipston Maple Leaf Holdings Limited, an affiliate of Shipston and an Independent Third Party, for nil consideration, and 2,202,630 Ordinary Shares to TBIG for nil consideration, representing 1.68% and 2.45% of the share capital of the Company, respectively. These transfers were for nil consideration because the beneficial ownership of the underlying shares pursuant to the transfers remains unchanged. Shipston and the beneficial owners of TBIG held their interests in the Company through Bei Kai for a period of time. When Bei Kai was wound up in 2014, those shares were transferred back to Shipston Maple Leaf Holdings Limited and TBIG for nil consideration. Bei Kai ceased to be our Shareholder following such transfers.

### *Our Subsidiaries*

#### *Dalian Maple Leaf High School*

On May 18, 1994, Sherman (Holdings) Limited and Shijiazhuang Textile entered into a Sino-foreign joint cooperation agreement regarding the establishment of Dalian Maple Leaf High School. On April 15, 1996, Liaoning Province Education Commission granted approval for the establishment of Dalian Maple Leaf High School. Based on the asset appraisal report issued by Liaoning Xinxin Accounting Firm in November 1994 and the capital verification report issued by Dalian Yongjia Accounting Firm in May 2001, Dalian Maple Leaf High School had a registered share capital of US\$5 million, 95% of which was contributed by Sherman (Holdings) Limited and 5% of which was contributed by Shijiazhuang Textile. On January 22, 2003, Shijiazhuang Textile and Dalian Science and Education (details of which are set out below) entered into an agreement to transfer the equity interest held by Shijiazhuang Textile in Dalian Maple Leaf High School to Dalian Science and Education for nil consideration. According to our PRC Legal Counsel, PRC laws do not prohibit transfers of the equity interests in private school for nil consideration. Such transfer was approved by the Department of Education of Liaoning Province (previously known as the Liaoning Province Education Commission) on February 20, 2003. On February 28, 2006, Sherman (Holdings) Limited changed its name to Maple Leaf Education (Holdings) Limited. On February 6, 2007, Maple Leaf Education (Holdings) Limited changed its name to Maple Leaf Educational Systems Limited.

#### *The Hong Kong Subsidiaries*

As of the Latest Practicable Date, we had two wholly-owned subsidiaries incorporated in Hong Kong, namely, Tech Global Investment Limited and Hong Kong Maple Leaf Educational Systems Limited. On June 7, 2007,

## HISTORY AND CORPORATE STRUCTURE

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Tech Global Investment Limited was incorporated with an authorized share capital of HK\$10,000 divided into 10,000 shares of HK\$1.00 each. Tech Global Investment Limited was set up for the purposes of establishing Beipeng Software. Hong Kong Maple Leaf Educational Systems Limited was incorporated on February 10, 2009 under the name of Broad Wisdom Enterprises Limited with an authorized share capital of HK\$10,000 divided into 10,000 shares of HK\$1.00 each. On March 3, 2009 Broad Wisdom Enterprises Limited changed its name to Hong Kong Maple Leaf Educational Systems Limited. Hong Kong Maple Leaf Educational Systems Limited is not currently engaged in any business activities. Since their incorporation and up to the Latest Practicable Date, our Company has held 100% shareholding interests in both Tech Global Investment Limited and Hong Kong Maple Leaf Educational Systems Limited.

### *Beipeng Software*

Beipeng Software was incorporated on March 10, 2008 under the laws of the PRC as a limited liability company by Tech Global Investment Limited with an initial registered share capital of US\$20 million. Since the date of incorporation and up to the Latest Practicable Date, Tech Global Investment Limited has held a 100% equity interest in Beipeng Software.

### *Our consolidated affiliated entities*

#### *Dalian Science and Education*

Dalian Science and Education was incorporated on January 9, 2003 under the laws of the PRC as a limited liability company by Wanqing Li, Wansheng Zang and Jingxia Zhang, with an initial registered share capital of RMB1 million, 60% of which was contributed by Wanqing Li, and 20% of which was contributed by each of Wansheng Zang and Jingxia Zhang. Each of these individuals was an employee of the Group at the time Dalian Science and Education was incorporated and each of them held their respective interests in Dalian Science and Education on behalf of the Founder and Ms. Amy Yan, the Founder’s spouse pursuant to a nominee arrangement. As of the Latest Practicable Date, Wansheng Zang was no longer an employee of the Group, having retired in November 2011. On June 17, 2003, Dalian Science and Education increased its registered share capital from RMB1 million to RMB2.05 million, 51.21% of which was contributed by Dalian Educational Group (details of which are set out below), 29.27% of which was contributed by Wanqing Li, 9.76% of which was contributed by Wansheng Zang and 9.76% of which was contributed by Jingxia Zhang. On June 23, 2003, Dalian Science and Education increased its registered share capital from RMB2.05 million to RMB8.5 million, 88.24% of which was contributed by Dalian Educational Group, 7.06% of which was contributed by Wanqing Li, 2.35% of which was contributed by Wansheng Zang and 2.35% of which was contributed by Jingxia Zhang.

On November 20, 2005, Dalian Educational Group transferred its entire interest in Dalian Science and Education to Wanqing Li for nil consideration. Subsequent to this share transfer, Wanqing Li became the largest shareholder of Dalian Science and Education with a 95.3% interest while Wansheng Zang and Jingxia Zhang each held a 2.35% interest.

On May 18, 2007, Wanqing Li transferred his entire interest in Dalian Science and Education to Dalian Educational Group for nil consideration. On the same date, Wansheng Zang and Jingxia Zhang transferred their entire interests in Dalian Science and Education to Ms. Amy Yan for nil consideration. Subsequent to these transfers Dalian Educational Group became the largest shareholder of Dalian Science and Education with a 95.3% interest and Ms. Amy Yan held the remaining 4.7% interest.

On July 20, 2010, Ms. Amy Yan transferred her entire interest in Dalian Science and Education to the Founder’s Sister for nil consideration. According to our PRC Legal Counsel, the share transfers and the nominee arrangement above are legally complete and valid, and PRC laws and regulations do not prohibit share transfers for nil consideration.



## HISTORY AND CORPORATE STRUCTURE

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### *Dalian Educational Group*

Dalian Educational Group was incorporated under the name of Dalian Maple Leaf Educational Development Ltd. on May 23, 2003 under the laws of the PRC as a limited liability company by Dalian Maple Leaf High School and Dalian Science and Education with an initial registered share capital of RMB20 million, 97.5% of which was contributed by Dalian Maple Leaf High School and 2.5% of which was contributed by Dalian Science and Education. On June 27, 2003, Dalian Maple Leaf Educational Development Ltd. changed its name to Dalian Maple Leaf Educational Group Co., Ltd.

On November 17, 2005, Dalian Maple Leaf High School transferred its entire interest in Dalian Educational Group to Wansheng Zang for nil consideration. Mr. Zang held the interest in Dalian Educational Group on behalf of the Founder and Ms. Amy Yan pursuant to a nominee arrangement. On December 28, 2005, Zang Wangsheng transferred his entire interest in Dalian Educational Group to Ms. Amy Yan for nil consideration, and Ms. Amy Yan became the largest shareholder of Dalian Educational Group with a 97.5% interest. On May 7, 2007, Dalian Science and Education transferred its entire interest in Dalian Educational Group to Ms. Amy Yan for a consideration of RMB500,000, which was determined based on arm’s length negotiations. On September 20, 2008, Beipeng Software entered into an investment agreement with Dalian Educational Group pursuant to which Beipeng Software invested RMB120 million into Dalian Educational Group bringing its registered share capital to a total of RMB140 million. On September 20, 2009, Beipeng Software transferred its entire interest in Dalian Educational Group to Ms. Amy Yan for a consideration of RMB120 million, which was determined based on the amount of capital contributed by Beipeng Software, and Ms. Amy Yan became the sole shareholder of Dalian Educational Group. According to our PRC Legal Counsel, the share transfers and the nominee arrangement above are legally complete and valid, and PRC laws and regulations do not prohibit share transfers for nil consideration.

On June 27, 2010, Ms. Amy Yan transferred her entire interest in Dalian Educational Group to the Founder’s Sister for nil consideration, which was determined based on arm’s length negotiations.

### *The Foreign Schools*

As of the Latest Practicable Date, we have established two Foreign Schools in Dalian, Liaoning province and Wuhan, Hubei province, respectively, through the Founder, a Canadian citizen qualified to be the foreign investor of a foreign national school in China under PRC laws. The Founder is the sponsor for both of the Foreign Schools. Dalian Foreign School was established on May 1, 2004 under the laws of the PRC and obtained approval for its establishment from the MOE on August 31, 2005. Wuhan Foreign School was acquired by the Company on December 9, 2006 under the laws of the PRC. Wuhan Foreign School was acquired by the Founder from William Mao, an Independent Third Party, for a consideration of RMB3 million, which was determined based on arm’s length negotiations. The approval of the change of sponsor from the Education Bureau of Donghu New Technology Development District in Wuhan was obtained on January 15, 2007. We also obtained final approval from the Education Department of Hubei Province for our application of the acquisition of Wuhan Foreign School on August 8, 2014.

## MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

### *Acquisitions*

Although we have expanded our business operations primarily through organic growth, we have made six business acquisitions since mid-2006 to take advantage of the targets’ existing student base and operating licenses. The acquisitions were:

- the acquisition of Dalian Maple Leaf Yuanjing Fengqiaoyuan Preschool, the name of which was later changed to Dalian Maple Leaf Fengqiao Preschool in June 2007, for a total consideration of RMB2.80 million;

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## HISTORY AND CORPORATE STRUCTURE

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- the acquisition of Wuhan Foreign School in December 2006 for a total consideration of RMB3 million;
- the acquisition of Dalian Lanxi Wenyuan Preschool, the name of which was later changed to Dalian Maple Leaf Lanxi Wenyuan Preschool in June 2007, for a total consideration of RMB1.2 million;
- the acquisition of Dalian Jiabao Sunshine Preschool, the name of which was later changed to Dalian Maple Leaf Jiabao Preschool in May 2008, for a total consideration of RMB2.2 million;
- the acquisition of Tianjin Binhai School, the name of which was later changed to Tianjin Taida Maple Leaf International School (High School) in September 2008, for a total consideration of RMB101.25 million; and
- the acquisition of Dalian Jinhai Preschool, the name of which was later changed to Dalian Maple Leaf Jinhai Preschool in May 2009, for a total consideration RMB1.4 million;

All of these acquisitions were from Independent Third Parties and have been legally completed. The consideration for each of the acquisitions was based on arm’s length negotiations and has been paid in full. Our PRC Legal Counsel has advised us that, other than disclosed in this [REDACTED], we have obtained all relevant approvals from the competent regulatory authorities in the PRC under the applicable PRC laws and regulations for these acquisitions.

### *Disposition of Dalian Maple Leaf Institute of Technology*

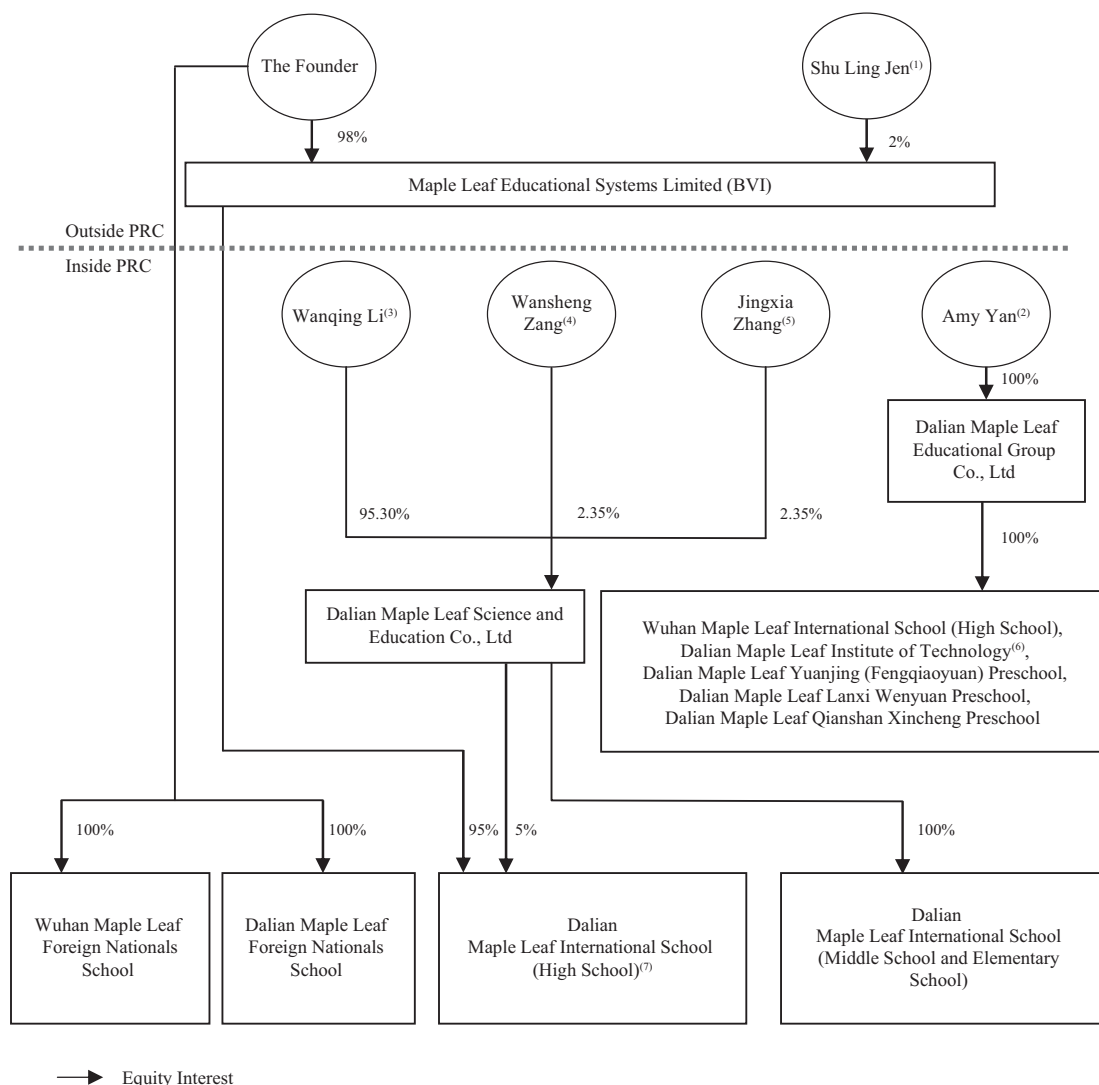
In 2009, we decided to focus on our core business of providing educational services and to divest our business of pre-occupation technical training, which we had conducted through Dalian Maple Leaf Institute of Technology (the “**Institute**”). As a result, we entered into an agreement with an Independent Third Party transferee (the “**Transferee**”) on September 22, 2009 (the “**Original Agreement**”), and a supplemental agreement with the Transferee on November 1, 2013 (the “**Supplemental Agreement**”, and together with the Original Agreement, the “**Agreements**”), pursuant to which we assigned the sponsorship licence of the Institute to the Transferee. Further, pursuant to the Agreements, we agreed to transfer all the assets, including all the buildings and land use rights in the old campus of Dalian Maple Leaf International School (Middle School and Elementary School) to the Transferee for a consideration of RMB110 million (subject to the completion of the transfer), which was determined based on arm’s length negotiations. This transfer has not been completed because we are in the process of applying for reissued land use rights certificates. We have not been involved in the business of pre-occupation technical training since this disposal. According to relevant PRC laws and regulations, to complete the transfer of an educational institution, we are required to register the transfer with the local education governmental authority and change the sponsor of this training institution from us to the Transferee. As the transfer has not been finalized, the consideration has not been paid in full and we have registered the Transferee as a co-sponsor of the institute. Pursuant to the Supplemental Agreement, we may be required to repay the Transferee the deposit payments received if the transfer cannot be finalized by December 31, 2016.

## OUR CORPORATE STRUCTURE

Our current corporate structure has been established since Sequoia Capital China’s investment in our Company in early 2008. For details on the [REDACTED] Investment, see the sub-section headed “[REDACTED] Investment” in this [REDACTED]. In 2007, our Company underwent an offshore and onshore restructuring in order to attract Sequoia to invest in our Company. Immediately prior to such restructuring, Dalian Maple Leaf High School was held as to 95% by Maple Leaf Educational Systems Limited, our BVI subsidiary, and 5% by Dalian Science and Education. The Founder and his cousin, Shu Ling Jen, were the Shareholders of Maple Leaf Educational Systems Limited. Dalian Science and Education was held by Wanqing Li, Wansheng Zang and Jingxia Zhang as to 95.3%, 2.35% and 2.35%. Ms. Amy Yan was the sole owner of Dalian Educational Group which in turn held our schools in operation at that time.

## HISTORY AND CORPORATE STRUCTURE

The corporate and shareholding structure of our Group immediately before the [REDACTED] Investment by the [REDACTED] Investors was as follows:



1. Shu Ling Jen is the Founder's cousin and a Hong Kong citizen.
2. Amy Yan is the Founder's wife and a Hong Kong citizen.
3. Wanqing Li is an employee of the Company.
4. Wansheng Zang was an employee of the Company at the time Dalian Science and Education was incorporated. As of the Latest Practicable Date, Wansheng Zang was no longer an employee of the Company.
5. Jingxia Zhang is a Director of the Company.
6. Dalian Maple Leaf Institute of Technology was disposed of to an Independent Third Party on September 22, 2009. For further details, see the section headed “History and Corporate Structure — Major Acquisitions, Disposals and Mergers — Disposition of Dalian Maple Leaf Institute of Technology” in this [REDACTED].
7. Dalian Maple Leaf International School (High School) is a Sino-foreign joint venture private school.

### [REDACTED] INVESTMENT

#### Overview of the [REDACTED] Investment

Our Company and Sequoia Capital China Growth Fund I, L.P. entered into the Preferred Share Purchase Agreement on February 29, 2008. Pursuant to the Preferred Share Purchase Agreement, Sequoia Capital China Growth Fund I, L.P., subject to certain terms and conditions, agreed to subscribe for 18,000,000 Preferred Shares for an aggregate consideration of RMB180,000,000. On May 9, 2008, Sequoia Capital China Growth Fund I, L.P. transferred 1,926,000 and 370,800 Preferred Shares to Sequoia Capital China GF Principals Fund I, L.P. and



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## HISTORY AND CORPORATE STRUCTURE

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Sequoia Capital China Growth Partners Fund I, L.P. both for nil consideration. The Preferred Shares are convertible into Shares of our Company based on the Conversion Rate (as defined in the amended and restated Memorandum and Articles of Association of our Company adopted in conjunction with the [REDACTED] Investment). The Conversion Rate is determined by dividing the original issue price, which is RMB10.00, by the conversion price which initially equalled the original issue price. Pursuant to an adjustment agreement (the “**Adjustment Agreement**”) entered into on February 22, 2011 by our Company and the [REDACTED] Investors, among others, the conversion price was adjusted to equal RMB8.411477. Therefore, one Preferred Share shall be convertible into approximately 1.19 Shares. Any dividends shall be distributed to the [REDACTED] Investors in proportion to the number of Shares that would be held by such [REDACTED] Investor if all Preferred Shares were converted to Shares at the Conversion Rate. Each [REDACTED] Investor shall have the right to one vote for each Share into which such Preferred Shares could be converted. All Preferred Shares will be automatically converted into Shares upon [REDACTED].

The fair value changes associated with the issuance of the Preferred Shares during each period of the Track Record Period were each recognized as a fair value loss of redeemable convertible preferred shares in our financial information. See the section headed “Financial Information — Key Components of Our Results of Operations — Change in Fair Value on Redeemable Convertible Preferred Shares” in this [REDACTED].

Pursuant to the Preferred Share Purchase Agreement, on March 12, 2008, our Company and Sequoia Capital China Growth Fund I, L.P. entered into the Series A Warrant pursuant to which Sequoia Capital China Growth Fund I, L.P. was entitled, subject to the terms and conditions of the Series A Warrant, at any time and from time to time during the Exercise Period (as defined below), to purchase from our Company up to 3,000,000 Preferred Shares of our Company (the “**Warrant Shares**”), at the Exercise Price per Preferred Share (as defined above). The Series A Warrant was amended on December 13, 2008 such that each of Sequoia Capital China GF Principals Fund I, L.P. and Sequoia Capital China Growth Partners Fund I, L.P. was added as a party to the Series A Warrant for all purposes provided therein. Upon the addition of new parties, each of Sequoia Capital China Growth Fund I, L.P., Sequoia Capital China GF Principals Fund I, L.P. and Sequoia Capital China Growth Partners Fund I, L.P. is entitled, subject to the terms and conditions of the Series A Warrant, as amended on December 13, 2008, at any time and from time to time during the Exercise Period, to purchase from our Company up to 2,617,200, 321,000 and 61,800 Preferred Shares of our Company, at the Exercise Price per Preferred Share. On January 15, 2014, our Company and the [REDACTED] Investors entered into a Termination Agreement (as defined below) to terminate the Series A Warrant in the manner described therein.

### Information on the [REDACTED] Investors

Each of Sequoia Capital China Growth Fund I, L.P., Sequoia Capital China GF Principals Fund I, L.P. and Sequoia Capital China Growth Partners Fund I, L.P. is a limited liability partnership incorporated in the Cayman Islands. Their general partner is Sequoia Capital China Growth Fund Management I, L.P., whose general partner is SC China Holding Limited. SC China Holding Limited is wholly-owned by SNP China Enterprises Limited, a company wholly-owned by Nanpeng Shen. Prior to the [REDACTED] Investment, Sequoia Capital China was an Independent Third Party of our Group. As Sequoia Capital China will hold more than [REDACTED] of the total issued share capital of our Company immediately following the completion of the [REDACTED], it will be a substantial shareholder of our Company upon [REDACTED] and hence a connected person of our Company. Accordingly, all shares held by Sequoia Capital China shall not be counted as part of the public float for the purposes of Rule 8.08 of the [REDACTED] Rules.

### Preferred Shares

Name of [REDACTED] Investors:	Sequoia Capital China Growth Fund I, L.P., Sequoia Capital China GF Principals Fund I, L.P. and Sequoia Capital China Growth Partners Fund I, L.P.
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## HISTORY AND CORPORATE STRUCTURE

Date of Preferred Share Purchase Agreement:	February 29, 2008
Date of Adjustment Agreement:	February 22, 2011
Number of shares held for by the [REDACTED] Investors:	A total of 18,000,000 Preferred Shares of par value US\$0.001 each, of which, Sequoia Capital China Growth Fund I, L.P. held 15,703,200 Preferred Shares, Sequoia Capital China GF Principals Fund I, L.P. held 1,926,000 Preferred Shares and Sequoia Capital China Growth Partners Fund I, L.P. held 370,800 Preferred Shares, representing approximately 17.45%, 2.14% and 0.41% of the then total issued share capital of our Company upon the completion of the [REDACTED] Investment
Total consideration:	RMB180 million
Completion of the subscription and date of payment of consideration:	March 14, 2008
Cost per Preferred Share paid by each [REDACTED] Investor:	RMB10.00 (approximately RMB0.93 as adjusted pursuant to the Capitalization Issue)
Basis of determination of the consideration:	The consideration was determined based on arm’s length negotiations between our Company and Sequoia Capital China Growth Fund I, L.P. after taking into account the timing of the subscription and the illiquidity of our Shares as a private company when the Preferred Share Purchase Agreement was entered into  [REDACTED]
Use of proceeds from the [REDACTED] Investment:	We utilized the proceeds for working capital, business expansion and other corporate purposes. As of the Latest Practicable Date, the net proceeds from the [REDACTED] Investment had been fully utilized
Strategic benefits the [REDACTED] Investors brought to our Company:	At the time of the [REDACTED] Investment, our Directors were of the view that our Company could benefit from the additional capital that would be provided by Sequoia Capital China’s investment in our Company and the possibility that our Company could take advantage of Sequoia Capital China’s knowledge and experience  [REDACTED]

## HISTORY AND CORPORATE STRUCTURE

[REDACTED]

### Series A Warrant

Date of Warrant to Purchase Preferred Shares:	March 12, 2008 (as amended on December 13, 2008)
Warrant Shares:	Up to 3,000,000 Preferred Shares with par value of US\$0.001 each, of which, Sequoia Capital China Growth Fund I, L.P. was entitled to purchase 2,617,200 Preferred Shares, Sequoia Capital China GF Principals Fund I, L.P. was entitled to purchase 321,000 Preferred Shares and Sequoia Capital China Growth Partners Fund I, L.P. was entitled to purchase 61,800 Preferred Shares
Total consideration of the Warrant Shares:	Nil
Exercise Price:	RMB8.411477
Exercise Period:	the period commencing on March 12, 2008 and ending on the date of consummation of a qualified [REDACTED] (as defined in the Warrant)
Termination	The [REDACTED] Investors and our Company entered into a termination agreement (the “ <b>Termination Agreement</b> ”) on January 15, 2014 pursuant to which the Series A Warrant was terminated with immediate effect and each party agreed to release and discharge each other from their respective duties, obligation and liabilities set out in the Series A Warrant. The Series A Warrant was not exercised as of the date of the Termination Agreement. Each of the parties also acknowledged and confirmed that it had no claim or demand whatsoever against the other parties for any fees, expenses, costs or otherwise arising out of or in connection with the Series A Warrant.

### [REDACTED] INVESTORS’ RIGHTS

#### Special Rights

The holders of Preferred Shares have been granted the following rights, each of which will terminate upon the [REDACTED] when all the Preferred Shares will be automatically converted into Shares:

#### *Redemption rights*

Pursuant to the amended and restated memorandum and articles of association of our Company adopted in conjunction with the [REDACTED] Investment, at any time and from time to time commencing from the fourth (4th) anniversary date of the March 12, 2008 (provided that there has not occurred a Qualified [REDACTED] or certain liquidation related events), each holder of the Preferred Shares shall be entitled to require and demand, by lodging a notice of redemption, our Company to redeem all of its Preferred Shares. The redemption price for each such Preferred Share shall be equal to the actual purchase price for such Preferred Share, plus 8% per annum return for each year the Preferred Share was outstanding measured from March 12, 2008. These redemption rights will not survive upon the [REDACTED] since they only exist in the absence of a Qualified [REDACTED], which the [REDACTED] is currently expected to be, and our Shareholders have resolved to adopt

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## HISTORY AND CORPORATE STRUCTURE

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new set of Articles consistent with the requirements of the [REDACTED] Rules that do not contain these rights from the [REDACTED]. Furthermore, as agreed by the Company and the [REDACTED] Investors on June 20, 2014 by way of a supplemental agreement to the Investor’s Rights Agreement, the [REDACTED] Investors will suspend their rights to require the Company to redeem the Preferred Shares until December 31, 2015.

### *Right to elect director and participation in Board and Board committee*

Pursuant to the Investor’s Rights Agreement, the [REDACTED] Investors shall, for so long as they continue to hold 5% or more of the outstanding Shares, be entitled to appoint one director (the “**Series A Director**”) to the Board. Moreover, the quorum of the Board meeting may be fixed by the Directors and unless so fixed shall be three, which shall include the director appointed by the [REDACTED] Investors. The right to elect the Series A Director will terminate upon [REDACTED]. Mr. Yue Ji, being the director appointed to the Board by the [REDACTED] Investors, will cease to be a Director upon [REDACTED].

### *Information and Inspection rights*

Pursuant to the Investor’s Rights Agreement, the [REDACTED] Investors have the right to receive certain financial statements and other information about our Company. Pursuant to the Investors’ Rights Agreement, so long as the [REDACTED] Investors continue to hold no less than 1% of the shares in the share capital of our Company, the [REDACTED] Investors shall have the right to inspect the Group’s properties, to examine its books of accounts and records and to discuss each Group company’s affairs with its directors and officers. These information rights will terminate upon [REDACTED].

### *Veto rights*

Pursuant to the Investor’s Rights Agreement, certain matters require the approval of the holders of at least a majority of the Preferred Shares. These matters include, among others, the issuance of new securities by our Company, amendment of our Memorandum and Articles and any merger, consolidation or share acquisition in which 50% or more of our voting power is transferred. These veto rights will terminate upon [REDACTED].

### *Pre-emptive right*

Each holder of the Preferred Shares shall have the pre-emptive right to purchase up to a pro rata share of any new securities (other than certain excepted issuances, including but not limited to new securities issuance under the [REDACTED]) which our Company may propose to issue. The pre-emptive right shall terminate upon [REDACTED].

### *Right of first refusal and co-sale*

Pursuant to the Investor’s Rights Agreement, if any of Sherman Investment and Bei Kai (collectively, the “**Ordinary Shareholders**”) proposes to transfer securities of our Company (the “**Offered Shares**”), our Company has the right of first refusal to purchase all the Offered Shares on the terms and conditions stated in the transfer notice given by the transferring Ordinary Shareholders. If our Company has not purchased any or all of the Offered Shares, the [REDACTED] Investors have a right of first refusal to purchase all of or the remaining Offered Shares on a pro rata basis, provided that the [REDACTED] Investors continue to hold no less than 1% of the Shares. If our Company and the [REDACTED] Investors do not exercise their respective rights of first refusal as to the Offered Shares, the [REDACTED] Investors have the right to participate in the sale of the Offered Shares by the transferring Ordinary Shareholder on the terms and conditions set forth in the transfer notice given by the transferring Ordinary Shareholder. These right will terminate upon [REDACTED].

### *Lock-up*

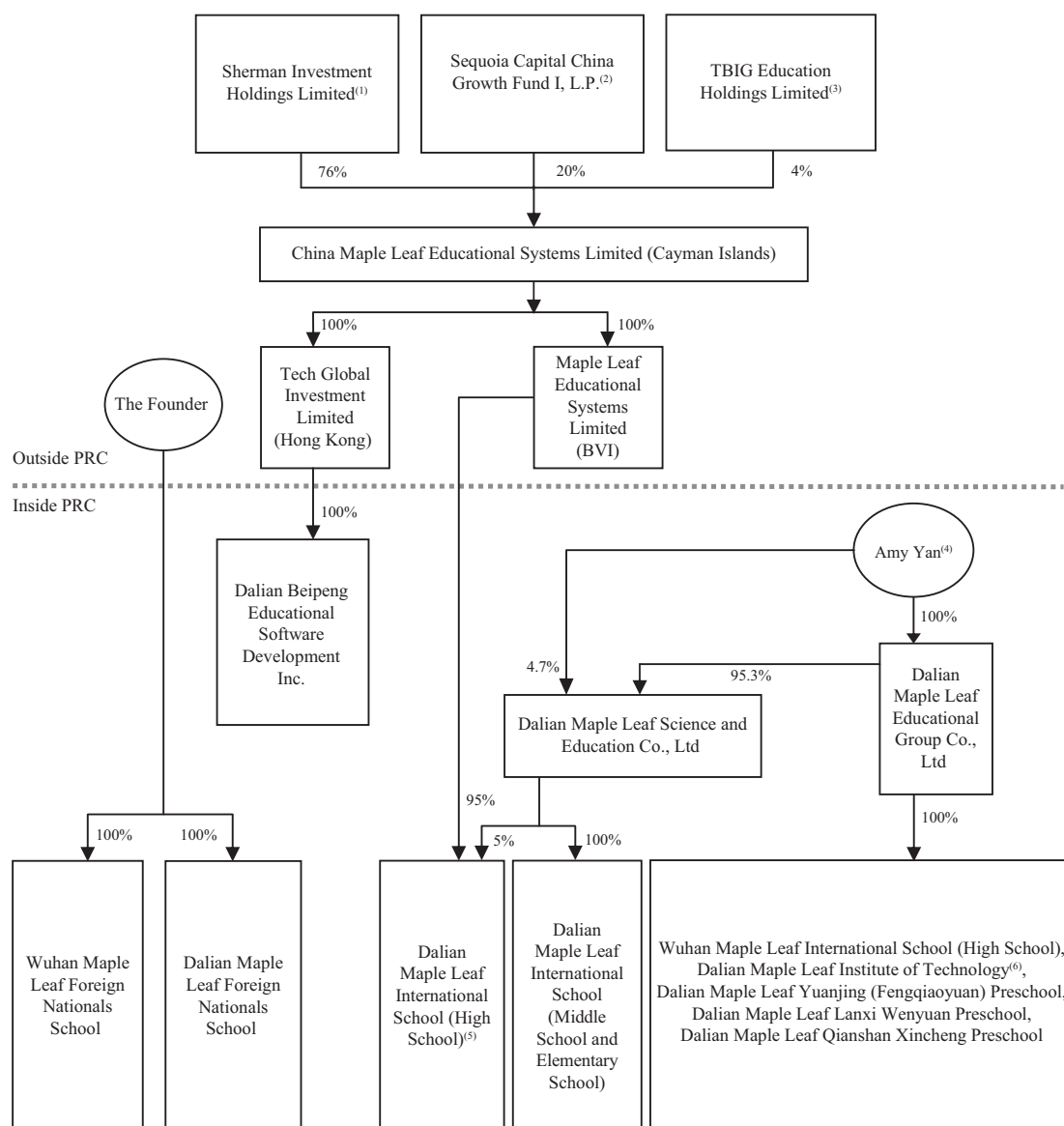
The [REDACTED] Investors have agreed to us that for a period of not to exceed 180 days following the [REDACTED] Date, they will not sell or otherwise transfer or dispose of any securities of our Company without the prior consent of the [REDACTED] of the [REDACTED].

## HISTORY AND CORPORATE STRUCTURE

### Confirmation from the Joint Sponsors

The Joint Sponsors have confirmed that the investment by the [REDACTED] Investors is in compliance with the Interim Guidance on [REDACTED] Investments issued on October 13, 2010 by the [REDACTED], [REDACTED] issued in October 2012 and updated in July 2013 by the [REDACTED] and Guidance Letter [REDACTED] issued in October 2012 by the [REDACTED].

The corporate and shareholding structure of our Group following the completion of the [REDACTED] investment by the [REDACTED] Investors is as follows:



—> Equity Interest

1. Represents 68,400,000 Shares held by Sherman Investment, a company incorporated in the BVI that is wholly-owned by Mr. Jen.
2. Represents 18,000,000 Preferred Shares held by Sequoia Capital China Growth Fund I, L.P. Sequoia Capital China Growth Fund I, L.P. is a limited liability partnership incorporated in the Cayman Islands. Its general partner is Sequoia Capital China Growth Fund Management I, L.P., whose general partner is SC China Holding Limited. SC China Holding Limited is wholly-owned by SNP China Enterprises Limited, a company wholly-owned by Nanpeng Shen.

## HISTORY AND CORPORATE STRUCTURE

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3. Represents 3,600,000 Shares held by TBIG, a Company incorporated in the BVI and an Independent Third Party.
4. Amy Yan is the Founder’s wife and a Hong Kong citizen.
5. Dalian Maple Leaf International School (High School) is a Sino-foreign joint venture private school.
6. Dalian Maple Leaf Institute of Technology was disposed of to an Independent Third Party on September 22, 2009.

### REASONS FOR THE [REDACTED]

We intend to continue to expand the scope of our operations, as described in more detail in the sections headed “Our Business — Our Strategies” and “Future Plans and [REDACTED]” in this [REDACTED]. The Directors believe that the [REDACTED] will provide our Company with further capital for its expansion and increase awareness of the Maple Leaf brand.

### PREVIOUS LISTING ATTEMPT

We submitted an application for the listing of our American depositary shares on the Nasdaq Global Market in 2011. As part of our attempted U.S. listing, we submitted various documents, including a draft registration statement, to the U.S. Securities and Exchange Commission (the “SEC”) for its review, and the SEC raised certain comments, inter alia, which required us to:

- provide backup materials for the industry and market statistics and qualitative information about our industry and business cited in the draft registration statement, including general market conditions and our market share;
- clarify disclosure regarding our corporate structure and consolidated affiliated entities, including details of our contractual arrangements, especially service fee to be paid to Beipeng Software, the percentage of revenues attributed to our consolidated affiliated entities, risks of our corporate structure under the PRC laws and regulations, additional information on certain subsidiaries, and risks that relating to loss of effective control over our consolidated affiliated entities;
- provide copies of certain regulatory approvals required to operate our business, including certificates of approval or clearance from annual inspection issued by BCMOE or local educational authorities and business licenses;
- clarify or elaborate disclosures regarding details of our business operations, including our internal policies, seasonality of our business, discussion of certain operational data and potential business and regulatory risks, such as limits imposed by the PRC government to limit the number of students studying abroad, steps and risks relating to obtaining or renewing certain licenses/approvals required, and the risk of losing preferential tax treatments; and
- clarify disclosures of past and existing regulatory compliance/non-compliance, such as lack of building ownership certificates and incomplete building assessment procedures for certain properties.

During the course of preparing for our attempted U.S. listing, our independent registered public accounting firm, Deloitte Touche Tohmatsu CPA Ltd. (“DTTC”) audited our consolidated financial statements for the financial years ended August 31, 2009, 2010 and 2011. While the purpose of the audit was not to issue an opinion on the effectiveness of our internal control over financial reporting, DTTC issued a draft management letter for the material weaknesses and control deficiencies identified by DTTC from their audit of our consolidated financial statements, which included two material weaknesses (both of which are U.S. GAAP-related and we therefore believe are no longer applicable to us): (i) lack of sufficient skilled resources in our finance team to perform certain review procedures and insufficient accounting personnel with appropriate U.S. GAAP knowledge; and (ii) lack of an appropriate accounting policies and procedures manual in accordance with U.S. GAAP. We have taken a number of measures to remediate these weaknesses and deficiencies, including hiring a financial controller who is a Chartered Professional Accountant (“CPA”) in Canada and was previously a finance manager at a publicly traded company.



## HISTORY AND CORPORATE STRUCTURE

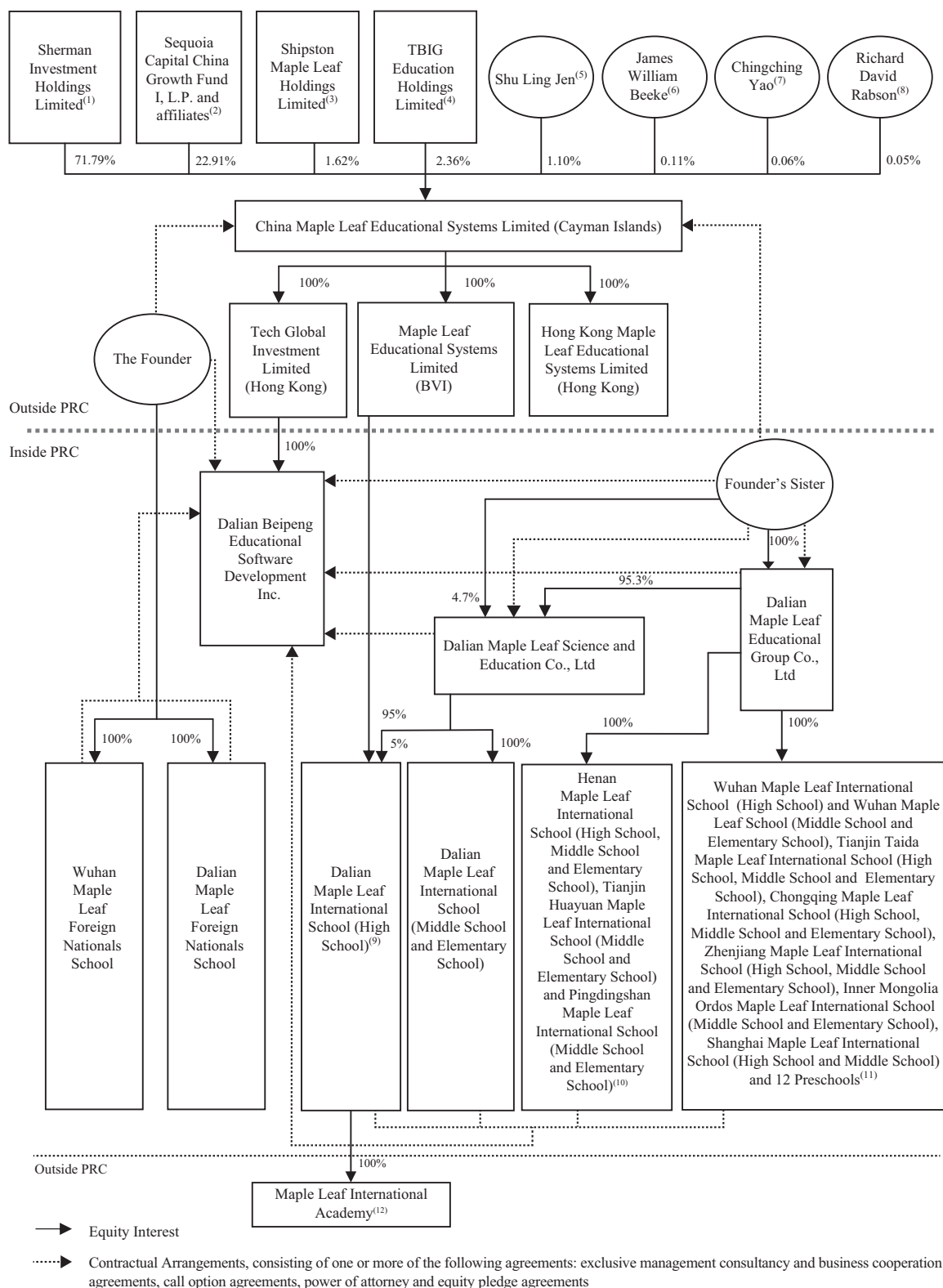
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In October 2011, we voluntarily suspended the U.S. listing attempt due to unfavorable capital markets conditions in the United States at the time. On November 15, 2011, the SEC issued eight additional comments to us relating to: (i) further disclosure of the service fees charged by Beipeng Software, (ii) further clarification and disclosure of the duties owed by Mr. Sherman Jen to the Group, (iii) the dates by which we expected to receive or apply for certain building ownership certificates, (iv) details regarding the companies our financial controller used to work for, (v) requests for copies of our loan agreements, (vi) requests for copies of material lease agreements, (vii) the number of shares beneficially owned by our directors and officers, and (viii) the details about a loan to Mr. Sherman Jen, which was fully repaid in 2011. As we decided to suspend the listing attempt, we did not proceed to respond to these eight comments. Other than these eight outstanding comments, we had addressed all of the comments raised by the SEC in relation to the attempted U.S. listing. Our Directors confirm that, to the extent any disclosure in this [REDACTED] should be made to address the SEC comments which are relevant to the Track Record Period, such disclosure has been made in this [REDACTED] for investors to form an informed assessment of us in the context of the [REDACTED]. Our Directors take the view that there is nothing in relation to the previous U.S. listing attempt and relevant to the [REDACTED] which would affect our suitability for the [REDACTED]. Furthermore, our Directors are of the view that the disclosure requests from the SEC were primarily clarificatory in nature and that none of the disclosure or documentary requests in the eight additional comments in the last comment letter received from the SEC were of a nature that the Company would not have been able to comply with should it have chosen to continue with its U.S. listing attempt. Our Directors also understand from the Company’s special U.S. counsel on the U.S. listing attempt that, subject to addressing these requests, the Company would have been in a position to request the SEC to declare its registration statement effective, signifying its approval for the Company to proceed with its U.S. listing. As such, our Directors are of the view that there was nothing in the eight additional comments or in the course of the Company’s U.S. listing application that was material to the effect that it would have resulted in the SEC preventing the Company from proceeding with its U.S. listing attempt should the Company have chosen to proceed with it.

In relation to the previous U.S. listing attempt, the Joint Sponsors reviewed the written correspondence with the SEC provided to the Joint Sponsors and discussed with the Company and the Company’s special U.S. counsel and independent public accountants for the previous U.S. listing attempt to further understand the previous U.S. listing attempt. Whilst the Joint Sponsors do not have the relevant qualification or expertise in relation to listing applications in the U.S., based on these steps and the information and representation given to the Joint Sponsors, nothing has come to the Joint Sponsors’ attention that could lead them to cast doubts on the Directors’ view above.

## HISTORY AND CORPORATE STRUCTURE

The corporate and shareholding structure of our Group immediately prior to the completion of the [REDACTED] and the [REDACTED] and without taking into account any Shares which may be issued upon the exercise of the options which were granted under the [REDACTED] Share Option Scheme:

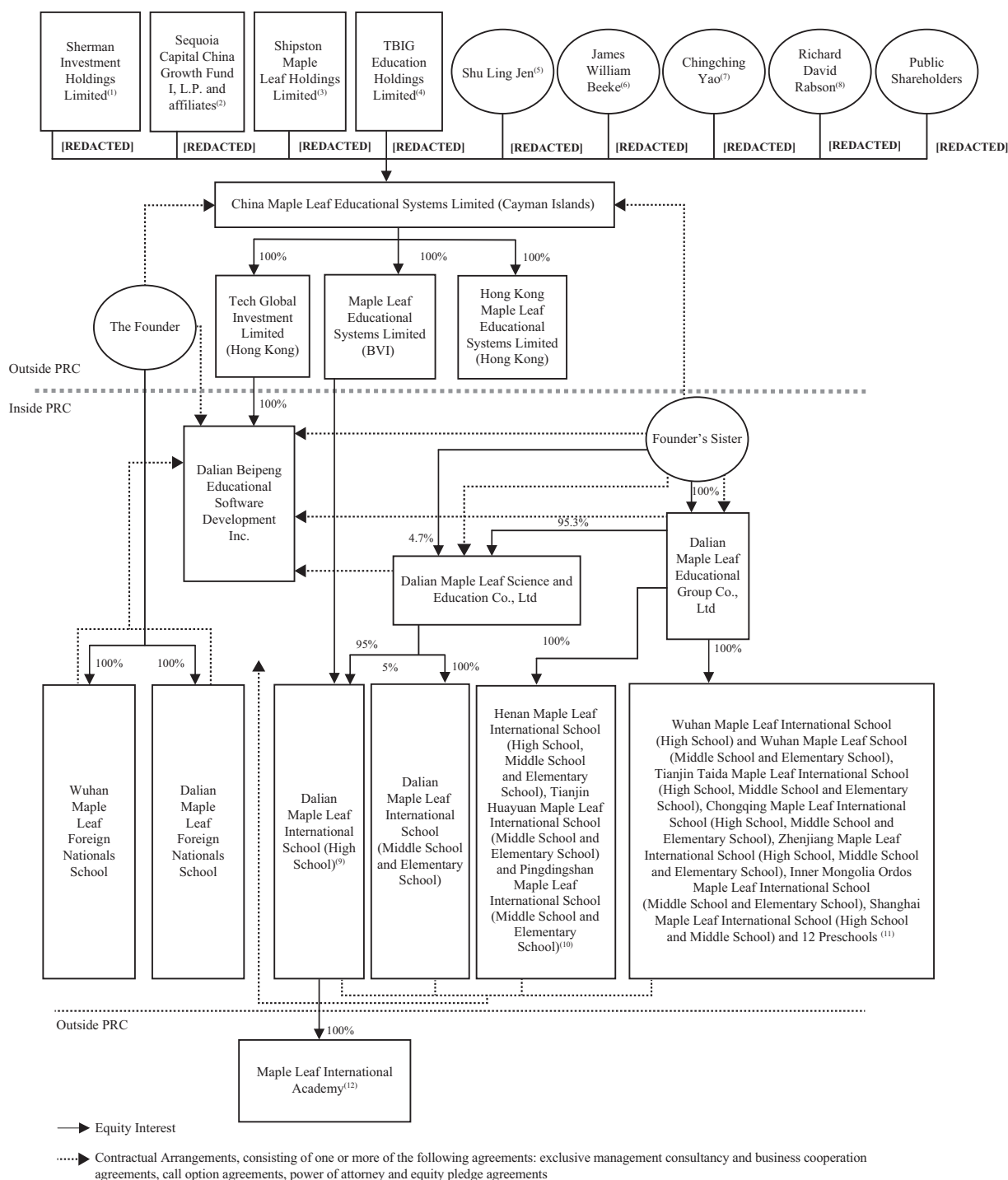


## HISTORY AND CORPORATE STRUCTURE

1. Represents 67,048,570 Shares held by Sherman Investment Holdings Limited, a company incorporated in the BVI that is wholly-owned by Mr. Jen.
2. Represents 21,399,332 Shares issuable upon conversion of (i) 15,703,200 Preferred Shares held by Sequoia Capital China Growth Fund I, L.P., (ii) 1,926,000 Preferred Shares held by Sequoia Capital China GF Principals Fund I, L.P. and (iii) 370,800 Preferred Shares held by Sequoia Capital China Growth Partners Fund I, L.P. Each of Sequoia Capital China Growth Fund I, L.P., Sequoia Capital China GF Principals Fund I, L.P. and Sequoia Capital China Growth Partners Fund I, L.P. is a limited liability partnership incorporated in the Cayman Islands. Their general partner is Sequoia Capital China Growth Fund Management I, L.P., whose general partner is SC China Holding Limited. SC China Holding Limited is wholly-owned by SNP China Enterprises Limited, a company wholly-owned by Nanpeng Shen.
3. Represents 1,513,800 Shares held by Shipston Maple Leaf Holdings Limited, a company incorporated in Turks and Caicos Islands and an Independent Third Party.
4. Represents 2,202,630 Shares held by TBIG, a company incorporated in the BVI and an Independent Third Party.
5. Represents 1,025,000 Shares held by Shu Ling Jen, the Founder's cousin.
6. Represents 100,000 Shares held by James William Beeke, our executive Director and BC Program Superintendent.
7. Represents 60,000 Shares held by Chingching Yao, an Independent Third Party.
8. Represents 50,000 Shares held by Richard David Rabson, an Independent Third Party.
9. Dalian Maple Leaf International School (High School) is a Sino-foreign joint venture private school.
10. Henan Maple Leaf International School (High School, Middle School and Elementary School), Tianjin Huayuan Maple Leaf International School (Middle School and Elementary School) and Pingdingshan Maple Leaf International School (Middle School and Elementary School) are private schools established and operated by Dalian Educational Group. The buildings and land use rights of these three Schools are provided by Luoyang New District Administrative Committee, Tianjin Binhai High-Tech Industrial Development Zone Administration Committee and Henan Shangxuetang Industrial Co., Ltd., respectively.
11. Our 12 Preschools are Dalian Maple Leaf Fengqiao Preschool, Dalian Maple Leaf Lanxi Wenyuan Preschool, Dalian Maple Leaf Qianshan Xincheng Preschool, Dalian Maple Leaf Kaifu Preschool, Dalian Maple Leaf Xianghe Huayuan Preschool, Dalian Maple Leaf Sunshine Preschool, Dalian Maple Leaf Jiabao Preschool, Dalian Maple Leaf Jinhai Preschool, Dalian Maple Leaf Xiangzhou Preschool, Dalian Maple Leaf Zhonghua Mingcheng Preschool, Ordos Maple Leaf First Preschool and Pingdingshan Maple Leaf International School Preschool.
12. Maple Leaf International Academy, a legal entity that was formed on April 27, 2012, is a potential education facility that was under negotiation and, if it proceeds, will be based in Suncheon City, South Korea.

## HISTORY AND CORPORATE STRUCTURE

The corporate and shareholding structure of our Group following the completion of the [REDACTED] and the [REDACTED] (assuming that the [REDACTED] Option is not exercised and without taking into account any Shares which may be issued under the [REDACTED] Share Option Scheme, the [REDACTED] Share Option Scheme or the RSU Scheme will be as follows:



1. Represents [REDACTED] Shares held by Sherman Investment Holdings Limited, a company incorporated in the BVI that is wholly-owned by Mr. Jen.
2. Represents [REDACTED] Shares issuable upon conversion of (i) [REDACTED] Preferred Shares held by Sequoia Capital China Growth Fund I, L.P., (ii) [REDACTED] Preferred Shares held by Sequoia Capital China GF Principals Fund I, L.P. and (iii) [REDACTED] Preferred

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## HISTORY AND CORPORATE STRUCTURE

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- Shares held by Sequoia Capital China Growth Partners Fund I, L.P. Each of Sequoia Capital China Growth Fund I, L.P., Sequoia Capital China GF Principals Fund I, L.P. and Sequoia Capital China Growth Partners Fund I, L.P. is a limited liability partnership incorporated in the Cayman Islands. Their general partner is Sequoia Capital China Growth Fund Management I, L.P., whose general partner is SC China Holding Limited. SC China Holding Limited is wholly-owned by SNP China Enterprises Limited, a company wholly-owned by Nanpeng Shen.
3. Represents [REDACTED] Shares held by Shipston Maple Leaf Holdings Limited, a company incorporated in Turks and Caicos Islands and an Independent Third Party.
  4. Represents [REDACTED] Shares held by TBIG, a company incorporated in the BVI and an Independent Third Party.
  5. Represents [REDACTED] Shares held by Shu Ling Jen, the Founder’s cousin.
  6. Represents [REDACTED] Shares held by James William Beeke, our executive Director and BC Program Superintendent.
  7. Represents [REDACTED] Shares held by Chingching Yao, an Independent Third Party.
  8. Represents [REDACTED] Shares held by Richard David Rabson, an Independent Third Party.
  9. Dalian Maple Leaf International School (High School) is a Sino-foreign joint venture private school.
  10. Henan Maple Leaf International School (High School, Middle School and Elementary School), Tianjin Huayuan Maple Leaf International School (Middle School and Elementary School) and Pingdingshan Maple Leaf International School (Middle School and Elementary School) are private schools established and operated by Dalian Educational Group. The buildings and land use rights of these three Schools are provided by Luoyang New District Administrative Committee, Tianjin Binhai High-Tech Industrial Development Zone Administration Committee and Henan Shangxuetang Industrial Co., Ltd., respectively.
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