

## HISTORY AND CORPORATE STRUCTURE

### OUR HISTORY AND DEVELOPMENT

We are currently engaged in the provision of vocational education and vocational training in China. As confirmed by our founders, Mr. Wu Junbao and Mr. Wu Wei, our history can be tracked back to 1988 when they, by using their personal funds, started to provide specialized vocational trainings in the PRC. In 1990s, we gradually focused on providing training on professional cuisine and hotel management, and started to provide training programs in relation to the emerging industry of computer and internet to seize market opportunities.

We have been developing since then and as at the Latest Practicable Date, we have expanded and developed our businesses primarily in the fields of culinary arts, auto services and computer software and information technology in China. The following illustrates our major development milestones and achievements in the 21st century:

Year	Event
2004	<ul style="list-style-type: none"><li>In view of future expansion and regularization of our current businesses, we established Anhui Xinhua Education in order to consolidate all our Schools under a single entity.</li></ul>
2005	<ul style="list-style-type: none"><li>Recognizing the extensive future growth of automotive services market in PRC, we started to offer automobile repair and maintenance training programs under our newly established Wontone Automotive Education brand.</li></ul>
2006	<ul style="list-style-type: none"><li>Recognizing the extensive future growth in the use of computers and technology in PRC, we acquired Wisezone Data Technology Education to provide short-term practical information technology programs for college students and people at work.</li></ul>
2007	<ul style="list-style-type: none"><li>The number of our Schools in operation reached 27.</li><li>Anhui Xinhua Computer Institute obtained the ISO9001:2000 quality management system certification.</li><li>Langjie Technology was recognized as a high-tech enterprise by the Beijing Municipal Science &amp; Technology Commission (北京市科學技術委員會) for a period of two years.</li><li>Sichuan Xinhua Computer Institute* (四川新華電腦學院) was recognized as the National Demonstrative Base of National Information Technology (國家信息化全國示範基地) by the Ministry of Information Industry of the PRC.</li></ul>

## HISTORY AND CORPORATE STRUCTURE

Year	Event
2010	<ul style="list-style-type: none"> <li>Wontone Automotive Education was awarded "National Model Vocational Training Group in Automobile Industry" (全國汽車行業示範職教集團) by China Association of Automobile Culture* (中國汽車文化促進會) and China Auto Talents Training Project Committee* (中國汽車人才培養工程委員會).</li> <li>Langjie Technology obtained the ISO9001: 2008 quality management system certification for design, development and operation of schools for computer education.</li> </ul>
2012	<ul style="list-style-type: none"> <li>The number of our Schools in operation reached 40.</li> <li>Anhui Xinhua Computer Institute was appointed by the MHRSS to organize the "Developing Talent with New Skills for China New Project" ("國家新技能人才培養新項目") and "Four New Talent Development Plan" ("四新人才培養計劃").</li> </ul>
2013	<ul style="list-style-type: none"> <li>New East Culinary Institute* (新東方烹飪專修學院) of Anhui Xinhua Education Development Co., Ltd. was elected as a standing council member of the China Hospitality Association* (中國飯店協會) in the first election of the fourth council meeting of the China Hospitality Association.</li> </ul>
2015	<ul style="list-style-type: none"> <li>The number of our Schools in operation reached 71, and we expanded our business to Hong Kong.</li> <li>Anhui Xinhua Education Development Co., Ltd. was elected as a council member of the sixth council meeting of the World China Culinary Joint Conference* (世界中國烹飪聯合會) by its sixth members' representatives meeting for five years.</li> </ul>
2016	<ul style="list-style-type: none"> <li>The number of our Schools in operation reached 90.</li> <li>We founded Omick Education of Western Cuisine and Pastry to offer high-quality western-style catering education.</li> <li>Shijiazhuang Xinhua Computer School* (石家莊新華電腦學校) was recognized as the "National Information Technology Talent Development Demonstration Training Unit" ("國家信息化人才培養示範培訓單位") by the Computer Education Authorization and Certification Office* (信息化培訓認證管理辦公室).</li> <li>Beijing Wisezone Education Technology Co., Ltd.* (北京華信智原教育科技有限公司) was recognized as a high-tech enterprise jointly by Beijing Municipal Science &amp; Technology Commission (北京市科學技術委員會), Beijing Finance Bureau* (北京市財政局), Beijing Municipal Tax Service of the State Administration of Taxation* (北京市國家稅務局) and Beijing Local Taxation Bureau* (北京市地方稅務局) for a period of three years.</li> </ul>

## HISTORY AND CORPORATE STRUCTURE

Year	Event
2017	<ul style="list-style-type: none"> <li>The number of our Schools in operation reached 126.</li> <li>We founded Cuisine Academy in 2017 with a view to providing customized catering experience to customers who are interested in cooking or plan to establish their own businesses in the catering industry.</li> <li>Anhui Xinhua Education was recognized as a "National Demonstrative Training Base of National Catering Industry Talent" ("全國飯店業人才培訓示範基地") by the China Hospitality Association* (中國飯店協會).</li> <li>New East Culinary Education entered into a cooperation agreement with Johnson &amp; Wales University in the US for academic exchange and program collaboration.</li> <li>Beijing Wisezone Education Technology Co., Ltd.* (北京華信智原教育科技有限公司) was recognized as the "China Big Data Talent Development Demonstration Base" ("中國大數據人才培養示範基地") by the Computer Education Authorization and Certification Office* (信息化培訓認證管理辦公室)</li> <li>Langjie Technology was recognized as a high-tech enterprise jointly by the Beijing Municipal Science &amp; Technology Commission, Beijing Finance Bureau, Beijing Municipal Tax Service of the State Administration of Taxation and Beijing Local Taxation Bureau for a period of three years.</li> <li>Anhui Xinhua Education Development Co., Ltd. was named "Specially Invited Vice President" for 16 months in the sixth council meeting of the China Hospitality Association.</li> </ul>
2018	<ul style="list-style-type: none"> <li>Anhui Xinhua Education was named "Outstanding Contributor for Talent Development for the Culinary Industry in China for 40 Years of Reform and Opening Up" ("改革開放40年中國餐飲行業培養人才突出貢獻單位") by the China Cuisine Association (中國烹飪協會) and "Merit Enterprise for the Culinary Industry in China for 40 Years of Reform and Opening Up" ("改革開放40周年全國餐飲業功勳企業") by the China Hospitality Association (中國飯店協會).</li> <li>The number of our Schools in operation reached 139, including 50 Schools under New East Culinary Education, 23 Schools under Xinhua Internet Technology Education, 25 Schools under Wontone Automotive Education, 19 Schools under Omick Education of Western Cuisine and Pastry and 22 Schools under Wisezone Data Technology Education.</li> <li>The number of our companies under Cuisine Academy reached 17.</li> </ul>

## HISTORY AND CORPORATE STRUCTURE

### OUR MATERIAL PRC CONSOLIDATED AFFILIATED ENTITIES AND SUBSIDIARY

Set out below are details of eight PRC Consolidated Affiliated Entities and one PRC subsidiary which are material to the results or assets of our Group<sup>(1)</sup>.

No.	School/Company	Industry Segment/Brand	Date of establishment	Registered capital/ Capital as of the Latest Practicable Date (RMB)	Principal business activities as of the Latest Practicable Date
1.	Anhui Xinhua Education. . . . .	N/A	March 30, 2004	100,000,000	Education investment
2.	Anhui New East Culinary Institute (安徽新東方烹飪專修學院). . . . .	New East Culinary Education	March 2, 2006	40,000,000	Provision of culinary related educational services
3.	Chengdu New East Culinary School (成都新東方烹飪學校). . . . .	New East Culinary Education	January 14, 2003	3,500,000	Provision of culinary related educational services
4.	Anhui Xinhua Computer Institute (安徽新華電腦專修學院). . . . .	Xinhua Internet Technology Education	December 28, 2004	5,000,000	Provision of internet technology related educational services
5.	Anhui Wontone Automobile Maintenance Institute (安徽萬通汽車專修學院). . . . .	Wontone Automotive Education	March 19, 2007	30,000,000	Provision of automobile related educational services
6.	Sichuan Wontone Automobile Vocational Training Institute (四川萬通汽車職業培訓學院). . . . .	Wontone Automotive Education	March 19, 2010	1,000,000	Provision of automobile related educational services
7.	Omick Western Pastry Training (Shanghai) Co., Ltd. (歐米奇西點培訓(上海)有限公司). . . . .	Omick Education of Western Cuisine and Pastry	September 21, 2015	1,000,000	Provision of western cuisine and pastry related educational services
8.	Beijing Wisezone Educational Technology Co., Ltd. (北京華信智原教育技術有限公司). . . . .	Wisezone Data Technology Education	November 1, 2005	2,550,000	Provision of data technology related educational services
9.	Shenzhen Cuisine East Institute Training Co., Ltd. (深圳美味東方學院培訓有限公司). . . . .	Cuisine Academy	August 21, 2017	500,000	Provision of cuisine classes and related educational services

Note:

- (1) Save as disclosed in this document, Anhui Xinhua Education holds the entire interests of all of our other PRC Consolidated Affiliated Entities. See notes 2-5 to the corporate structure chart immediately prior to the commencement of the Corporate Reorganization under "– Corporate Reorganization" in this section for details. Our seven PRC Consolidated Affiliated Entities (excluding Anhui Xinhua Education) and one PRC subsidiary disclosed in this table are entities, that we consider to be material to the results of our Group, which (i) have substantially contributed to more than 25% of the revenue or profits in the respective industry segment or more than 5% of the revenue in our Group, during any year of the Track Record Period; and/or (ii) we consider to be significant in terms of the industry segment they belong to.

## HISTORY AND CORPORATE STRUCTURE

### 1. Anhui Xinhua Education

Anhui Xinhua Education was established on March 30, 2004 under the laws of the PRC with a registered capital of RMB10 million. Upon its establishment as Anhui Xinhua Education Development Co., Ltd.\* (安徽新華教育發展有限公司), it was owned as to 60.0% by Xinhua Investment, 20.0% by Mr. Wu Wei, and 20% by Mr. Xiao Guoqing. On October 24, 2005, Xinhua Investment transferred 30% of the shareholdings in Anhui Xinhua Education to Mr. Wu Wei and 30% to Mr. Xiao Guoqing, pursuant to an equity transfer agreement dated September 27, 2005, at a consideration of RMB3 million and RMB3 million, respectively. Such consideration was determined with reference to the registered capital. The registered capital of Anhui Xinhua Education then on October 24, 2005 was increased to RMB20 million and such increase was contributed by Mr. Wu Junbao, Mr. Wu Wei and Mr. Xiao Guoqing as to 68%, 16% and 16%, respectively. Upon completion of the increase in the registered capital, Anhui Xinhua Education was owned as to 34% by Mr. Wu Junbao, 33% by Mr. Wu Wei, and 33% by Mr. Xiao Guoqing. On October 7, 2008, its registered capital was increased to RMB25 million and remained to be owned as to 34% by Mr. Wu Junbao, 33% by Mr. Wu Wei, and 33% by Mr. Xiao Guoqing. On November 11, 2008, its registered capital was increased to RMB40 million and remained to be owned as to 34% by Mr. Wu Junbao, 33% by Mr. Wu Wei, and 33% by Mr. Xiao Guoqing.

On September 9, 2009, Mr. Wu Junbao, pursuant to family interests arrangements, transferred his 34% of shareholdings in Anhui Xinhua Education to Zhou Jiaju (周家菊), the spouse of Mr. Wu Junbao, pursuant to an equity transfer agreement dated May 31, 2009, at a consideration of RMB13.6 million. Such consideration was determined with reference to the registered capital. On December 25, 2009, Zhou Jiaju transferred 30% of the shareholdings in Anhui Xinhua Education to Mr. Wu Junbao, and 4% to Wang Yongkai (王永凱), an employee of the Group at that time, pursuant to an equity transfer agreement dated October 18, 2009, at a consideration of RMB12 million and RMB1.6 million, respectively. Such considerations were determined with reference to the registered capital and corresponding creditors' rights and debt obligations attached thereto. Mr. Wu Wei and Mr. Xiao Guoqing then on December 25, 2009 transferred 12.5% and 13.5%, respectively, of the shareholdings to Wang Yongkai pursuant to the same equity transfer agreement dated October 18, 2009, at a consideration of RMB5 million and 5.4 million, respectively. Such consideration were determined with reference to the registered capital and corresponding creditors' rights and debt obligations attached thereto. Upon completion of such equity transfers, Anhui Xinhua Education became owned as to 30% by Mr. Wu Junbao, 30% by Wang Yongkai, 20.5% by Mr. Wu Wei, and 19.5% by Mr. Xiao Guoqing. The reason for said transfers of equity interests to Wang Yongkai was for administrative convenience.

On June 24, 2011, Wang Yongkai transferred 30% of the shareholdings in Anhui Xinhua Education to Mr. Wu Junbao pursuant to an equity transfer agreement dated June 10, 2011 at a consideration of RMB12 million. Such consideration was determined with reference to the registered capital and corresponding creditors' rights and debt obligations attached thereto. Upon completion of such transfers, Anhui Xinhua Education become owned as to 60% by Mr. Wu Junbao, 20.5% by Mr. Wu Wei, and 19.5% by Mr. Xiao Guoqing.

On December 14, 2015, the registered capital of Anhui Xinhua Education was further increased to RMB360 million and such increase was contributed by Mr. Wu Junbao, Mr. Wu Wei and Mr. Xiao Guoqing as to 60%, 20.5% and 19.5%, respectively. Upon completion of the increase in the registered capital, Anhui Xinhua Education was owned as to 60% by Mr. Wu Junbao, 20.5% by Mr. Wu Wei, and 19.5% by Mr. Xiao Guoqing.



## HISTORY AND CORPORATE STRUCTURE

On July 21, 2016, in anticipation of a proposed employee incentive arrangement, pursuant to an equity transfer agreement dated July 17, 2016, Mr. Wu Junbao transferred 5% of the shareholdings in Anhui Xinhua Education to Le En Te and 5% to Dong Fang Qi at a consideration of RMB18 million and RMB18 million, respectively. Le En Te and Dong Fang Qi were the proposed employee shareholding vehicles both owned as to 99.999998% by Mr. Wu Junbao, 0.000001% by Mr. Wu Wei and 0.000001% by Mr. Xiao Guoqing. On the same date, Mr. Wu Junbao also transferred 5.8% to Mr. Wu Wei and 5.8% to Mr. Xiao Guoqing pursuant to the same equity transfer agreement dated July 17, 2016, at a consideration of RMB20.88 million and RMB20.88 million respectively. Such consideration were determined with reference to the registered capital and were fully paid up by July 21, 2016. Upon completion of such transfers, Anhui Xinhua Education became owned as to 38.4% by Mr. Wu Junbao, 26.3% by Mr. Wu Wei, 25.3% by Mr. Xiao Guoqing, 5% by Le En Te, and 5% by Dong Fang Qi.

On December 6, 2016, the company name of Anhui Xinhua Education Development Co., Ltd. was changed to Anhui Xinhua Education Co., Ltd.\* (安徽新華教育有限公司). On February 15, 2017, its company name was further changed to Anhui Xinhua Education Group Co., Ltd.\* (安徽新華教育集團有限公司), being its current name.

In September and November 2018, Anhui Xinhua Education underwent increase and reduction of registered capital, respectively, pursuant to the Corporate Reorganization. Please see "— Corporate Reorganization — 4. Changes in registered capital of Anhui Xinhua Education" in this section for details. As of the Latest Practicable Date, Anhui Xinhua Education was owned as to 42.6667%, 29.2222%, and 28.1111% by Mr. Wu Junbao, Mr. Wu Wei, and Mr. Xiao Guoqing, respectively.

### 2. Anhui New East Culinary Institute\* (安徽新東方烹飪專修學院)

Anhui New East Culinary Institute\* (安徽新東方烹飪專修學院) is one of the material PRC Consolidated Affiliated Entities under New East Culinary Education. It was established on March 2, 2006 under the laws of the PRC with a capital of RMB1 million. Upon its establishment, its school sponsor's interest was wholly-owned by Huang Yuan (黃源), an employee of the Group at that time. The reason for Huang Yuan in the capacity as an employee to establish the School and to hold the entire school sponsor's interest was for administrative convenience. On August 6, 2008, its capital was increased to RMB2 million and remained to be wholly-owned by Huang Yuan.

In September 2008, Huang Yuan transferred all of the school sponsor's interest to Mr. Wu Junbao, Mr. Wu Wei and Mr. Xiao Guoqing as to 34%, 33% and 33%, respectively, pursuant to a school sponsor's interest transfer agreement at a consideration of RMB680,000, RMB660,000 and RMB660,000, respectively. Such consideration were determined with reference to the school sponsor's interest and were fully paid up on September 12, 2008. Its capital was then increased to RMB7 million which remained to be owned as to 34% by Mr. Wu Junbao, 33% by Mr. Wu Wei, and 33% by Mr. Xiao Guoqing. Such transfer of school sponsor's interest and increase of capital in September 2008 was completed and registered with the relevant local governmental authorities on November 10, 2009 and October 16, 2008, respectively. On April 20, 2009, its capital was increased to RMB20 million and remained to be owned as to 34% by Mr. Wu Junbao, 33% by Mr. Wu Wei, and 33% by Mr. Xiao Guoqing. On November 9, 2009, its capital was increased to RMB40 million and remained to be owned as to 34% by Mr. Wu Junbao, 33% by Mr. Wu Wei, and 33% by Mr. Xiao Guoqing.

On January 6, 2010, Mr. Wu Junbao, Mr. Wu Wei and Mr. Xiao Guoqing transferred 4%, 12.5% and 13.5%, respectively, of the school sponsor's interest to Wang Yongkai, an employee of the Group at that time, pursuant to a school sponsor's interest transfer agreement, at a consideration of RMB1.6 million, RMB5 million and RMB5.4 million,

## HISTORY AND CORPORATE STRUCTURE

respectively. Such consideration were determined with reference to the school sponsor's interest and corresponding creditors' rights and debt obligations attached thereto. Upon completion of such transfers, Anhui New East Culinary Institute became owned as to 30% by Mr. Wu Junbao, 20.5% by Mr. Wu Wei, 19.5% by Mr. Xiao Guoqing, and 30% by Wang Yongkai. The reason for said transfer of school sponsor's interests to Wang Yongkai was for administrative convenience.

On July 20, 2012, Wang Yongkai transferred 30% of the school sponsor's interest to Mr. Wu Junbao pursuant to a school sponsor's interest transfer agreement at a consideration of RMB12 million. Such consideration was determined with reference to the school sponsor's interest and were fully paid up on June 28, 2012. Upon completion of such transfer, Anhui New East Culinary Institute became owned as to 60% by Mr. Wu Junbao, 20.5% by Mr. Wu Wei, and 19.5% by Mr. Xiao Guoqing.

On December 15, 2015, Mr. Wu Junbao, Mr. Wu Wei and Mr. Xiao Guoqing transferred 60%, 20.5% and 19.5%, respectively, of the shareholdings in Anhui New East Culinary Institute to Anhui Xinhua Education Development Co., Ltd. pursuant to a school sponsor's interest transfer agreement dated December 3, 2015, where Anhui Xinhua Education increased its registered capital for subscription by such three sellers as consideration. Such consideration were determined with reference to the school sponsor's interest and were fully paid up by December 18, 2015. Upon completion of such transfers and as of the Latest Practicable Date, Anhui New East Culinary Institute was wholly-owned by Anhui Xinhua Education Development Co., Ltd.

### 3. Chengdu New East Culinary School\* (成都新東方烹飪學校)

Chengdu New East Culinary School\* (成都新東方烹飪學校) is another material PRC Consolidated Affiliated Entity under New East Culinary Education. It was established on January 14, 2003 under the laws of the PRC with a capital of RMB50,000. Upon its establishment as Chengdu Jinjiang Culinary Training School\* (成都錦江烹飪培訓學校), its school sponsor's interest was wholly-owned by Wu Feng (吳峰), an employee of the Group at that time. The reason for Wu Feng in the capacity as an employee to establish the School and to hold the entire school sponsor's interest was for administrative convenience. On July 6, 2004, the name of Chengdu Jinjiang Culinary Training School was changed to Chengdu New East Culinary School\* (成都新東方烹飪學校) being its current name.

On December 30, 2008, Anhui New East Culinary Institute had contributed the entire school sponsor's interest of Chengdu New East Culinary School of RMB500,000, and such contribution was duly registered with the relevant government authority. On the same date, Anhui New East Culinary Institute was registered as the school sponsor of Chengdu New East Culinary School.

On November 18, 2009, the capital of Chengdu New East Culinary School was further increased to RMB3.5 million. Upon completion of such capital increase and as of the Latest Practicable Date, Chengdu New East Culinary School remained to be wholly-owned by Anhui New East Culinary Institute.

## HISTORY AND CORPORATE STRUCTURE

### 4. Anhui Xinhua Computer Institute\* (安徽新華電腦專修學院)

Anhui Xinhua Computer Institute\* (安徽新華電腦專修學院) is one of the material PRC Consolidated Affiliated Entities under Xinhua Internet Technology Education. It was established on December 28, 2004 under the laws of the PRC with a capital of RMB2 million. Upon its establishment, its school sponsor's interest was wholly-owned by Xinhua Investment.

On May 12, 2006, Xinhua Investment transferred all of the school sponsor's interest to Anhui Xinhua Education pursuant to a school sponsor's interest agreement dated November 11, 2005, at a consideration of RMB2 million. Such consideration was determined with reference to the registered capital and corresponding creditors' rights and debt obligations attached thereto. Upon completion of such transfer, Anhui Xinhua Computer Institute was owned as to 100% by Anhui Xinhua Education. Its capital was then on May 12, 2006 increased to RMB5 million. Upon the completion of the increase in capital and as of the Latest Practicable Date, it remained to be wholly-owned by Anhui Xinhua Education.

### 5. Anhui Wontone Automobile Maintenance Institute\* (安徽萬通汽車專修學院)

Anhui Wontone Automobile Maintenance Institute\* (安徽萬通汽車專修學院) ("Anhui Wontone") is one of the material PRC Consolidated Affiliated Entities under Wontone Automotive Education. It was established on March 19, 2007 under the laws of the PRC with a capital of RMB1 million. Upon its establishment, its school sponsor's interest was wholly-owned by Shu Congshuang (束從雙), an employee of the Group at that time. The reason for Shu Congshuang in his capacity as an employee to establish the School and to hold the entire school sponsor's interest was for administrative convenience. On July 20, 2008, its registered capital was increased to RMB2 million which remained to be wholly-owned by Shu Congshuang. On October 8, 2008, its registered capital was increased to RMB7 million which remained to be wholly-owned by Shu Congshuang.

On July 24, 2009, Shu Congshuang transferred 34%, 33% and 33% of the school sponsor's interest to Mr. Wu Junbao, Mr. Wu Wei and Mr. Xiao Guoqing, respectively, pursuant to a school sponsor's interest transfer agreement dated May 26, 2009, at a consideration of RMB2.38 million, RMB2.31 million and RMB2.31 million, respectively. Such consideration were determined with reference to the school sponsor's interest and were fully paid up by May 27, 2009. Its capital was then on July 24, 2009 increased to RMB10 million which remained to be owned as to 34%, 33% and 33% by Mr. Wu Junbao, Mr. Wu Wei and Mr. Xiao Guoqing, respectively. On September 24, 2009, its capital was increased to RMB30 million which remained to be owned as to 34%, 33% and 33% by Mr. Wu Junbao, Mr. Wu Wei and Mr. Xiao Guoqing, respectively.

On January 6, 2010, Mr. Wu Junbao, Mr. Wu Wei and Mr. Xiao Guoqing transferred 4%, 12.5% and 13.5%, respectively, of the school's sponsor interest to Wang Yongkai, an employee of the Group at that time, pursuant to a school sponsor's interest transfer agreement dated October 18, 2009, at a consideration of RMB1.2 million, RMB3.75 million and RMB4.05 million, respectively. Such consideration were determined with reference to the school sponsor's interests and corresponding creditors' rights and debt obligations attached thereto. Upon completion of such transfers, Anhui Wontone became owned as to 30% by Mr. Wu Junbao, 20.5% by Mr. Wu Wei, 19.5% by Mr. Xiao Guoqing, and 30% by Wang Yongkai. The reason for such transfer of school sponsor's interests to Wang Yongkai was for administrative convenience.



## HISTORY AND CORPORATE STRUCTURE

On July 20, 2012, Wang Yongkai transferred 30% of the school sponsor's interests to Mr. Wu Junbao pursuant to a school sponsor's interest transfer agreement dated June 28, 2012, at a consideration of RMB9 million. Such consideration was determined with reference to the school sponsor's interests and corresponding creditors' rights and debt obligations attached thereto and was fully paid up by June 28, 2012. Upon completion of such transfer, Anhui Wontone became owned as to 60% by Mr. Wu Junbao, 20.5% by Mr. Wu Wei, and 19.5% by Mr. Xiao Guoqing.

On December 15, 2015, Mr. Wu Junbao, Mr. Wu Wei and Mr. Xiao Guoqing transferred 60%, 20.5% and 19.5%, respectively, of the school sponsor's interest to Anhui Xinhua Education pursuant to a school sponsor's interest transfer agreement dated December 3, 2015, where Anhui Xinhua Education increased its registered capital for subscription by such three sellers as consideration. Such consideration were determined with reference to the school sponsor's interest and corresponding creditors' rights and debt obligations attached thereto and were fully paid up by December 3, 2015. Upon completion of such transfers and as of the Latest Practicable Date, Anhui Wontone was wholly-owned by Anhui Xinhua Education.

### **6. Sichuan Wontone Automobile Vocational Training Institute\* (四川萬通汽車職業培訓學院)**

Sichuan Wontone Automobile Vocational Training Institute\* (四川萬通汽車職業培訓學院) is another material PRC Consolidated Affiliated Entity under Wontone Automotive Education. It was established on March 19, 2010 under the laws of the PRC with a capital of RMB500,000. Upon its establishment, its school sponsor's interest was wholly-owned by Anhui Wontone. On June 9, 2015, its capital was increased to RMB1 million and as of the Latest Practicable Date, it remained to be wholly-owned by Anhui Wontone.

### **7. Omick Western Pastry Training (Shanghai) Co., Ltd.\* (歐米奇西點培訓(上海)有限公司)**

Omick Western Pastry Training (Shanghai) Co., Ltd.\* (歐米奇西點培訓(上海)有限公司) is one of the material PRC Consolidated Affiliated Entities under Omick Education of Western Cuisine and Pastry. It was established as a limited liability company on September 21, 2015 under the laws of the PRC with a registered capital of RMB1 million and since then until the Latest Practicable Date it has been wholly-owned by Anhui New East Culinary Institute.

### **8. Beijing Wisezone Educational Technology Co., Ltd.\* (北京華信智原教育技術有限公司)**

Beijing Wisezone Educational Technology Co., Ltd.\* (北京華信智原教育技術有限公司) is one of the material PRC Consolidated Affiliated Entities under Wisezone Data Technology Education. It was established as a limited liability company on November 1, 2005 under the laws of the PRC with a registered capital of RMB300,000. Upon its establishment, its shareholding was owned as to 80% by Tan Lutao (譚魯濤), an Independent Third Party; 10% by Meng Lei (孟蕾), an Independent Third Party; and 10% by Beijing Huacheng Xinneng Electrical Engineering Technology Co., Ltd.\* (北京華誠欣能電力工程技術有限公司).

## HISTORY AND CORPORATE STRUCTURE

On February 20, 2006, Meng Lei and Beijing Huacheng Xinneng Electrical Engineering Technology Co., Ltd. transferred 10% and 10%, respectively, of the shareholdings in Beijing Wisezone Education Technology Co., Ltd. to Tan Lutao pursuant to each of their respective equity transfer agreements both dated February 10, 2006, each at a consideration of RMB30,000. Such consideration were determined with reference to the registered capital and were fully paid up by February 16, 2006. In view of future expansion of the Group and increasing demand for information technology related services in the society, Mr. Wu Junbao, Mr. Wu Wei and Mr. Xiao Guoqing each then on February 20, 2006 made a capital contribution of RMB637,500 into Beijing Wisezone Education Technology Co., Ltd. Its registered capital was thus increased to RMB2.55 million which became owned as to 25%, 25%, 25% and 25% by Mr. Wu Junbao, Mr. Wu Wei, Mr. Xiao Guoqing, and Tan Lutao, respectively.

On June 2, 2015, Mr. Wu Junbao, Mr. Wu Wei, Mr. Xiao Guoqing, and Tan Lutao transferred each of their respective interests to Anhui Xinhua Education Development Co., Ltd. pursuant to each of their respective equity transfer agreements all dated January 20, 2015, each at a consideration of RMB650,000. Such consideration were determined with reference to, among others, the registered capital. Upon completion of such transfers and as of the Latest Practicable Date, Beijing Wisezone Education Technology Co., Ltd. was wholly-owned by Anhui Xinhua Education Development Co., Ltd., whose name was changed to Anhui Xinhua Education on February 15, 2017.

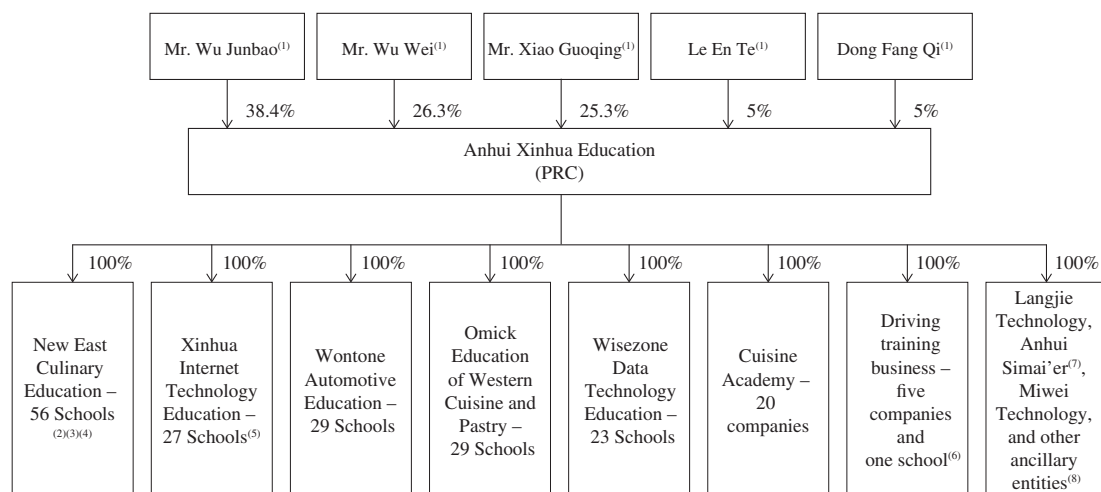
### 9. Shenzhen Cuisine East Institute Training Co., Ltd.\* (深圳美味東方學院培訓有限公司)

Shenzhen Cuisine East Institute Training Co., Ltd.\* (深圳美味東方學院培訓有限公司) is one of our material subsidiaries under Cuisine Academy. It was established as a limited liability company on August 21, 2017 under the laws of the PRC with a registered capital of RMB500,000 and was wholly-owned by Hefei Xinhua East Education Investment Co., Ltd.\* (合肥新華東方教育投資有限公司).

On September 27, 2018, Hefei Xinhua East Education Investment Co., Ltd. transferred the entire shareholdings in Shenzhen Cuisine East Institute Training Co., Ltd. to Xinhua Chuangzhi, pursuant to an equity transfer agreement dated September 27, 2018, at a consideration of RMB500,000. Such consideration was determined with reference to the registered capital. Upon completion of said transfer and as of the Latest Practicable Date, Shenzhen Cuisine East Institute Training Co., Ltd. was wholly-owned by Xinhua Chuangzhi.

## CORPORATE REORGANIZATION

The following chart sets forth our corporate structure immediately prior to the commencement of the Corporate Reorganization.



## HISTORY AND CORPORATE STRUCTURE

*Notes:*

- (1) Mr. Wu Junbao, Mr. Wu Wei and Mr. Xiao Guoqing are cousins. Mr. Wu Junbao is a general partner and Mr. Wu Wei and Mr. Xiao Guoqing are limited partners of Le En Te, which is owned as to 99.99998% by Mr. Wu Junbao, 0.000001% by Mr. Wu Wei and 0.000001% by Mr. Xiao Guoqing. Mr. Wu Junbao is a general partner and Mr. Wu Wei and Mr. Xiao Guoqing are limited partners of Dong Fang Qi, which is owned as to 99.99998% by Mr. Wu Junbao, 0.000001% by Mr. Wu Wei and 0.000001% by Mr. Xiao Guoqing.
- (2) As advised by our PRC Legal Advisors, the articles of association of Nanjing School currently provides that its school sponsors are Mr. Xiao Guoqing (肖國慶) and Mr. Ge Xiaoliang (葛孝良), a headmaster of one of our PRC Consolidated Affiliated Entities. Nanjing School has applied to the relevant local branches of the human resources and social security authorities and civil affairs authorities to change its school sponsors but has yet to obtain the relevant approvals. In this circumstance, Xinhua Chuangzhi will enter into various agreements that constitute Structured Contracts II (as disclosed in the section headed "Structured Contracts") with Mr. Xiao Guoqing and Mr. Ge Xiaoliang under which all economic benefits arising from the business of Nanjing School will be transferred to Xinhua Chuangzhi by means of services fees payable by Nanjing School to Xinhua Chuangzhi.
- (3) As advised by our PRC Legal Advisors, the articles of association of Shanghai Fengxian District East Delicacy Vocational Training School\* (上海奉賢區東方美食職業培訓學校), one of the Schools under New East Culinary Education, currently provides that its school sponsors are Mr. Yang Bing (楊兵), a headmaster of one of our PRC Consolidated Affiliated Entities, and Mr. Liang Yong (梁勇), an Independent Third Party. Shanghai Fengxian District East Delicacy Vocational Training School has applied for and the relevant local branch of the human resources and social security authorities have approved the change of school sponsors. However, the relevant local branch of the civil affairs authorities has not yet approved its amended articles of association. In this circumstance, each of Mr. Yang Bing and Mr. Liang Yong has signed a written confirmation dated November 20, 2018 confirming that Anhui New East Culinary Institute legally owns the entire school sponsor's interest, that each of them agree to give up all of the school sponsor's interest and will not claim any rights thereunder in the future, and that each of them will unconditionally cooperate with any formalities for registration changes in the future.
- (4) As advised by our PRC Legal Advisors, the articles of association of Jiangsu New East Culinary Training School\* (江蘇新東方烹飪技術學校), one of the Schools under New East Culinary Education, currently provides that its school sponsor is the Chinese Zhigong Party Jiangsu Provincial Committee (中國致公黨江蘇省委員會), an Independent Third Party. It has applied for and the relevant local branch of the human resources and social security authorities have approved the change of school sponsor. However, the relevant local branch of the civil affairs authorities has not yet approved its amended articles of association. In this circumstance, the Chinese Zhigong Party Jiangsu Provincial Committee has signed a written confirmation dated November 21, 2007 confirming that the school sponsor of Jiangsu New East Culinary Training School has been changed to Anhui Xinhua Education Development Co., Ltd.
- (5) Nanjing Xinhua Computer Institute has applied for and the relevant local branch of the human resources and social security authorities have approved the change of school sponsor from Mr. Zhou Baoyin (周寶銀), an Independent Third Party to Anhui Xinhua Education Development Co., Ltd. However, the relevant local branch of the civil affairs authorities has not yet approved its amended articles of association. In this circumstance, Mr. Zhou Baoyin has signed a written confirmation dated November 22, 2018 confirming that Anhui Xinhua Education legally owns the entire school sponsor's interest, that he agrees to give up all of his school sponsor's interest and will not claim any rights thereunder in the future, and that he will unconditionally cooperate with any formalities for registration changes in the future.
- (6) To be disposed of pursuant to Corporate Reorganization.
- (7) Anhui Simai'er is indirectly held by Anhui Xinhua Education as it is a direct wholly-owned subsidiary of Langjie Technology.
- (8) Other ancillary entities include eight entities to be deregistered pursuant to the Corporate Reorganization and five entities which provide administrative functions.

## HISTORY AND CORPORATE STRUCTURE

In preparation for the [REDACTED], we underwent the following Corporate Reorganization:

### 1. Establishment of Xinhua Chuangzhi

Xinhua Chuangzhi was established in the PRC on August 28, 2018 as a limited liability company with a registered capital of RMB500,000 and was wholly-owned by Anhui Xinhua Education. Xinhua Chuangzhi is principally engaged in the provision of technical and management consultancy services to our PRC Consolidated Affiliated Entities.

### 2. Ensuring contractual arrangements to be narrowly tailored to address specific businesses

#### *Langjie Technology and Anhui Simai'er*

Langjie Technology is primarily engaged in technology development, consulting, promotion and services. Anhui Simai'er is a directly wholly-owned subsidiary of Langjie Technology which is primarily engaged in the provision of catering services and sale of foodstuffs. As confirmed by our PRC Legal Advisors, such businesses do not fall within the Negative List and thus are permitted to be foreign-invested.

#### *Cuisine Academy and HK New Oriental*

The 20 PRC companies under Cuisine Academy are engaged in provision of customized catering experience services. Such services concern personal interests and hobbies cultivation only. As confirmed by our PRC Legal Advisors and according to the September Interviews conducted with the MOE and the MHRSS, such services do not belong to vocational training that are subject to Sino-Foreign Regulations as they are not subject to the jurisdiction of the MOE or the MHRSS. HK New Oriental is a Hong Kong entity which is not subject to the Negative List.

With the view to having the contractual arrangements narrowly tailored to address only businesses restricted from foreign investment or Sino-foreign cooperation under relevant PRC laws and regulations, Xinhua Chuangzhi acquired Langjie Technology, Anhui Simai'er<sup>(1)</sup>, and the 20 PRC companies under Cuisine Academy, and China East BVI acquired HK New Oriental. Set out below are details of the acquisition transactions.

No.	School/Company	Seller	Purchaser	Date of Agreement	Consideration (RMB)	Date of Completion <sup>(3)</sup>
1.	Langjie Technology . . . . .	Anhui Xinhua Education	Xinhua Chuangzhi	September 5, 2018	20,000,000	September 29, 2018
2.	Beijing Cuisine East Education Technology Co., Ltd.* (北京美味東方教育科技有限公司). . . . .	Hefei Xinhua East Education Investment Co., Ltd.* (合肥新華東方教育投資有限公司) <sup>(2)</sup> ("Xinhua East Investment")	Xinhua Chuangzhi	September 11, 2018	500,000	September 29, 2018

## HISTORY AND CORPORATE STRUCTURE

No.	School/Company	Seller	Purchaser	Date of Agreement	Consideration (RMB)	Date of Completion <sup>(3)</sup>
3.	Guangzhou Cuisine Classroom Training Co., Ltd.* (廣州美味課堂培訓有限公司) . . . . .	Xinhua East Investment	Xinhua Chuangzhi	October 10, 2018	500,000	October 16, 2018
4.	Guizhou Cuisine Academy Education & Training Co., Ltd.* (貴州美味學院教育培訓有限公司) . . . . .	Xinhua East Investment	Xinhua Chuangzhi	October 8, 2018	500,000	October 12, 2018
5.	Hangzhou Cuisine Consultancy Service Co., Ltd.* (杭州美味諮詢服務有限公司) . . . . .	Xinhua East Investment	Xinhua Chuangzhi	September 5, 2018	500,000	September 28, 2018
6.	Hefei Cuisine Classroom Education Consultancy Co., Ltd.* (合肥美味課堂教育諮詢有限公司) . . . . .	Xinhua East Investment	Xinhua Chuangzhi	October 11, 2018	500,000	October 16, 2018
7.	Henan Cuisine Academy Education Consultancy Co., Ltd.* (河南美味學院教育諮詢有限公司) . . . . .	Xinhua East Investment	Xinhua Chuangzhi	September 27, 2018	1,000,000	September 27, 2018
8.	Hubei Cuisine Academy Training Co., Ltd.* (湖北美味學院培訓有限公司) . . . . .	Xinhua East Investment	Xinhua Chuangzhi	September 5, 2018	2,000,000	September 26, 2018
9.	Jilin Province Cuisine Classroom Vocational Skills Consultancy Co., Ltd.* (吉林省美味課堂職業技能諮詢有限公司) . . . . .	Xinhua East Investment	Xinhua Chuangzhi	September 25, 2018	2,000,000	October 12, 2018
10.	Jinan Cuisine Classroom Catering Management Consultancy Co., Ltd.* (濟南美味課堂餐飲管理諮詢有限公司) . . . . .	Xinhua East Investment	Xinhua Chuangzhi	September 30, 2018	500,000	October 2, 2018
11.	Kunming Cuisine Education Information Consultancy Co., Ltd.* (昆明美味教育信息諮詢有限公司) . . . . .	Xinhua East Investment	Xinhua Chuangzhi	October 23, 2018	1,000,000	October 25, 2018
12.	Lanzhou Cuisine Academy Educational Consultancy Co., Ltd.* (蘭州美味學院教育諮詢有限公司) . . . . .	Xinhua East Investment	Xinhua Chuangzhi	September 26, 2018	500,000	September 28, 2018
13.	Nanjing Tasty Culinary Training Co., Ltd.* (南京味美廚藝培訓有限公司) . . . . .	Xinhua East Investment	Xinhua Chuangzhi	September 27, 2018	500,000	September 27, 2018
14.	Qingdao Cuisine Classroom Education & Training Co., Ltd.* (青島美味課堂教育培訓有限公司) . . . . .	Xinhua East Investment	Xinhua Chuangzhi	September 29, 2018	500,000	September 29, 2018



## HISTORY AND CORPORATE STRUCTURE

No.	School/Company	Seller	Purchaser	Date of Agreement	Consideration (RMB)	Date of Completion <sup>(3)</sup>
15.	Xiamen Cuisine East Education Co., Ltd.* (廈門美味東方教育有限公司) . . . . .	Xinhua East Investment	Xinhua Chuangzhi	September 28, 2018	500,000	October 9, 2018
16.	Shenzhen Cuisine East Academy Training Co., Ltd.* (深圳美味東方學院培訓有限公司) . . . . .	Xinhua East Investment	Xinhua Chuangzhi	September 27, 2018	500,000	October 8, 2018
17.	Tianjin Cuisine Educational Technology Co., Ltd.* (天津美味教育科技有限公司) . . . . .	Xinhua East Investment	Xinhua Chuangzhi	September 14, 2018	500,000	September 28, 2018
18.	Xi'an Cuisine East Catering Technical Training Co., Ltd.* (西安美味東方餐飲技能培訓有限公司), now known as Xi'an Cuisine East Catering Management Co., Ltd.* (西安美味東方餐飲管理有限公司) . . . . .	Xinhua East Investment	Xinhua Chuangzhi	September 28, 2018	500,000	September 29, 2018
19.	Shenyang Cuisine Classroom Education Enterprise Management Co., Ltd.* (瀋陽美味學院課堂教育企業管理有限公司) . . . . .	Xinhua East Investment	Xinhua Chuangzhi	September 5, 2018	500,000	September 30, 2018
20.	Dalian Cuisine East Educational Technology Co., Ltd.* (大連美味東方教育科技有限公司) . . . . .	Xinhua East Investment	Xinhua Chuangzhi	September 5, 2018	500,000	September 26, 2018
21.	HK New Oriental . . . . .	Anhui Xinhua Education	China East BVI	N/A <sup>(4)</sup>	444,000 (equivalent to HK\$500,000)	October 29, 2018

**Notes:**

- (1) As Anhui Simai'er is directly wholly-owned by Langjie Technology, it was indirectly acquired by Xinhua Chuangzhi.
- (2) Xinhua East Investment is directly wholly-owned by Anhui Xinhua Education.
- (3) For PRC entities, date of completion is the date of business license which is obtained after due registration with the relevant local government authorities, while for Hong Kong entities, date of completion is the date when stamp duty has been duly paid.
- (4) There is no share purchase agreement for the transfer of HK New Oriental.

## HISTORY AND CORPORATE STRUCTURE

### 3. Disposal of equity interests or school sponsor's interests in subsidiaries engaged in non-core businesses

Prior to the Corporate Reorganization, we had owned five companies and one School that provided training courses for driving examinations. We also owned Miwei Technology which developed and ran two mobile applications, with one providing cooking tutorial videos and online courses, and the other providing online academic support for students. With a view to focusing on our core competencies in our principal businesses, streamlining our group structure and simplifying our businesses and brand portfolio, the following subsidiaries were disposed of and set out below are details of the disposals:

No.	Disposed School/company	Seller	Buyer	Amount and basis of consideration	Date of completion <sup>(5)</sup>	Date of settlement	Principal business activities
1	Hefei Yuxing Automobile Driver Training Co., Ltd.* (合肥宇星機動車駕駛員培訓有限公司) ("Hefei Yuxing") . . .	Anhui Wontone (100%)	Xinhua Investment <sup>(1)</sup> (41.8%), Anhui Xinhua Real Estate Co., Ltd.* (安徽新華房地產有限公司) <sup>(2)</sup> ("Xinhua Real Estate") (29.6%), and Anhui Huadi Rongxin Real Estate Co., Ltd.* (安徽華地融信房地產有限公司) <sup>(3)</sup> ("Huadi Rongxin") (28.6%)	RMB4,180, RMB2,960 and RMB2,860, respectively, which was determined after negotiations between the parties and taking into account the net liabilities position of Hefei Yuxing	November 15, 2018	October 26, 2018	Provision of driving training educational services
2	Hefei Xin'an Automobile Driver Training School* (合肥新安機動車駕駛員培訓學校) ("Hefei Xin'an") . . .	Anhui Wontone (100%)	Xinhua Investment <sup>(1)</sup> (41.8%), Anhui Xinhua Real Estate <sup>(2)</sup> (29.6%), and Huadi Rongxin <sup>(3)</sup> (28.6%)	RMB4,180, RMB2,960 and RMB2,860, respectively, which was determined after negotiations between the parties and taking into account the net liabilities position of Hefei Xin'an	Not available as of the Latest Practicable Date <sup>(4)</sup>	October 26, 2018	Provision of driving training educational services
3	Nanjing Yuxing Driver Training Co., Ltd.* (南京宇星駕駛員培訓有限公司) ("Nanjing Yuxing") . .	Anhui Wontone (100%)	Mr. Hou Xiaoming (侯曉明) and Mr. Zhang Zijun (張子軍), each of them an Independent Third Party	Collectively RMB1 million which was determined after arm's lengths negotiations between the parties and taking into account the net liabilities position of Nanjing Yuxing	October 31, 2018	September 28, 2018	Provision of driving training educational services
4	Xi'an City Yuxing Driver Training Co., Ltd.* (西安市宇星駕駛員培訓有限公司) ("Xi'an Yuxing") . . .	Anhui Wontone (100%)	Xinhua Investment <sup>(1)</sup> (41.8%), Anhui Xinhua Real Estate <sup>(2)</sup> (29.6%), and Huadi Rongxin <sup>(3)</sup> (28.6%)	RMB4,180, RMB2,960 and RMB2,860, respectively, which was determined after negotiations between the parties and taking into account the net liabilities position of Xi'an Yuxing	November 19, 2018	October 26, 2018	Provision of driving training educational services

## HISTORY AND CORPORATE STRUCTURE

No.	Disposed School/company	Seller	Buyer	Amount and basis of consideration	Date of completion <sup>(5)</sup>	Date of settlement	Principal business activities
5	Chongqing Yuxing Xincheng Automobile Driving Training Co., Ltd.* (重慶宇星新誠汽車駕駛培訓有限公司) ("Chongqing Yuxing").	Anhui Wontone (100%)	Xinhua Investment <sup>(1)</sup> (41.8%), Anhui Xinhua Real Estate <sup>(2)</sup> (29.6%), and Huadi Rongxin <sup>(3)</sup> (28.6%)	RMB4,180, RMB2,960 and RMB2,860, respectively, which was determined after negotiations between the parties and taking into account the net liabilities position of Chongqing Yuxing	November 27, 2018	October 26, 2018	Provision of driving training educational services
6	Changsha City Yuxing Automobile Driver Training Co., Ltd.* (長沙市宇星機動車駕駛員培訓有限公司) ("Changsha Yuxing").	Hunan Wontone Automobile Vocational Training School* (湖南萬通汽車職業培訓學校(現名:湖南萬通汽車職業培訓學校)) (100%)	Xinhua Investment <sup>(1)</sup> (41.8%), Anhui Xinhua Real Estate <sup>(2)</sup> (29.6%), and Huadi Rongxin <sup>(3)</sup> (28.6%)	RMB4,180, RMB2,960 and RMB2,860, respectively, which was determined after negotiations between the parties and taking into account the net liabilities position of Changsha Yuxing	November 22, 2018	October 26, 2018	Provision of driving training educational services
7	Miwei Technology . . .	Xinhua East Investment (100%)	Mr. Wu Junbao (41.8%), Mr. Wu Wei (29.6%) and Mr. Xiao Guoqing (28.6%)	RMB418,000, RMB296,000 and RMB286,000, respectively, which was determined after negotiations between the parties by reference to the registered share capital	November 28, 2018	October 26, 2018	Technology consulting and services; production of arts & culture; products design

### Notes:

- (1) Xinhua Investment is owned as to 99% by Mr. Wu Junbao and as to 1% by Mr. Wu Di, the son of Mr. Wu Junbao.
- (2) Xinhua Real Estate is wholly-owned by Anhui Xinhua Development Group Co., Ltd.\* (安徽新華發展集團有限公司) ("Anhui Xinhua Development"). Anhui Xinhua Development is owned as to 95% by Mr. Wu Wei and as to 5% by Ms. Cheng Jing (程靜), the spouse of Mr. Wu Wei.
- (3) Huadi Rongxin is owned as to 98% by Xinhua Real Estate and as to 2% by Anhui Xinhua Holdings Group Investment Co., Ltd.\* (安徽新華控股集團投資有限公司) ("Anhui Xinhua Holdings"). Anhui Xinhua Holdings is owned as to 50% by Mr. Xiao Guoqing and as to 50% by Anhui Zhongan International Investment Management Co., Ltd.\* (安徽中安國際投資管理有限公司) ("Anhui Zhongan"). Anhui Zhongan is owned as to 99% by Mr. Xiao Guoqing and as to 1% by Mr. Wu Jincheng (吳金城), the son of Mr. Xiao Guoqing.
- (4) The transfer of Hefei Xin'an was approved by the Hefei Bureau of Human Resources and Social Security on November 16, 2018. The approval of the amended articles of association by the competent Civil Affairs Bureau is being processed as of the Latest Practicable Date and is expected to be completed before the [REDACTED].
- (5) Date of completion is the date of business license which is obtained after due registration with the relevant local government authorities.

## HISTORY AND CORPORATE STRUCTURE

### 4. Changes in registered capital of Anhui Xinhua Education

As part of its internal shareholding restructuring, on September 18, 2018, Anhui Xinhua Education increased its registered capital to RMB501.94 million from RMB360 million. On November 13, 2018, in light of the proposed [REDACTED] and a change in the proposed employee incentive arrangement, Anhui Xinhua Education reduced its registered capital to RMB100 million and the then proposed employee shareholding vehicles, Le En Te and Dong Fang Qi, ceased to be shareholders of Anhui Xinhua Education. Upon completion of said reduction, Anhui Xinhua Education became owned as to 42.6667%, 29.2222%, and 28.1111% by Mr. Wu Junbao, Mr. Wu Wei, Mr. Xiao Guoqing, respectively. As confirmed by the PRC Legal Advisors, the reduction of registered capital was completed in accordance with the procedures under the articles of Anhui Xinhua Education.

### 5. Deregistration of nine entities

With a view to focusing on our core competencies, streamlining our group structure and simplifying our businesses and brand portfolio, we have deregistered eight entities. The table below shows the details of such companies or Schools and their deregistration:

No.	Deregistered Entity	Registered capital/Capital (RMB) immediately before deregistration by our Group	Shareholding structure immediately before deregistration by our Group	Date of deregistration
1	Anhui Simai'er Catering Co., Ltd. Fulaijia First Supermarket Branch* (安徽思麥爾餐飲有限公司福來佳第一超市分公司) . . . . .	N/A	N/A	August 22, 2018
2	Anhui Simai'er Catering Co., Ltd. Fulaijia Second Supermarket Branch* (安徽思麥爾餐飲有限公司福來佳第二超市分公司) . . . . .	N/A	N/A	August 22, 2018
3	Anhui Simai'er Catering Co., Ltd. Fulaijia Third Supermarket Branch* (安徽思麥爾餐飲有限公司福來佳第三超市分公司) . . . . .	N/A	N/A	August 15, 2018
4	Anhui Simai'er Catering Co., Ltd. Fulaijia Fourth Supermarket Branch* (安徽思麥爾餐飲有限公司福來佳第四超市分公司) . . . . .	N/A	N/A	August 15, 2018
5	Beijing Daxing Omick Culinary Vocational Technical Training School* (北京市大興區歐米奇烹飪職業技能培訓學校) . . . . .	500,000	Beijing New East Culinary Vocational Skills Training School* (北京市新東方烹飪職業技能培訓學校) (100%)	August 2, 2018
6	Jiangxi New East Gourmet Culinary Training Co., Ltd.* (江西省新東方美食烹飪培訓有限公司) . . . . .	2,000,000	Anhui Xinhua Education (99%) and Mr. Xu Shaobing (1%)	November 14, 2018

## HISTORY AND CORPORATE STRUCTURE

No.	Deregistered Entity	Registered capital/Capital (RMB) immediately before deregistration by our Group	Shareholding structure immediately before deregistration by our Group	Date of deregistration
7	Beijing Wisezone Educational Technology Co., Ltd. Haidian Technology Branch* (北京華信智原教育技術有限公司海澱科技分公司) . . . . .	N/A	N/A	November 27, 2018
8	Jinan Tianqiao Xinhua Jinbang Training School Co., Ltd.* (濟南市天橋區新華金榜培訓學校有限公司). . . . .	100,000	Xinhua East Investment (100%)	Not available as at the Latest Practicable Date <sup>(1)</sup>

**Notes:**

- (1) The deregistration application was filed with the local relevant government authorities on October 29, 2018. The procedure is in process as of the Latest Practicable Date and is expected to be completed before the [REDACTED].

### 6. Incorporation of Wu Junbao Education

Wu Junbao Education, an investment holding company for Mr. Wu Junbao, was incorporated as a limited liability company under the laws of the BVI on September 12, 2018 and authorized to issue a maximum of 50,000 shares without par value. On the same day, one share of Wu Junbao Education was issued and allotted to Mr. Wu Junbao for US\$1.00.

### 7. Incorporation of Wu Wei Education

Wu Wei Education, an investment holding company for Mr. Wu Wei, was incorporated as a limited liability company under the laws of the BVI on September 12, 2018 and authorized to issue a maximum of 50,000 shares without par value. On the same day, one share of Wu Wei Education was issued and allotted to Mr. Wu Wei for US\$1.00.

### 8. Incorporation of Xiao Guoqing Education

Xiao Guoqing Education, an investment holding company for Mr. Xiao Guoqing, was incorporated as a limited liability company under the laws of the BVI on September 12, 2018 and authorized to issue a maximum of 50,000 shares without par value. On the same day, one share of Xiao Guoqing Education was issued and allotted to Mr. Xiao Guoqing for US\$1.00.

### 9. Incorporation of Xinhua US

Xinhua US was incorporated as a limited company under the laws of the State of California, U.S. on October 2, 2018 with 10,000 shares of US\$0.001 each being authorized to be issued.



## HISTORY AND CORPORATE STRUCTURE

### 10. Incorporation of our Company

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on October 4, 2018 with an authorized share capital of HK\$380,000 divided into 3,800,000,000 shares with par value of HK\$0.0001 each. On the date of incorporation, the initial subscriber subscribed for, and our Company issued and allotted, the one subscriber Share. On the same date, the one initial Share was transferred from the initial subscriber to Wu Wei Education Company Limited for a consideration at par value, and our Company then issued and allotted 426,667 Shares, 292,221 Shares and 281,111 Shares to Wu Junbao Education, Wu Wei Education and Xiao Guoqing Education, respectively, for cash at par value. Our Company is the [REDACTED] vehicle.

### 11. Incorporation of China East BVI

China East BVI, an investment holding company, was incorporated as a limited liability company under the laws of BVI on October 19, 2018 and authorized to issue a maximum of 50,000 shares without par value. On the same day, one share of China East BVI was issued and allotted to our Company for US\$1.00.

### 12. [REDACTED] into the Company by Lu Lu Education

On October 26, 2018, Lu Lu Education subscribed for and our Company issued and allotted 30 Shares to Lu Lu Education for a consideration at HK\$600,000. Set out below are further details of such [REDACTED] made by Lu Lu Education:

<b>Name and background of the [REDACTED] and its relationship with the Group: . . . .</b>	Lu Lu Education is a limited liability company incorporated under the laws of BVI and is wholly-owned by Ms. Lu Lu, an Independent Third Party
<b>Date of investment: . .</b>	October 26, 2018
<b>Amount of consideration paid: . . . . .</b>	HK\$600,000
<b>Basis of determination of consideration paid: . . . . .</b>	Arm's length negotiations between our Company and Lu Lu Education after taking into consideration the corresponding proportion of the total market capitalization of the Company following the Capitalization Issue and the [REDACTED] (assuming no exercise of the [REDACTED] or any options that may be granted under the [REDACTED] Share Option Scheme or the Share Option Scheme)
<b>Payment date of the consideration: . . . . .</b>	October 29, 2018

## HISTORY AND CORPORATE STRUCTURE

<b>Cost per share paid by the [REDACTED] and respective premium to the [REDACTED]: . . . . .</b>	HK\$[REDACTED] per Share before the Capitalization Issue  Approximately HK\$[REDACTED] per Share after the Capitalisation Issue
<b>[REDACTED] and utilization: . . . . .</b>	Approximately [REDACTED] premium to the [REDACTED] assuming the [REDACTED] of HK\$[REDACTED], being the mid-point of the [REDACTED] range [General corporate purpose]  [As at the Latest Practicable Date, none of the proceeds of [REDACTED] had been utilised by our Company]
<b>Strategic benefits of the [REDACTED] investment: . . . . .</b>	[Our Company will benefit from the additional capital provided by the [REDACTED]]
<b>[REDACTED] . . . . .</b>	Up to six months from the [REDACTED]
<b>Special rights: . . . . .</b>	No special rights were granted to Lu Lu Education that will survive the [REDACTED]

After issuance and allotment of 30 Shares to Lu Lu Education, our Company became owned as to 42.6654% by Wu Junbao Education, 29.2213% by Wu Wei Education, 28.1103% by Xiao Guoqing Education and 0.0030% by Lu Lu Education.

### *Public float*

Since Lu Lu Education is an Independent Third Party and will not be holding more than 10% of the total issued share capital of our Company immediately following the completion of the Capitalization Issue and the [REDACTED], it will not be a substantial Shareholder of our Company under the Listing Rules. Accordingly, all Shares held by Lu Lu Education will be counted as part of the public float for the purpose of Rule 8.08 of the Listing Rules.

### *Sole Sponsor's view*

The Sole Sponsor has confirmed that the [REDACTED] is in compliance with the Interim Guidance on [REDACTED] (HKEX-GL29-12), the Guidance on [REDACTED] (HKEX-GL43-12) and the Guidance on [REDACTED] in convertible instruments (HKEX-GL44-12) issued by the Stock Exchange.

### **13. Transfer of China Xinhua Vocational from Mr. Wu Wei to China East BVI**

China Xinhua Vocational, an investment holding company, was incorporated as a limited company under the laws of the Hong Kong on August 10, 2018 and wholly-owned by Mr. Wu Wei. On November 13, 2018, as part of the Corporate Reorganization, China East BVI acquired one share representing the entire issued share capital of China Xinhua Vocational from Mr. Wu Wei at a nominal consideration of HK\$1.00. Upon completion of the transfer, China Xinhua Vocational became wholly-owned by China East BVI.

---

## HISTORY AND CORPORATE STRUCTURE

---

### **14. Increase in registered capital in Xinhua Chuangzhi**

On November 14, 2018, the registered capital in Xinhua Chuangzhi was increased from RMB500,000 to RMB5 million. Such increase in the registered capital of Xinhua Chuangzhi was contributed by Anhui Xinhua Education as to RMB4.45 million and Wide Bridge as to RMB50,000. Upon completion of registration with competent Administration of Industry and Commerce on November 14, 2018, Xinhua Chuangzhi became owned as to 99% by Anhui Xinhua Education and as to 1% by Wide Bridge, and Xinhua Chuangzhi became a Sino-foreign joint venture.

### **15. Acquisition of 99% equity interests in Xinhua Chuangzhi by China Xinhua Vocational**

On November 26, 2018, China Xinhua Vocational acquired 99% equity interests held by Anhui Xinhua Education in Xinhua Chuangzhi, at a consideration of RMB4.95 million. The consideration was determined with reference to its paid up registered capital. Upon completion of registration with competent Administration of Industry and Commerce on November 26, 2018, Xinhua Chuangzhi was owned as to 99% by China Xinhua Vocational and 1% by Wide Bridge, and Xinhua Chuangzhi became a wholly foreign owned enterprise.

### **16. Acquisition of Wide Bridge from Lu Lu Education by China East BVI**

On November 27, 2018, as part of the Corporate Reorganization, China East BVI acquired one share, representing the entire issued share capital of Wide Bridge, from Lu Lu Education at a consideration of HK\$600,000. Upon completion of the transfer, Wide Bridge became wholly-owned by China East BVI.

### **17. Entering into the Structured Contracts to control our PRC Consolidated Affiliated Entities by WFOE**

On November 30, 2018, WFOE entered into various agreements that constitute Structured Contracts with, among others, our PRC Consolidated Affiliated Entities, under which all economic benefits arising from the business of our PRC Consolidated Affiliated Entities are transferred to WFOE by means of services fees payable by our PRC Consolidated Affiliated Entities to WFOE.

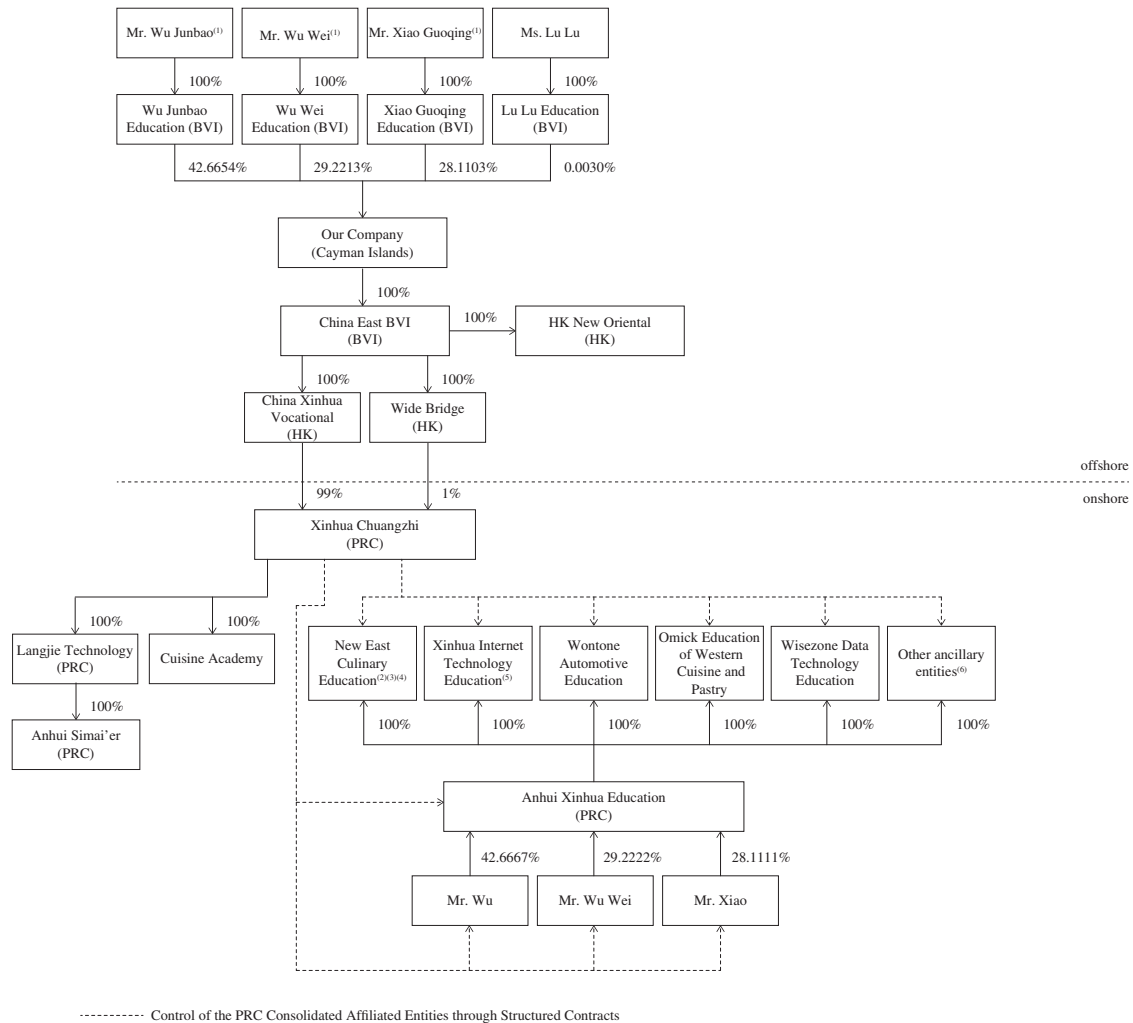
## **COMPLIANCE WITH PRC LAWS AND REGULATIONS**

Save as disclosed in this document, our PRC Legal Advisors confirmed that all necessary approvals, permits and licenses required under the PRC laws and regulations in connection with the Corporate Reorganization have been obtained, and the Corporate Reorganization has complied with all applicable PRC laws and regulations in all material respects.

## HISTORY AND CORPORATE STRUCTURE

### GROUP STRUCTURE UPON THE CORPORATE REORGANIZATION

The following chart sets forth our corporate structure immediately after Corporate Reorganization and immediately prior to the [REDACTED]:



#### Notes:

- (1) Mr. Wu Junbao, Mr. Wu Wei and Mr. Xiao Guoqing are cousins.
- (2) As advised by our PRC Legal Advisors, the articles of association of Nanjing School, one of the Schools under New East Culinary Education, currently provides that its school sponsors are Mr. Xiao Guoqing (肖國慶) and Mr. Ge Xiaoliang (葛孝良), a headmaster of one of our PRC Consolidated Affiliated Entities. Nanjing School has applied to the relevant local branches of the human resources and social security authorities and civil affairs authorities to change its school sponsors but has yet to obtain the relevant approvals. In this circumstance, Xinhua Chuangzhi will enter into various agreements that constitute Structured Contracts II (as disclosed in the section headed “Structured Contracts”) with Mr. Xiao Guoqing and Mr. Ge Xiaoliang under which all economic benefits arising from the business of Nanjing School will be transferred to Xinhua Chuangzhi by means of services fees payable by Nanjing School to Xinhua Chuangzhi.

## HISTORY AND CORPORATE STRUCTURE

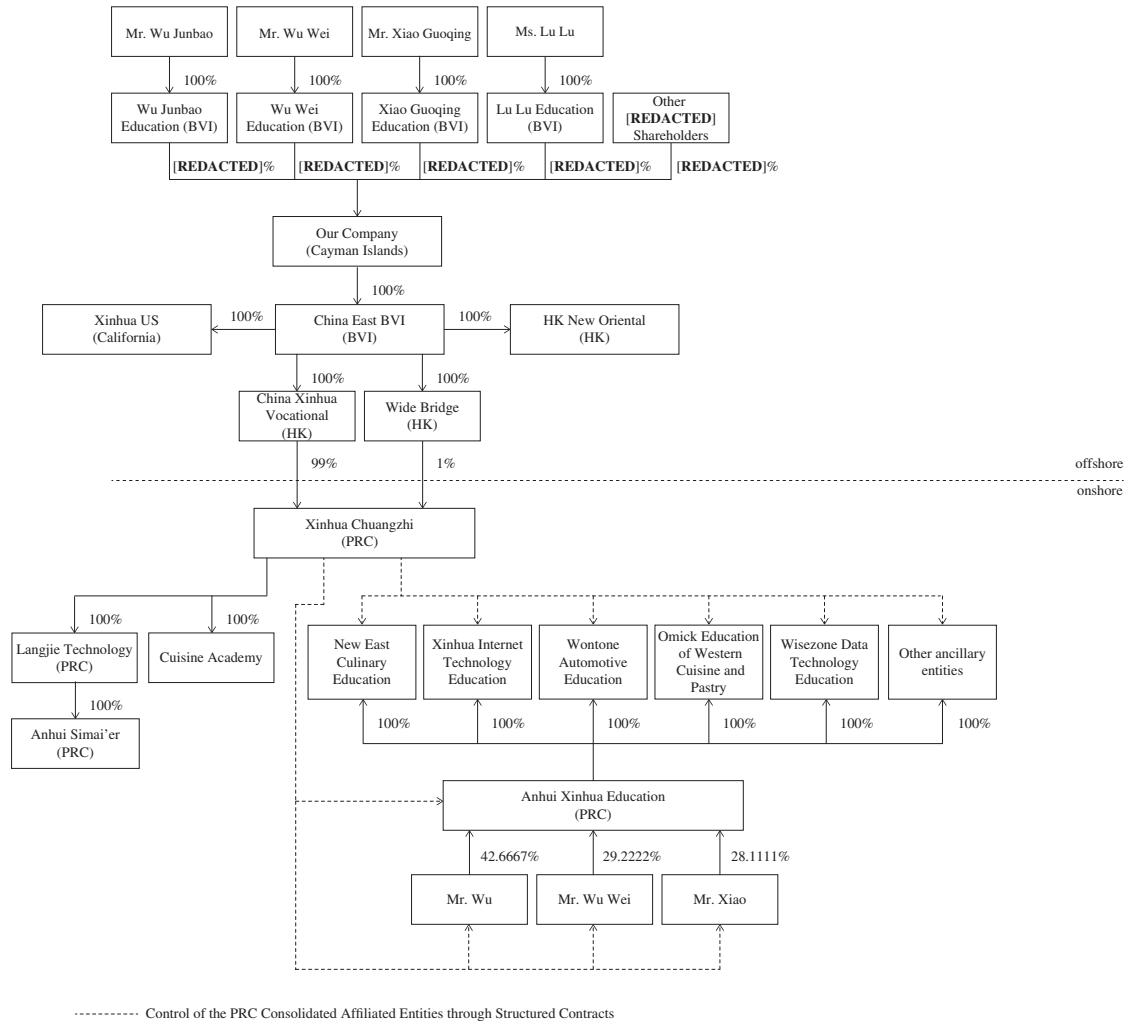
- (3) As advised by our PRC Legal Advisors, the articles of association of Shanghai Fengxian District East Delicacy Vocational Training School\* (上海奉賢區東方美食職業培訓學校), one of the Schools under New East Culinary Education, currently provides that its school sponsors are Mr. Yang Bing (楊兵), a headmaster of one of our PRC Consolidated Affiliated Entities, and Mr. Liang Yong (梁勇), an Independent Third Party. Shanghai Fengxian District East Delicacy Vocational Training School has applied for and the relevant local branch of the human resources and social security authorities have approved the change of school sponsors. However, the relevant local branch of the civil affairs authorities has not yet approved its amended articles of association. In this circumstance, each of Mr. Yang Bing and Mr. Liang Yong has signed a written confirmation dated November 20, 2018 confirming that Anhui New East Culinary Institute legally owns the entire school sponsor's interest, that each of them agree to give up all of the school sponsor's interest and will not claim any rights thereunder in the future, and that each of them will unconditionally cooperate with any formalities for registration changes in the future. On November 20, 2018, with the assistance of our PRC Legal Advisors, we consulted with Shanghai Fengxian Communities Management Bureau\* (上海市奉賢區社團管理局) on the change of school sponsor, and it has been confirmed that (i) it does not process the application for changing of school sponsors, (ii) the actual school sponsor of Shanghai Fengxian District East Delicacy Vocational Training School shall be Anhui New East Culinary Institution, and (iii) there shall be no material impediment if, subject to the approval of human resources and social security authorities, Shanghai Fengxian District East Delicacy Vocational Training School chooses to become a for-profit private school and register as a limited liability company whose shareholder is Anhui New East Culinary Institution.
- (4) As advised by our PRC Legal Advisors, the articles of association of Jiangsu New East Culinary Training School\* (江蘇新東方烹飪技術學校), one of the Schools under New East Culinary Education, currently provides that its school sponsor is the Chinese Zhigong Party Jiangsu Provincial Committee (中國致公黨江蘇省委員會), an Independent Third Party. It has applied for and the relevant local branch of the human resources and social security authorities have approved the change of school sponsor. However, the relevant local branch of the civil affairs authorities have not yet approved its amended articles of association. In this circumstance, the Chinese Zhigong Party Jiangsu Provincial Committee has signed a written confirmation dated November 21, 2007 confirming that the school sponsor of Jiangsu New East Culinary Training School has been changed to Anhui Xinhua Education Development Co., Ltd. On November 26, 2018, with the assistance of our PRC Legal Advisors, we consulted with Jiangsu Civil Affairs Department (江蘇省民政廳) on the change of school sponsor, and it has been confirmed that (i) it does not process the application for changing of school sponsors, (ii) the actual school sponsor of Jiangsu New East Culinary School shall be Anhui Xinhua Education Development Co., Ltd., and (iii) there shall be no material impediment if, subject to the approval of human resources and social security authorities, Jiangsu New East Culinary School chooses to become a for-profit private school and register as a limited liability company with the administration of industry and commerce authorities, and apply for the change of the shareholder into Anhui Xinhua Education Development Co., Ltd.
- (5) Nanjing Xinhua Computer Institute has applied for and the relevant local branch of the human resources and social security authorities have approved the change of school sponsor from Mr. Zhou Baoyin (周寶銀), an Independent Third Party to Anhui Xinhua Education Development Co., Ltd. However, the relevant local branch of the civil affairs authorities has not yet approved its amended articles of association. In this circumstance, Mr. Zhou Baoyin has signed a written confirmation dated November 22, 2018 confirming that Anhui Xinhua Education legally owns the entire school sponsor's interest, that he agrees to give up all of his school sponsor's interest and will not claim any rights thereunder in the future, and that he will unconditionally cooperate with any formalities for registration changes in the future. On November 26, 2018, with the assistance of our PRC Legal Advisors, we consulted with Nanjing Civil Affairs Bureau (南京市民政局) on the change of school sponsor, and it has been confirmed that (i) it does not process the application for changing of school sponsors, (ii) the actual school sponsor of Nanjing Xinhua Computer Institute shall be Anhui Xinhua Education Development Co., Ltd., and (iii) there shall be no material impediment if, subject to the approval of human resources and social security authorities, Nanjing Xinhua Computer Institute chooses to become a for-profit private school and register as a limited liability company with the administration of industry and commerce authorities, and apply for the change of the shareholder into Anhui Xinhua Education Development Co., Ltd.
- (6) Other ancillary entities include five entities which provide administrative functions.



## HISTORY AND CORPORATE STRUCTURE

### GROUP STRUCTURE UPON THE [REDACTED]

The following chart<sup>(1)</sup> sets forth our corporate structure upon the [REDACTED], assuming no exercise of the [REDACTED] or any options that may be granted under the [REDACTED] Share Option Scheme or the Share Option Scheme:

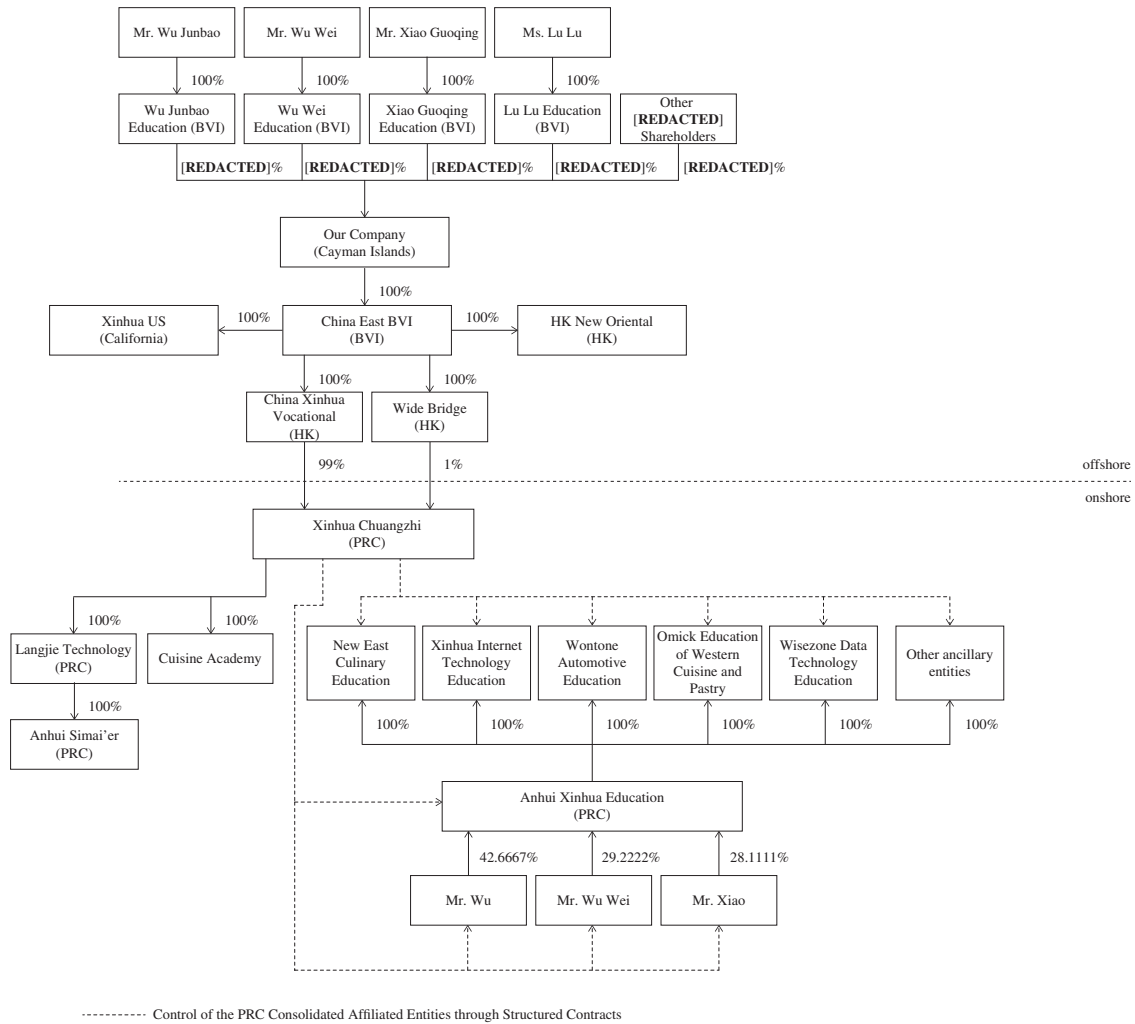


#### Notes:

- (1) For information about certain individuals and companies shown in the above corporate structure chart, see the corresponding notes to the chart under “– Group Structure Upon the Corporate Reorganization” in this section.

## HISTORY AND CORPORATE STRUCTURE

The following chart<sup>(1)</sup> sets forth our corporate structure upon the [REDACTED], assuming the [REDACTED] is exercised in full but no Shares are issued under the [REDACTED] Share Option Scheme or the Share Option Scheme:



### Notes:

- (1) For information about certain individuals and companies shown in the above corporate structure chart, see the corresponding notes to the chart under “– Group Structure Upon the Corporate Reorganization” in this section.

## HISTORY AND CORPORATE STRUCTURE

### SCHOOL TO BE ESTABLISHED

#### New School in the United States

With a view to building our presence overseas and creating synergies with our Schools in China, we plan to expand our network abroad by establishing a vocational training school in the State of California to provide degree granting programs and certificate granting programs, through Xinhua Training School US. On October 2, 2018, we established Xinhua US in the U.S. as our entity to operate and manage the Xinhua Training School US to be established. We have engaged an agent who has experience in post-secondary education to assist us in establishing Xinhua Training School US in the State of California and filling applications with the BPPE regarding the establishment of a vocational education school, in California, the U.S. On November 16, 2018, we filed an application for a provisional license for the Xinhua Training School US with the BPPE. We have expended approximately US\$44,700 in connection with our establishment of the Xinhua Training School US as of the Latest Practicable Date.

### SAFE REGISTRATION

Pursuant to *Circular on the Management of Offshore Investment and Financing and Round Trip Investment By Domestic Residents through Special Purpose Vehicles* (Hui Fa [2014] 37) (《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》匯發[2014]37號) (the "SAFE Circular No. 37"), promulgated by SAFE and which became effective on July 4, 2014, (a) a PRC resident must register with the local SAFE branch before he or she contributes assets or equity interests in an overseas special purpose vehicle (the "Overseas SPV") that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing, and (b) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change, in respect of the Overseas SPV, including, among other things, a change of Overseas SPV's PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV's capital, share transfer or swap, and merger or division. Pursuant to SAFE Circular No. 37, failure to comply with these registration procedures may result in penalties.

Pursuant to the *Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies* (Hui Fa [2015] 13) (《關於進一步簡化和改進直接投資外匯管理政策的通知》匯發[2015]13號) (the "SAFE Circular No. 13"), promulgated by SAFE and which became effective on June 1, 2015, the power to accept SAFE registration was delegated from local SAFE to local banks where the assets or interest in the domestic entity was located.

As advised by our PRC Legal Advisors, the PRC residents who are the shareholders of the Overseas SPVs in our Group have completed the registration under the SAFE Circular No. 13 and SAFE Circular No. 37 on November 9, 2018.

### M&A RULES

On August 8, 2006, six PRC regulatory agencies, including the MOFCOM, the State-owned Assets Supervision and Administration Commission, the State Administration of Taxation, SAIC, CSRC and SAFE, jointly issued the Provisions on the Merger and Acquisition of Domestic Enterprises by Foreign Investors (the "M&A Rules"), which became effective on September 8, 2006, and was amended on June 22, 2009. Pursuant to the M&A Rules, a foreign investor is required to obtain necessary approvals when (i) a foreign investor acquires equity in domestic non-foreign invested enterprise thereby converting it into a foreign-invested enterprise, or subscribes for new equity in a

---

## HISTORY AND CORPORATE STRUCTURE

---

domestic enterprise through an increase of registered capital thereby converting it into a foreign-invested enterprise; or (ii) a foreign investor establishes a foreign-invested enterprise which purchases and operates the assets of a domestic enterprise, or which purchases the assets of a domestic enterprise and injects those assets to establish a foreign-invested enterprise. According to Article 11 of the M&A Rules, where a domestic company or enterprise, or a domestic natural person, through an overseas company established or controlled by it/him, acquires a domestic company which is related to or connected with it/him, approval from MOFCOM is required.

According to the *Administration of Filing for Establishment and Change of Foreign Investment Enterprises* (《外商投資企業設立及變更備案管理暫行辦法》), the merger and acquisition of domestic non-foreign-invested enterprises by foreign investors shall, if not involving Negative List and affiliated mergers and acquisitions, be subject to the record filing measures.

As advised by our PRC Legal Advisors, the 99% equity interests transfer in Xinhua Chuangzhi from Anhui Xinhua Education to China Xinhua Vocational did not constitute an equity or asset merger or acquisition under the M&A Rules because Xinhua Chuangzhi has become a sino-foreign owned enterprise instead of a domestic enterprise when the said transfer took place. Thus, such equity interests transfer and the Corporate Reorganization should not be subject to governmental approvals in accordance with the M&A Rules, and the [REDACTED] of our Company does not require approvals from CSRC. Nevertheless, the said equity interest transfer has been registered with competent PRC governmental authorities in accordance with applicable PRC regulations such as the Administration of Filing for Establishment and Change of Foreign Investment Enterprises.

### [REDACTED] Share Option Scheme

We have adopted the [REDACTED] Share Option Scheme on [●], 2018. Please see "F. [REDACTED] Share Option Scheme and Share Option Scheme — 1. [REDACTED] Share Option Scheme" in Appendix V to this document for further details.