

SUMMARY

This summary aims to give you an overview of the information contained in this document. Since it is a summary, it does not contain all the information that may be important to you. You should read the document in its entirety before you decide whether to invest in the [REDACTED]. There are risks associated with any investment. Some of the particular risks in [REDACTED] in our [REDACTED] are set out in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to [REDACTED] in our [REDACTED].

OVERVIEW

We are the largest vocational training education provider in China in terms of average students enrolled for the year ended December 31, 2017, according to the Frost & Sullivan Report. We have a leading position in China in providing vocational training education in three segments, namely, culinary arts, information technology and auto services, where we ranked first in each segment in terms of average students enrolled for the year ended December 31, 2017, according to the Frost & Sullivan Report. Headquartered in Hefei, Anhui province, we have established a nationwide school network consisting of 139 Schools in operation as of August 31, 2018 spanning 29 of the 31 provinces in mainland China and Hong Kong. We also provide secondary vocational education through 25 Schools. We operate our business and establish our Schools under five renowned school brands, namely, New East Culinary Education, Omick Education of Western Cuisine and Pastry, Xinhua Internet Technology Education, Wisezone Data Technology Education and Wontone Automotive Education. For the eight months ended August 31, 2018, our average students enrolled under these brands were 70,004, 2,633, 29,008, 1,229 and 18,684, respectively. As of August 31, 2018, we also operated 17 customized catering experience centers under Cuisine Academy.

We are a pioneer in providing vocational training education in China in culinary arts, information technology and auto services. These industry sectors are areas in China where there is significant unmet demand for vocational training education to bridge the supply and demand gap between employers and students. Our primary goal is to provide students with solid knowledge and practical skills in their chosen profession that are tailored to the needs of employers with a view to increasing graduates' employability and their average compensation levels. Between December 31, 2015 and December 31, 2017, the number of our Schools and our average students enrolled grew at a CAGR of 33.2% and 11.5%, respectively.

We have established a centralized and standardized management system across our business operations throughout China, which we believe is essential to our success as it enables us to expand our school and center network into new geographic markets in an efficient manner while maintaining our quality standards. We centrally manage different aspects of our operations, including, among others, teaching, logistics, procurement, accounting and finance, the research and design of our curriculums, career advice services, and talent cultivation so that all of our Schools and centers are able to maintain consistent standards in terms of their quality of education, business operations and efficiencies of financial management, while sharing and utilizing resources in terms of market information and career opportunities on a nationwide basis. Our efficient centralized and differentiated management approach, our consolidated financial resources and our strong brand reputation have allowed us to expand our school and center network effectively and to capitalize on the business opportunities in China's private vocational education industry.

OUR BUSINESS SEGMENTS

New East Culinary Education

New East Culinary Education has been providing comprehensive culinary training programs to students who pursue a career in becoming professional chefs. We teach our students the cooking traditions and practices of diversified Chinese cuisines, including the well-known and widely recognized eight regional cuisines in China, supported by an integration of classic Chinese and Western culinary skills. As of August 31, 2018, we had 50 Schools in operation under New East Culinary Education. Each of our Schools under

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New East Culinary Education offers various culinary training programs with different program lengths to meet students' differentiated learning focuses and demands.

Omick Education of Western Cuisine and Pastry

Omick Education of Western Cuisine and Pastry offers high-quality western style catering education, which is committed to providing specialized culinary training to students with a focus on western pastry and western food. As of August 31, 2018, we operated 19 Schools under our Omick Education of Western Cuisine and Pastry. We offer a variety of courses, including baking, desserts, western cuisines, bartending, and barista training.

Xinhua Internet Technology Education

We provide information technology-related training programs under Xinhua Internet Technology Education. As of August 31, 2018, we had 23 Schools in operation under Xinhua Internet Technology Education, providing a wide range of information technology-related training to students, including 125 courses with different course lengths.

Wisezone Data Technology Education

Wisezone Data Technology Education primarily provides short-term programs to junior college and university students who have possessed the basic knowledge and seek to further develop relevant practical skills. By cooperating with a number of technology enterprises and higher education institutions, we have set up 22 Schools in China to train professional data technology engineers.

Wontone Automotive Education

We focus on provides hands-on auto repair skill training as well as practical training of other auto services, such as automobile commerce. As of August 31, 2018, we had 25 Schools in operation under Wontone Automotive Education in China.

Customized Catering Experience Center

We founded Cuisine Academy in 2017 with a view to providing customized catering experience services to customers who are interested in cooking or who plan to establish their own businesses in the catering industry. Cuisine Academy primarily providing customers with customized catering experience programs. As of August 31, 2018, we operated 17 customized catering experience centers under Cuisine Academy in the PRC.

OUR COMPETITIVE STRENGTHS

We seek to leverage our competitive strengths to strengthen our market position and expand our business operations. We believe that the following competitive strengths have contributed to our success and will continue to distinguish us from our competitors: (i) largest vocational training education provider in China with a portfolio of renowned brands; (ii) nationwide self-operated school and center network empowered by our highly replicable business model; (iii) innovative work simulation teaching methodologies to equip our students with readily applicable job skills; (iv) renowned track record in offering well-established curriculums catering the economy needs; (v) strong job placement results supplemented by our professional career counselling services and alumni network; and (vi) visionary, strong and stable management team.

OUR BUSINESS STRATEGIES

Our goal is to provide the best vocational training education in China. We intend to continue to expand our business and school and center network and enhance our market position. To achieve these goals, we plan to: (i) continue to strengthen our market leadership and reputation; (ii) expand school and center network domestically and internationally; (iii) continue to diversify and innovate our course offerings and curriculums; (iii) further improve our practical training methods and facilities; and (iv) further emphasize our corporate social responsibility.

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SUMMARY OF OUR OPERATING DATA

The following table sets forth the average students enrolled under each school brand and the average number of customers registered in Cuisine Academy for the periods indicated:

Segments and Brands	Year ended December 31,			Eight months ended August 31,
	2015	2016	2017	2018
Average Student Enrollment⁽¹⁾				
CULINARY ARTS				
New East	52,207	62,122	71,180	70,004
Omick.	—	—	1,114	2,633
INFORMATION TECHNOLOGY				
Xinhua Internet.	24,084	23,764	24,981	29,008
Wisezone	—	1,138	1,165	1,229
AUTO SERVICES				
Wontone	17,436	18,071	18,100	18,684
Total	93,727	105,095	116,540	121,558
Average Number of Customers Registered⁽²⁾				
Cuisine Academy	—	—	63	447

Note:

- (1) As our Schools provide various vocational training education programs during a year and the course length and the program commencement date varies for our different long-term and short-term programs, we believe that the average students enrolled is a measure that is comparable to that of our competitors and therefore can fairly present our ranking and market position in the industry. Our average students enrolled for a year/period is only an approximation representing the sum of the number of students enrolled at our operating Schools at the end of each month divided by the number of months during such period, without taking into account any transfer or withdrawal. See "Business – Pricing Policy – Student/Customer Withdrawal and Refund Policy" for more information.
- (2) Our average number of customers registered for a year/period represents the sum of the number of customers registered at Cuisine Academy at the end of each month divided by the number of months during such period during such period, without taking into account any withdrawal.

The following table sets forth the new student enrollments under each school brand and the number of new customers registered in our Cuisine Academy for the years ended December 31, 2015, 2016 and 2017 and the eight months ended August 31, 2018:

Segments and Brands	Year ended December 31,			Eight months ended August 31,
	2015	2016	2017	2018
New Student Enrollment⁽¹⁾				
CULINARY ARTS				
New East	56,984	65,306	71,942	54,550
Omick.	—	—	2,788	5,989
INFORMATION TECHNOLOGY				
Xinhua Internet	16,813	17,243	19,369	19,549
Wisezone	—	3,465	3,573	3,029
AUTO SERVICES				
Wontone	14,451	14,449	16,203	15,702
Total	88,248	100,463	113,875	98,819
Number of New Customers Registered⁽²⁾				
Cuisine Academy⁽²⁾	—	—	146	3,537

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Note:

- (1) New student enrollment represents the total number of students newly enrolled at our operating schools in a certain period. We use new student enrollment to reflect our ability of student recruitment and the popularity of our programs.
- (2) We commenced operations of Cuisine Academy in 2017. Number of new customers registered represent the total number of new customers attending our customized catering experience programs of Cuisine Academy in a certain period.

THE 2016 DECISION AND THE MOJ DRAFT FOR COMMENTS

On November 7, 2016, the Standing Committee of the NPC published the *Decision on Amendment of the Law for Promoting Private Education of the PRC* (《關於修改中華人民共和國民辦教育促進法》). Under the 2016 Decision, school sponsors of an existing private school may elect to register the school as a non-profit or for-profit private schools at their own discretion.

On August 10, 2018, the MOJ issued the MOJ Draft for Comments based on a revised version of the MOE Draft for Comments to seek public comments. The MOJ Draft for Comments may have certain implications on our expansion strategy through acquisition. The scope of our acquisition may be limited to for-profit private schools only. Please see “Business — Potential Implications of the 2016 Decision and the MOJ Draft for Comments” in this document for more details.

RISK FACTORS

Our operations and the [REDACTED] involve certain risks and uncertainties, some of which are beyond our control and may affect your decision to invest in us and/or the value of your investment. See “Risk Factors” in this document for details of our risk factors. Some of the major risks we face include: (i) we are dependent on the market recognition of our brand; our failure to maintain or enhance our brand recognition could materially and adversely affect our business, financial condition and result of operations; (ii) we face intense competition in the PRC vocational education industry and our business, financial condition and results of operations may be adversely affected if we are unable to compete effectively; (iii) our graduates’ employment rates and average starting salaries may decrease and satisfaction with our vocational training programs may otherwise decline; (iv) we may not be able to improve the content of our existing courses or to develop new courses on a timely basis and in a cost-effective manner; and (v) failure to effectively and efficiently manage the expansion of our school and center network may materially and adversely affect our ability to capitalize on new business opportunities.

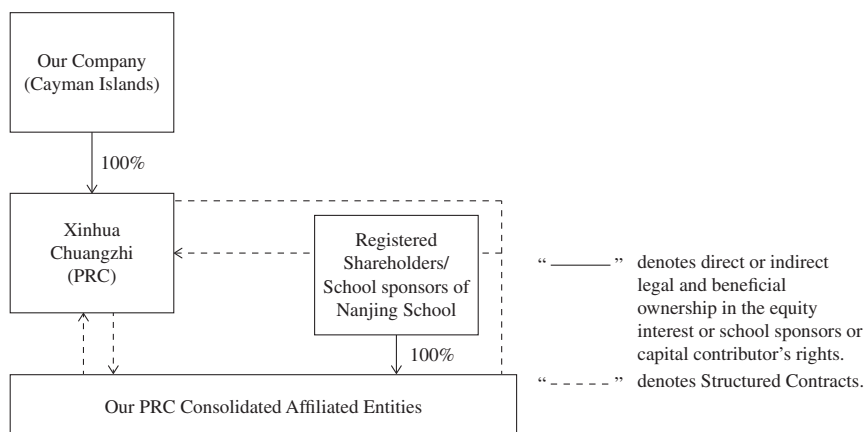
CUSTOMERS AND SUPPLIERS

Our customers primarily consist of students of our Schools and their parents as well as customers of our customized catering experience centers of Cuisine Academy. For the years ended December 31, 2015, 2016 and 2017 and the eight months ended August 31, 2018, we did not have any single customer who accounted for more than 5% of our revenue for each of the period. Our suppliers primarily consist of providers of advertising services, construction services, teaching equipment, and raw materials. For the years ended December 31, 2015, 2016 and 2017 and the eight months ended August 31, 2018, purchases from our five largest suppliers amounted to RMB94.0 million, RMB125.2 million, RMB193.5 million and RMB137.1 million, respectively, accounting for 11.5%, 12.2%, 11.2% and 9.4% of our total purchases for the relevant periods. See “Business — Customers and Suppliers” in this document for further details.

STRUCTURED CONTRACTS

The following simplified diagram illustrates the flow of economic benefits from our PRC Consolidated Affiliated Entities (including Nanjing School) to our Group stipulated under the Structured Contracts. See “Structured Contracts — Operation of the Structured Contracts” in this document for further details.

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OUR CONTROLLING SHAREHOLDERS

Immediately after completion of the Capitalization Issue and the [REDACTED], the Controlling Shareholders will together control the exercise of voting rights of more than 30% of the Shares eligible to vote in the general meeting of our Company (assuming the [REDACTED] is not exercised and without taking into account any Shares which may be issued upon the exercise of options granted under the [REDACTED] Share Option Scheme or the Share Option Scheme). See “Relationship with Our Controlling Shareholders” in this document for details.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary of combined financial information as of and for the years ended December 31, 2015, 2016 and 2017 and the eight months ended August 31, 2017 and 2018. Our financial results for the eight months ended August 31, 2018 are not necessarily indicative of the results for the year ending December 31, 2018 or for any other future year/period. You should read this summary together with the combined financial information set forth in the Accountants’ Report of the Group in Appendix I to this document, including the related notes, and the information set forth in “Financial Information” in this document.

Selected Combined Statements of Profit or Loss Data

	Year ended December 31,			Eight months ended August 31,	
	2015	2016	2017	2017	2018
	(RMB in thousands)			(Unaudited)	
Continuing operations					
Revenue	1,828,206	2,335,730	2,850,165	1,790,226	2,055,129
Gross profit	987,536	1,321,465	1,568,826	1,028,729	1,064,188
Profit before taxation	437,584	719,657	832,155	544,509	408,799
Profit and total comprehensive income for the year/period from continuing operations	353,101	587,379	661,190	407,231	297,341
Discontinued operation					
Loss and total comprehensive expense for the year/period from discontinued operation	(17,834)	(21,901)	(19,569)	(8,995)	(7,749)
Profit and total comprehensive income for the year/period . . .	335,267	565,478	641,621	398,236	289,592

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Our new Schools and centers generally incur significant fixed costs while their initial revenue is limited due to the relatively small number of student enrollment or customer registration in their ramp-up periods. Therefore, new Schools and centers generally have a negative impact on our gross profit, net profit and the relevant profit margins which may give the investors an inaccurate impression of the performance of our Schools and centers. In the table below, new Schools and centers in a period mainly represent Schools and centers that began to generate revenue for the first time during the period. The following table is presented because our management believes that such information will be helpful for investors to assess our performance and the profitability of our Schools and centers that had been in relatively stable operations for an extended period of time.

	For the years ended December 31,			For the eight months ended August 31,	
	2015	2016	2017	2017	2018
	(RMB in thousands)			(Unaudited)	
Profit and total comprehensive income for the year/period from continuing operations . .	353,101	587,379	661,190	407,231	297,341
Profit/(loss) in relation to new schools/centers:					
Aggregate amount of net profit/(loss) of Schools/centers commenced to generate revenue from 2015	(26,591)	(10,912)	5,864	3,662	7,422
Aggregate amount of net profit/(loss) of Schools/centers commenced to generate revenue from 2016	–	(21,373)	(7,505)	4,650	(27,043)
Aggregate amount of net profit/(loss) of Schools/centers commenced to generate revenue from 2017	–	–	(116,314)	(35,750)	(95,025)
Aggregate amount of net profit/(loss) of Schools/centers commenced to generate revenue from 2018	–	–	–	–	(35,316)

Our new Schools/centers that commenced operations in 2015 incurred net losses for 2015, narrowed their losses for 2016, began to generate a net profit for 2017 and their profitability continued to improve in the eight months ended August 31, 2018 compared with the eight months ended August 31, 2017. Our new Schools/centers that commenced operations in 2016 recorded a net profit for the eight months ended August 31, 2017 but had net losses for the eight months ended August 31, 2018 primarily because we opened 16 new Schools under our Wisezone brand in 2016 and the profitability of these schools under Wisezone Data of Technology Education decreased between these periods. See “Financial Information — Key Components of Our Results of Operations — Continuing Operations — Gross Profit and Gross Profit Margin” in this document for further details.

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The following table sets forth a breakdown of our external revenue from continuing operations by brand for the periods indicated:

	Year ended December 31,						Eight months ended August 31,			
	2015		2016		2017		2017		2018	
							(Unaudited)			
	Revenue	% of Total	Revenue	% of Total	Revenue	% of Total	Revenue	% of Total	Revenue	% of Total
(RMB in thousands except percentages)										
Revenue from continuing operations										
New East	1,057,205	57.8	1,432,112	61.3	1,738,743	61.0	1,103,722	61.7	1,232,005	59.9
Xinhua Internet	443,198	24.2	480,533	20.6	542,249	19.0	332,769	18.6	364,262	17.7
Wontone	319,841	17.5	354,256	15.2	419,347	14.7	256,702	14.3	277,468	13.5
Omick	—	—	—	—	74,838	2.6	44,293	2.5	122,667	6.0
Wisezone	5,422	0.3	53,188	2.3	64,139	2.3	43,133	2.4	41,560	2.0
Cuisine Academy	—	—	—	—	333	—	—	—	11,530	0.6
Other Miscellaneous Businesses ⁽¹⁾	2,540	0.2	15,641	0.7	10,516	0.4	9,607	0.5	5,637	0.3
Total ⁽²⁾	1,828,206	100	2,335,730	100	2,850,165	100	1,790,226	100	2,055,129	100

Notes:

- (1) Other miscellaneous businesses primarily include revenue from the internet technology solution and staff outsourcing services provided by Langjie Technology to Independent Third Parties.
- (2) The total revenue and percentages do not include inter-segment sales which are eliminated upon consolidation.

The following table sets forth a breakdown of our gross profit by brand and the gross profit margin for each segment for the periods indicated:

	Year ended December 31,						Eight months ended August 31,			
	2015		2016		2017		2017		2018	
							(Unaudited)			
	Gross profit	Gross profit margin %	Gross profit	Gross profit margin %	Gross profit	Gross profit margin %	Gross profit	Gross profit margin %	Gross profit	Gross profit margin ⁽¹⁾ %
(RMB in thousands except percentages)										
Gross profit from continuing operations										
New East	562,386	53.2	826,305	57.7	1,029,223	59.2	655,694	59.4	703,957	57.1
Xinhua Internet	242,045	54.6	266,272	55.4	302,337	55.8	198,472	59.6	210,028	57.7
Wontone	178,790	55.9	197,890	55.9	216,611	51.7	137,066	53.4	114,711	41.3
Omick	—	—	—	—	5,890	7.9	17,187	38.8	38,551	31.4
Wisezone ⁽²⁾	3,821	70.5	22,390	42.1	13,342	20.8	13,312	30.9	2,061	5.0
Cuisine Academy ⁽³⁾	—	—	—	—	(2,664)	-800.0	—	—	(5,964)	-51.7
Other Miscellaneous Businesses ⁽⁴⁾	494	19.5	8,608	55.0	4,087	38.9	6,998	72.8	844	15.0
Total	987,536	54.0	1,321,465	56.6	1,568,826	55.0	1,028,729	57.5	1,064,188	51.8

Notes:

- (1) The establishment of new Schools and centers under a segment has a negative impact on our gross profit margin for the relevant segment. During the initial ramp-up period after a new School or center commences operations, we incur substantial fixed costs for teaching staff salaries and benefits, teaching activity costs, leasing expenses, and other fixed costs while initial revenue from the new Schools and centers are limited due to the relatively small number of student enrollment or customer registration in the ramp-up period of the Schools and centers.

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- (2) Wisezone Data Technology Education's gross profit margin decreased during the Track Record Period primarily because this business segment was still in the stage of market development and had not yet established stable operations as a whole. See "Financial Information — Continuing Operations — Key Components of our Results of Operations — Gross Profit and Gross Profit Margin" for more information.
- (3) Cuisine Academy incurred losses for 2017 and the eight months ended August 31, 2018 primarily because we commenced our operations of Cuisine Academy in 2017 and incurred significant fixed costs at the beginning but the revenue was still limited at the initial stage of operations. See "Financial Information — Key Components of our Results of Operations — Continuing Operations — Gross Profit and Gross Profit Margin" in this document for details.
- (4) Other miscellaneous businesses primarily include gross profit derived from the internet technology solution and staff outsourcing services provided by Langjie Technology to Independent Third Parties.

Selected Combined Statements of Financial Position Data

	As of December 31,			As of August 31,	As of October 31,
	2015	2016	2017	2018	2018
					(Unaudited)
	(RMB in thousands)				
Current assets	1,125,571	1,896,055	2,259,124	2,401,579	2,246,759
Current liabilities	1,259,572	1,553,265	1,871,155	2,600,279	2,184,611
Net current (liabilities)/assets ⁽¹⁾	(134,001)	342,790	387,969	(198,700)	62,148

Note:

- (1) During the Track Record Period, we had net current liabilities as of December 31, 2015 and August 31, 2018, primarily because (i) we had current liabilities arising from prepaid tuition fees and we invested cash generated from tuition fees and service fees in property, and equipment for new Schools and centers, which are categorized as non-current assets, thereby resulting in current liabilities exceeding current assets; and (ii) as of August 31, 2018, our current liabilities included a one-off dividend payable of RMB232.1 million.

Key Financial Ratios

	As of/for the year ended December 31,			As of/for the eight months ended August 31,
	2015	2016	2017	2018
Gross profit margin	54.0%	56.6%	55.0%	51.8%
Net profit margin	19.3%	25.1%	23.2%	14.5%
Return on assets	19.8%	22.2%	18.8%	7.7%
Current ratio	0.89	1.22	1.21	0.92
Return on equity	70.7%	55.1%	41.2%	24.5%

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Since August 31, 2018 and up to the Latest Practicable Date, our business remained stable which was generally in line with the past trends and our expectations. To the best of our knowledge, there is no change to the overall economic and market condition in China or in the PRC vocational training education market in which we operate that may have a material adverse effect on our business operations and financial position.

From August 31, 2018 and up to the Latest Practicable Date, we had three new Schools and one new center of Cuisine Academy which had commenced operations and begun to admit students or serve customers. As of the Latest Practicable Date, we had established 13 Schools and two centers of Cuisine Academy that had not begun to admit any student or serve any customer.

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DIVIDEND POLICY

During the Track Record Period, we declared dividends of RMB50.0 million in 2015, RMB100.0 million in 2017 and RMB683.1 million in August 2018. We intend to adopt, after our [REDACTED], a general dividend policy of declaring and paying dividends on an annual basis of no less than 30% of our distributable net profit attributable to our Shareholders in the future but subject to, among other things, our future operation and earnings, capital requirements and surplus, financial condition, working capital requirements and other factors that our Directors consider relevant. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the relevant laws. There can be no assurance that we will be able to declare or distribute any dividend in the amount set out in any plan of the Board or at all.

[REDACTED]

[REDACTED]

We expect to incur a total of RMB[REDACTED] million of [REDACTED] (assuming an [REDACTED] of HK\$[REDACTED], being the mid-point of the indicative [REDACTED] range between HK\$[REDACTED] and HK\$[REDACTED], and assuming that the [REDACTED] is not exercised) until the completion of the [REDACTED], of which RMB[REDACTED] million and RMB[REDACTED] million are expected to be charged to our combined statements of profit or loss and other comprehensive income for the year ending December 31, 2018 and 2019, respectively, and RMB[REDACTED] million is directly attributable to the [REDACTED] of the Shares to the [REDACTED] and to be capitalized. [REDACTED] represent professional fees and other fees incurred in connection with the [REDACTED], including [REDACTED] [but excluding discretionary bonus]. The [REDACTED] above are the best estimate as of the Latest Practicable Date and for reference only and the actual amount may differ from this estimate. We do not expect these [REDACTED] to have a material impact on our results of operations for the years ending December 31, 2018 and 2019.

[REDACTED]

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[REDACTED]

PROPERTY VALUATION

According to the property valuation report prepared by Cushman & Wakefield Limited, an independent valuer we engaged, as set forth in Appendix III to this document, the market value of the properties we owned and occupied as of [October 31], 2018 was approximately [17.3] million. See "Business — Properties" and Appendix III to this document for details on our properties. For risks associated with the assumptions made in the valuation of our properties, see "Risk Factors — Risks Relating to Our Business and Our Industry — The appraisal values of our properties may be different from their actual realizable values and are subject to uncertainty or change" in this document.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period, we were not in compliance with certain PRC laws and regulations, including, (i) (1) certain of our Schools in the PRC commenced operations without obtaining private school operating licenses, (2) the private school operating licenses and the registration certificates of private non-enterprise entities of some schools had expired, and (3) some schools had branch campus that differs from the addresses set out on their respective school operating licenses; (ii) (1) certain of our operating Schools/entities failed to open social insurance and/or housing provident fund accounts, and (2) social insurance and/or housing provident fund that we paid for our employees in certain of our Schools were not based on their actual salary levels; (iii) we had not obtained the planning permits, construction permits, approvals for passing environmental impact assessments, approvals for passing fire control assessments and construction completion inspections, as well as building ownership certificates for certain buildings owned by Chengdu Tianji. See "Business — Legal Proceedings and Compliance" in this document for details.