
CORNERSTONE INVESTORS

CORNERSTONE PLACING

We have entered into cornerstone investment agreements (“**Cornerstone Investment Agreement(s)**”) with the cornerstone investors set out below (“**Cornerstone Investor(s)**”), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe for such number of Offer Shares which may be purchased with an aggregate amount of approximately HK\$410.8 million (US\$53 million) at the Offer Price (“**Cornerstone Placing**”).

The Cornerstone Placing will form part of the International Offering, and the Cornerstone Investors will not acquire any Offer Shares under the Global Offering (other than pursuant to the Cornerstone Investment Agreements). The Offer Shares to be subscribed by the Cornerstone Investors will rank *pari passu* in all respects with the fully paid Shares in issue and will be counted towards the public float of our Company under Rule 8.24 of the Listing Rules. Immediately following completion of the Global Offering, the Cornerstone Investors will not have any Board representation in our Company, nor will they become substantial shareholders of the Company. To the best knowledge of our Company, each of the Cornerstone Investors is an Independent Third Party, is independent of other Cornerstone Investors, is not an existing Shareholder, is not financed by us, our Directors, chief executive, existing Shareholders, substantial Shareholders, Controlling Shareholders or any of its subsidiaries or their respective close associates. To the best knowledge of our Company, none of the Cornerstone Investors is accustomed to taking instructions from our Company, the Directors, the chief executive of our Company, the Controlling Shareholders, the substantial shareholders, the existing Shareholders or any of its subsidiaries or their respective close associates, in relation to the acquisition, disposal, voting or other disposition of securities of our Company registered in their name or otherwise held by them.

To the extent that the Offer Shares will be subscribed for by a qualified domestic institutional investor (the “**QDII**”) as the nominee of the relevant Cornerstone Investors, the Cornerstone Investors will procure the QDII to comply with the terms of the QDII agreement entered into with the Cornerstone Investors in order to ensure the Cornerstone Investors’ compliance with their undertakings under the relevant Cornerstone Investment Agreements. There are no side agreements or arrangements made between our Group and each of the Cornerstone Investors for the purpose of the Cornerstone Placing. We became acquainted with each of the Cornerstone Investors through introduction by the relevant Underwriters. As confirmed by each Cornerstone Investor, their subscription under the Cornerstone Placing would be financed by their own internal financial resources and/or the financial resources of its shareholders.

If there is over-allocation in the International Offering, there may be delayed delivery of the Offer Shares to be subscribed by the Cornerstone Investors under the Cornerstone Placing. If there is delayed delivery, the Cornerstone Investors have agreed that they shall nevertheless pay for the relevant Offer Shares on the Listing Date, therefore there will be no deferred settlement. If there is no over-allocation in the International Offering, delayed delivery will not take place and there will also be no deferred settlement. The Shares to be subscribed by the Cornerstone Investors may be affected by reallocation in the event of over-subscription under the Hong Kong Public Offering, as described in “Structure of the Global Offering — The Hong Kong Public Offering — Reallocation.” Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement of our Company to be published on or around Monday, 28 September 2020.

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The table below sets forth details of the Cornerstone Placing:

Assuming a final Offer Price of HK\$5.18 per Share (being the low-end of the indicative Offer Price Range)						
Cornerstone Investor	Subscription amount	Number of Offer Shares ⁽¹⁾	Assuming the Over-Allotment Option is not exercised		Assuming the Over-Allotment Option is fully exercised	
			Approximate % of the Offer Shares	Approximate % of the issued share capital ⁽²⁾	Approximate % of the Offer Shares	Approximate % of the issued share capital ⁽²⁾
	(US\$ in millions)					
Greenwoods	15.0	22,441,600	13.5%	3.4%	11.7%	3.2%
Jihe Lineng	8.22	12,298,400	7.4%	1.8%	6.4%	1.8%
Zhongjiao Jihe	2.78	4,159,200	2.5%	0.6%	2.2%	0.6%
GSC Fund 1 and Vision Fund 1	9.0	13,464,800	8.1%	2.0%	7.0%	1.9%
Longrising	9.0	13,464,800	8.1%	2.0%	7.0%	1.9%
Qianhe Capital	9.0	13,464,800	8.1%	2.0%	7.0%	1.9%
<i>Total</i>	53.0	79,293,600	47.6%	11.9%	41.4%	11.5%

Assuming a final Offer Price of HK\$5.70 per Share (being the mid-point of the indicative Offer Price Range)						
Cornerstone Investor	Subscription amount	Number of Offer Shares ⁽¹⁾	Assuming the Over-Allotment Option is not exercised		Assuming the Over-Allotment Option is fully exercised	
			Approximate % of the Offer Shares	Approximate % of the issued share capital ⁽²⁾	Approximate % of the Offer Shares	Approximate % of the issued share capital ⁽²⁾
	(US\$ in millions)					
Greenwoods	15.0	20,394,400	12.2%	3.1%	10.6%	2.9%
Jihe Lineng	8.22	11,176,000	6.7%	1.7%	5.8%	1.6%
Zhongjiao Jihe	2.78	3,779,200	2.3%	0.6%	2.0%	0.5%
GSC Fund 1 and Vision Fund 1	9.0	12,236,800	7.3%	1.8%	6.4%	1.8%
Longrising	9.0	12,236,800	7.3%	1.8%	6.4%	1.8%
Qianhe Capital	9.0	12,236,800	7.3%	1.8%	6.4%	1.8%
<i>Total</i>	53.0	72,060,000	43.2%	10.8%	37.6%	10.4%

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Assuming a final Offer Price of HK\$6.22 per Share
(being the high-end of the indicative Offer Price Range)

Cornerstone Investor	Subscription amount (US\$ in millions)	Number of Offer Shares ⁽¹⁾	Assuming the Over-Allotment Option is not exercised		Assuming the Over-Allotment Option is fully exercised	
			Approximate % of the Offer Shares	Approximate % of the issued share capital ⁽²⁾	Approximate % of the Offer Shares	Approximate % of the issued share capital ⁽²⁾
Greenwoods	15.0	18,689,600	11.2%	2.8%	9.8%	2.7%
Jihe Lineng	8.22	10,241,600	6.1%	1.5%	5.3%	1.5%
Zhongjiao Jihe	2.78	3,463,200	2.1%	0.5%	1.8%	0.5%
GSC Fund 1 and Vision						
Fund 1	9.0	11,213,600	6.7%	1.7%	5.9%	1.6%
Longrising	9.0	11,213,600	6.7%	1.7%	5.9%	1.6%
Qianhe Capital	9.0	11,213,600	6.7%	1.7%	5.9%	1.6%
Total	53.0	66,035,200	39.6%	9.9%	34.5%	9.5%

Notes:

- (1) Subject to rounding down to the nearest whole board lot of 800 Shares. Calculated based on the exchange rate of US\$1.00 to HK\$7.7501.
- (2) Immediately following the completion of the Global Offering, assuming no Shares are issued under the Pre-IPO Share Incentive Scheme and no options are granted under the Post-IPO Share Incentive Scheme.

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The information about the Cornerstone Investors set forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Placing.

Greenwoods Asset Management Hong Kong Limited (“Greenwoods”)

Greenwoods has agreed to acquire such number of Offer Shares (rounded down to the nearest whole board lot) that may be purchased with approximately HK\$116.3 million (US\$15 million) at the Offer Price.

Greenwoods is a private fund management company incorporated in Hong Kong with limited liability. Established in 2005, Greenwoods is one of the largest and earliest China-focused asset managers mainly specialising in investing into companies in the Greater China region. Greenwoods is the advisor of funds such as Golden China Fund. Greenwoods focuses on fundamental research, value investments, and local due diligence. Investors of funds and accounts managed by Greenwoods mainly consist of global institutional investors such as sovereign wealth funds, endowments, banks, insurers, and family offices.

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Pingyang Jihe Lineng Equity Investment Management Centre (Limited Partnership) (平陽幾何礪能股權投資管理中心(有限合夥)) (“**Jihe Lineng**”) and **Pingyang Zhongjiao Jihe Equity Investment Fund Management Centre (Limited Partnership)** (平陽中教吉何股權投資基金管理中心(有限合夥)) (“**Zhongjiao Jihe**”)

Jihe Lineng and Zhongjiao Jihe have agreed to acquire such number of Offer Shares (rounded down to the nearest whole board lot) that may be purchased with approximately HK\$85.3 million (US\$11 million) at the Offer Price.

Jihe Lineng and Zhongjiao Jihe are China-based equity investment limited partnerships established in the PRC and managed by Beijing Jihe Investment Management Co., Ltd. (北京幾何投資管理有限公司) (“**Jihe Investment**”), all three of which are registered with the Asset Management Association of China. Jihe Investment is the general partner of each of Jihe Lineng and Zhongjiao Jihe. Jihe Investment is owned as to 7% by Mr. Jia Jinliang (賈金亮), 7% by Mr. Qian Pengfei (錢鵬飛), 30% by Mr. Ji Weijie (紀偉傑), 6% by Ms. Zhang Xu (張旭), 3% by Mr. Qi Honglei (齊紅雷), 20% by Pingyang Kaiyuan Investment Management Partnership (General Partnership) (平陽開源投資管理合夥企業(普通合夥)), 17% by Pingyang Zhongjiao Tuoxin Investment Management Center (Limited Partnership) (平陽中教拓新投資管理中心(有限合夥)), and 10% by Ningbo Fotile Kitchen Ware Co., Ltd. (寧波方太廚具有限公司). Among these, Pingyang Kaiyuan Investment Management Partnership (General Partnership) is owned as to 50% by Mr. Jia Jinliang, and 50% by Mr. Qian Pengfei; Pingyang Zhongjiao Tuoxin Investment Management Center (Limited Partnership) is 99% owned by Mr. Zhai Liyang (翟黎陽); and Ningbo Fotile Kitchen Ware Co., Ltd. is 80.84% owned by Ningbo Feixiang Group Corp. (寧波飛翔集團有限公司), which is 79.62% owned by Mr. Mao Zhongqun (茅忠群). One of the limited partners of Jihe Lineng is Guangzhou Beststudy Enterprise Co., Ltd., which holds approximately 21.74% of Jihe Lineng, and is an indirect wholly-owned subsidiary of China Beststudy Education Group, a company listed on the Stock Exchange (Stock Code: 3978).

Jihe Investment is primarily engaged in private equity mezzanine investments and asset securitisation in the education industry and has extensive and rich resources in the education industry. Historical investment projects of Jihe Investment cover many sub-sectors of the education industry, including but not limited to, extra-curricular education for primary and secondary students, higher degree education, vocational education, international education and education informationalisation.

For this cornerstone investment, each of Jihe Lineng and Zhongjiao Jihe will make an equity investment in our Company as part of the International Offering through a single asset management plan, which is managed by Shanghai Haitong Securities Asset Management Co., Ltd (上海海通證券資產管理有限公司) (“**Haitong Asset Management**”), the QDII engaged by Jihe Lineng and Zhongjiao Jihe, which will subscribe for and hold the Offer Shares on a discretionary basis on behalf of Jihe Lineng and Zhongjiao Jihe.

Haitong Asset Management is a connected client of Haitong International Securities Company Limited (“**Haitong International Securities**”), one of the Joint Global Coordinators. We have applied to the Stock Exchange for, and the Stock Exchange has granted to us, its consent under paragraph 5(1) of Appendix 6 to the Listing Rules to permit Haitong Asset Management, Jihe Lineng and Zhongjiao Jihe to participant in the Global Offering as the asset manager or the cornerstone investors of the Offer Shares to be allocated to Jihe Lineng and

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Zhongjiao Jihe. See “Waivers and exemption from strict compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance — Consent in respect of allocation of Shares to a connected client of an Underwriter” for details of the relationship between Haitong Asset Management and Haitong International Securities and the consent granted.

GSC Fund 1 and Vision Fund 1

GSC Fund 1 and Vision Fund 1 have agreed to acquire such number of Offer Shares (rounded down to the nearest whole board lot) that may be purchased with approximately HK\$69.8 million (US\$9 million) at the Offer Price.

Foresight Orient Global Superior Choice SPC — Global Superior Choice Fund 1 SP (“**GSC Fund 1**”) and Foresight Orient Global Superior Choice SPC — Vision Fund 1 SP (“**Vision Fund 1**”), together with GSC Fund 1, the “**Funds**”) are both sub-funds of Foresight Orient Global Superior Choice SPC, which was incorporated in the Cayman Islands. The Funds are managed in full discretion by Orient Asset Management (Hong Kong) Limited, a subsidiary of Orient Finance Holdings (Hong Kong) Limited, and a corporation licensed to carry out Type 9 (asset management) regulated activities under the SFO. Orient Finance Holdings (Hong Kong) Limited is a wholly-owned subsidiary of 東方證券股份有限公司 (“**DFZQ**”), which is listed on the Stock Exchange (Stock Code: 3958) and Shanghai Stock Exchange (Stock Code: 600958). DFZQ’s shareholders’ approval is not required for the subscription by the Funds for the Offer Shares. Foresight Fund Management Co., Ltd. (“**Foresight**”) is the investment advisor of the Funds. Foresight is a Shanghai-based asset management company and was founded by Mr. Chen Guangming (陳光明).

Tibet Longrising Asset Management Co., Ltd. (西藏源樂晟資產管理有限公司) (“Longrising”)

Longrising has agreed to acquire such number of Offer Shares (rounded down to the nearest whole board lot) that may be purchased with approximately HK\$69.8 million (US\$9 million) at the Offer Price.

Longrising was established in August 2013 and is owned by Zeng Xiaojie (曾曉潔) (65%), Lv Xiaojie (呂小九) (20%), Yang Jianhai (楊建海) (10%) and Hu Caiyang (胡彩陽) (5%). Longrising is principally engaged in asset management, private equity fund management and investment management. Longrising’s core team members were previously from asset management institutions or securities research institutions, leading to the formation of complete investment research and risk management teams with rich experience in investment and research.

Qianhe Capital Management Co., Ltd. (千合資本管理有限公司) (“Qianhe Capital”)

Qianhe Capital has agreed to acquire such number of Offer Shares (rounded down to the nearest whole board lot) that may be purchased with approximately HK\$69.8 million (US\$9 million) at the Offer Price.

Qianhe Capital was incorporated in Sanya, Hainan, China in September 2012 with a registered capital of RMB50 million, which is owned by Mr. Wang Yawei (王亞偉) and Ms. Tao Qin (陶勤) as to 90% and 10%,

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respectively. Qianhe Capital is principally engaged in the management of entrusted asset management and investment management. Mr. Wang Yawei, the founder of Qianhe Capital, has approximately 26 years of experience in investment. Qianhe Capital upholds the principle of value investment, provides absolute returns for institutional and individual clients, and by leveraging its diversified values, Qianhe Capital aims to discover investment targets with core competitiveness and underestimated growth potential. With the application of investment instruments and technologies, Qianhe Capital has achieved sustainable and steady growth of the net assets under its management.

For this cornerstone investment, Qianhe Capital will make an equity investment in our Company as part of the International Offering through a single asset management plan, which is managed by Changsheng Fund Management Co. Ltd. (長盛基金管理有限公司), the QDII engaged by Qianhe Capital, which will subscribe for and hold the Offer Shares on behalf of Qianhe Capital.

CLOSING CONDITIONS

The subscriptions by the Cornerstone Investors to subscribe for the Offer Shares under the Cornerstone Investment Agreements are subject to, among others, the following closing conditions:

- (a) the Hong Kong Underwriting Agreement and the International Underwriting Agreement being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Hong Kong Underwriting Agreement and the International Underwriting Agreement, and neither of the underwriting agreements having been terminated;
- (b) the Offer Price having been agreed upon between the Company and CLSA Limited (on behalf of the Underwriters);
- (c) the Stock Exchange having granted the listing of, and permission to deal in, the Shares (including the Shares under the Cornerstone Placing as well as other applicable waivers and approvals) and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the Shares on the Stock Exchange;
- (d) no laws shall have been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or the respective Cornerstone Investment Agreements, and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and
- (e) the representations, warranties, undertakings and confirmations of the Cornerstone Investors under their respective Cornerstone Investment Agreements are accurate and true in all material respects and not misleading and that there is no material breach of the respective Cornerstone Investment Agreements on the part of the Cornerstone Investors.

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RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that, among other things, without the prior written consent of each of our Company, CLSA Limited and the Sole Sponsor, it will not, at any time during the period of six months from the Listing Date (“**Lock-up Period**”), whether directly or indirectly, (i) dispose of any of the Offer Shares they have purchased pursuant to the Cornerstone Investment Agreements, save for certain limited circumstances such as transfer to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investor, or (ii) enter into any transactions directly or indirectly with the same economic effect as any aforesaid transaction, save for certain limited circumstances such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations as the Cornerstone Investor, including the Lock-up Period restriction.