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As filed with the Securities and Exchange Commission on September 22, 2017

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM F-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

RISE Education Cayman Ltd
(Exact name of Registrant as specified in its charter)

Not Applicable
(Translation of Registrant's name into English)

Cayman Islands	8200	Not Applicable
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

Room 101, Jia He Guo Xin Mansion
No.15 Baiqiao Street, Guangqumennei, Dongcheng District
Beijing 100062
People's Republic of China
+86 10-8559-9000
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Cogency Global Inc.
10 East 40th Street, 10th Floor
New York, N.Y. 10016
(800) 221-0102

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public:
as soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933.

Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☒

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Proposed maximum aggregate offering price(2)(3)	Amount of registration fee
Ordinary shares, par value US$0.01 per share(1)	US$100,000,000.00	US$11,590.00

(1) American depositary shares issuable upon deposit of the ordinary shares registered hereby will be registered under a separate registration statement on Form F-6 (Registration No. 333-). Each American depositary share represents ordinary shares.
(2) Includes ordinary shares initially offered and sold outside the United States that may be resold from time to time in the United States either as part of their distribution or within 40 days after the later of the effective date of this registration statement and the date the ordinary shares are first bona fide offered to the public, and also includes ordinary shares that may be purchased by the underwriters pursuant to an option to purchase additional ADSs. These ordinary shares are not being registered for the purpose of sales outside the United States.
(3) Estimated solely for the purpose of determining the amount of registration fee in accordance with Rule 457(o) under the Securities Act of 1933.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to such Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. We and the selling shareholders may not sell the securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and we are not soliciting any offer to buy these securities in any jurisdiction where such offer or sale is not permitted.

Subject to Completion, Dated , 2017

American Depositary Shares

瑞思学科英语

RISE Education Cayman Ltd

Representing Ordinary Shares

This is an initial public offering of American depositary shares, or ADSs, by RISE Education Cayman Ltd. We are offering ADSs, and the selling shareholders named in this prospectus, are offering an aggregate of ADSs, to be sold in the offering. We will not receive any proceeds from the sale of ADSs by the selling shareholders. Each ADS represents ordinary shares, par value US$0.01 per share.

Prior to this offering, there has been no public market for the ADSs or our ordinary shares. We anticipate the initial public offering price will be between US$ and US$ per ADS. We [intend] to list the ADSs on the NASDAQ Global Select Market under the symbol "REDU."

We are an "emerging growth company" as defined under applicable U.S. securities laws and, as such, we are eligible for reduced public company reporting requirements.

Investing in the ADSs involves a high degree of risk. See "Risk Factors" beginning on page 12.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

	Per ADS	*Total*
Initial public offering price	*US$*	*US$*
Underwriting discounts and commissions (1)	*US$*	*US$*
Proceeds, before expenses, to us	*US$*	*US$*
Proceeds, before expenses, to the selling shareholders	*US$*	*US$*

(1) For a description of compensation payable to the underwriters, see "Underwriting."

The underwriters have an option to purchase up to an additional ADSs from the selling shareholders at the initial public offering price, less the underwriting discounts and commissions, within 30 days from the date of this prospectus.

The underwriters expects to deliver the ADSs against payment in U.S. Dollars in New York, New York, to purchasers on or about , 2017.

MORGAN STANLEY *CREDIT SUISSE*

Prospectus dated , 2017

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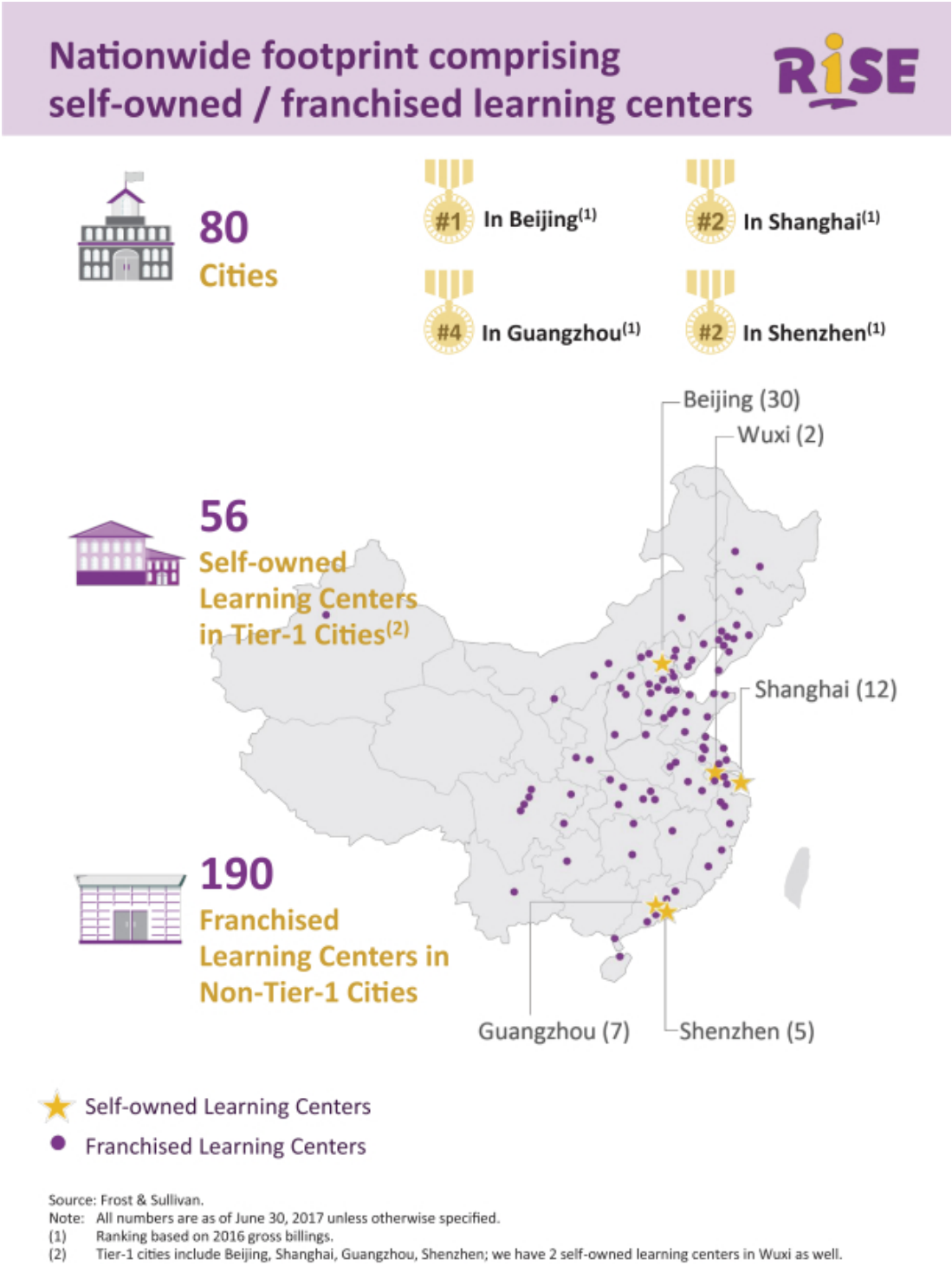

Source: Frost & Sullivan.
Note: All numbers are as of June 30, 2017 unless otherwise specified.
(1) Ranking based on 2016 gross billings.
(2) Tier-1 cities include Beijing, Shanghai, Guangzhou, Shenzhen; we have 2 self-owned learning centers in Wuxi as well.

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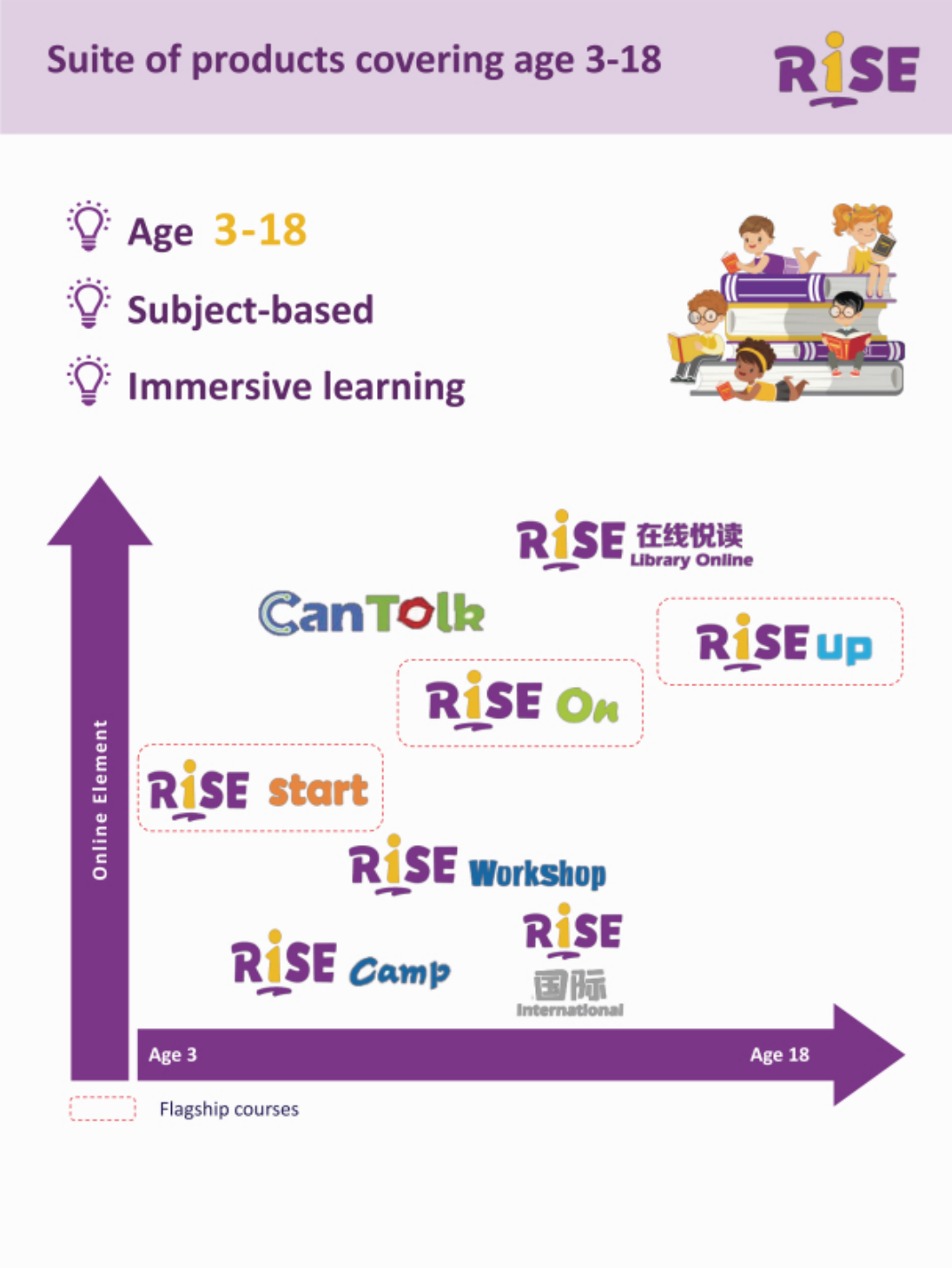

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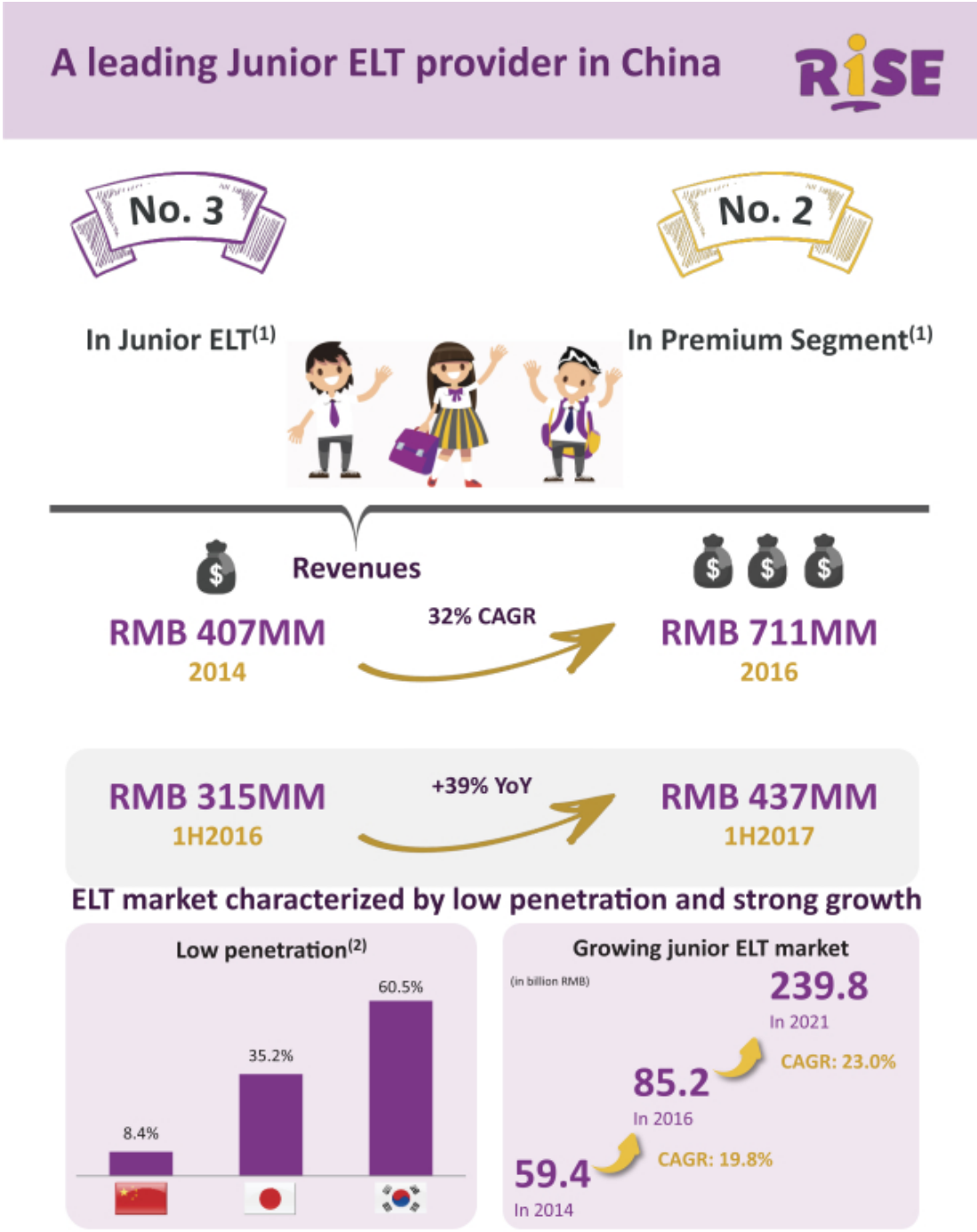

Source: Frost & Sullivan.
(1) Ranking based on 2016 gross billings in China.
(2) Penetration rate is calculated as the ratio of junior ELT enrollment to enrollments in school.

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You should rely only on the information contained in this prospectus or in any related free-writing prospectus. We and the selling shareholders have not authorized anyone to provide you with information different from that contained in this prospectus or in any related free-writing prospectus. We and the selling shareholders are offering to sell, and seeking offers to buy, the ADSs offered hereby, but only under circumstances and in jurisdictions where offers and sales are permitted and lawful to do so. The information contained in this prospectus is current only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the ADSs.

Neither we, the selling shareholders nor any of the underwriters have taken any action that would permit a public offering of the ADSs outside the United States or permit the possession or distribution of this prospectus or any related free-writing prospectus outside the United States. Persons outside the United States who come into possession of this prospectus or any related free-writing prospectus must inform themselves about and observe any restrictions relating to the offering of the ADSs and the distribution of the prospectus outside the United States.

Until , 2017 (the 25th day after the date of this prospectus), all dealers that buy, sell or trade ADSs, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information, financial statements and related notes appearing elsewhere in this prospectus. In addition to this summary, we urge you to read the entire prospectus carefully, especially the risks of investing in the ADSs discussed under "Risk Factors," before deciding whether to buy the ADSs. This prospectus contains certain estimates and information from an industry report commissioned by us and prepared by Frost & Sullivan, an independent market research firm, regarding our industries and our market positions in China. This prospectus also contains information and statistics relating to China's economy and the industries in which we operate which are derived from various publications issued by market research companies and the PRC governmental entities, and have not been independently verified by us, the underwriters or any of their respective affiliates or advisers. The information in such sources may not be consistent with other information compiled in or outside of China.

Our Business

We operate in China's junior English Language Training, or ELT, market, which refers to after-school English teaching and tutoring services provided by training institutions to students aged three to 18. We are a leader in China's junior ELT market according to Frost & Sullivan, and we ranked second in 2016 with a market share of 10.7% in terms of gross billings in the premium segment. Furthermore, in 2016, we ranked first in the junior ELT market in Beijing with a market share of 11.4% and ranked second in the junior ELT market in tier-one cities with a market share of 5.9%, both in terms of gross billings according to Frost & Sullivan.

We pioneered the "subject-based learning" teaching philosophy in China, whereby various subject matters, such as language arts, math, natural science and social science are used to teach English. Our course offerings use interactive courseware to create an immersive English learning environment that helps students learn to speak and think like a native speaker. In addition, our curricula are designed to foster leadership and critical thinking skills in students while developing their self-confidence and sense of independence. This innovative and holistic approach to teaching English is increasingly attractive to Chinese parents who are looking for alternatives to traditional ELT programs in China, which are more test-oriented.

In 2016 and for the six months ended June 30, 2017, we had 36,173 and 26,600 student enrollments, respectively, in self-owned learning centers. We currently offer three flagship courses, namely Rise Start, Rise On and Rise Up, that are designed for students aged three to six, seven to twelve and 13 to 18, respectively. The curricula of Rise Start and Rise On use courseware that we have licensed from Houghton Mifflin Harcourt Publishing Company, or HMH, a leading American educational publisher, along with other self-developed content, while the curriculum of Rise Up is primarily based on our self-developed content. We also offer a number of complementary products to further enhance our students' learning experience, including Can-Talk, Rise Library Online, Rise Camp, Rise Workshop and Rise Overseas Study Tour.

We devote significant resources to curriculum development to ensure that our course offerings are up-to-date, engaging and effective. We also focus on teacher training through a set of rigorous and systematic processes and programs so that teachers in both self-owned learning centers and franchised learning centers are able to deliver our curricula at a level consistent with our standards. As of June 30, 2017, we had 1,315 teachers in self-owned learning centers. Collectively, the quality of our course offerings and our unique teaching philosophy has helped us develop a strong and powerful brand that is attractive to parents.

Our business model is highly scalable. We have a network of both self-owned learning centers as well as franchised learning centers. As of June 30, 2017, we had a network of 246 learning centers across 80 cities in China, among which 56 were self-owned centers primarily located in tier-one cities and 190 centers were

franchised learning centers primarily located in non-tier-one cities. RISE Education Cayman Ltd is a holding company without substantive operations and we conduct our operations through PRC entities, including our variable interest entity, or VIE, and its subsidiaries and schools. We have enjoyed significant growth over the past few years. Our revenues increased from RMB529.5 million in 2015 to RMB711.0 million (US$104.9 million) in 2016, and increased from RMB315.0 million for the six months ended June 30, 2016 to RMB437.1 million (US$64.5 million) for the six months ended June 30, 2017, largely as a result of the growth of self-owned learning centers. As our network of learning centers has expanded, our brand has also strengthened. This has allowed us to maintain our position as a market leader, command premium pricing, improve profitability and enjoy a highly loyal customer base. In 2016, we had a 67% student retention rate, 63% higher than the industry average of 41%, according to Frost & Sullivan and our student retention rate improved further to 70% in the six months ended June 30, 2017. We recorded EBITDA of RMB40.8 million and RMB142.3 million (US$21.0 million) in 2015 and 2016, respectively, and RMB58.6 million and RMB109.6 million (US$16.2 million) for the six months ended June 30, 2016 and 2017, respectively. We recorded a net loss of RMB31.7 million in 2015 while we recorded net income of RMB50.8 million (US$7.5 million) in 2016, and we recorded a net income of RMB18.3 million and RMB57.8 million (US$8.5 million) for the six months ended June 30, 2016 and 2017, respectively.

Our Industry

China's junior ELT market is rapidly growing, driven by favorable government policies, supportive economic conditions, and increasing cultural and societal emphasis on English education. According to Frost & Sullivan, China's junior ELT market, is expected to grow to RMB239.8 billion in 2021 from RMB85.2 billion in 2016, representing a CAGR of 23.0%.

- *China's Age 3-6 ELT Market.* Provides English language training mainly for students in preschool. It is expected to be the fastest growing segment in the junior ELT market in China, expanding from RMB18.6 billion in 2016 to RMB62.8 billion in 2021, representing a CAGR of 27.6%.
- *China's Age 7-12 ELT Market.* Provides English language training mainly for students in elementary school. It is the largest segment in terms of gross billings in the junior ELT market in China. The 7-12 ELT market is expected to grow from RMB45.0 billion in 2016 to RMB125.3 billion in 2021, representing a CAGR of 22.7%.
- *China's Age 13-18 ELT Market.* Provides English language training mainly for students in middle school and above. This segment is expected to grow from RMB21.6 billion in 2016 to RMB51.7 billion in 2021, representing a CAGR of 19.1%.
- *China's Premium Junior ELT Market*. According to Frost & Sullivan, within China's junior ELT market, the premium segment, which includes providers offering products with annual fees above RMB16,000 per year, is expected to outpace the overall junior ELT market in terms of growth. The premium junior ELT market is expected to grow in terms of gross billings from RMB8.1 billion in 2016, to RMB22.8 billion in 2021, representing a CAGR of 23.0%.

Despite its rapid development, the junior ELT market in China remains highly fragmented and there is significant opportunity to gain market share. According to Frost & Sullivan, the top ten junior ELT providers in China only accounted for 6.7% of the market by gross billings in 2016. Moreover, based on a survey by Frost & Sullivan, parents prefer junior ELT providers with strong branding, course content, and course offerings focused on the English conversational ability of students.

Our Strengths

We believe that the following strengths contribute to our success and set us apart from our peers:

- leadership in an attractive and rapidly growing market;

- innovative and unique teaching methodologies;
- comprehensive and innovative products;
- extensive and systematic product development and teacher training programs;
- premium and trusted brand;
- highly scalable business model; and
- experienced management team with proven track record.

Our Strategies

We intend to pursue the following strategies to further grow our business:

- expand our learning center network;
- increase student enrollment in self-owned learning centers;
- enhance and expand our products;
- improve operating efficiency; and
- pursue additional strategic partnerships and alliances.

Our Challenges

We believe some of the major risks and uncertainties that may materially and adversely affect us include the following:

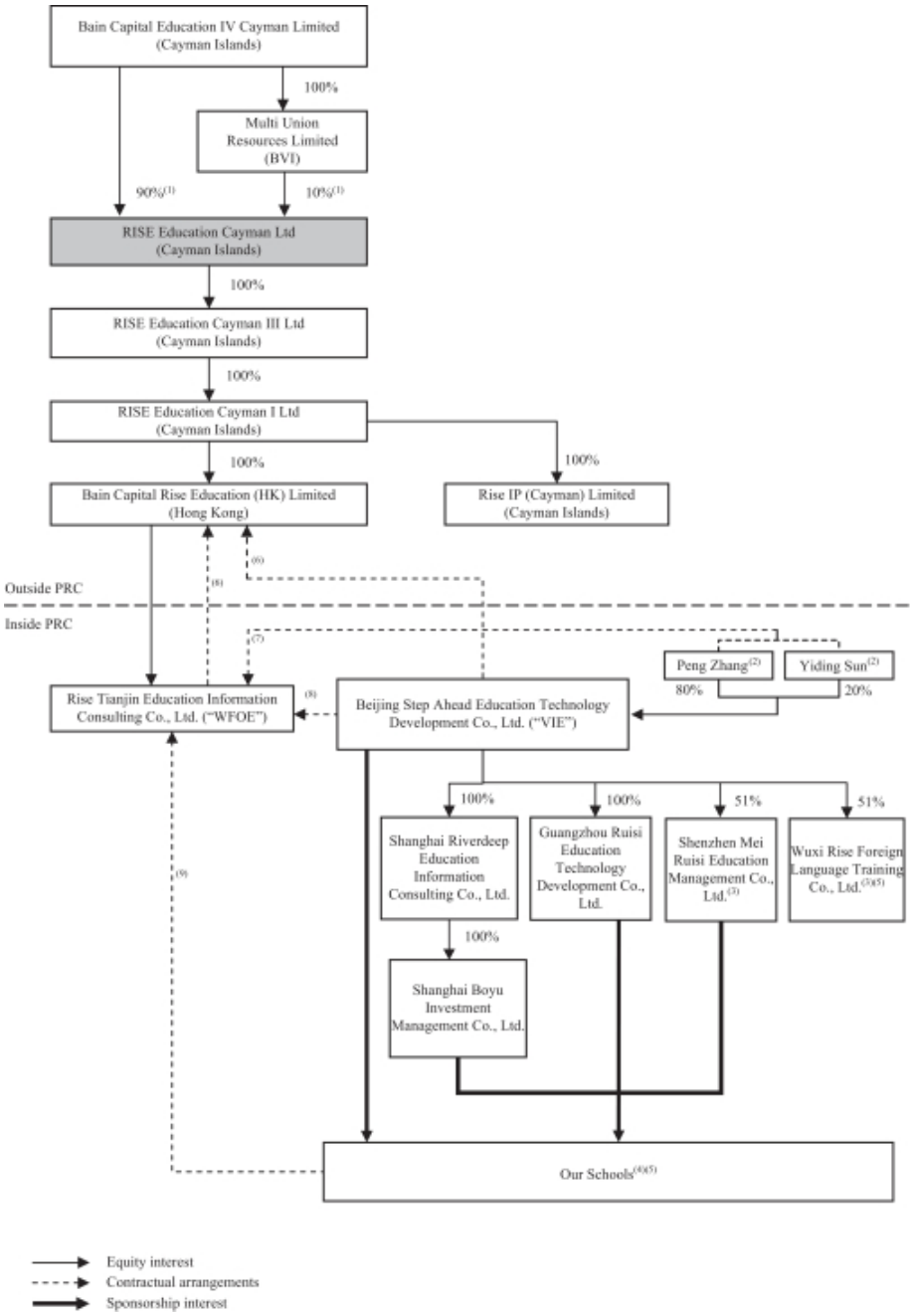
- expanding our learning center network;
- attracting new students and retaining existing students;
- maintaining and increasing brand awareness;
- enhancing products and students experiences; and
- improving operating efficiency.

In addition, we face risks and uncertainties related to our compliance with applicable regulations and policies in our principal markets and operations, particularly those risks and uncertainties associated with our control over the variable interest entity, or VIE, and its subsidiaries or schools based on contractual and other arrangements rather than direct equity ownership in China.

See “Risk Factors,” “Special Note Regarding Forward-Looking Statements” and other information included in this prospectus for a detailed discussion of the above and other challenges, risks and uncertainties.

Corporate History and Structure

The chart below summarizes our corporate structure and identifies the principal subsidiaries and VIE and its subsidiaries and schools, or consolidated affiliates, as of the date of this prospectus:



(1) Following the completion of this offering, Bain Capital Rise Education IV Cayman Limited, Multi Union Resources Limited and public shareholders will beneficially own %, % and % of our total ordinary shares, respectively. See "Principal and Selling Shareholders."

(2) Mr. Peng Zhang, an employee of an affiliate of our principal shareholder, Bain Capital Rise Education IV Cayman Limited, and Mr. Yiding Sun, our chief executive officer and director, hold 80% and 20% of the VIE's equity interests, respectively.

(3) The remaining 49% equity interests are owned by an unrelated third party.

(4) Under PRC law, entities and individuals who establish and maintain ownership interests in private schools are referred to as "sponsors." The rights of sponsors vis-à-vis private schools are similar to those of shareholders vis-à-vis companies with regard to legal, regulatory and tax matters, but differ with regard to the rights to receive returns on investment and the distribution of residual properties upon termination and liquidation. As of June 30, 2017, we had established 16 private schools in China to operate our network of self-owned learning centers. For more information regarding school sponsorship and the difference between sponsorship and ownership under relevant laws and regulations, see "Regulation—The Law for Promoting Private Education and Its Implementation Rules."

(5) Learning centers are not legal entities under PRC law. As of June 30, 2017, we had 56 self-owned learning centers across China, 54 of which were operated by the 16 schools for which we are the sponsor and two of which was operated by Wuxi Rise Foreign Language Training Co., Ltd., a non-school enterprise.

(6) Consulting Services Agreements

(7) Loan Agreements, Proxy Agreement, Call Option Agreement, Equity Pledge Agreement and Business Cooperation Agreement

(8) Proxy Agreement, Business Cooperation Agreement, Service Agreement, Call Option Agreement and Equity Pledge Agreement

(9) License Agreements and Comprehensive Services Agreements

Corporate Information

Our principal executive offices are located at Room 101, Jia He Guo Xin Mansion, No.15 Baiqiao Street, Guangqumennei, Dongcheng District, Beijing 100062, People's Republic of China. Our telephone number at this address is +86 10-8559 9000. Our registered office in the Cayman Islands is at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. Our agent for service of process in the United States is Cogency Global Inc., located at 10 East 40th Street, 10th Floor, New York, N.Y. 10016.

Investors should contact us for any inquiries through the address and telephone number of our principal executive offices. Our website is *en.risecenter.com*. The information contained on our website is not a part of this prospectus.

Implications of Being an Emerging Growth Company

As a company with less than US$1.07 billion in revenue for our last fiscal year, we qualify as an "emerging growth company" pursuant to the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements compared to those that are otherwise applicable generally to public companies. These provisions include exemption from the auditor

attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002 in the assessment of the emerging growth company's internal control over financial reporting. The JOBS Act also provides that an emerging growth company does not need to comply with any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or revised accounting standards. However, we have elected to "opt out" of this provision and, as a result, we will comply with new or revised accounting standards as required when they are adopted for public companies. This decision to opt out of the extended transition period under the JOBS Act is irrevocable.

We will remain an emerging growth company until the earliest of (a) the last day of the fiscal year during which we have total annual gross revenue of at least US$1.07 billion; (b) the last day of our fiscal year following the fifth anniversary of the completion of this offering; (c) the date on which we have, during the preceding three-year period, issued more than US$1.07 billion in non-convertible debt; or (d) the date on which we are deemed to be a "large accelerated filer" under the Exchange Act, as amended, which would occur if the market value of our ADSs that are held by non-affiliates exceeds US$700 million as of the last business day of our most recently completed second fiscal quarter. Once we cease to be an emerging growth company, we will not be entitled to the exemptions provided in the JOBS Act discussed above.

Conventions Which Apply to this Prospectus

Unless we indicate otherwise, all information in this prospectus reflects no exercise by the underwriters of their option to purchase up to additional ADSs representing ordinary shares from the selling shareholders.

Except where the context otherwise requires:

- "ADSs" refers to our American depositary shares, each of which represents ordinary shares;
- "ADRs" refers to the American depositary receipts, which, if issued, evidence our ADSs;
- "China" or "PRC" refers to the People's Republic of China, excluding, for the purpose of this prospectus only, Taiwan and the special administrative regions of Hong Kong and Macau;
- "RMB" or "Renminbi" refers to the legal currency of China;
- "shares" or "ordinary shares" refers to our ordinary shares, par value US$0.01 per share;
- "student enrollments" refers to the cumulative total number of courses enrolled in by students during a given period of time; if one student enrolls in multiple courses, it will be counted as multiple student enrollments;
- "students" or "teachers" refers to students or teachers, respectively, at self-owned learning centers unless otherwise specified;
- "student retention rate" refers to the percentage of the number of students who continue to study at our self-owned learning centers after completing courses in a particular period to the total number of students who complete courses during the same period;
- "tier-one cities" refers to Beijing, Shanghai, Guangzhou and Shenzhen;
- "US$," "U.S. Dollars," "$" and "dollars" refer to the legal currency of the United States; and
- "we," "us," "our company," "our" or "RISE Education" refers to RISE Education Cayman Ltd, a Cayman Islands company, its subsidiaries and its consolidated affiliates, including our VIE, its subsidiaries and schools.

Our reporting currency is the Renminbi. The functional currency of RISE Education Cayman Ltd and its non-PRC subsidiaries is U.S. Dollars, and that of its PRC subsidiaries, VIE and its subsidiaries and schools located in the PRC is the Renminbi. This prospectus contains translations of certain Renminbi amounts into U.S. Dollars for the convenience of the reader. Unless otherwise stated, all translations of Renminbi into U.S. Dollars

have been made at the rate of RMB6.7793 to US$1.00, being the noon buying rate in The City of New York for cable transfers in Renminbi as certified for customs purposes by the Federal Reserve Bank of New York in effect as of June 30, 2017 set forth in the H.10 statistical release of the U.S. Federal Reserve Board for translation into U.S. Dollars. We make no representation that the Renminbi or U.S. Dollar amounts referred to in this prospectus could have been, or could be, converted into U.S. Dollars, Renminbi, as the case may be, at any particular rate or at all. On September 15, 2017, the noon buying rate for Renminbi were RMB6.5500 to US$1.00.

THE OFFERING

The following assumes that the underwriters will not exercise their option to purchase additional ADSs in the offering, unless otherwise indicated.

Offering Price	We expect that the initial public offering price will be between US$ and US$ per ADS.
ADSs Offered by Us	ADSs (or ADSs if the underwriters exercise their option to purchase additional ADSs in full).
ADSs Offered by the Selling Shareholders	ADSs (or ADSs if the underwriters exercise their option to purchase additional ADSs in full).
ADSs Outstanding Immediately After This Offering	ADSs (or ADSs if the underwriters exercise their option to purchase additional ADSs in full).
Ordinary Shares Outstanding Immediately After This Offering	ordinary shares (or ordinary shares if the underwriters exercise their option to purchase additional ADSs in full).
NASDAQ Global Select Market symbol	REDU.
The ADSs	Each ADS represents ordinary shares. The ADSs may be evidenced by ADRs. The depositary will hold the ordinary shares underlying your ADSs and you will have rights as provided in the deposit agreement. We do not expect to pay dividends in the foreseeable future after this offering. If, however, we declare dividends on our ordinary shares, the depositary will pay you the cash dividends and other distributions it receives on our ordinary shares, after deducting its fees and expenses. You may turn in your ADSs to the depositary in exchange for ordinary shares. The depositary will charge you fees for any exchange. We may amend or terminate the deposit agreement without your consent. If you continue to hold your ADSs, you agree to be bound by the deposit agreement as amended. To better understand the terms of the ADSs, you should carefully read the “Description of American Depositary Shares” section of this prospectus. You should also read the deposit agreement, which is filed as an exhibit to the registration statement that includes this prospectus.
Option to Purchase Additional ADSs	The selling shareholders have granted to the underwriters an option, exercisable within 30 days from the date of this prospectus, to purchase up to additional ADSs.

Use of Proceeds	We estimate that we will receive net proceeds of approximately US$ million from this offering, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, including all of the underwriting discounts and commissions of the selling shareholders, and assuming an initial public offering price of US$ per ADS, being the mid-point of the estimated range of the initial public offering price shown on the front cover of this prospectus. We plan to use the net proceeds of this offering primarily for the following purposes: • US$ million for repayment of bank loans; • US$ million for business development, including business expansion through potential acquisitions; • US$ million for investment in product development; and • the remainder for working capital and other general corporate purposes. See “Use of Proceeds” for additional information. We will not receive any of the proceeds from the sale of ADSs by the selling shareholders.
Lock-up	We and our directors, executive officers, shareholders and certain option holders have agreed with the underwriters, subject to certain exceptions, not to sell, transfer or otherwise dispose of any ADSs, ordinary shares or similar securities or any securities convertible into or exchangeable or exercisable for our ordinary shares or ADSs, for a period ending [180] days after the date of this prospectus. See “Underwriting” for more information.
Risk Factors	See “Risk Factors” and other information included in this prospectus for a discussion of risks you should carefully consider before investing in the ADSs.
Depositary	JPMorgan Chase Bank, N.A.

SUMMARY CONSOLIDATED FINANCIAL DATA

The following summary consolidated statements of income data for the years ended December 31, 2014, 2015 and 2016 and summary consolidated balance sheet data as of December 31, 2015 and 2016 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The following summary consolidated statements of income data for the six months ended June 30, 2016 and 2017 and summary consolidated balance sheet data as of June 30, 2017 have been derived from our unaudited consolidated financial statements included elsewhere in this prospectus. Our consolidated financial statements are prepared and presented in accordance with generally accepted accounting principles in the United States, or U.S. GAAP. Our historical results are not necessarily indicative of results expected for future periods. You should read this "Summary Consolidated Financial Data" section together with our consolidated financial statements and the related notes and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section included elsewhere in this prospectus.

	For the Year Ended December 31,				Six Months Ended June 30,		
	2014	2015	2016		2016	2017	
	RMB	RMB	RMB	US$	RMB	RMB	US$
	(thousands, except for share, per share data and EBITDA margin)						
Summary Consolidated Statements of Income Data:							
Revenues:							
Educational programs	349,398	451,411	618,326	91,208	274,278	377,759	55,723
Franchise revenues	52,063	60,793	63,532	9,371	32,151	52,025	7,674
Others	5,244	17,265	29,135	4,298	8,617	7,316	1,079
Total revenues	406,705	529,469	710,993	104,877	315,046	437,100	64,476
Cost of revenues	(295,097)	(346,671)	(363,579)	(53,631)	(169,737)	(196,079)	(28,924)
Gross profit	111,608	182,798	347,414	51,246	145,309	241,021	35,552
Operating expenses:							
Selling and marketing	(74,368)	(96,688)	(128,475)	(18,951)	(53,722)	(71,243)	(10,509)
General and administrative	(122,791)	(135,603)	(148,093)	(21,845)	(68,311)	(84,921)	(12,526)
Total operating expenses	(197,159)	(232,291)	(276,568)	(40,796)	(122,033)	(156,164)	(23,035)
Operating (loss)/income	(85,551)	(49,493)	70,846	10,450	23,276	84,857	12,517
Interest income	7,150	17,853	16,622	2,452	6,053	9,438	1,392
Interest expense	—	—	(6,073)	(896)	—	(9,907)	(1,461)
Foreign currency exchange loss	(27)	(1,473)	(2,741)	(404)	(1,188)	198	29
Other income/(expense), net	74	253	4,391	648	(40)	(136)	(20)
(Loss)/income before income tax expense	(78,354)	(32,860)	83,045	12,250	28,101	84,450	12,457
Income tax benefit/(expense)	5,685	1,119	(32,202)	(4,750)	(9,842)	(26,623)	(3,927)
Net (loss)/income	(72,669)	(31,741)	50,843	7,500	18,259	57,827	8,530
Add: Net loss attributable to non-controlling interests	7,497	5,456	3,080	454	1,066	2,261	333
Net (loss)/income attributable to RISE Education Cayman Ltd	(65,172)	(26,285)	53,923	7,954	19,325	60,088	8,863
Net (loss)/income per share:							
Basic and diluted	(0.65)	(0.26)	0.54	0.08	0.19	0.60	0.09
Shares used in net (loss)/income per share computation:							
Basic and diluted	100,000,000	100,000,000	100,000,000		100,000,000	100,000,000	
Non-GAAP Financial Measures:							
EBITDA(1)	14,818	40,794	142,318	20,993	58,591	109,562	16,161
EBITDA margin(2)	3.6%	7.7%	20.0%	20.0%	18.6%	25.1%	25.1%

(1) To see how we define and calculate EBITDA, a reconciliation between EBITDA and net (loss)/income (the most directly comparable U.S. GAAP financial measure) and a discussion about the limitations of non-GAAP financial measures, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures."
(2) EBITDA margin is calculated by dividing EBITDA by revenues.

	As of December 31,			As of June 30,	
	2015	2016		2017	
	RMB	RMB	US$	RMB	US$
			(thousands)		
Summary Consolidated Balance Sheet Data:					
Total current assets	553,224	707,738	104,397	950,057	140,141
Cash and cash equivalents	517,436	639,999	94,405	537,032	79,217
Prepayments and other current assets	24,080	45,517	6,714	53,227	7,851
Total non-current assets	782,514	792,560	116,909	793,005	116,975
Property and equipment, net	70,860	75,673	11,162	87,255	12,871
Intangible assets, net	244,798	225,951	33,330	213,431	31,483
Goodwill	444,412	461,686	68,102	455,608	67,206
Total assets	1,335,738	1,500,298	221,306	1,743,062	257,116
Total current liabilities	571,426	763,366	112,603	951,741	140,390
Current portion of long-term loan	—	38,186	5,633	37,286	5,500
Accrued expenses and other current liabilities	73,172	96,158	14,184	101,591	14,986
Deferred revenue and customer advances	489,918	601,324	88,700	786,171	115,966
Total non-current liabilities	12,987	338,505	49,932	338,761	49,970
Long-term loan	—	333,102	49,135	327,270	48,275
Total liabilities	584,413	1,101,871	162,535	1,290,502	190,360
Total RISE Education Cayman Ltd shareholders' equity	757,018	407,200	60,066	463,594	68,384
Non-controlling interests	(5,693)	(8,773)	(1,295)	(11,034)	(1,628)
Total equity	751,325	398,427	58,771	452,560	66,756
Total liabilities, non-controlling interests and shareholders' equity	1,335,738	1,500,298	221,306	1,743,062	257,116

RISK FACTORS

An investment in our ADSs involves significant risks. You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below, before making an investment in our ADSs. Any of the following risks could have a material adverse effect on our business, financial condition, results of operations and prospects. In any such case, the market price of our ADSs could decline, and you may lose all or part of your investment.

Risks Related to Our Business and Industry

We may not be able to attract new students or retain our existing students.

The success of our business depends largely on the number of students. Therefore, our ability to continue to attract new students and retain existing students is critical to our continued success and growth. Being able to do so is dependent on a variety of factors, including our ability to maintain and enhance product and service quality, refine our teaching methodologies and innovate and develop new products to respond to our customers' demands and changing market trends. If we are unable to continue to attract new students or retain existing students, our revenues may decline, or we may not be able to maintain profitability, either of which could have a material adverse effect on our business, financial condition and results of operations.

We may not be able to maintain or enhance our brand.

We believe that our "RISE" brand has contributed significantly to the success of our business and thus it is one of our key competitive advantages. We undertake a number of initiatives and invest significant capital and other resources to promote our brand. However, our branding efforts may not be successful or may even inadvertently damage our brand. Moreover, our brand may be materially and adversely affected if our franchise partners fail to properly maintain the operations of their franchised learning centers. Furthermore, any negative publicity relating to our company, products, teachers, employees and students, self-owned learning centers, franchise partners, franchised learning centers or their teachers, employees and students, regardless of its veracity, could harm our brand image and reputation and even expose us to adverse legal and regulatory consequences. If we are unable to maintain or enhance our brand, eliminate incidents of negative publicity, or manage our marketing and branding spend, our business and results of operations may be materially and adversely affected.

We face intense competition in our industry, and we may fail to maintain or gain market share.

The junior ELT market in China is rapidly evolving, highly fragmented and intensely competitive. Competition in this industry may persist and even intensify. We compete with other junior ELT service providers in a number of areas, such as brand image, course content and structure and service quality. Some of these competitors may have greater financial or other resources than we do. We cannot assure you that we will be able to compete successfully against existing or potential competitors, and if we fail to gain or maintain, or if we lose market share, our business, financial condition and results of operations may be materially and adversely affected.

We may not be able to grow as rapidly as we have in the past, or effectively execute our growth strategies.

We aim to continue to open new self-owned learning centers, and cooperate with franchise partners to open new franchised learning centers. We also aim to continue enrolling new students, recruiting new teachers, increasing the operating efficiency of our existing and new learning centers and investing in complementary products. However, we may not be able to continue to grow as rapidly as we have in the past.

Furthermore, if we fail to execute our growth strategies effectively, our financial condition and results of operations may be materially and adversely affected.

Our profitability may decline due to various factors.

We may face challenges in maintaining our profitability due to a rise in either or both of our fixed and variable costs as a percentage of our overall revenues. Our fixed costs largely comprise rental and personnel costs while variable costs primarily include teacher and sales and marketing costs. The rise in fixed or variable costs may be due to increasing competition, a result of operational decisions or unexpected. Any of these factors may negatively affect our profitability and have a material adverse effect on our financial condition and results of operations.

We may not be successful in introducing new products or enhancing our existing products.

We currently offer three flagship courses Rise Start, Rise On and Rise Up, as well as a series of complementary products. We intend to continue developing new products, as well as further enhancing our existing products. This process is subject to risks and uncertainties, such as unexpected technical, operational, logistical or other problems that could delay the process temporarily or permanently. Moreover, we cannot assure you that any of these new products or enhancement of existing products will fulfill customer needs, match the quality or popularity of those developed by our competitors, achieve widespread market acceptance or generate incremental revenues.

In addition, introducing new products or enhancing existing products requires us to make various investments in curriculum and courseware development and management, incur personnel expenses and potentially reallocate other resources. If we are unable to develop new products or cannot do so in a cost-effective manner, or are otherwise unable to manage effectively the operations of those products, our financial condition and results of operations could be adversely affected.

A number of learning centers operate without the required licenses, permits, filings or registrations.

In order to operate our business, we must receive a number of licenses, permits, and approvals, make filings or complete registrations. These include receiving private school operating permits and private non-enterprise entity certificates, receiving approvals from or making filings to local education bureaus, and passing fire control assessments. Given the significant amount of discretion held by local PRC authorities in interpreting, implementing and enforcing relevant rules and regulations, as well as other factors beyond our control, we cannot guarantee you that we will be able to obtain and maintain all requisite licenses, permits, approvals, filings, or pass all requisite assessments. While we are in the process of bringing our operations into compliance, among all our self-owned learning centers, those that as of the date of this prospectus do not possess the required private school operating permit or private non-enterprise entity certificates, have not obtained approvals from or made filings to local education bureaus, or have not passed the required fire control assessments, as a whole, were responsible for 24.7% of our total revenues in the six months ended June 30, 2017. Further, new learning centers that we open may have similar compliance issues for a period of time after their opening. Though as of the date of this prospectus no action has been taken against us or any of our learning centers, if any of our current or future learning centers fail to receive the requisite licenses, permits and approvals, make the necessary filings, or complete all requisite registrations, that learning center may be subject to penalties. These may include fines, orders to promptly rectify the non-compliance, or if the non-compliance is deemed by the regulators to be serious, the school may be ordered to return tuition and fees collected and pay a multiple of the amount of returned tuition and fees to regulators as a penalty or may even be ordered to cease operations.

Moreover, under PRC laws and regulations, we may be required to obtain an ICP license, an audio or video program transmission license, an internet culture permit and an online publishing services permit for the operation of our online educational products, such as Rise Up and Can-Talk. Although we have not received any material fines or other penalties for non-compliance in the past, if we are not able to comply with all applicable

legal requirements, we may be subject to fines, confiscation of the gains derived from our non-compliant operations, suspension of our non-compliant operations or revocation of the operating permits of the non-compliant schools, any of which may materially and adversely affect our business, financial condition and results of operations.

We may fail to successfully grow or operate our franchise business as our franchise partners may fail to operate the franchised learning centers effectively or we may be unable to maintain our relationships with our franchise partners.

We derive revenues from our franchise business through initial or renewal franchise fees, recurring franchise fees based on an agreed percentage of each franchised learning center's collected tuition fees, and the sale of individual course materials. We expect our franchise revenues to increase as we grow. We rely on our franchise partners to open and operate new learning centers and our results of operations depend on our ability to attract as well as retain franchise partners. Our franchise partners are independent operators and are responsible for the profitability and financial viability of their learning centers. If our franchise partners fail to operate their learning centers effectively or grow their operations, then our financial condition and results of operations may be materially and adversely affected.

We typically sign a five-year franchise agreement with our franchise partners. Upon expiration of the franchise agreement, we may not be able to renew because it is subject to mutual agreement by both parties. If we fail to renew the franchise agreement, it may also adversely impact our financial condition and results of operations.

We may not effectively monitor or manage the operations of franchised learning centers.

Our franchise partners are required to use our standardized curricula and teaching methodologies and to comply with other standardized operating procedures and requirements for the franchised learning centers. However, we may not be able to effectively monitor or control the operations of these learning centers as our franchise partners may deviate from our standards and requirements. Moreover, we do not control the actions of their employees, including their teachers. As a result, the quality of franchised learning center operations may be adversely affected by any number of factors beyond our control.

While we ultimately can take actions to terminate or choose not to renew existing franchise agreements with franchise partners who do not comply with the terms and conditions stipulated by our franchise agreements, including standardized operating procedures, we may not be immediately aware or able to identify problems or take actions quickly enough to resolve these problems. This may lead to potential legal and regulatory non-compliance incidents. For instance, lack of the requisite permits and licenses to operate the franchised learning centers or a failure in registration of franchise agreements with PRC authorities may subject our franchise partners to regulatory risks, which may significantly affect our brand, the results of operations of the franchised learning centers and in turn adversely and materially affect our financial condition.

Our success depends on the continuing efforts of our senior management team and other key personnel and our business may be harmed if we lose their services.

Our success depends in part on the continued application of services, efforts and motivation of our senior management team and key personnel. If one or more of our senior management members or key personnel are unable to continue in their present positions, we may not be able to find replacements successfully, and our business may be disrupted.

We will need to continue to hire additional personnel as our business grows. A shortage in the supply of personnel with requisite skills could negatively impact our ability to manage our existing products and services, launch new products and expand our operations. There is competition for experienced personnel in the private education industry and key personnel could leave us to join our competitors. Losing the services of our experienced personnel may be disruptive to and cause uncertainty for our business, which may have a material adverse effect on our business, financial condition and results of operations.

We may not be able to continue to recruit, train and retain a sufficient number of qualified teachers.

Teachers help us maintain the quality of our education and services, as well as our brand and reputation. Our ability to continue to attract teachers with the necessary experience and qualifications is a key factor in the success of our operations. We seek to hire qualified teachers who are dedicated to teaching and are able to follow our teaching procedures and deliver effective instruction. The market for teacher recruitment in China is competitive, and we must also provide continued training to ensure that teachers stay abreast of changes in student demands, our teaching methodologies and other key trends necessary. Further, the Measures of Punishment for Violation of Professional Ethics of Primary and Secondary School Teachers, promulgated by the PRC Ministry of Education, or MOE, on January 11, 2014, prohibits teachers of primary and secondary schools from providing paid tutoring in schools or in out-of-school learning centers. Although we do not particularly target public school teachers in our teacher recruitment and we typically do not hire part-time teachers, in order to recruit qualified full-time teachers, including those with public school experience, we must provide candidates with competitive compensation packages and offer attractive career development opportunities. Although we have not experienced major difficulties in recruiting or training qualified teachers in the past, we cannot guarantee we will be able to continue to recruit, train and retain a sufficient number of qualified teachers in the future, which may have a material adverse effect on our business, financial condition and results of operations.

We may encounter disputes from time to time relating to the use of third party intellectual properties.

We cannot assure you that our products, courseware, course materials or any intellectual property developed or used by us do not or will not infringe the intellectual property rights held by third parties.

Under our intellectual property arrangements with HMH, we have an exclusive, subject to certain pre-existing third party rights, and royalty-free license from HMH to use certain HMH courseware developed before October 2011 in China permanently for after-school tutoring services for the primary purpose of teaching the English language to non-native English speaking students. The curricula of Rise Start and Rise On uses HMH courseware along with other self-developed content. The arrangements with HMH also entitle us to develop derivative products based on this HMH courseware.

Furthermore, we are subject to certain sublicensing restrictions under our arrangements with HMH. For example, we cannot sublicense to any party that has been finally adjudged as liable for willful copyright infringement in the last five years and we cannot guarantee that the sublicensing restrictions have been fully complied with when we sublicense our curricular to our franchise partners. As a result, we may be deemed liable for breaching our obligations under the license arrangements with HMH.

As of the date of this prospectus, we are not aware of any ongoing legal proceedings or disputes alleging our infringement of third-party intellectual properties. However, we may encounter disputes from time to time over rights and obligations concerning intellectual property, and we may not prevail in those disputes. Any such intellectual property infringement claim could result in costly litigation and divert our management attention and resources.

We may fail to adequately protect our intellectual property rights, and we may be exposed to intellectual property infringement claims by third parties.

Since our inception, our trademarks, copyrights, domain names, trade secrets and other intellectual property rights have distinguished us from our competitors and strengthened our competitive advantages.

Under our arrangements with HMH, we are entitled to develop and have developed derivative products based on licensed HMH courseware, and we own the intellectual property rights for all of these derivative products, including trademarks and copyrights, subject to HMH's ownership of the intellectual property rights in its underlying courseware. We hold a variety of intellectual property rights, including ten registered domain names, 202 registered trademarks in China, 67 copyright registrations in China and one patent in China as of June 30, 2017. Unauthorized use of any of our intellectual property by third parties, including our franchise

partners, may adversely affect our business and reputation. We rely on a combination of copyright, trademark and trade secrets laws, and confidentiality agreements with our employees and contractors, to protect our intellectual property rights. We also regularly monitor any infringement or misappropriation of our intellectual property rights. Nevertheless, third parties may obtain and use our intellectual property without due authorization. The practice of intellectual property rights enforcement by the PRC regulatory authorities is in its early stage of development and is subject to significant uncertainty. We may also need to resort to litigation and other legal proceedings to enforce our intellectual property rights. Any such action, litigation or other legal proceedings could result in substantial costs and diversion of our management's attention and resources and could disrupt our business. In addition, we cannot assure you that we will be able to enforce our intellectual property rights effectively or otherwise prevent others from the unauthorized use of our intellectual property. Failure to adequately protect our intellectual property could materially and adversely affect our business, financial condition and results of operations.

Accidents, injuries, suspension of service or other harm may occur at our learning centers or the events we organize.

We could be held liable if any student, employee or other person is injured in any accident at any of our learning centers or the events we organize. Although we believe we take appropriate measures to prevent these risks, we may still be held liable if any such incident occurs. Parents may perceive our facilities or events to be unsafe, which may discourage them from sending their children to our learning centers or events. Although we maintain liability insurance, the insurance coverage may not be adequate to fully protect us from claims of all kinds and we cannot guarantee that we will be able to successfully claim under our existing liability insurance policies or obtain sufficient liability insurance in the future. We have historically encountered isolated student-related accidents on our learning center premises. Any criminal or liability claim against us or any of our employees could adversely affect our reputation and ability to attract and retain students. Any of these incidents may create unfavorable publicity, cause us to incur substantial expenses and divert the time and attention of our management.

We may not be able to integrate businesses that we may acquire in the future.

We may make acquisitions to facilitate our business growth, such as expanding into other geographic markets, serving different age groups of students and extending our product portfolio. We cannot assure you that we will be able to integrate the acquired businesses with our existing operations, and we may incur significant financial resources to streamline the operation of the acquired businesses under our internal control requirements and divert substantial management attention to the transition of the acquired businesses before achieving full integration. In addition, the businesses we acquire may be loss making or have existing liabilities or other risks that we may not be able to effectively manage or may not be aware of at the time we acquire them, which may impact our ability to realize the expected benefits from the acquisition or our financial performance. If we fail to integrate the acquired businesses in a timely manner or at all, we may not be able to achieve the anticipated benefits or synergies from the acquired businesses, which may adversely affect our business growth.

Our results of operations are subject to seasonal fluctuations.

Our industry generally experiences seasonality. Seasonal fluctuations have affected, and are likely to continue to affect, our business. In general, we generate higher revenues in the third quarter as we generate revenues from summer overseas study tours during the summer holiday. We also generally generate lower revenues in the first quarter as we deliver fewer classes due to the Chinese New Year holiday, which is partially offset by revenues generated from our winter overseas study tours. Overall, although the historical seasonality of our business has been relatively mild, we expect to continue to experience seasonal fluctuations in our results of operations. These fluctuations may result in volatility in and adversely affect the price of our ADSs.

We may not be able to conduct our selling and marketing activities effectively.

Our selling and marketing activities may not be well received by parents or students and may not result in the level of sales that we anticipate. In addition, we may not be able to retain or recruit experienced selling and marketing staff, or to efficiently train junior staff. Moreover, selling and marketing methods and tools in the junior ELT market in China continue to evolve. This may require us to experiment with new methods to keep pace with industry developments and student needs. Failure to refine our existing approaches or to implement new approaches in a cost-effective manner may reduce our market share, cause our revenues to decline and negatively impact our profitability.

We may have to relocate our learning centers.

As of June 30, 2017, we leased a total area of approximately 67,800 square meters for self-owned learning centers across China, and we may have to relocate for a number of reasons.

Our lease arrangements are typically for a term of at least five years, and are renewable upon mutual consent at the end of the period. We may not be able to successfully renew leases upon expiration of the current term, and may decide to move to more premium locations or have to relocate our operations for various other reasons, including increase of rentals and failure in passing the fire prevention assessment in certain locations. In those cases, we may not be able to locate desirable alternative sites for our learning centers or at a reasonable price.

We have not been able to receive from our lessors of some of our leased properties copies of title certificates or proof of authorization to lease the properties to us. In addition, we have not registered most of our lease agreements with relevant government authorities as required by PRC law. As of the date of this prospectus, we are not aware of any actions, claims or investigations threatened against us or our lessors with respect to the defects in our leasehold interests. However, if any of our leases is terminated as a result of challenges by third parties or governmental authorities for lack of title certificates or proof of authorization to lease, we do not expect to be subject to any fines or penalties but we may be forced to relocate the affected learning centers and incur additional expenses relating to such relocation. In addition, failure to complete the lease registration will not affect the legal effectiveness of the lease agreements according to PRC law, but the real estate administrative authorities may require the parties to the lease agreements to complete lease registration within a prescribed period of time and the failure to do so may subject the parties to fines from RMB1,000 to RMB10,000.

Our data management system may have weakness and personal data that we collect and retain may be publicly disclosed due to a system failure or otherwise.

We maintain personal data, such as academic records, address and family information of students, teachers and other employees. If the security measures we use to protect personal data are ineffective due to a system failure or other reasons, we could be liable for claims of invasion of privacy, impersonation, unauthorized purchases or other claims. In addition, we could be held liable for the misuse of personal data, fraudulent or otherwise, by students, teachers and other employees. We could incur significant expenses in connection with rectifying any security breaches, settling any resulting claims and providing additional protection to prevent additional breaches. In addition, any failure to protect personal information may adversely impact our ability to attract and retain students, harm our reputation and materially and adversely affect our business, results of operations and prospects.

Our relationships with overseas education service providers may deteriorate.

We collaborate with various overseas schools and institutions to provide overseas study tours to students where we are the operator who set the price. We organize tours for students to attend classes abroad, in preschools, elementary schools and middle schools, primarily in the United States and Canada. These

relationships help us offer more diverse products, and charge a premium for the products we offer with other overseas education service providers. These relationships also help us enhance our brand and reputation and provide exposure to international educational best practices and methods.

If our relationships with any of these overseas education service providers deteriorate or are otherwise damaged or terminated, or if the benefits we derive from these relationships diminishes, whether as a result of our own actions or the actions of others, including our competitors, or of regulatory authorities or other entities beyond our control, our business, prospects, financial condition and results of operations could be adversely affected.

We have limited insurance coverage with respect to our business and operations.

We are exposed to various risks associated with our business and operations, and we have limited insurance coverage. See “Business—Insurance” for more information. We are exposed to risks including, among other things, accidents or injuries in our learning centers, loss of key management and personnel, business interruption, natural disasters, terrorist attacks and social instability or any other events beyond our control. The insurance industry in China is still at an early stage of development, and as a result insurance companies in China offer limited business related insurance products. We do not have any business interruption insurance, product liability insurance or key-man life insurance. Any business disruption, legal proceeding or natural disaster or other events beyond our control could result in substantial costs and diversion of our resources, which may materially and adversely affect our business, financial condition and results of operations.

Our employees may engage in misconduct or other improper activities.

Like all companies, we face the risk of employee misconduct or other improper activities. Employee misconduct could include intentional failures to comply with laws and regulations, unauthorized activities, attempts to obtain reimbursement for improper expenses, or submission of falsified time records. Negative press reports regarding employee misconduct could harm our reputation, and if our reputation is negatively affected, our future revenues and growth prospects would be adversely affected. It is not always possible to deter employee misconduct, and the precautions we take to prevent and detect this activity may not be effective in controlling unknown or unmanaged risks or losses, which could harm our business, financial condition, results of operations and our ability to meet our financial obligations

We have granted options, and we may continue to grant options under our share incentive plans, which may result in increased share-based compensation expenses.

In 2016, we approved a share incentive plan, or the ESOP Plan, that permits the granting of options to purchase our ordinary shares. The maximum aggregate number of ordinary shares that may be issued pursuant to all awards under the ESOP Plan was 7,000,000. In 2017, we approved a new share incentive plan, or the 2017 ESOP Plan, that permits the granting of options, restricted shares, restricted share units, dividend equivalents, deferred shares, share payment and share appreciation rights. The 2017 ESOP Plan will become effective upon completion of this offering. As of the date of this prospectus, options to purchase 5,985,000 ordinary shares have been granted and outstanding under the ESOP Plan. The options granted are dependent on meeting the conditions of the ESOP Plan’s exercisability event which includes the completion of the IPO or change of control. We will not recognize any compensation expense until the exercisability event occurs. As a result, we will incur future share-based compensation expenses upon the occurrence of the exercisability event, upon which the options will be accounted for as a cumulative compensation cost since the service inception date, with the remaining unrecognized compensation cost amortized over the remaining requisite service period.

As of June 30, 2017, the unrecognized compensation expenses related to the non-vested share options amounted to US$11.9 million, which will be recognized over the remaining requisite period when the exercisability event becomes probable. Expenses associated with share-based compensation awards granted

under our share incentive plan may materially reduce our future net income. However, if we limit the size of grants under our share incentive plan to minimize share-based compensation expenses, we may not be able to attract or retain key personnel.

If we fail to implement and maintain an effective system of internal controls, we may be unable to accurately or timely report our results of operations or prevent fraud.

Prior to this offering, we were a private company with limited accounting personnel and other resources with which to address our internal controls and procedures. Our independent registered public accounting firm has not conducted an audit of our internal control over financial reporting. In connection with the audit of our consolidated financial statements for the years ended December 31, 2014, 2015 and 2016 and as of December 31, 2015 and 2016, we and our independent registered public accounting firm identified one material weakness in our internal control over financial reporting as of December 31, 2016. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Internal Control over Financial Reporting." We have subsequently adopted measures to improve our internal control over financial reporting. We cannot assure you, however, that these measures may fully address these deficiencies in our internal control over financial reporting or that we may conclude that they have been fully remedied. Our failure to correct these control deficiencies or our failure to discover and address any other control deficiencies could result in inaccuracies in our financial statements and could also impair our ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis. As a result, our business, financial condition, results of operations and prospects, as well as the trading price of our ADSs, may be materially and adversely affected. Moreover, ineffective internal control over financial reporting significantly hinders our ability to prevent fraud.

The audit report included in this prospectus is prepared by auditors who are not fully inspected by the Public Company Accounting Oversight Board, and, as such, you are deprived of the benefits of such inspection.

Our independent registered public accounting firm issues the audit report included in this prospectus filed with the Securities and Exchange Commission, or the SEC. As auditors of companies that are traded publicly in the United States and a firm registered with the Public Company Accounting Oversight Board (United States), or PCAOB, our independent registered public accounting firm, is required by the laws of the United States to undergo regular inspections by PCAOB to assess its compliance with the laws of the United States and professional standards. Because our auditors are located in China, a jurisdiction where PCAOB is currently unable to conduct full inspections without the approval of the Chinese authorities, our auditors are not currently inspected by PCAOB.

Inspections of other firms that PCAOB has conducted outside China have identified deficiencies in those firms' audit procedures and quality control procedures, which may be addressed as part of the inspection process to improve future audit quality. This lack of full PCAOB inspections in China prevents PCAOB from regularly evaluating our auditor's audits and its quality control procedures. As a result, investors may be deprived of the benefits of PCAOB inspections.

The inability of PCAOB to conduct full inspections of auditors in China makes it more difficult to evaluate the effectiveness of our auditor's audit procedures or quality control procedures as compared to auditors outside of China that are subject to PCAOB inspections. Investors may lose confidence in our reported financial information and procedures and the quality of our financial statements.

If additional remedial measures are imposed on the Big Four PRC-based accounting firms, including our independent registered public accounting firm, in administrative proceedings brought by the SEC alleging the firms' failure to meet specific criteria set by the SEC, we could be unable to timely file future financial statements in compliance with the requirements of the Exchange Act.

Beginning in 2011, the Chinese affiliates of the "big four" accounting firms (including our independent registered public accounting firm) were affected by a conflict between the U.S. and Chinese law. Specifically, for

certain U.S.-listed companies operating and audited in China, the SEC and PCAOB sought to obtain access to the audit work papers and related documents of the Chinese affiliates of the “big four” accounting firms. The accounting firms were, however, advised and directed that, under Chinese law, they could not respond directly to the requests of the SEC and PCAOB and that such requests, and similar requests by foreign regulators for access to such papers in China, had to be channeled through the China Securities Regulatory Commission, or CSRC.

In late 2012, this impasse led the SEC to commence administrative proceedings under Rule 102(e) of its Rules of Practice and also under the Sarbanes-Oxley Act of 2002 against the “big four” accounting firms (including our independent registered public accounting firm). A first instance trial of these proceedings in July 2013 in the SEC’s internal administrative court resulted in an adverse judgment against the firms. The administrative law judge proposed penalties on the firms, including a temporary suspension of their right to practice before the SEC. Implementation of the latter penalty was postponed pending review by the SEC Commissioners. On February 6, 2015, each of the four China-based accounting firms agreed to a censure and to pay a fine to the SEC to settle the dispute and avoid suspension of their ability to practice before the SEC. The firms’ ability to continue to serve all their respective clients is not affected by the settlement. The settlement requires the firms to follow detailed procedures to seek to provide the SEC with access to Chinese firms’ audit documents via the China Securities Regulatory Commission. If the firms do not follow these procedures, the SEC could impose penalties such as suspensions, or it could restart the administrative proceedings. The settlement did not require the firms to admit to any violation of law and preserves the firms’ legal defenses in the event the administrative proceeding is restarted.

In the event that the SEC restarts administrative proceedings, depending upon the final outcome, listed companies in the U.S. with major PRC operations may find it difficult or impossible to retain auditors in respect of their operations in China, which could result in their financial statements being determined to not be in compliance with the requirements of the Exchange Act, including possible delisting. Moreover, any negative news about any such future proceedings against the firms may cause investor uncertainty regarding China-based, U.S.-listed companies, including our company, and the market price of our shares may be adversely affected.

If our independent registered public accounting firm was denied, even temporarily, the ability to practice before the SEC and we were unable to timely find another registered public accounting firm to audit and issue an opinion on our financial statements, our financial statements could be determined not to be in compliance with the requirements of the Exchange Act. Such a determination could ultimately lead to the delisting of our shares from the Nasdaq or deregistration from the SEC, or both, which would substantially reduce or effectively terminate the trading of our shares in the United States.

Risks Related to Our Corporate Structure

The PRC government may find that the contractual arrangements that establish our corporate structure for operating our business do not comply with applicable PRC laws and regulations.

PRC laws and regulations currently require any foreign entity that invests in the education business in China to be an educational institution with relevant experience in providing education services outside China. Our Cayman Islands holding company is not an educational institution and does not provide education services. To comply with PRC laws and regulations, we operate our business through our PRC consolidated affiliates, including Beijing Step Ahead Education Technology Development Co., Ltd., or Beijing Step Ahead or VIE, and its subsidiaries and schools that operate self-owned learning centers. Beijing Step Ahead is 80% owned by Mr. Peng Zhang and 20% owned by Mr. Yiding Sun. Both shareholders of Beijing Step Ahead are PRC citizens. We entered into a series of contractual arrangements with Beijing Step Ahead and its schools and shareholders, which enable us to:

- exercise effective control over our consolidated affiliates;
- receive substantially all of the economic benefits from our consolidated affiliates; and

- have a call option to purchase all or part of the equity interests in Beijing Step Ahead when and to the extent permitted by the relevant laws.

Because of these contractual arrangements, we are the primary beneficiary of Beijing Step Ahead and its subsidiaries and schools and treat them as our PRC consolidated affiliates under U.S. GAAP. We consolidate the financial results of Beijing Step Ahead and its subsidiaries and schools in our consolidated financial statements in accordance with U.S. GAAP. For a detailed discussion of these contractual arrangements, see “Corporate History and Structure.”

There are, however, substantial uncertainties regarding the interpretation and application of current or future PRC laws and regulations concerning foreign investment in the PRC, and their application to and effect on the legality, binding effect and enforceability of the contractual arrangements. In particular, we cannot rule out the possibility that PRC regulatory authorities, courts or arbitral tribunals may in the future adopt a different or contrary interpretation or take a view that is inconsistent with the opinion of our PRC legal counsel.

It is uncertain whether any new PRC laws, rules or regulations relating to VIE structures will be adopted or if adopted, what affect they may have on our corporate structure. In particular, in January 2015, the Ministry of Commerce, or MOFCOM, published a discussion draft of the proposed Foreign Investment Law, or the Draft Foreign Investment Law, for public review and comments. Among other things, the Draft Foreign Investment Law expands the definition of foreign investment and introduces the principle of “actual control” in determining whether a company is considered a foreign-invested enterprise, or an FIE. Under the Draft Foreign Investment Law, variable interest entities would be deemed as FIEs, if they are ultimately “controlled” by foreign investors, and would thus be subject to restrictions on foreign investments. We are controlled by a legal entity incorporated outside of PRC, and therefore, it increases the likelihood that our company may be deemed as controlled by foreigners. However, the draft law has not taken a position on what actions will be taken with respect to existing companies with a “variable interest entity” structure, whether or not these companies are controlled by Chinese parties. It is uncertain when the draft would be signed into law and whether the final version would have any substantial changes from the draft. See “Regulation—The Draft Foreign Investment Law” and “—We face uncertainties with respect to the interpretation and implementation of The Draft Foreign Investment Law, which proposes significant changes to the PRC foreign investment legal regime and has a material impact on businesses in China controlled by foreign invested enterprises primarily through contractual arrangements, such as our business.”

If, as a result of such contractual arrangement, we or Beijing Step Ahead and its subsidiaries and schools are found to be in violation of any existing or future PRC laws or regulations, or such contractual arrangement is determined as illegal and invalid by the PRC court, arbitral tribunal or regulatory authorities, or we fail to obtain, maintain or renew any of the required permits or approvals, the relevant PRC regulatory authorities would have broad discretion to take action in dealing with such violations or failures, including:

- revoking the business licenses and/or operating licenses of Rise Tianjin Education Information Consulting Co., Ltd., or Rise Tianjin, and/or Beijing Step Ahead and its subsidiaries and schools;
- discontinuing or restricting the conduct of any transactions between Rise Tianjin and Beijing Step Ahead and its subsidiaries and schools;
- limiting our business expansion in China by way of entering into contractual arrangements;
- imposing fines and penalties, confiscating the income from Beijing Step Ahead and its subsidiaries and schools, or imposing other requirements with which we or Beijing Step Ahead and its subsidiaries and schools may not be able to comply with;
- shutting down our servers or blocking our websites;
- requiring us to restructure our ownership structure or operations, including terminating the contractual arrangements with Beijing Step Ahead and its subsidiaries and schools and deregistering the equity pledges of Beijing Step Ahead;

- restricting or prohibiting our use of the proceeds of this offering to finance our business and operations in China;
- restricting the use of financing sources by us or our consolidated affiliates or otherwise restricting our or their ability to conduct business;
- imposing additional conditions or requirements with which we may not be able to comply with; or
- take other regulatory or enforcement actions against us that could be harmful to our business.

The imposition of any of these penalties could result in a material and adverse effect on our ability to conduct our business and on our results of operations. If any of these penalties results in our inability to direct the activities of our consolidated affiliates that most significantly impact their economic performance, and/or our failure to receive the economic benefits from our consolidated affiliates, we may not be able to consolidate them in our consolidated financial statements in accordance with U.S. GAAP.

We face uncertainties with respect to the interpretation and implementation of The Draft Foreign Investment Law, which proposes significant changes to the PRC foreign investment legal regime and has a material impact on businesses in China controlled by foreign invested enterprises primarily through contractual arrangements, such as our business.

On January 19, 2015, MOFCOM published the Draft Foreign Investment Law. At the same time, MOFCOM published an accompanying explanatory note of the draft Foreign Investment Law, which contains important information about the Draft Foreign Investment Law, including its drafting philosophy and principles, main content, plans to transition to the new legal regime and treatment of business in China controlled by FIEs, primarily through contractual arrangements. The Draft Foreign Investment Law is intended to replace the current foreign investment legal regime consisting of three laws: the Sino-Foreign Equity Joint Venture Enterprise Law, the Sino-Foreign Cooperative Joint Venture Enterprise Law and the Foreign Owned Enterprise Law, as well as detailed implementing rules. The Draft Foreign Investment Law proposes significant changes to the PRC foreign investment legal regime and may have a material impact on Chinese companies listed or to be listed overseas. The Draft Foreign Investment Law is to regulate FIEs the same way as PRC domestic entities, except for those FIEs that operate in industries deemed to be either foreign “restricted” or “prohibited.” The Draft Foreign Investment Law also provides that only FIEs operating in foreign restricted or prohibited industries will require entry clearance and other approvals that are not required of PRC domestic entities. As a result of the entry clearance and approvals, certain FIEs operating in foreign restricted or prohibited industries may not be able to continue their operations through contractual arrangements.

The specifics of the application of the Draft Foreign Investment Law to variable interest entity structures have yet to be proposed, but it is anticipated that the Draft Foreign Investment Law will regulate variable interest entities.

MOFCOM suggests both registration and approval as potential options for the regulation of variable interest entity structures, depending on whether they are “Chinese” or “foreign-controlled.” One of the core concepts of the Draft Foreign Investment Law is “de facto control,” which emphasizes substance over form in determining whether an entity is “Chinese” or “foreign-controlled.” This determination requires considering the nature of the investors that exercise control over the entity. “Chinese investors” are natural persons who are Chinese nationals, Chinese government agencies and any domestic enterprise controlled by Chinese nationals or government agencies. “Foreign investors” are foreign citizens, foreign governments, international organizations and entities controlled by foreign citizens and entities. In its current form, the Draft Foreign Investment Law will make it difficult for foreign financial investors, including private equity and venture capital firms, to obtain a controlling interest of a Chinese enterprise in a foreign restricted industry.

We rely on contractual arrangements with our consolidated affiliates and the shareholders of Beijing Step Ahead for our operations in China, which may not be as effective in providing control as direct ownership.

We have relied and expect to continue to rely on the contractual arrangements with our consolidated affiliates and the shareholders of Beijing Step Ahead to operate our junior ELT business. For a description of these contractual arrangements, see “Corporate History and Structure—Corporate Structure.” In 2014, 2015 and 2016 and for the six months ended June 30, 2017, the revenue contribution of our consolidated affiliates accounted for 97%, 95%, 95% and 95%, respectively, of our total revenues. However, these contractual arrangements may not be as effective as direct equity ownership in providing us with control over our consolidated affiliates. Any failure by our consolidated affiliates or the shareholders of Beijing Step Ahead to perform their obligations under the contractual arrangements would have a material adverse effect on the financial position and performance of our company. For example, the contractual arrangements are governed by PRC law and provide for the resolution of disputes through arbitration in China. Accordingly, these contracts would be interpreted in accordance with PRC law and any disputes would be resolved in accordance with arbitral procedures as contractually stipulated. The commercial arbitration system in China is not as developed as some other jurisdictions, such as the United States.

As a result, uncertainties in the commercial arbitration system or legal system in China could limit our ability to enforce these contractual arrangements. In addition, if the legal structure and the contractual arrangements were found to violate any existing or future PRC laws and regulations, we may be subject to fines or other legal or administrative sanctions.

If the imposition of government actions causes us to lose our right to direct the activities of our consolidated affiliates or our right to receive substantially all the economic benefits from our consolidated affiliates and we are not able to restructure our ownership structure and operations in a satisfactory manner, we would no longer be able to consolidate the financial results of our consolidated affiliates.

Our consolidated affiliates and their shareholders may fail to perform their obligations under the contractual arrangements.

Our consolidated affiliates and their shareholders may fail to take certain actions required for our business or to follow our instructions despite their contractual obligations to do so. If they fail to perform their obligations under their respective agreements with us, we may have to rely on legal remedies under PRC law, including seeking specific performance or injunctive relief, which may not be effective.

The shareholders of Beijing Step Ahead may have actual or potential conflict of interest with us and not act in the best interests of our company.

The shareholders of Beijing Step Ahead, namely, Mr. Peng Zhang and Mr. Yiding Sun, may have actual or potential conflicts of interest with us. These shareholders may refuse to sign or breach, or cause our consolidated affiliates to breach, or refuse to renew, the existing contractual arrangements we have with them and our consolidated affiliates, which would have a material and adverse effect on our ability to effectively control our consolidated affiliates and receive economic benefits from it. For example, the shareholders may be able to cause our agreements with our consolidated affiliates to be performed in a manner adverse to us by, among other things, failing to remit payments due under the contractual arrangements to us on a timely basis. We cannot assure you that when conflicts of interest arise any or all of these shareholders will act in the best interests of our company or such conflicts will be resolved in our favor. Currently, we do not have any arrangements to address potential conflicts of interest between these shareholders and our company. If we cannot resolve any conflict of interest or dispute between us and these shareholders, we would have to rely on legal proceedings, which could result in disruption of our business and subject us to substantial uncertainty as to the outcome of any such legal proceedings.

We rely on dividends, fees and other distributions paid by our PRC subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiaries to make payments to us could hinder our ability to conduct our business.

We are a holding company and rely principally on dividends and fees paid by our subsidiaries in China for our cash needs, including paying dividends and other cash distributions to our shareholders to the extent we choose to do so, servicing any debt we may incur and paying our operating expenses. The income for our offshore and PRC subsidiaries, especially Bain Capital Rise Education (HK) Limited, or Rise HK, Rise IP (Cayman) Limited, or Rise IP, and Rise Tianjin, in turn depends on the service fees and IP royalty fees paid by our consolidated affiliates. Current PRC regulations permit our subsidiaries in China to pay dividends to us only out of their accumulated profits, if any, determined in accordance with Chinese accounting standards and regulations. Under the applicable requirements of PRC law, our PRC subsidiaries may only distribute dividends after they have made allowances to fund certain statutory reserves. These reserves are not distributable as cash dividends. In addition, at the end of each fiscal year, each of our schools is required to allocate a certain amount to its development fund for the construction or maintenance of the school properties or purchase or upgrade of school facilities. In particular, our schools that require reasonable returns must allocate no less than 25.0% of their annual net income, and our schools that do not require reasonable returns must allocate no less than 25.0% of their annual increase in the net assets of the school as determined in accordance with generally accepted accounting principles in the PRC. Furthermore, if our subsidiaries or our consolidated affiliates in China incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other payments to us. Any such restrictions may materially affect such entities' ability to make dividends or make payments, in IP royalty, service fees or otherwise, to us, which may materially and adversely affect our business, financial condition and results of operations.

Contractual arrangements between our consolidated affiliates and us may be subject to scrutiny by the PRC tax authorities who may find that we or our consolidated affiliates owe additional taxes.

Under PRC laws and regulations, transactions between related parties should be conducted on an arm's-length basis and may be subject to audit or challenge by the PRC tax authorities. We could face material adverse tax consequences if the PRC tax authorities determine that the contractual arrangements among our subsidiary in China, our consolidated affiliates and the shareholders of Beijing Step Ahead are not conducted on an arm's-length basis and adjust the income of our consolidated affiliates through the transfer pricing adjustment. A transfer pricing adjustment could, among other things, result in, for PRC tax purposes, increased tax liabilities of our subsidiary in China and consolidated affiliates. In addition, the PRC tax authorities may require us to disgorge our prior tax benefits, and require us to pay additional taxes for prior tax years and impose late payment fees and other penalties on our subsidiary in China and consolidated affiliates for underpayment of prior taxes. To date, similar contractual arrangements have been used by many public companies, including companies listed in the United States, and, to our knowledge, the PRC tax authorities have not imposed any material penalties on those companies. However, we cannot assure you that such penalties will not be imposed on any other companies or us in the future. Our net income may be reduced if the tax liabilities of our consolidated affiliates materially increase or if they are found to be subject to additional tax obligations, late payment fees or other penalties.

Our consolidated affiliates may become the subject of a bankruptcy or liquidation proceeding.

We currently conduct our operations in China through contractual arrangements with our consolidated affiliates and the shareholders of Beijing Step Ahead. As part of these arrangements, substantially all of our education-related assets that are critical to the operation of our business are held by our consolidated affiliates. If any of these entities goes bankrupt and all or part of their assets become subject to liens or rights of third-party creditors, we may be unable to continue some or all of our business activities, which could materially and adversely affect our business, financial condition and results of operations. If any of our consolidated affiliates undergoes a voluntary or involuntary liquidation proceeding, its equity owner or unrelated third-party creditors may claim rights relating to some or all of these assets, which would hinder our ability to operate our business and could materially and adversely affect our business, our ability to generate revenue and the market price of our ADSs.

The custodians or authorized users of our controlling non-tangible assets, including chops and seals, may fail to fulfill their responsibilities, or misappropriate or misuse these assets.

Under PRC law, legal documents for corporate transactions, including agreements and contracts that our business relies on, are executed using the chop or seal of the signing entity or with the signature of a legal representative whose designation is registered and filed with the relevant PRC industry and commerce authorities.

In order to maintain the physical security of our chops, we generally have them stored in secured locations accessible only to authorized employees. Although we monitor such authorized employees, the procedures may not be sufficient to prevent all instances of abuse or negligence. There is a risk that our employees could abuse their authority, for example, by entering into a contract not approved by us or seeking to gain control of one of our subsidiaries or consolidated affiliates. If any employee obtains, misuses or misappropriates our chops and seals or other controlling intangible assets for whatever reason, we could experience disruption to our normal business operations. We may have to take corporate or legal action, which could involve significant time and resources to resolve and divert management from our operations.

PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of this offering to make loans or additional capital contributions to our PRC subsidiaries and consolidated affiliates, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

Any funds we transfer to our PRC subsidiaries and consolidated affiliates, either as a shareholder loan or as an increase in registered capital, are subject to approval by or registration with relevant governmental authorities in China. According to the relevant PRC regulations on foreign-invested enterprises, or FIEs, the combined amount of offshore capital contributions and loans cannot exceed the FIE's approved total investment amount. Any capital contributions to our PRC subsidiaries must be filed with MOFCOM or its local counterparts, and registered with a local bank authorized by the State Administration of Foreign Exchange, or SAFE. In addition, (a) any loan provided by us to Rise Tianjin, our WFOE, which is a FIE, cannot exceed the difference between its total investment amount and registered capital, and must be registered with SAFE or its local counterparts, and (b) any loan provided by us to our VIE, its subsidiaries and schools, which are domestic PRC entities, over a certain threshold, must be approved by the relevant government authorities and must be registered with SAFE or its local counterparts. Given that the registered capital and total investment amount of Rise Tianjin are currently the same, if we seek to make a capital contribution to Rise Tianjin we must first apply to increase both its registered capital and total investment amount, while if we seek to provide a loan to Rise Tianjin, we must first increase its total investment amount. Although we currently do not have any immediate plans to utilize the proceeds from this offering to make capital contribution into Rise Tianjin or provide any loan to Rise Tianjin or to our VIE, its subsidiaries or schools, if we seek to do so in the future, we may not be able to obtain the required government approvals or complete the required registrations on a timely basis, if at all. If we fail to receive such approvals or complete such registrations, our ability to use the proceeds of this offering and to capitalize our PRC operations may be negatively affected, which could adversely affect our liquidity and our ability to fund and expand our business.

On March 30, 2015, SAFE promulgated the Circular on Reforming the Management Approach Regarding the Foreign Exchange Capital Settlement of Foreign-Invested Enterprises, or SAFE Circular 19. SAFE Circular 19 launched a nationwide reform of the administration of the settlement of the foreign exchange capitals of FIEs and allows FIEs to settle their foreign exchange capital at their discretion, but continues to prohibit FIEs from using the Renminbi fund converted from their foreign exchange capitals for expenditure beyond their business scopes, providing entrusted loans or repaying loans between non-financial enterprises. Violations of these Circulars could result in severe monetary or other penalties. SAFE Circular 19 and relevant foreign exchange regulatory rules may significantly limit our ability to use Renminbi converted from the net proceeds of this

offering to fund the establishment of new entities in China by our consolidated affiliates, to invest in or acquire any other PRC companies through our PRC subsidiaries or consolidated affiliates or to establish new consolidated affiliates in the PRC, which may adversely affect our business, financial condition and results of operations.

Risks Related to Doing Business in China

PRC economic, political and social conditions, as well as changes in any government policies, laws and regulations, could adversely affect the overall economy in China or the education services market.

Substantially all of our operations are conducted in China, and substantially all of our revenues are derived from China. Accordingly, our business, prospects, financial condition and results of operations are subject, to a significant extent, to economic, political and legal developments in China.

The PRC economy differs from the economies of most developed countries in many respects. Although the PRC economy has been transitioning from a planned economy to a more market-oriented economy since the late 1970s, the PRC government continues to play a significant role in regulating the industry. The PRC government continues to exercise significant control over China's economic growth through allocating resources, controlling the incurrence and payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. Uncertainties or changes in any of these policies, laws and regulations, especially those affecting the private education industry in China, could adversely affect the economy in China or the market for education services, which could harm our business. For example, under the previous Law on the Promotion of Private Education and its implementing rules, a private school should elect to be either a school that does not require "reasonable returns" or a school that requires "reasonable returns." A private school must consider factors such as the school's tuition, ratio of the funds used for education-related activities to the course fees collected, admission standards and educational quality when determining the percentage of the school's net income that would be distributed to the investors as reasonable returns. However, the previous PRC laws and regulations provide no clear guideline for determining "reasonable returns". In addition, the previous PRC laws and regulations do not set forth any different requirements for the management and operations of private schools that elect to require reasonable returns as compared to those that do not. On September 1, 2017, the Amended Law on the Promotion of Private Education came into effect, under which the concept "reasonable returns" is no longer applicable and a private school should elect to be either a for-profit school or a non-profit school. A for-profit school will be registered as a corporation and can distribute its profits to its sponsors pursuant to relevant corporate laws, while a non-profit school can only use its profits for the operation of schools. As the implementation rules for the Amended Law on the Promotion of Private Education are not yet available as of the date of the prospectus, it remains uncertain how the relevant government authorities will implement the new laws and how long the grace period will be.

While the PRC economy has experienced significant growth in the past two to three decades, growth has been uneven, both geographically and among various sectors of the economy. Demand for our education services depends, in large part, on economic conditions in China and especially the regions where we operate, including Beijing, Shanghai, Shenzhen and Guangzhou. Any significant slowdown in China's economic growth may adversely affect the disposable income of the families of prospective students and cause prospective students to delay or cancel their plans to enroll in our learning centers, which in turn could reduce our revenues. In addition, any sudden changes to China's political system or the occurrence of social unrest could also have a material adverse effect on our business, financial condition, results of operations and prospects.

We may be subject to significant limitations on our ability to operate learning centers, or otherwise be materially and adversely affected by changes in PRC laws and regulations governing private education providers. PRC rules and regulations issued by government authorities may restrict or prohibit after-school tutoring services; and similar or more stringent rules or regulations that limit our ability to offer our services may be introduced in the future.

Our junior ELT business is subject to certain regulations in China. The PRC government regulates various aspects of our business and operations, such as curriculum content, education materials, tuition and other fees. The laws and regulations applicable to the private education sector are subject to frequent change, and new laws and regulations may be adopted, some of which may have a negative effect on our business, either retroactively or prospectively.

Foreign ownership in education services is subject to significant regulations in China. The PRC government regulates the provision of education services through strict licensing requirements. We are a company incorporated in the Cayman Islands. Our PRC subsidiary, Rise Tianjin, is a foreign-owned enterprise and is currently ineligible to apply for and hold licenses and permits to operate, or otherwise own sponsorship interests in, our schools. Due to these restrictions, we conduct our junior ELT business in China primarily through contractual arrangements among (1) Rise HK, (2) Rise Tianjin, (3) our consolidated affiliates, including Beijing Step Ahead, its subsidiaries and schools operating self-owned learning centers, and (4) the shareholders of Beijing Step Ahead, namely, Mr. Peng Zhang and Mr. Yiding Sun. We hold the required licenses and permits necessary to conduct our junior ELT business in China through the schools controlled by Beijing Step Ahead. We have been and expect to continue to be dependent on our consolidated affiliates to operate our junior ELT business. See “Corporate History and Structure—Corporate Structure” for more information.

As of the date of this prospectus, similar ownership structure and contractual arrangements have been used by many China-based companies listed overseas, including a number of education companies listed in the United States. To our knowledge, none of the fines or punishments listed above has been imposed on any of these public companies, including companies in the education industry. However, we cannot assure you that such fines or punishments will not be imposed on us or any other companies in the future. If any of the above fines or punishments is imposed on us, our business, financial condition and results of operations could be materially and adversely affected. If any of these penalties results in our inability to direct the activities of Beijing Step Ahead and its subsidiaries and schools that most significantly impact their economic performance, and/or our failure to receive the economic benefits from Beijing Step Ahead and its subsidiaries and schools, we may not be able to consolidate Beijing Step Ahead and its subsidiaries and schools in our financial statements in accordance with U.S. GAAP. However, we do not believe that such actions would result in the liquidation or dissolution of our company, our wholly-owned subsidiaries in China or Beijing Step Ahead or its subsidiaries or schools.

We face uncertainties with respect to the PRC legal system.

The PRC legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions in a civil law system may be cited as reference but have limited precedential value. Since 1979, newly introduced PRC laws and regulations have significantly enhanced the protections of interest relating to foreign investments in China. However, since these laws and regulations are relatively new and the PRC legal system continues to evolve rapidly, the interpretations of such laws and regulations may not always be consistent, and enforcement of these laws and regulations involves significant uncertainties, any of which could limit the available legal protections.

In addition, the PRC administrative and judicial authorities have significant discretion in interpreting, implementing or enforcing statutory rules and contractual terms, and it may be more difficult to predict the outcome of administrative and judicial proceedings and the level of legal protection we may enjoy in the PRC than under some more developed legal systems. These uncertainties may affect our decisions on the policies and actions to be taken to comply with PRC laws and regulations, and may affect our ability to enforce our

contractual or tort rights. In addition, the regulatory uncertainties may be exploited through unmerited legal actions or threats in an attempt to extract payments or benefits from us. Such uncertainties may therefore increase our operating expenses and costs, and materially and adversely affect our business and results of operations.

Under the PRC Enterprise Income Tax Law, or the EIT Law, we may be classified as a PRC "resident enterprise," which could result in unfavorable tax consequences to us and our non-PRC shareholders.

The PRC enterprise income tax law and its implementing rules provide that enterprises established outside of China whose "de facto management bodies" are located in China are considered "resident enterprises" under PRC tax laws. The implementing rules define the term "de facto management bodies" as a management body which substantially manages, or has control over the business, personnel, finance and assets of an enterprise. On April 22, 2009, the State Administration of Taxation issued Circular 82, which provides that a foreign enterprise controlled by a PRC company or a group of PRC companies will be classified as a "resident enterprise" with its "de facto management body" located within China if all of the following requirements are satisfied: (1) the senior management and core management departments in charge of its daily operations function are mainly in China; (2) its financial and human resources decisions are subject to determination or approval by persons or bodies in China; (3) its major assets, accounting books, company seals, and minutes and files of its board and shareholders' meetings are located or kept in China; and (4) at least half of the enterprise's directors with voting right or senior management reside in China. The State Administration of Taxation issued a bulletin on August 3, 2011 to provide more guidance on the implementation of Circular 82. The bulletin clarifies certain matters relating to resident status determination, post-determination administration and competent tax authorities.

In addition, the State Administration of Taxation issued a bulletin on January 29, 2014 to provide more guidance on the implementation of Circular 82. This bulletin further provides that, among other things, an entity that is classified as a "resident enterprise" in accordance with the circular shall file the application for classifying its status of residential enterprise with the local tax authorities where its main domestic investors are registered. From the year in which the entity is determined to be a "resident enterprise," any dividend, profit and other equity investment gain shall be taxed in accordance with the enterprise income tax law and its implementing rules.

As the tax resident status of an enterprise is subject to the determination by the PRC tax authorities, if we are deemed a PRC "resident enterprise," we will be subject to PRC enterprise income tax on our worldwide income at a uniform tax rate of 25.0%, although dividends distributed to us from our existing PRC subsidiaries and any other PRC subsidiaries which we may establish from time to time could be exempt from the PRC dividend withholding tax due to our PRC "resident recipient" status. This could have a material adverse effect on our overall effective tax rate, our income tax expenses and our net income. Furthermore, dividends, if any, paid to our shareholders and ADS holders may be decreased as a result of the decrease in distributable profits. In addition, if we were to be considered a PRC "resident enterprise," dividends we pay with respect to our ADSs or ordinary shares and the gains realized from the transfer of our ADSs or ordinary shares may be considered income derived from sources within China and be subject to PRC withholding tax, at a rate of 10.0% in the case of non-PRC enterprises or 20.0% in the case of non-PRC individuals, which could have a material adverse effect on the value of your investment in us and the price of our ADSs.

There are significant uncertainties under the EIT Law relating to the withholding tax liabilities of our PRC subsidiaries, and dividends payable by our PRC subsidiaries to our offshore subsidiaries may not qualify to enjoy certain treaty benefits.

Under the PRC enterprise income tax and its implementation rules, the profits of a foreign-invested enterprise generated through operations, which are distributed to its immediate holding company outside China, will be subject to a withholding tax rate of 10.0%. Pursuant to a special arrangement between Hong Kong and China, such rate may be reduced to 5.0% if a Hong Kong resident enterprise owns more than 25.0% of the equity interest in the PRC company. Our current PRC subsidiaries are wholly owned by our Hong Kong subsidiary,

Rise HK. Accordingly, Rise HK may qualify for a 5.0% tax rate in respect of distributions from its PRC subsidiaries. Under the Notice of the State Administration of Taxation on Issues regarding the Administration of the Dividend Provision in Tax Treaties promulgated on February 20, 2009, the taxpayer needs to satisfy certain conditions to enjoy the benefits under a tax treaty. These conditions include: (1) the taxpayer must be the beneficial owner of the relevant dividends, and (2) the corporate shareholder to receive dividends from the PRC subsidiaries must have continuously met the direct ownership thresholds during the 12 consecutive months preceding the receipt of the dividends. Further, the State Administration of Taxation promulgated the Notice on How to Understand and Recognize the "Beneficial Owner" in Tax Treaties on October 27, 2009, which limits the "beneficial owner" to individuals, enterprises or other organizations normally engaged in substantive operations, and sets forth certain detailed factors in determining the "beneficial owner" status.

Entitlement to a lower tax rate on dividends according to tax treaties or arrangements between the PRC central government and governments of other countries or regions is subject to SAT Circular 60 which provides that non-resident enterprises are not required to obtain pre-approval from the relevant tax authority in order to enjoy the reduced withholding tax. Instead, non-resident enterprises and their withholding agents may, by self-assessment and on confirmation that the prescribed criteria to enjoy the tax treaty benefits are met, directly apply the reduced withholding tax rate, and file necessary forms and supporting documents when performing tax filings, which will be subject to post-tax filing examinations by the relevant tax authorities. As a result, we cannot assure you that we will be entitled to any preferential withholding tax rate under tax treaties for dividends received from our PRC subsidiaries.

We may be subject to discontinuation or revocation of any of the preferential tax treatments and government subsidies or imposition of any additional taxes and surcharges.

Rise Tianjin, or the WFOE, was granted certain governmental subsidies in 2016 and these governmental subsidies remain effective as of the date of this prospectus. Pursuant to the letter agreement that we entered into with the local government in Tianjin, the local government agreed to provide us subsidies based on the value-added tax, business tax and enterprise income tax until 2020. Nevertheless, the government agencies may decide to reduce, eliminate or cancel subsidies at any time. We cannot assure you of the continued availability of the government incentives and subsidies currently enjoyed by the WFOE. The discontinuation of these governmental incentives and subsidies could adversely affect our financial condition and results of operations. We face uncertainties with respect to indirect transfers of the equity interests in PRC resident enterprises by their non-PRC holding companies.

Pursuant to the Notice on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-PRC Resident Enterprises, or Circular 698, issued by the State Administration of Taxation on December 10, 2009, where a foreign investor transfers the equity interests in a PRC resident enterprise indirectly via disposition of the equity interests of an overseas holding company, and such overseas holding company is located in a tax jurisdiction that (1) has an effective tax rate less than 12.5% or (2) does not tax foreign income of its residents, the foreign investor shall report the indirect transfer to the competent PRC tax authority. The PRC tax authority will examine the nature of such indirect transfer, and if the tax authority considers that the foreign investor has adopted an "abusive arrangement" in order to reduce, avoid or defer PRC taxes, it may disregard the existence of the overseas holding company and re-characterize the indirect transfer such that gains derived from such indirect transfer may be subject to PRC withholding tax at a rate of up to 10.0%. Circular 698 also provides that, where a non-PRC resident enterprise transfers its equity interests in a PRC resident enterprise to its related parties at a price lower than the fair market value, the competent tax authority has the power to make a reasonable adjustment to the taxable income of the transaction. Circular 698 is retroactively effective from January 1, 2008.

There is uncertainty as to the application of Circular 698. For example, while the term "indirect transfer" is not clearly defined, it is understood that the relevant PRC tax authorities have jurisdiction regarding requests for information over a wide range of foreign entities having no direct contact with China. Moreover, the relevant authority has not yet promulgated any formal provisions or formally declared or stated how to calculate the

effective tax rates in foreign tax jurisdictions, and the process and format of the reporting of an Indirect Transfer to the competent tax authority of the relevant PRC resident enterprise remain unclear. In addition, there are no formal declarations with regard to how to determine whether a foreign investor has adopted an abusive arrangement in order to reduce, avoid or defer PRC tax.

The State Administration of Taxation issued Bulletin on Several Issues concerning the Enterprise Income Tax on the Indirect Transfers of Properties by Non-Resident Enterprises, or Bulletin 7, on February 3, 2015, which replaced or supplemented certain previous rules under Circular 698. Under Bulletin 7, an "indirect transfer" of assets, including equity interests in a PRC resident enterprise, by non-PRC resident enterprises may be re-characterized and treated as a direct transfer of PRC taxable assets, if such arrangement does not have a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax. According to Bulletin 7, "PRC taxable assets" include assets attributed to an establishment in China, immoveable properties in China, and equity investments in PRC resident enterprises. In respect of an indirect offshore transfer of assets of a PRC establishment, the relevant gain is to be regarded as effectively connected with the PRC establishment and therefore included in its enterprise income tax filing, and would consequently be subject to PRC enterprise income tax at a rate of 25.0%. Where the underlying transfer relates to the immoveable properties in China or to equity investments in a PRC resident enterprise, which is not effectively connected to a PRC establishment of a non-resident enterprise, a PRC enterprise income tax at 10.0% would apply, subject to available preferential tax treatment under applicable tax treaties or similar arrangements, and the party who is obligated to make the transfer payments has the withholding obligation. There is uncertainty as to the implementation details of Bulletin 7. If Bulletin 7 was determined by the tax authorities to be applicable to some of our transactions involving PRC taxable assets, our offshore subsidiaries conducting the relevant transactions might be required to spend valuable resources to comply with Bulletin 7 or to establish that the relevant transactions should not be taxed under Bulletin 7.

As a result, we and our non-PRC shareholders may have the risk of being taxed for the disposition of our ordinary shares or ADS and may be required to spend valuable resources to comply with Circular 698 and Bulletin 7 or to establish that we or our non-PRC shareholders should not be taxed as an indirect transfer, which may have a material adverse effect on our financial condition and results of operations or the investment by non-PRC investors in us.

Restrictions on currency exchange may limit our ability to receive and use our revenues effectively.

Substantially all of our revenue is denominated in Renminbi. As a result, restrictions on currency exchange may limit our ability to use revenue generated in Renminbi to fund any business activities we may have outside China in the future or to make dividend payments to our shareholders and ADS holders in U.S. Dollars. Under current PRC laws and regulations, Renminbi is freely convertible for current account items, such as trade and service-related foreign exchange transactions and dividend distributions. However, Renminbi is not freely convertible for direct investment or loans or investments in securities outside China, unless such use is approved by SAFE. For example, foreign exchange transactions under our subsidiary's capital account, including principal payments in respect of foreign currency-denominated obligations, remain subject to significant foreign exchange controls and the approval requirement of SAFE. These limitations could affect our ability to obtain foreign exchange for capital expenditures.

Our PRC subsidiaries are permitted to declare dividends to our offshore subsidiary holding their equity interest, convert the dividends into a foreign currency and remit to its shareholder outside China. In addition, in the event that our PRC subsidiaries liquidate, proceeds from the liquidation may be converted into foreign currency and distributed outside China to our overseas subsidiary holding its equity interest. Furthermore, in the event that Beijing Step Ahead or any of its subsidiaries liquidates, our PRC subsidiary, Rise Tianjin, may, pursuant to the Proxy Agreement executed by Mr. Peng Zhang and Mr. Yiding Sun, require Beijing Step Ahead or any of its subsidiaries to pay and remit the proceeds from such liquidation to Rise Tianjin. Rise Tianjin then

may distribute such proceeds to us after converting them into foreign currency and remit them outside China in the form of dividends or other distributions. Once remitted outside China, dividends, distributions or other proceeds from liquidation paid to us will not be subject to restrictions under PRC regulations on its further transfer or use.

Other than the above distributions by and through our PRC subsidiaries which are permitted to be made without the necessity to obtain further approvals, any conversion of the Renminbi-denominated revenue generated by our consolidated affiliates for direct investment, loan or investment in securities outside China will be subject to the limitations discussed above. To the extent we need to convert and use any Renminbi-denominated revenue generated by our consolidated affiliates not paid to our PRC subsidiaries and revenues generated by our PRC subsidiaries not declared and paid as dividends, the limitations discussed above will restrict the convertibility of, and our ability to directly receive and use such revenue. As a result, our business and financial condition may be adversely affected. In addition, we cannot assure you that the PRC regulatory authorities will not impose more stringent restrictions on the convertibility of Renminbi in the future, especially with respect to foreign exchange transactions.

We face fluctuations in the value of the Renminbi.

The change in value of the Renminbi against the U.S. Dollar and other currencies is affected by, various factors, such as changes in China's political and economic conditions. On July 21, 2005, the PRC government changed its decade-old policy of pegging the value of the Renminbi to the U.S. Dollar. Under such policy, the Renminbi was permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. Later on, the People's Bank of China has decided to further implement the reform of the Renminbi exchange regime and to enhance the flexibility of Renminbi exchange rates. Such changes in policy have resulted in a significant appreciation of the Renminbi against the U.S. Dollar since 2005. There remains significant international pressure on the PRC government to adopt a more flexible currency policy, which could result in a further and more significant adjustment of the Renminbi against the U.S. Dollar. Any significant appreciation or revaluation of the Renminbi may have a material adverse effect on the value of, and any dividends payable on, our ADSs in foreign currency terms. More specifically, if we decide to convert our Renminbi into U.S. Dollars, appreciation of the U.S. Dollar against the Renminbi would have a negative effect on the U.S. Dollar amount available to us. To the extent that we need to convert U.S. Dollars we receive from our initial public offering into Renminbi for our operations, appreciation of the Renminbi against the U.S. Dollar would have an adverse effect on the Renminbi amount we would receive from the conversion. In addition, appreciation or depreciation in the exchange rate of the Renminbi to the U.S. Dollar could materially and adversely affect the price of our ADSs in U.S. Dollars without giving effect to any underlying change in our business or results of operations.

We may be required to obtain prior approval of CSRC of the listing and trading of our ADSs on the NASDAQ Global Select Market, or Nasdaq.

On August 8, 2006, six PRC regulatory authorities, including MOFCOM, the State Assets Supervision and Administration Commission, the State Administration of Taxation, the State Administration for Industry and Commerce, CSRC and SAFE, jointly issued the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rules. This regulation, among other things, requires that the listing and trading on an overseas stock exchange of securities in an offshore special purpose vehicle formed for purposes of holding direct or indirect equity interests in PRC companies and controlled directly or indirectly by PRC companies or individuals be approved by CSRC.

While the implementation and interpretation of the M&A Rules remains unclear, we believe, based on the advice of our PRC counsel, that approval by CSRC is not required for this offering. However, we cannot assure you that the relevant PRC regulatory authorities, including CSRC, would reach the same conclusion as our PRC counsel. If CSRC or other PRC regulatory authority subsequently determines that we need to obtain CSRC's approval for this offering, we may face sanctions by CSRC or other PRC regulatory authorities. In such event,

these regulatory authorities may, among other things, impose fines and penalties on or otherwise restrict our operations in China or delay or restrict any remittance of the proceeds from this offering into China. CSRC or other PRC regulatory agencies may also take actions requiring us, or making it advisable for us, to suspend or terminate this offering before settlement and delivery of the ADSs. Any such or other actions taken could have a material adverse effect on our business, financial condition, results of operations, reputation and prospects, as well as the trading price of our ADSs.

Certain PRC regulations, including the M&A Rules and national security regulations, may require a complicated review and approval process which could make it difficult for us to pursue growth through acquisitions in China.

The M&A Rules established additional procedures and requirements that could make merger and acquisition activities in China by foreign investors more time-consuming and complex. For example, MOFCOM must be notified in the event a foreign investor takes control of a PRC domestic enterprise. Although the amendment to the M&A Rules in 2016 generally eased the restrictions imposed on merger and acquisition activities, certain acquisitions of domestic companies by offshore companies that are related to or affiliated with the same entities or individuals of the domestic companies, are still subject to approval by MOFCOM.

The Anti-Monopoly Law promulgated by the Standing Committee of the National People's Congress, or NPC, on August 30, 2007 (effective on August 1, 2008) requires certain concentrated transactions or transactions involving parties above specified turnover thresholds to be reported to MOFCOM. On February 3, 2011, the General Office of the State Council promulgated a Notice on Establishing the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Lenders, which officially established a security review system to monitor such transactions. In addition, the Implementing Rules Concerning Security Review on Mergers and Acquisitions by Foreign Investors of Domestic Enterprises, issued by MOFCOM in August 2011, require that mergers and acquisitions by foreign investors in "any industry with national security concerns" be subject to national security review by MOFCOM. In addition, any activities attempting to circumvent such review process, including structuring the transaction through a proxy or contractual control arrangement, are strictly prohibited.

There is significant uncertainty regarding the interpretation and implementation of these regulations relating to merger and acquisition activities in China. In addition, complying with these requirements could be time-consuming, and the required notification, review or approval process may materially delay or affect our ability to complete merger and acquisition transactions in China. As a result, our ability to seek growth through acquisitions may be materially and adversely affected.

PRC regulations relating to foreign exchange registration of overseas investment by PRC residents may subject our PRC resident beneficial owners or our PRC subsidiary to liability or penalties, limit our ability to inject capital into these subsidiaries, limit PRC subsidiary's ability to increase their registered capital or distribute profits to us, or may otherwise adversely affect us.

SAFE has promulgated regulations, including the Notice on Relevant Issues Relating to Foreign Exchange Control on Domestic Residents' Investment and Financing and Round-Trip Investment through Special Purpose Vehicles, or Circular 37, effective on July 4, 2014, and its appendices, that require PRC residents, including PRC institutions and individuals, to register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in Circular 37 as a "special purpose vehicle." The term "control" under Circular 37 is broadly defined as the operation rights, beneficiary rights or decision-making rights acquired by the PRC residents in the offshore special purpose vehicles by such means as acquisition, trust, proxy, voting rights, repurchase, convertible bonds or other arrangements. Circular 37 further requires amendment to the registration in the event of any significant changes with respect to the special purpose vehicle, such as increase or decrease of capital contributed by PRC

individuals, share transfer or exchange, merger, division or other material event. In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from making profit distributions to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiaries. Further, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for foreign exchange evasion.

These regulations apply to our direct and indirect shareholders who are PRC residents and may apply to any offshore acquisitions or share transfers that we make in the future if our shares are issued to PRC residents. However, in practice, different local SAFE branches may have different views and procedures on the application and implementation of SAFE regulations, and since Circular 37 was recently issued, there remains uncertainty with respect to its implementation. We cannot assure you that any shareholders or beneficial owners of our company who are PRC residents will be able to successfully complete the registration or update the registration of their direct and indirect equity interest as required in the future. If any of them fail to make or update the registration, our PRC subsidiaries could be subject to fines and legal penalties, and SAFE could restrict our cross-border investment activities and our foreign exchange activities, including restricting our PRC subsidiaries' ability to distribute dividends to, or obtain loans denominated in foreign currencies from, our company, or prevent us from contributing additional capital into our PRC subsidiaries. As a result, our business operations and our ability to make distributions to you could be materially and adversely affected.

We face regulatory uncertainties in China that could restrict our ability to grant share incentive awards to our employees or consultants who are PRC citizens.

Pursuant to the Notices on Issues concerning the Foreign Exchange Administration for Domestic Individuals Participating in a Stock Incentive Plan of an Overseas Publicly-Listed Company issued by SAFE on February 15, 2012, or Circular 7, a qualified PRC agent (which could be the PRC subsidiary of the overseas-listed company) is required to file, on behalf of "domestic individuals" (both PRC residents and non-PRC residents who reside in China for a continuous period of not less than one year, excluding the foreign diplomatic personnel and representatives of international organizations) who are granted shares or share options by the overseas-listed company according to its share incentive plan, an application with SAFE to conduct SAFE registration with respect to such share incentive plan, and obtain approval for an annual allowance with respect to the purchase of foreign exchange in connection with the share purchase or share option exercise. Such PRC individuals' foreign exchange income received from the sale of shares and dividends distributed by the overseas listed company and any other income shall be fully remitted into a collective foreign currency account in China, which is opened and managed by the PRC domestic agent before distribution to such individuals. In addition, such domestic individuals must also retain an overseas entrusted institution to handle matters in connection with their exercise of share options and their purchase and sale of shares. The PRC domestic agent also needs to update registration with SAFE within three months after the overseas-listed company materially changes its share incentive plan or make any new share incentive plans.

When we grant share options to our employees under our ESOP Plan, from time to time, we need to apply for or update our registration with SAFE or its local branches on behalf of our employees or consultants who receive options or other equity-based incentive grants under our share incentive plan or material changes in our share incentive plan. However, we may not always be able to make applications or update our registration on behalf of our employees or consultants who hold any type of share incentive awards in compliance with Circular 7, nor can we ensure you that such applications or update of registration will be successful. If we or the participants of our share incentive plan who are PRC citizens fail to comply with Circular 7, we and/or such participants of our share incentive plan may be subject to fines and legal sanctions, there may be additional restrictions on the ability of such participants to exercise their share options or remit proceeds gained from sale of their shares into China, and we may be prevented from further granting share incentive awards under our share incentive plan to our employees or consultants who are PRC citizens.

Labor contract laws and Social Insurance Law in China may adversely affect our results of operations.

The current PRC labor contract law imposes greater liabilities on employers and significantly affects the cost of an employer's decision to reduce its workforce. Further, it requires certain terminations be based on the mandatory retirement age. In the event we decide to significantly change or decrease our workforce, the Labor Contract Law could adversely affect our ability to enact such changes in a manner that is most advantageous to our business or in a timely and cost-effective manner, thus materially and adversely affecting our financial condition and results of operations.

Failure to make adequate contributions to various employee benefit plans as required by PRC regulations may subject us to penalties.

The PRC economy has been experiencing significant growth, leading to inflation and increased labor costs. China's overall economy and the average wage in China are expected to continue to grow. In addition, we are required by PRC laws and regulations to pay various statutory employee benefits, including pensions, housing fund, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance to designated government agencies for the benefit of our employees. It is subject to the determination of the relevant government agencies whether an employer has made adequate payments of the requisite statutory employee benefits, and employers that fail to make adequate payments may be subject to late payment fees, fines and/or other penalties. Future increases in China's inflation and material increases in labor costs and employee benefits may materially and adversely affect our profitability and results of operations unless we are able to pass on these costs to students by increasing tuition.

We face risks related to natural disasters, health epidemics or terrorist attacks in China.

Our business could be materially and adversely affected by natural disasters, such as earthquakes, floods, landslides, tornados and tsunamis, outbreaks of health epidemics such as avian influenza and severe acute respiratory syndrome, or SARS, and Influenza A virus, such as H5N1 subtype and H5N2 subtype flu viruses, as well as terrorist attacks, other acts of violence or war or social instability in the regions in which we operate or those generally affecting China. If any of these occur, our learning centers and facilities may be required to temporarily or permanently close and our business operations may be suspended or terminated. Students, teachers and staff may also be negatively affected by such event. In, addition, any of these could adversely affect the PRC economy and demographics of the affected region, which could cause significant declines in the number of students in that region and could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Our ADSs and this Offering

We are an emerging growth company within the meaning of the Securities Act and may take advantage of certain reduced reporting requirements.

We are an "emerging growth company," as defined in the JOBS Act, and we may take advantage of certain exemptions from requirements applicable to other public companies that are not emerging growth companies including, most significantly, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002 for so long as we are an emerging growth company until the fifth anniversary from the date of our initial listing. As a result, if we elect not to comply with such auditor attestation requirements, our investors may not have access to certain information they may deem important.

The JOBS Act also provides that an emerging growth company does not need to comply with any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or revised accounting standards. However, we have elected to "opt out" of this provision and, as a result, we will comply with new or revised accounting standards as required when they are adopted for public companies. This decision to opt out of the extended transition period under the JOBS Act is irrevocable.

An active trading market for our ordinary shares or our ADSs may not develop and the trading price for our ADSs may fluctuate significantly.

Prior to this offering, there has been no public market for our ADSs or the ordinary shares underlying our ADSs. We intend to apply for listing our ADSs on the Nasdaq, but we cannot assure you that a liquid public market for our ADSs will develop. If an active public market for our ADSs does not develop following the completion of this offering, the market price and liquidity of our ADSs may be materially and adversely affected. The initial public offering price for our ADSs was determined by negotiation among us and the underwriters based upon several factors, and the trading price of our ADSs after this offering may decline below the initial public offering price. As a result, investors in our securities may experience a significant decrease in the value of their ADSs due to insufficient or a lack of market liquidity of the ADSs.

The trading price of our ADSs is likely to be volatile, which could result in substantial losses to investors.

The trading price of our ADSs is likely to be volatile and could fluctuate widely due to factors beyond our control. This may happen because of broad market and industry factors, akin to the performance and fluctuation of the market prices of other companies with business operations located mainly in China that have listed their securities in the United States. A number of Chinese companies have listed or are in the process of listing their securities on U.S. stock markets. The securities of some of these companies have experienced significant volatility, including price declines in connection with their initial public offerings. The trading performances of these Chinese companies' securities after their offerings may affect the perception and attitudes of investors toward Chinese companies listed in the United States in general and consequently may impact the trading performance of our ADSs, regardless of our actual operating performance.

In addition to market and industry factors, the price and trading volume for our ADSs may be highly volatile due to a number of factors, including the following:

- regulatory developments affecting us or our industry, and customers of our education services;
- actual or anticipated fluctuations in our quarterly results of operations and changes or revisions of our expected results;
- changes in the market condition, market potential and competition in education services;
- announcements by us or our competitors of new education services, expansions, investments, acquisitions, strategic partnerships or joint ventures;
- fluctuations in global and Chinese economies;
- changes in financial estimates by securities analysts;
- adverse publicity about us;
- additions or departures of our key personnel and senior management;
- release of lock-up or other transfer restrictions on our outstanding equity securities or sales of additional equity securities; and
- potential litigation or regulatory investigations.

Any of these factors may result in large and sudden changes in the volume and price at which our ADSs will trade.

In the past, shareholders of public companies have often brought securities class action suits against those companies following periods of instability in the market price of their securities. If we were involved in a class action suit, it could divert a significant amount of our management's attention and other resources from our business and operations and require us to incur significant expenses to defend the suit, which could harm our

results of operations. Any such class action suit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material adverse effect on our financial condition and results of operations.

Substantial future sales or perceived potential sales of our ADSs in the public market could cause the price of our ADSs to decline.

Sales of substantial amounts of our ADSs in the public market after the completion of this offering, or the perception that these sales could occur, could adversely affect the market price of our ADSs. In connection with this offering, we and our officers, directors, shareholders and certain option holders have agreed not to sell any ordinary shares or ADSs for 180 days after the date of this prospectus without the prior written consent of the underwriters, subject to certain exceptions. Upon the completion of this offering, we will have ordinary shares outstanding, all of which are represented by ADSs, assuming the underwriters do not exercise their option to purchase additional ADSs. The ADSs sold in this offering will be freely tradable without restriction or further registration under the Securities Act. The remaining ordinary shares outstanding immediately after this offering will be available for sale, upon the expiration of the 180-day lock-up period, subject to volume and other restrictions as applicable under Rules 144 and 701 under the Securities Act. In addition, the underwriters may exercise the discretion to release the securities held by the parties subject to the lock-up restriction prior to the expiration of the lock-up period. If the securities subject to lock-up are released before the expiration of the lock-up period, their sale or perceived sale into the market may cause the price of our ADSs to decline. See “Underwriting” and “Shares Eligible for Future Sale” for a more detailed description of the restrictions on selling our securities after this offering.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, the market price for our ADSs and trading volume could decline.

The trading market for our ADSs will depend in part on the research and reports that securities or industry analysts publish about us or our business. If research analysts do not establish and maintain adequate research coverage or if one or more of the analysts who covers us downgrades our ADSs or publishes inaccurate or unfavorable research about our business, the market price for our ADSs would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume for our ADSs to decline.

Because we do not expect to pay dividends in the foreseeable future after this offering, you must rely on price appreciation of our ADSs for return on your investment.

We currently intend to retain most, if not all, of our available funds and any future earnings after this offering to fund the development and growth of our business. As a result, we do not expect to pay any cash dividends in the foreseeable future. Therefore, you should not rely on an investment in our ADSs as a source for any future dividend income.

Our board of directors has complete discretion as to whether to distribute dividends, subject to applicable laws. Even if our board of directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your investment in our ADSs will likely depend entirely upon any future price appreciation of our ADSs. We cannot guarantee that our ADSs will appreciate in value after this offering or even maintain the price at which you purchased the ADSs. You may not realize a return on your investment in our ADSs and you may even lose your entire investment in our ADSs.

Because the initial public offering price is substantially higher than the pro forma net tangible book value per share, you will experience immediate and substantial dilution.

If you purchase ADSs in this offering, you will pay more for each ADS on a per share basis than the corresponding amount paid by existing shareholders for their ordinary shares. As a result, you will experience immediate and substantial dilution of approximately US$ per ADS. This number represents the difference between our pro forma net tangible book value per ADS as of June 30, 2017, after giving effect to this offering and the assumed initial public offering price of US$ per ADS, which is the mid-point of the estimated range of the initial public offering price shown on the cover page of this prospectus. See “Dilution” for a more complete description of how the value of your investment in our ADSs will be diluted upon the completion of this offering.

We may be a passive foreign investment company for United States federal income tax purposes, which could result in adverse United States federal income tax consequences to United States investors in the ADSs or ordinary shares.

We will be a “passive foreign investment company,” or PFIC, if, in the case of any particular taxable year, either (1) 75.0% or more of our gross income for such year consists of certain types of passive income, or (2) 50.0% or more of the average quarterly value of our assets during such year produce or are held for the production of passive income. Although the law in this regard is unclear, we treat our consolidated affiliates as being owned by us for United States federal income tax purposes, not only because we exercise effective control over the operation of such entities but also because we are entitled to substantially all of their economic benefits, and, as a result, we consolidate their results of operation in our financial statements. Assuming that we are the owner of our consolidated affiliates for United States federal income tax purposes, and based upon our current income and assets (taking into account the expected proceeds from this offering) and projections as to the market value of our ADSs immediately following the offering, we do not expect to be a PFIC for the current taxable year or the foreseeable future. If it were determined, however, that we are not the owner of any of our consolidated affiliated entities for United States federal income tax purposes, the composition of our income and assets would change and we may be a PFIC for the current or any subsequent taxable year.

While we do not expect to be a PFIC in the current or future taxable years, the determination of whether we are or will become a PFIC will depend upon the composition of our income (which may differ from our historical results and current projections) and assets and the value of our assets from time to time, including, in particular, the value of our goodwill and other unbooked intangibles (which may depend upon the market value of our ADSs from time-to-time and may be volatile). In estimating the value of our goodwill and other unbooked intangibles, we have taken into account our anticipated market capitalization following the close of this offering. Among other matters, if our market capitalization is less than anticipated or subsequently declines, we may be a PFIC for the current or future taxable years. It is also possible that the Internal Revenue Service may challenge our classification or valuation of our goodwill and other unbooked intangibles, which may result in our company being, or becoming, a PFIC for the current taxable year or future taxable years.

The determination of whether we will be or become a PFIC may also depend, in part, on how, and how quickly, we use our liquid assets and the cash raised in this offering. Under circumstances where we retain significant amounts liquid assets including cash raised in this offering, or if our consolidated affiliates were not treated as owned by us for United States federal income tax purposes, our risk of being a PFIC may substantially increase. Because there are uncertainties in the application of the relevant rules and PFIC status is a factual determination made annually after the close of each taxable year, we cannot assure you that we will not be a PFIC for the current taxable year or any future taxable year. If we are a PFIC in any taxable year, a United States Holder (as defined in “Taxation—United States Federal Income Tax Considerations”) may incur significantly increased United States federal income tax on gain recognized on the sale or other disposition of the ADSs or ordinary shares and on the receipt of distributions on the ADSs or ordinary shares to the extent such gain or distribution is treated as an ‘‘excess distribution’’ under the United States federal income tax rules, and such

holders may be subject to burdensome reporting requirements. Further, if we are a PFIC for any year during which a United States Holder holds our ADSs or ordinary shares, we generally will continue to be treated as a PFIC for all succeeding years during which such U.S. Holder holds our ADSs or ordinary shares. For more information, see “Taxation—United States Federal Income Tax Considerations—Passive Foreign Investment Company Rules.”

Our memorandum and articles of association that will become effective immediately prior to the completion of this offering contain anti-takeover provisions that could have a material adverse effect on the rights of holders of our ordinary shares and ADSs.

We plan to adopt an amended and restated memorandum and articles of association that will become effective immediately prior to the completion of this offering. Our post-offering memorandum and articles of association contain provisions to limit the ability of others to acquire control of our company or cause us to engage in change-of-control transactions. These provisions could have the effect of depriving our shareholders of an opportunity to sell their shares at a premium over prevailing market prices by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transaction. For example, our board of directors has the authority subject to any resolution of the shareholders to the contrary, to issue preferred shares in one or more series and to fix their designations, powers, preferences, privileges, and relative participating, optional or special rights and the qualifications, limitations or restrictions, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights associated with our ordinary shares, in the form of ADS or otherwise. Preferred shares could be issued quickly with terms calculated to delay or prevent a change in control of our company or make removal of management more difficult. If our board of directors decides to issue preferred shares, the price of our ADSs may fall and the voting and other rights of the holders of our ordinary shares and ADSs may be materially and adversely affected.

You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under Cayman Islands law.

We are an exempted company incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our memorandum and articles of association, the Cayman Islands Company Law (2016 Revision as amended) and the common law of the Cayman Islands. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary responsibilities of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of our shareholders and the fiduciary responsibilities of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a less developed body of securities laws than the United States. Some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. In addition, Cayman Islands companies may not have standing to initiate a shareholder derivative action in a federal court of the United States. The Cayman Islands courts are also unlikely (1) to recognize or enforce against us judgments of courts of the United States based on certain civil liability provisions of U.S. securities laws, or (2) to impose liabilities against us, in original actions brought in the Cayman Islands, based on certain civil liability provisions of U.S. securities laws that are penal in nature. There is no statutory recognition in the Cayman Islands of judgments obtained in the United States, although the courts of the Cayman Islands will in certain circumstances recognize and enforce a non-penal judgment of a foreign court of competent jurisdiction without retrial on the merits.

As a result of all of the above, our public shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of the board of directors or large shareholders than they would as public shareholders of a company incorporated in the United States. For a discussion of significant

differences between the provisions of the Cayman Islands Company Law (2016 Revision as amended) and the laws applicable to companies incorporated in the United States and their shareholders, see “Description of Share Capital—Differences in Corporate Law.”

Certain judgments obtained against us by our shareholders may not be enforceable.

We are a Cayman Islands company and all of our assets are located outside of the United States.

Substantially all of our current operations are conducted in China. In addition, a majority of our current directors and officers are nationals and residents of countries other than the United States. Substantially all of the assets of these persons are located outside the United States. As a result, it may be difficult or impossible for you to bring an action against us or against these individuals in the United States in the event that you believe that your rights have been infringed under the U.S. federal securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands and of China may render you unable to enforce a judgment against our assets or the assets of our directors and officers. For more information regarding the relevant laws of the Cayman Islands and China, see “Enforceability of Civil Liabilities.”

We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to United States domestic public companies.

Because we are a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including:

- the rules under the Exchange Act requiring the filing of quarterly reports on Form 10-Q or current
- reports on Form 8-K with the SEC;
- the sections of the Exchange Act regulating the solicitation of proxies, consents, or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the selective disclosure rules by issuers of material nonpublic information under Regulation FD.

We will be required to file an annual report on Form 20-F within four months of the end of each fiscal year.

In addition, we intend to publish our results on a quarterly basis through press releases, distributed pursuant to the rules and regulations of the Nasdaq. Press releases relating to financial results and material events will also be furnished to the SEC on Form 6-K. However, the information we are required to file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. As a result, you may not be afforded the same protections or information, which would be made available to you, were you investing in a U.S. domestic issuer.

As a company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from Nasdaq corporate governance listing standards; these practices may afford less protection to shareholders than they would enjoy if we complied fully with Nasdaq corporate governance listing standards.

As a Cayman Islands company listed on the Nasdaq, we are subject to Nasdaq corporate governance listing standards. However, the Nasdaq rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in the Cayman Islands, which is our home country, may differ significantly from Nasdaq corporate governance listing standards. Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate

records or to obtain copies of lists of shareholders of these companies. Our directors have discretion under our articles of association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest. Certain corporate governance practices in the Cayman Islands, which is our home country, differ significantly from requirements for companies incorporated in other jurisdictions such as the United States. To the extent we choose to follow home country practice with respect to corporate governance matters, our shareholders may be afforded less protection than they otherwise would under rules and regulations applicable to U.S. domestic issuers.

The voting rights of holders of ADSs are limited by the terms of the deposit agreement, and you may not be able to exercise your right to vote your ordinary shares.

As a holder of our ADSs, you will only be able to exercise the voting rights with respect to the underlying ordinary shares in accordance with the provisions of the deposit agreement. Under the deposit agreement, you must vote by giving voting instructions to the depositary. Upon receipt of your voting instructions, the depositary will vote the underlying ordinary shares in accordance with these instructions. You will not be able to directly exercise your right to vote with respect to the underlying shares unless you withdraw the shares. Under our amended and restated memorandum and articles of association that will become effective immediately upon completion of this offering, the minimum notice period required for convening a general meeting is 10 days. When a general meeting is convened, you may not receive sufficient advance notice to withdraw the shares underlying your ADSs to allow you to vote with respect to any specific matter. If we ask for your instructions, the depositary will notify you of the upcoming vote and will arrange to deliver our voting materials to you. We cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote your shares. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for their manner of carrying out your voting instructions. This means that you may not be able to exercise your right to vote and you may have no legal remedy if the shares underlying your ADSs are not voted as you requested.

The depositary for our ADSs will give us a discretionary proxy to vote our ordinary shares underlying your ADSs if you do not vote at shareholders' meetings, except in limited circumstances, which could adversely affect your interests and the ability of our shareholders as a group to influence the management of our company.

Under the deposit agreement for the ADSs, if you do not vote, the depositary will give us a discretionary proxy to vote our ordinary shares underlying your ADSs at shareholders' meetings unless:

- we have failed to timely provide the depositary with notice of meeting and related voting materials;
- we have instructed the depositary that we do not wish a discretionary proxy to be given;
- we have informed the depositary that there is substantial opposition as to a matter to be voted on at the meeting; or
- a matter to be voted on at the meeting would have a material adverse impact on shareholders.

The effect of this discretionary proxy is that if you do not vote at shareholders' meetings, you cannot prevent our ordinary shares underlying your ADSs from being voted, except under the circumstances described above. This may make it more difficult for shareholders to influence the management of our company. Holders of our ordinary shares are not subject to this discretionary proxy.

You may not receive dividends or other distributions on our ordinary shares and you may not receive any value for them, if it is illegal or impractical to make them available to you.

The depositary of our ADSs has agreed to pay to you the cash dividends or other distributions it or the custodian receives on ordinary shares or other deposited securities underlying our ADSs, after deducting its fees

and expenses. You will receive these distributions in proportion to the number of ordinary shares your ADSs represent. However, the depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any holders of ADSs. For example, it would be unlawful to make a distribution to a holder of ADSs if it consists of securities that require registration under the Securities Act but that are not properly registered or distributed under an applicable exemption from registration. The depositary may also determine that it is not feasible to distribute certain property through the mail. Additionally, the value of certain distributions may be less than the cost of mailing them. In these cases, the depositary may determine not to distribute such property. We have no obligation to register under U.S. securities laws any ADSs, ordinary shares, rights or other securities received through such distributions. We also have no obligation to take any other action to permit the distribution of ADSs, ordinary shares, rights or anything else to holders of ADSs. This means that you may not receive distributions we make on our ordinary shares or any value for them if it is illegal or impractical for us to make them available to you. These restrictions may cause a material decline in the value of our ADSs.

You may experience dilution of your holdings due to inability to participate in rights offerings.

We may, from time to time, distribute rights to our shareholders, including rights to acquire securities.

Under the deposit agreement, the depositary will not distribute rights to holders of ADSs unless the distribution and sale of rights and the securities to which these rights relate are either exempt from registration under the Securities Act with respect to all holders of ADSs, or are registered under the provisions of the Securities Act. The depositary may, but is not required to, attempt to sell these undistributed rights to third parties, and may allow the rights to lapse. We may be unable to establish an exemption from registration under the Securities Act, and we are under no obligation to file a registration statement with respect to these rights or underlying securities or to endeavor to have a registration statement declared effective. Accordingly, holders of ADSs may be unable to participate in our rights offerings and may experience dilution of their holdings as a result.

You may be subject to limitations on the transfer of your ADSs.

Your ADSs are transferable on the books of the depositary. However, the depositary may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depositary may close its books from time to time for a number of reasons, including in connection with corporate events such as a rights offering, during which time the depositary needs to maintain an exact number of ADS holders on its books for a specified period. The depositary may also close its books in emergencies, and on weekends and public holidays. The depositary may refuse to deliver, transfer or register transfers of our ADSs generally when our share register or the books of the depositary are closed, or at any time if we or the depositary thinks it is advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason.

We will incur increased costs as a result of being a public company.

Upon completion of this offering, we will become a public company and expect to incur significant accounting, legal and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act, as well as rules subsequently implemented by the SEC and the Nasdaq, have detailed requirements concerning corporate governance practices of public companies, including Section 404 of the Sarbanes-Oxley Act of 2002 relating to internal controls over financial reporting. We expect these rules and regulations applicable to public companies to increase our accounting, legal and financial compliance costs and to make certain corporate activities more time-consuming and costly. Our management will be required to devote substantial time and attention to our public company reporting obligations and other compliance matters. We are currently evaluating and monitoring developments with respect to these rules and regulations, and we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. Our reporting and other compliance

obligations as a public company may place a strain on our management, operational and financial resources and systems for the foreseeable future.

In the past, shareholders of a public company often brought securities class action suits against the company following periods of instability in the market price of that company's securities. If we were involved in a class action suit, it could divert a significant amount of our management's attention and other resources from our business and operations, which could harm our results of operations and require us to incur significant expenses to defend the suit. Any such class action suit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material adverse effect on our financial condition and results of operations.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS AND INDUSTRY DATA

This prospectus contains forward-looking statements that involve risks and uncertainties. All statements other than statements of current or historical facts are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, including those listed under “Risk Factors,” that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.

In some cases, you can identify these forward-looking statements by words or phrases such as “may,” “will,” “expect,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “likely to” or other similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include statements about:

- our goals and strategies;
- our ability to retain and increase our student enrollment;
- our ability to offer new courses and develop supplementary course materials;
- our ability to engage, train and retain new teachers;
- our future business development, financial condition and results of operations;
- the expected growth in, market size of and trends in the markets for our course offerings in China;
- expected changes in our revenues, costs or expenditures;
- our expectations for demand for and market acceptance of our brand;
- our expectations for the use of proceeds from this offering;
- growth of and trends of competition in the junior ELT market in China;
- government policies and regulations relating to our corporate structure, business and industry; and
- general economic and business conditions in China.

You should read this prospectus and the documents that we refer to in this prospectus with the understanding that our actual future results may be materially different from and worse than what we expect. Other sections of this prospectus include additional factors which could adversely impact our business and financial performance. Moreover, we operate in an evolving environment. New risk factors and uncertainties emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We qualify all of our forward-looking statements by these cautionary statements.

You should not rely upon forward-looking statements as predictions of future events. The forward-looking statements made in this prospectus relate only to events or information as of the date on which the statements are made in this prospectus. Except as required by law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should read this prospectus and the documents that we refer to in this prospectus and have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect.

This prospectus also contains statistical data and estimates that we obtained from industry publications and reports generated by government or third-party providers of market intelligence. Although we have not

independently verified the data, we believe that the publications and reports are reliable. See “Risk Factors—Risks Related to Our ADSs and this Offering—If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, the market price for our ADSs and trading volume could decline.”

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately US$ million, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, including all of the underwriting discounts and commissions of the selling shareholders. These estimates are based upon an assumed initial offering price of US$ per ADS, the mid-point of the estimated range of the initial public offering price shown on the front cover page of this prospectus. A US$1.00 change in the assumed initial public offering price of US$ per ADS would, in the case of an increase, increase and, in the case of a decrease, decrease the net proceeds of this offering by US$ million, or approximately US$ million if the underwriters exercise their option to purchase additional ADSs in full, under these assumptions. We will not receive any of the proceeds from the sale of ADSs by the selling shareholders

The primary purposes of this offering are to create a public market for our shares in the form of ADSs for the benefit of all shareholders, retain talented employees by providing them with equity incentives and obtain additional capital. We plan to use the net proceeds of this offering as follows:

- US$ million for repayment of bank loans;
- US$ million for business development, including business expansion through potential acquisitions;
- US$ million for investment in product development; and
- the remainder for working capital and other general corporate purposes.

The terms of our US$30 million short-term facility require us to repay it in full within ten business days of the completion of this offering. For details of this loan facility, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Cash Flows and Working Capital—Long-term loan.” No portion of the proceeds will be used to make payments to our affiliates. The amounts and timing of any expenditures will vary depending on the amount of cash generated by our operations, and the rate of growth, if any, of our business, and our plans and business conditions. The foregoing represents our current intentions based upon our present plans and business conditions to use and allocate the net proceeds of this offering. Our management will have significant flexibility in applying and discretion to apply the net proceeds of the offering. If an unforeseen event occurs or business conditions change, we may use the proceeds of this offering differently than as described in this prospectus.

As an offshore holding company, we are permitted under PRC laws and regulations to provide funding to our PRC subsidiaries through loans or capital contributions, subject to applicable regulatory approvals. We currently cannot make loans or capital contributions to our PRC subsidiary, Rise Tianjin, without first obtaining regulatory approvals, and if we decide to use the proceeds from this offering within the PRC, we cannot assure you that we will be able to obtain these regulatory approvals on a timely basis, if at all. See “Risk Factors—Risks Related to Our Corporate Structure—PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of this offering to make loans or additional capital contributions to our PRC subsidiaries and consolidated affiliates, which could materially and adversely affect our liquidity and our ability to fund and expand our business.” However, we do not plan to use the proceeds from this offering to provide funding to Rise Tianjin or to our VIE, its subsidiaries or schools and the uses specified above can generally be accomplished without transferring funds into the PRC. Moreover, we believe the current cash reserves held by Rise Tianjin, our VIE and its subsidiaries and schools, combined with the cash generated from their operating activities, will be sufficient for our operating and expansion needs within the PRC over the foreseeable future.

DIVIDEND POLICY

We do not have any present plan to pay any cash dividends on our ordinary shares in the foreseeable future after this offering. We currently intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business.

In September 2017, we paid cash dividends totaling US$87 million to our shareholders. Our board of directors has discretion as to whether to distribute dividends, subject to certain requirements of Cayman Islands law. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our directors. Under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. Even if our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant. If we pay any dividends on our ordinary shares, we will pay those dividends which are payable in respect of the ordinary shares underlying our ADSs to the depositary, as the registered holder of such ordinary shares, and the depositary then will pay such amounts to the ADS holders who will receive payment to the same extent as holders of our ordinary shares, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. See “Description of American Depositary Shares.” Cash dividends on our ordinary shares, if any, will be paid in U.S. Dollars.

We are a holding company incorporated in the Cayman Islands. For our cash requirements, including any payment of dividends to our shareholders, we rely on dividends distributed by our subsidiaries in Hong Kong, Cayman Islands and the PRC. PRC regulations may restrict the ability of our PRC subsidiary to pay dividends to us. For example, dividend distributions from our PRC subsidiary to us are subject to PRC taxes, including withholding tax. In addition, regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits as determined in accordance with its articles of association and the accounting standards and regulations in China. See “Risk Factors—Risks Related to our Corporate Structure—We rely on dividends, fees and other distributions paid by our PRC subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiaries to make payments to us could hinder our ability to conduct our business.”

CAPITALIZATION

The following table sets forth our capitalization as of June 30, 2017:

- on an actual basis;
- on a pro forma basis to reflect (i) the drawdown of US$110.0 million under a loan facility agreement amended and restated in September 2017 and (ii) our payment of cash dividends of US$87.0 million to our shareholders in September 2017; and
- on a pro forma as adjusted basis to reflect (i) the drawdown of US$110.0 million under a loan facility agreement amended and restated in September 2017, (ii) our payment of cash dividends of US$87.0 million to our shareholders in September 2017 and (iii) the issuance and sale of ordinary shares in the form of ADSs by us in this offering at an assumed initial public offering price of US$ per ADS, the mid-point of the estimated range of the initial public offering price shown on the front cover of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

You should read this table together with our consolidated financial statements and the related notes included elsewhere in this prospectus and the information under "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	As of June 30, 2017					
	Actual		Pro Forma(1)(2)		Pro Forma as adjusted(2)(3)	
	RMB	US$	RMB	US$	RMB	US$
	(thousands, except for share and per share data)					
Long-term loan	327,270	48,275	745,723	110,000		
Shareholders' Equity:						
Ordinary shares (US$0.01 par value; 200,000,000 shares authorized, 100,000,000 shares issued and outstanding on an actual basis and shares issued and outstanding on a pro forma basis)	6,120	903	6,120	903		
Additional paid-in capital	452,369	66,728	—	—		
Statutory reserves	32,511	4,796	32,511	4,796		
Accumulated deficit	(74,176)	(10,942)	(211,606)	(31,214)		
Accumulated other comprehensive income	46,770	6,899	46,770	6,899		
Total RISE Education Cayman Ltd shareholders' equity/(deficit)	463,594	68,384	(126,205)	(18,616)		
Non-controlling interests	(11,034)	(1,628)	(11,034)	(1,628)		
Total equity/(deficit)	452,560	66,756	(137,239)	(20,244)		
Total capitalization(4)	779,830	115,031	608,484	89,756		

(1) In July 2016, we entered into a loan facility agreement with CTBC Bank Co. Ltd., as the lender, which was amended and restated in September 2017 to include a short-term facility of US$30.0 million and a long-term facility of US$110.0 million. Pursuant to the terms of the loan facility agreement, we will repay the short-term facility in full within ten business days of the completion of this offering. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Cash Flows and Working Capital—Long-term loan."

(2) The pro forma and pro forma as adjusted information discussed above is illustrative only. Our additional paid-in capital, total shareholders' equity and total capitalization following the completion of this offering are subject to adjustment based on the actual initial public offering price and other terms of this offering determined at pricing.

(3) A US$1.00 increase (decrease) in the assumed initial public offering price of US$ per ADS, the mid-point of the estimated range of the initial public offering price shown on the front cover of this prospectus, would increase (decrease) each of additional paid-in capital, total equity and total capitalization by US$ million, assuming the number of ADSs offered by us, as set forth on the front cover of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

(4) Total capitalization means long-term loan plus total equity.

DILUTION

If you invest in the ADSs, your interest will be diluted to the extent of the difference between the initial public offering price per ADS and our net tangible book value per ADS after this offering. Dilution results from the fact that the initial public offering price per ordinary share is substantially in excess of the book value per ordinary share attributable to the existing shareholders for our presently outstanding ordinary shares.

Our net tangible book value as of June 30, 2017 was approximately US$, or per ordinary share and US$ per ADS. Net tangible book value per ordinary share represents the amount of total consolidated assets, minus the amounts of intangible assets, goodwill and total liabilities, divided by the total number of ordinary shares outstanding. Dilution is determined by subtracting pro forma net tangible book value per ordinary share, after giving effect to the additional proceeds we will receive from this offering, from the assumed initial public offering price per ordinary share.

Without taking into account any other changes in such net tangible book value after June 30, 2017, other than to give effect to the issuance and sale of ADSs in this offering at an assumed initial public offering price of US$ per ADS, the mid-point of the estimated range of the initial public offering price shown on the front cover of this prospectus, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us and assuming the underwriters' option to purchase additional ADSs is not exercised, our pro forma net tangible book value as of June 30, 2017 would have been US$ per outstanding ordinary share, including ordinary shares underlying our outstanding ADSs, or US$ per ADS. This represents an immediate increase in net tangible book value of US$ per ordinary share, or US$ per ADS, to existing shareholders and an immediate dilution in net tangible book value of US$ per ordinary share, or US$ per ADS, to investors purchasing ADSs in this offering. The pro forma information discussed above is illustrative only. The following table illustrates such dilution:

	Per Ordinary Share	Per ADS
Assumed initial public offering price	US$	US$
Net tangible book value as of June 30, 2017	US$	US$
Amount of dilution in net tangible book value to new investors in the offering	US$	US$

A US$1.00 change in the assumed public offering price of US$ per ADS would, in the case of an increase, increase and, in the case of a decrease, decrease our pro forma net tangible book value as described above by US$ million, the pro forma net tangible book value per ordinary share and per ADS by US$ per ordinary share and by US$ per ADS, and the dilution per ordinary share and per ADS to new investors in this offering by US$ per ordinary share and US$ per ADS, respectively, assuming no change to the number of ADSs offered by us as set forth on the front cover of this prospectus, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Our net tangible book value following the completion of this offering is subject to adjustment based on the actual initial public offering price of the ADSs and other terms of this offering determined at pricing.

The following table summarizes, on a pro forma basis as of June 30, 2017, the differences between the existing shareholders as of June 30, 2017 and the new investors with respect to the number of ordinary shares (in the form of ADSs or ordinary shares) purchased from us in this offering, the total consideration paid and the average price per ordinary share paid and per ADS at an assumed initial public offering price of US$ per ADS before deducting underwriting discounts and commissions and estimated offering expenses payable by us. The total number of ordinary shares does not include ordinary shares underlying the ADSs issuable upon exercise of the option to purchase additional ADSs which the selling shareholders granted to the underwriters.

	Ordinary Shares Purchased		Total Consideration		Average Price per Ordinary Share	Average Price per ADS
	Number	Percent	Amount	Percent		
	(US$, except for share numbers and percentages)					
Existing shareholders		%		%		
New investors		%		%		
Total		100.0%		100.0%		

To the extent any of these awards are exercised or vested, there will be further dilution to new investors.

EXCHANGE RATE INFORMATION

We conduct substantially all of our operations in the PRC. Substantially all of our revenues, cost of revenues and operating expenses are denominated in Renminbi. This prospectus contains translations of certain Renminbi amounts into U.S. Dollars at specified rate, which is based on the rate certified for customs purposes by the Federal Reserve Bank of New York, for the convenience of the reader. Unless otherwise stated, all translations from Renminbi to U.S. Dollars have been made at the rate of RMB6.7793 to US$1.00, being the noon buying rate in effect as of June 30, 2017. We make no representation that the Renminbi or U.S. Dollar amounts referred to in this prospectus could have been, or could be, converted into U.S. Dollars, Renminbi, as the case may be, at any particular rate or at all. The PRC government imposes controls over its foreign currency reserves in part through direct regulation of the conversion of Renminbi into foreign exchange and through restrictions on foreign trade. On September 15, 2017, the noon buying rate were RMB6.5500 to US$1.00.

The following table sets forth information concerning the rates of exchange of US$1.00 into RMB for the periods indicated. These rates are provided solely for your convenience and are not necessarily the exchange rates that we used in this prospectus or will use in the preparation of our periodic reports or any other information to be provided to you.

	Noon Buying Rate			
	Period End	Average(1)	Low	High
	(RMB per US$1.00)			
2012	6.2301	6.2990	6.3879	6.2221
2013	6.0537	6.1412	6.2438	6.0537
2014	6.2046	6.1704	6.2591	6.0402
2015	6.4778	6.2869	6.4896	6.1870
2016	6.9430	6.6549	6.9430	6.4480
2017				
March 2017	6.8832	6.8940	6.9132	6.8687
April 2017	6.8900	6.8876	6.8988	6.8778
May 2017	6.8098	6.8843	6.9060	6.8098
June 2017	6.7793	6.8066	6.8382	6.7793
July 2017	6.7240	6.7694	6.8039	6.7240
August	6.5888	6.6667	6.7272	6.5888
September (through September 15, 2017)	6.5500	6.5273	6.5552	6.4773

(1) Annual averages were calculated by using the average of the exchange rates on the last day of each month during the relevant year. Monthly averages are calculated by using the average of the daily rates during the relevant month.

ENFORCEABILITY OF CIVIL LIABILITIES

We are incorporated under the laws of the Cayman Islands as an exempted company with limited liability. We are incorporated in the Cayman Islands because of certain benefits associated with being a Cayman Islands company, such as political and economic stability, an effective judicial system, a favorable tax system, the absence of foreign exchange control or currency restrictions and the availability of professional and support services. However, the Cayman Islands has a less developed body of securities laws as compared to the United States and provides less protection for investors. In addition, Cayman Islands companies do not have standing to sue before the federal courts of the United States.

Our constitutional documents do not contain provisions requiring that disputes, including those arising under the securities laws of the United States, between us, our executive officers, directors and shareholders, be subject to arbitration.

All of our operations are conducted in China, and substantially all of our assets are located in China. Among our directors and officers, only Mr. David Benjamin Gross-Loh is a U.S. national, and all of our other directors and officers are Chinese nationals or Hong Kong residents and a substantial portion of their assets are located outside the United States. As a result, it may be difficult or impossible for you to effect service of process within the United States upon us or these persons, or to enforce judgments obtained in U.S. courts against us or them, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States. It may also be difficult for you to enforce judgments obtained in U.S. courts based on the civil liability provisions of the U.S. federal securities laws against us and our executive officers and directors.

We have appointed Cogency Global Inc. as our agent to receive service of process with respect to any action brought against us in the U.S. District Court for the Southern District of New York in connection with this offering under the federal securities laws of the United States or of any State in the United States or any action brought against us in the Supreme Court of the State of New York in the County of New York in connection with this offering under the securities laws of the State of New York.

Maples and Calder (Hong Kong) LLP, our counsel as to Cayman Islands law, and Haiwen & Partners, our counsel as to PRC law, have advised us that there is uncertainty as to whether the courts of the Cayman Islands or the PRC would, respectively, (i) recognize or enforce judgments of U.S. courts obtained against us or our directors or executive officers that are predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States, or (ii) entertain original actions brought in the Cayman Islands or the PRC against us or our directors or executive officers that are predicated upon the securities laws of the United States or any state in the United States. Furthermore, Maples and Calder (Hong Kong) LLP and Haiwen & Partners have advised us that, as of the date of this prospectus, no treaty or other form of reciprocity exists between the Cayman Islands and China governing the recognition and enforcement of judgments.

Maples and Calder (Hong Kong) LLP, our counsel as to Cayman Islands law, has advised us further that although there is no statutory enforcement in the Cayman Islands of judgments obtained in the federal or state courts of the United States (and the Cayman Islands are not a party to any treaties for the reciprocal enforcement or recognition of such judgments), a judgment obtained in such jurisdiction will be recognized and enforced in the courts of the Cayman Islands at common law, without any re-examination of the merits of the underlying dispute, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, provided such judgment (a) is given by a competent foreign court with jurisdiction to give the judgment, (b) imposes on the judgment debtor a liability to pay a liquidated sum for which the judgment has been given, (c) is final and conclusive, (d) is not in respect of taxes, a fine or a penalty; and (e) was not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands. However, the Cayman Islands courts are unlikely to enforce a judgment obtained from the U.S. courts under civil liability provisions of the U.S. federal securities law if such judgment is determined by the courts of the Cayman Islands to give rise to obligations to make payments that are penal or punitive in nature. Because

such a determination has not yet been made by a court of the Cayman Islands, it is uncertain whether such civil liability judgments from U.S. courts would be enforceable in the Cayman Islands.

Haiwen & Partners, our counsel as to PRC law, has advised us that the recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedure Law. The PRC courts may recognize and enforce foreign judgments in accordance with the requirements under the PRC laws relating to the enforcement of civil liability, including the PRC Civil Procedure Law based either on treaties between China and the country where the judgment is made or on principles of reciprocity between jurisdictions. Haiwen & Partners has advised us further that under the PRC law, courts in the PRC will not recognize or enforce a foreign judgment against us or our directors and executive officers if they decide that the judgment violates the basic principles of the PRC law or national sovereignty, security or social public interest. As there exists no treaty or other form of reciprocity between China and the United States governing the recognition and enforcement of judgments as of the date of this prospectus, including those predicated upon the liability provisions of the United States federal securities laws, there is uncertainty whether and on what basis a PRC court would enforce judgments rendered by United States courts. In addition, because there is no treaty or other form of reciprocity between the Cayman Islands and China governing the recognition and enforcement of judgments as of the date of this prospectus, there is further uncertainty as to whether and on what basis a PRC court would enforce judgments rendered by a Cayman Islands court.

CORPORATE HISTORY AND STRUCTURE

Corporate History

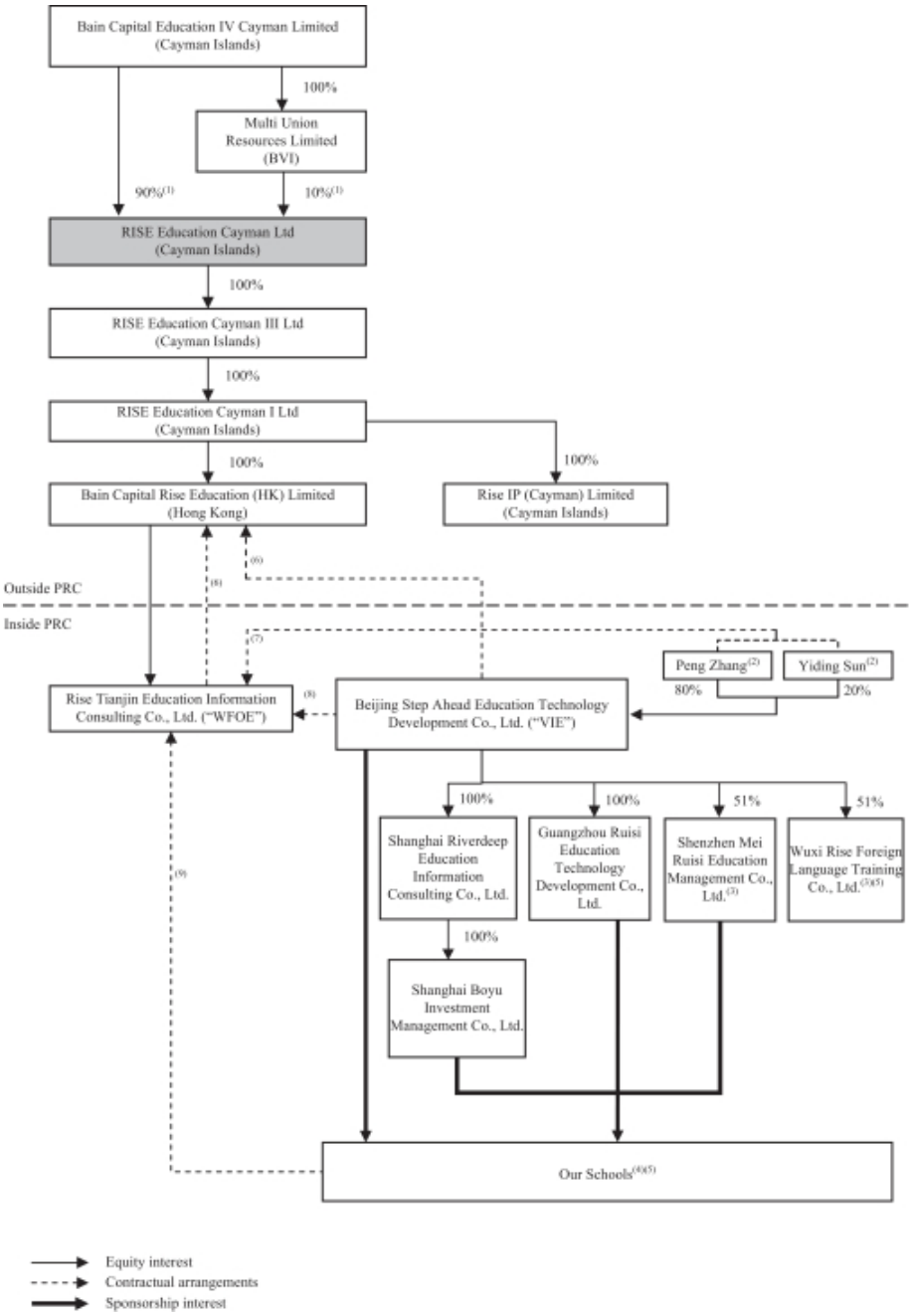
RISE Education Cayman Ltd is a holding company without substantive operations and we conduct our operations through PRC entities, including our variable interest entity, or VIE, and its subsidiaries and schools. Our first self-owned learning center opened in Beijing in October 2007. Over the last ten years, we have expanded our network of learning centers across China, including Shanghai in March 2010, Guangzhou in September 2012, Wuxi in June 2013 and Shenzhen in May 2014. As of June 30, 2017, we had 246 learning centers across 80 cities throughout China, including 56 self-owned learning centers operated by us and 190 franchised learning centers operated by our franchise partners through franchise arrangements.

In July 2013, Bain Capital Rise Education II Cayman Limited, or RISE Education, our current holding company, was incorporated as an exempted company under the laws of the Cayman Islands, and it was renamed as RISE Education Cayman Ltd in June 2017.

In July 2013, Rise IP (Cayman) Limited, or Rise IP, was incorporated as an exempted company under the laws of the Cayman Islands. Subsequently, a number of our wholly owned subsidiaries were established to acquire Rise IP and certain operating assets and entered a series of contractual arrangements with Beijing Step Ahead Education Technology Development Co., Ltd., or Beijing Step Ahead or our VIE, its schools and its shareholders. As a result, the VIE and its subsidiaries and schools have become our consolidated affiliates. See “—Contractual Arrangements among Our VIE, Its Schools, Its Shareholders and Us”.

Corporate Structure

We conduct our businesses through our subsidiaries and our VIE and its subsidiaries and schools. The chart below summarizes our corporate structure and identifies the principal subsidiaries and consolidated affiliates described above and the places of incorporation as of the date of this prospectus:



(1) Following the completion of this offering, Bain Capital Rise Education IV Cayman Limited, Multi Union Resources Limited and public shareholders will beneficially own %, % and % of our total ordinary shares, respectively. See "Principal and Selling Shareholder."
(2) Mr. Peng Zhang, an employee of an affiliate of our principal shareholder, Bain Capital Rise Education IV Cayman Limited, and Mr. Yiding Sun, our chief executive officer and director, holding 80% and 20% of the VIE's equity interests, respectively.
(3) The remaining 49% equity interests are owned by an unrelated third party.
(4) Under PRC law, entities and individuals who establish and maintain ownership interests in private schools are referred to as "sponsors." The rights of sponsors vis-à-vis private schools are similar to those of shareholders vis-à-vis companies with regard to legal, regulatory and tax matters, but differ with regard to the rights to receive returns on investment and the distribution of residual properties upon termination and liquidation. As of June 30, 2017, we had established 16 private schools in China to operate our network of self-owned learning centers. For more information regarding school sponsorship and the difference between sponsorship and ownership under relevant laws and regulations, see "Regulation—The Law for Promoting Private Education and Its Implementation Rules."
(5) Learning centers are not legal entities under PRC law. As of June 30, 2017, we had 56 self-owned learning centers across China, 54 of which were operated by the 16 schools for which we are the sponsor and two of which was operated by Wuxi Rise Foreign Language Training Co., Ltd., a non-school enterprise.
(6) Consulting Services Agreements
(7) Loan Agreements, Proxy Agreement, Call Option Agreement, Equity Pledge Agreement and Business Cooperation Agreement
(8) Proxy Agreement, Business Cooperation Agreement, Service Agreement, Call Option Agreement and Equity Pledge Agreement
(9) License Agreements and Comprehensive Services Agreements

Contractual Arrangements among Our VIE, Its Schools, Its Shareholders and Us

Due to PRC legal restrictions on foreign investment in and ownership of entities engaged in the education industry, we operate our business through our VIE and its subsidiaries and schools. PRC laws and regulations currently require any foreign entity that invests in the education industry in China to be an educational institution with relevant experience in providing educational services outside of China. Our offshore holding companies are not educational institutions and do not provide educational services outside China. Accordingly, our offshore holding companies are not allowed to directly engage in the education industry in China. To comply with PRC laws and regulations, we have entered into a series of contractual arrangements with our VIE and its schools and its shareholders, through which we are able to consolidate the financial results of our VIE and its subsidiaries and schools. These contractual arrangements allow us to:

- exercise effective control over our VIE and its subsidiaries and schools;
- receive substantially all of the economic benefits of our VIE and its subsidiaries and schools; and
- have a call option to purchase all or part of the equity interests in our VIE when and to the extent permitted by PRC law.

As a result of these contractual arrangements, we are the primary beneficiary of our VIE and its subsidiaries and schools and have consolidated their financial results in our consolidated financial statements in accordance with U.S. GAAP. However, these contractual arrangements may not be as effective in providing operational control as direct ownership and the use of the contractual arrangements exposes us to certain risks. For example, Beijing Step Ahead, its schools or its shareholders may breach the contractual arrangements with us. In such cases, we would have to rely on legal remedies under PRC law, which may not always be effective, particularly in light of uncertainties in the PRC legal system. See "Risk Factors—Risks Related to Our Corporate Structure."

If our PRC affiliated entities, Mr. Peng Zhang or Mr. Yiding Sun fail to perform their obligations under the contractual arrangements, we could be limited in our ability to enforce the contractual arrangements that give us

effective control over our affiliated entities. See “Risk Factors—Risks Related to Our Corporate Structure—We rely on contractual arrangements with our consolidated affiliates and the shareholders of Beijing Step Ahead for our operations in China, which may not be as effective in providing control as direct ownership.” If we are unable to maintain effective control over our affiliated entities, we will not be able to continue consolidating the financial results of our affiliated entities into our financial results. In 2014, 2015, 2016 and the six months ended June 30, 2017, our consolidated affiliates contributed 97%, 95%, 95%, and 95%, respectively, of our total revenues. Further, we rely on dividends and other distributions paid to us by our offshore and PRC subsidiaries, which in turn depends on the service or royalty fees paid from our VIE, its subsidiaries and schools in the PRC. In practice, we evaluate on a case-by-case basis the performance and future plans of our VIE and schools before determining the amount of fees we will collect from them. We do not have unfettered access to the revenues from our PRC subsidiaries or affiliated entities due to the significant legal restrictions on the payment of dividends by PRC companies, foreign exchange control restrictions, and restrictions on foreign investment, among others. See “Risk Factors—We rely on dividends, fees and other distributions paid by our PRC subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiaries to make payments to us could hinder our ability to conduct our business.”

The following is a summary of the currently effective contractual arrangements by and among us, Beijing Step Ahead, its schools and its shareholders, namely Mr. Peng Zhang and Mr. Yiding Sun.

Agreements that provide us with effective control over the VIE

Loan agreements

The current shareholders of the VIE, Mr. Peng Zhang and Mr. Yiding Sun, acquired their respective equity interests in the VIE from its former shareholders in November 2016 and June 2017, respectively. In order to ensure that the VIE’s shareholders are able to provide capital for the share acquisitions, we have entered into loan agreements with each of them. Pursuant to the loan agreements, we have granted a loan to each of them that may only be used for the purpose of acquiring their respective equity interest in the VIE or paying relevant taxes. Unless otherwise agreed by us, the loans may be repaid only by the shareholders transferring all of their respective equity interests in the VIE to us or our designee upon our exercise of the options under the call option agreement. The loan agreements also prohibit the shareholders from assigning or transferring to any third party, or from creating or causing any security interest to be created on, any part of their respective equity interests in the VIE without our prior consent. In the event that the shareholders sell their equity interests to us or our designee at a price which is equal to or lower than the principal amount of the loan, the loan will be interest-free. If the price is higher than the principal amount of the loans, the excess amount will be deemed to be interest on the loans payable by the shareholders to us. The loan has a term of ten years and the WFOE has sole discretion to extend the loan upon expiry.

Proxy agreement

In order to ensure that we are able to make all of the decisions concerning the VIE, we have entered into a proxy agreement with the shareholders of the VIE. Pursuant to the proxy agreement, each of its shareholders has irrevocably appointed us as such shareholder’s attorney-in-fact to act for all matters pertaining to such shareholder’s shares in the VIE and to exercise all of their rights as shareholders, including but not limited to attending and voting at shareholders’ meetings. As such, we have the sole rights to designate and appoint directors and senior management members of the VIE. The proxy agreement will remain in effect until the respective shareholder ceases to hold any equity interest in the VIE.

Equity pledge agreement

In order to secure the performance of the VIE and its shareholders under the contractual arrangements, each shareholder of the VIE has undertaken to pledge all of their shares in the VIE to us. As of the date of this

prospectus, the share pledge has not been registered with local PRC authorities. If the VIE or any of its shareholders breaches or defaults under any of the contractual arrangements, we have the right to require the transfer of the pledged equity interests in the VIE to us or our designee, to the extent permitted by laws, or require a sale of the pledged equity interest and have priority in any proceeds from the auction or sale of such pledged interests. Moreover, we have the right to collect any and all dividends in respect of the pledged equity interests during the term of the pledge. Unless the VIE and its shareholders have fully performed all of their obligations in accordance with the contractual arrangements and all debts have been fully paid by them to us, the equity pledge agreement will continue to remain in effect.

Business cooperation agreement

Under this agreement, absent a prior written consent from the WFOE, the VIE may not itself or cause its subsidiaries or schools to sell, purchase, pledge or dispose of any assets, conduct any borrowings, or perform any transactions or activities that may cause a material effect on its assets, business and operations. In addition, the VIE agrees to follow the WFOE's instructions in its appointment and removal of directors and supervisors, and to cause its subsidiaries to engage candidates recommended by the WFOE as chief executives or principals. Moreover, if the VIE, its subsidiaries or schools desires a guarantee, it must first seek a guarantee from the WFOE. Only if the WFOE rejects or does not respond to its request within fifteen days can the VIE, its subsidiaries or schools, as applicable, seek a guarantee from a third party. If the WFOE agrees to provide a guarantee, it is entitled to a counter-guarantee, security or pledge from the VIE, its subsidiaries or schools, as applicable.

In addition, the VIE is entitled to pay a service fee to the WFOE, the amount of which is equal to its total revenue less any necessary costs, taxes and expenses. The WFOE has discretion to adjust and decide the amount to be paid by the VIE to the WFOE from time to time.

The initial term of this agreement is ten years, which will be automatically extended for another ten years unless otherwise notified by the WFOE.

All of the contractual arrangements as described above will be terminated once the respective shareholder has transferred all of such shareholder's equity interests in the VIE to us or our designee.

Agreements that enable us to receive economic benefits from our VIE and its subsidiaries and schools

In order to ensure that we receive the economic benefits of our VIE and its subsidiaries and schools, we have entered into a series of agreements with the VIE and schools. Under these agreements, we are entitled to substantially all of the economic benefits of our VIE and its subsidiaries and schools.

Business cooperation agreement

See "—Agreements that provide us with effective control over the VIE" for key terms and conditions.

Consulting services agreements

Rise HK has entered into a consulting agreement with each of the WFOE and the VIE, under which Rise HK provides technical and business support services to the WFOE or the VIE, including development of the annual teaching plans and courseware, reviewing the academic department's implementation plans and budgets, evaluating the development results, and making decisions to carry out the newly-developed teaching plans and courseware. In return, each of the WFOE and the VIE agrees to pay a service fee to Rise HK. The initial term of this agreement is five years, which will renew for another five years automatically unless one party does not consent.

Service agreement

The WFOE has entered into a service agreement with the VIE, under which the WFOE provides certain services to the VIE, including designing of teaching plans, licensed use of the business management system developed by the WFOE and sale of textbooks and training materials to our franchise partners who signed the franchise agreements with the VIE. In return, the VIE is required to pay certain service fees to the WFOE. The initial term of this agreement is five years, which will renew for another five years automatically unless the parties terminate this agreement in writing.

License agreements and comprehensive services agreements

The WFOE has entered into a license agreement and a comprehensive service agreement with each of the schools under the VIE pursuant to which the WFOE provides certain services to these schools, including design of teaching plans, licensed use of the business management system developed by the WFOE, market promotion and operation support, as well as authorizing these schools to use our courseware and schools. In return, each of the schools is required to pay certain service royalties and fees to the WFOE. The initial term of each of these agreements is five years, which will renew for another five years automatically unless the parties terminate this agreement in writing.

Agreement that provides us with the option to purchase the equity interests in Beijing Step Ahead

Call option agreement

In order to ensure that we are able to acquire all of the equity interests in the VIE at our discretion, we have entered into a call option agreement with the shareholders of the VIE. The option is exercisable by us at any time, provided that doing so is not prohibited by law. The exercise price under the option is the minimum amount required by law and any proceeds obtained by the respective shareholders through the transfer of their equity interests in the VIE shall be used for the repayment of the loans provided by us in accordance with the loan agreements. During the terms of the call option agreement, the shareholders will not grant a similar right or transfer any of the equity interests in the VIE to any party other than us or our designee, nor will such shareholder pledge, create or permit any security interest or similar encumbrance to be created on any of the equity interests. According to the call option agreement, the VIE cannot declare any profit distributions in any form without our prior consent. The call option agreement will remain in effect until the respective shareholder has transferred all of such shareholder’s equity interests in the VIE to us or our designee.

Haiwen & Partners, our counsel as to PRC law is of the view that the contractual arrangements among Rise HK, the WFOE, the VIE and its schools and shareholders are governed by the laws of the PRC, currently in effect, and immediately after giving effect to this offering, are valid, binding and enforceable in accordance with their terms and applicable laws, regulations or rules currently in effect in the PRC, and do not result in any violation of such laws, regulations or rules currently in effect. However, Haiwen & Partners has also advised us that there are substantial uncertainties regarding the interpretation and application of applicable laws, regulations or rules currently in effect in the PRC, and the PRC regulatory authorities and PRC courts may in the future take a view that is contrary to the opinion of our counsel as to PRC law. Moreover, if the VIE, its subsidiaries and schools or its shareholders fail to perform their obligations under the contractual arrangements, we may have to incur substantial costs and expend resources to enforce our rights as the primary beneficiary under these agreements. See “Risks Factors—Risks Related to Our Corporate Structure.”

SELECTED CONSOLIDATED FINANCIAL DATA

The following selected consolidated statements of income data for the years ended December 31, 2014, 2015 and 2016 and selected consolidated balance sheet data as of December 31, 2015 and 2016 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The following summary consolidated statements of income data for the six months ended June 30, 2016 and 2017 and summary consolidated balance sheet data as of June 30, 2017 have been derived from our unaudited consolidated financial statements included elsewhere in this prospectus. Our consolidated financial statements are prepared and presented in accordance with U.S. GAAP. Our historical results are not necessarily indicative of results expected for future periods. You should read this "Selected Consolidated Financial Data" section together with our consolidated financial statements and the related notes and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section included elsewhere in this prospectus.

	For the Year Ended December 31,				Six Months Ended June 30,		
	2014	2015	2016		2016	2017	
	RMB	RMB	RMB	US$	RMB	RMB	US$
	(thousands, except for percentages, share and per share data)						
Selected Consolidated Statements of Income Data:							
Revenues:							
Educational programs	349,398	451,411	618,326	91,208	274,278	377,759	55,723
Franchise revenues	52,063	60,793	63,532	9,371	32,151	52,025	7,674
Others	5,244	17,265	29,135	4,298	8,617	7,316	1,079
Total revenues	406,705	529,469	710,993	104,877	315,046	437,100	64,476
Cost of revenues	(295,097)	(346,671)	(363,579)	(53,631)	(169,737)	(196,079)	(28,924)
Gross profit	111,608	182,798	347,414	51,246	145,309	241,021	35,552
Operating expenses:							
Selling and marketing	(74,368)	(96,688)	(128,475)	(18,951)	(53,722)	(71,243)	(10,509)
General and administrative	(122,791)	(135,603)	(148,093)	(21,845)	(68,311)	(84,921)	(12,526)
Total operating expenses	(197,159)	(232,291)	(276,568)	(40,796)	(122,033)	(156,164)	(23,035)
Operating (loss)/income	(85,551)	(49,493)	70,846	10,450	23,276	84,857	12,517
Interest income	7,150	17,853	16,622	2,452	6,053	9,438	1,392
Interest expense	—	—	(6,073)	(896)	—	(9,907)	(1,461)
Foreign currency exchange loss	(27)	(1,473)	(2,741)	(404)	(1,188)	198	29
Other income, net	74	253	4,391	648	(40)	(136)	(20)
(Loss)/income before income tax expense	(78,354)	(32,860)	83,045	12,250	28,101	84,450	12,457
Income tax benefit/(expense)	5,685	1,119	(32,202)	(4,750)	(9,842)	(26,623)	(3,927)
Net (loss)/income	(72,669)	(31,741)	50,843	7,500	18,259	57,827	8,530
Add: Net loss attributable to non-controlling interests	7,497	5,456	3,080	454	1,066	2,261	333
Net (loss)/income attributable to RISE Education Cayman Ltd	(65,172)	(26,285)	53,923	7,954	19,325	60,088	8,863
Net (loss)/income per share:							
Basic and diluted	(0.65)	(0.26)	0.54	0.08	0.19	0.60	0.09
Shares used in net (loss)/income per share computation:							
Basic and diluted	100,000,000	100,000,000	100,000,000		100,000,000	100,000,000	
Non-GAAP Financial Measures:							
EBITDA(1)	14,818	40,794	142,318	20,993	58,591	109,562	16,161
EBITDA margin(2)	3.6%	7.7%	20.0%	20.0%	18.6%	25.1%	25.1%

(1) To see how we define and calculate EBITDA, a reconciliation between EBITDA and net (loss)/income (the most directly comparable U.S. GAAP financial measure) and a discussion about the limitations of non-GAAP financial measures, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures."

(2) EBITDA margin is calculated by dividing EBITDA by revenues.

	As of December 31,			As of June 30,	
	2015	2016		2017	
	RMB	RMB	US$	RMB	US$
			(thousands)		
Selected Consolidated Balance Sheet Data:					
Total current assets	553,224	707,738	104,397	950,057	140,141
Cash and cash equivalents	517,436	639,999	94,405	537,032	79,217
Prepayments and other current assets	24,080	45,517	6,714	53,227	7,851
Total non-current assets	782,514	792,560	116,909	793,005	116,975
Property and equipment, net	70,860	75,673	11,162	87,255	12,871
Intangible assets, net	244,798	225,951	33,330	213,431	31,483
Goodwill	444,412	461,686	68,102	455,608	67,206
Total assets	1,335,738	1,500,298	221,306	1,743,062	257,116
Total current liabilities	571,426	763,366	112,603	951,741	140,390
Current portion of long-term loan	—	38,186	5,633	37,286	5,500
Accrued expenses and other current liabilities	73,172	96,158	14,184	101,591	14,986
Deferred revenue and customer advances	489,918	601,324	88,700	786,171	115,966
Total non-current liabilities	12,987	338,505	49,932	338,761	49,970
Long-term loan	—	333,102	49,135	327,270	48,275
Total liabilities	584,413	1,101,871	162,535	1,290,502	190,360
Total RISE Education Cayman Ltd shareholders' equity	757,018	407,200	60,066	463,594	68,384
Non-controlling interests	(5,693)	(8,773)	(1,295)	(11,034)	(1,628)
Total equity	751,325	398,427	58,771	452,560	66,756
Total liabilities, non-controlling interests and shareholders' equity	1,335,738	1,500,298	221,306	1,743,062	257,116

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and the related notes included elsewhere in this prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this prospectus.

Overview

We operate in China's junior ELT market, which refers to after-school English teaching and tutoring services provided by training institutions to students aged three to 18. We are a leader in China's junior ELT market according to Frost & Sullivan, and we ranked second in 2016 with a market share of 10.7% in terms of gross billings in the premium segment. Furthermore, in 2016, we ranked first in the junior ELT market in Beijing with a market share of 11.4% and ranked second in the junior ELT market in tier-one cities with a market share of 5.9%, both in terms of gross billings according to Frost & Sullivan.

We pioneered the "subject-based learning" teaching philosophy in China, whereby various subject matters, such as language arts, math, natural science and social science are used to teach English. In 2016 and for the six month ended June 30, 2017, we had 36,173 and 26,600 student enrollments, respectively, in self-owned learning centers. We currently offer three flagship courses, namely Rise Start, Rise On and Rise Up, that are designed for students aged three to six, seven to twelve and 13 to 18, respectively.

We devote significant resources to curriculum development to ensure that our course offerings are up-to-date, engaging and effective. As of June 30, 2017 we had 1,315 teachers in self-owned learning centers. The quality of our course offerings and our unique teaching philosophy has helped us develop a strong and powerful brand that is attractive to parents.

Our business model is highly scalable. We have a network of both self-owned learning centers as well as franchised learning centers. As of June 30, 2017 we had a network of 246 learning centers across 80 cities in China, among which 56 were self-owned centers primarily located in tier-one cities and 190 centers were franchised learning centers primarily located in non-tier-one cities. We have enjoyed significant growth over the past few years. Our revenues increased from RMB529.5 million in 2015 to RMB711.0 million (US$104.9 million) in 2016, and increased from RMB315.0 million for the six months ended June 30, 2016 to RMB437.1 million (US$64.5 million) for the six months ended June 30, 2017, largely as a result of the growth of self-owned learning centers. As our network of learning centers has expanded, our brand has also strengthened. This has allowed us to maintain our position as a market leader, command premium pricing, improve profitability and enjoy a highly loyal customer base. In 2016, we had a 67% student retention rate, 63% higher than the industry average of 41%, according to Frost & Sullivan and our student retention rate improved further to 70% in the six months ended June 30, 2017. We recorded EBITDA of RMB40.8 million and RMB142.3 million (US$21.0 million) in 2015 and 2016, respectively, and RMB58.6 million and RMB109.6 million (US$16.2 million) for the six months ended June 30, 2016 and 2017, respectively. We recorded a net loss of RMB31.7 million in 2015 while we recorded net income of RMB50.8 million (US$7.5 million) in 2016, and we recorded a net income of RMB18.3 million and RMB57.8 million (US$8.5 million) for the six months ended June 30, 2016 and 2017, respectively.

Major Factors Affecting Our Results of Operations

Our business and operating results are impacted by factors that affect China's junior ELT market generally. We have benefited from a number of market factors, including China's rising birth rate largely resulting from

adoption of the “two-child policy,” rising population in large urban centers, increases in average household income as well as the number of higher income families, limited penetration of junior ELT across China, favorable government policies that support the growth of private-sector education enterprises and permit increased operational and pricing flexibility, and the continued focus on study-abroad opportunities by parents.

At the same time, our results are subject to changes in the regulatory regime governing China’s education industry. The PRC government regulates various aspects of our business and operations, including the qualification and licensing requirements for entities that provide education services, standards for operating facilities and limitations on foreign investments in the education industry.

While our business is influenced by factors affecting the junior ELT market in China generally, we believe our results of operations are more directly affected by company-specific factors, including the major factors highlighted below.

Student Enrollments

We derive a large portion of our revenues from tuition and fees that we charge for our educational programs. Student enrollments at self-owned learning centers increased by 96.0% from 18,451 in 2014 to 36,173 in 2016, and by 48.1% from 17,958 for the six months ended June 30, 2016 to 26,600 for the six months end June 30, 2017. Growth in student enrollments is dependent on our ability to retain our current students and to recruit new students. Our ability to retain existing students is largely dependent on the variety and quality of our course offerings, the quality of teachers and the overall satisfaction of students and their parents with the educational services we offer. Our ability to recruit new students is largely dependent on our reputation and brand recognition, which are affected by our branding activities and other selling and marketing efforts.

Number of Self-Owned Learning Centers

Our revenue growth is also driven by the number of self-owned learning centers, which directly affects our overall student enrollment. Our ability to increase the number of self-owned learning centers depends on a variety of factors, including identifying suitable locations and hiring qualified teachers and other necessary personnel for the new learning centers.

The number of self-owned learning centers has grown steadily in recent years, increasing from 43 as of December 31, 2014 to 54 as of December 31, 2016 and further to 56 as of June 30, 2017. As our network grows in size, we believe that our large scale strengthens our brand, which in turn supports the further growth of our network.

Pricing and Student Spending

Our revenues are directly affected by the pricing of our products offered at self-owned learning centers and, to a lesser extent, at franchised learning centers. We aim to charge premium tuition and fees while keeping in mind the general income level of the relevant location, competition and the local demand of our services. Tuition and fees in franchised learning centers located in non-tier-one cities are generally lower than our self-owned learning centers, which are mostly located in tier-one cities. In addition to raising tuition, we also seek to increase average spending of students by offering online and other complementary products, such as overseas study tours.

Scale and Success of Our Franchise Business

We derive revenues from our franchise business through initial or renewal franchise fees, recurring franchise fees and the sale of individual course materials. Revenues from initial franchise fees are derived when we enter into arrangements with a franchise partner to open new franchised learning centers, and are mainly affected by the number of new franchised learning centers. We also receive renewal franchise fees from our

existing franchise partners when they renew their franchise agreements. We also derive revenues from the sale of individual course materials and recurring franchise fees based on an agreed percentage of each franchised learning center's collected tuition fees. Such revenues are primarily driven by the number of total franchised learning centers and students enrolled. The scale of our franchise business largely depends on our ability to attract and retain more franchise partners, the ability of our franchise partners to successfully launch new franchised learning centers, as well as the ability of our franchise partners to operate effectively, attract new students and retain existing students.

We have achieved steady growth of franchised learning centers in recent years. The number of franchised learning centers increased from 137 as of December 31, 2014 to 167 as of December 31, 2016 and further to 190 as of June 30, 2017. We expect the number of franchised learning centers to continue to grow.

Level of Our Costs and Expenses and Operating Efficiency

Our ability to manage the costs and expenses of our operations directly affects our profitability.

Our cost of revenues primarily consists of personnel costs and rental costs for our learning centers. Variable costs such as salary and benefits for teachers generally increase with the increase of student enrollment. We strive to utilize our complementary products and other online technologies to facilitate the teaching at our learning centers and to enhance overall operating efficiency. Fixed costs, such as rental costs and other employee costs at self-owned learning centers, remain relatively stable. In general, learning centers with higher student enrollment yield higher gross margins.

Our operating expenses consist of selling and marketing expenses, and general and administrative expenses. Largely as a result of our standardized management operations, together with increasing economies of scale as we have expanded our network of learning centers, operating expenses as a percentage of total revenues have decreased over the years.

Going forward, we expect that our total costs and expenses will increase in line with the expansion of our network of learning centers. We also expect to improve our operating efficiency and increase economies of scale.

Description of Certain Statement of Income Items

Revenues

We generate revenues primarily from educational programs, franchise fees and other revenues in China. The table below sets forth the breakdown of our revenues, both in absolute amount and as a percentage of revenues, for the periods indicated.

	For the Year Ended December 31,							For the Six Months Ended June 30,				
	2014		2015		2016			2016		2017		
	RMB	Percentage of Revenues	RMB	Percentage of Revenues	RMB	US$	Percentage of Revenues	RMB	Percentage of Revenues	RMB	US$	Percentage of Revenue
	(thousands, except for percentages)											
Educational programs	349,398	85.9	451,411	85.2	618,326	91,208	87.0	274,278	87.1	377,759	55,723	86.4
Franchise revenues	52,063	12.8	60,793	11.5	63,532	9,371	8.9	32,151	10.2	52,025	7,674	11.9
Other revenues	5,244	1.3	17,265	3.3	29,135	4,298	4.1	8,617	2.7	7,316	1,079	1.7
Revenues	406,705	100.0	529,469	100.0	710,993	104,877	100.0	315,046	100.0	437,100	64,476	100.0

We provide junior English language training to students through our three flagship courses, namely, Rise Start, Rise On and Rise Up. We charge tuition and course material fees for our educational programs at self-

owned learning centers. Tuition fees are collected in full in advance and are initially recorded as deferred revenue and customer advances and recognized ratably as the classes for the related course are delivered. We recognize course material fees once the student attends the first class of the respective course.

We generate franchise revenues from franchised learning centers through authorizing our franchise partners to use our brand, as well as the provision of initial setup and ongoing franchise support services, including quality control of courses and centralized training for teachers from franchised learning centers. We receive an initial or renewal franchise fee when we enter into or renew a franchise agreement. During the term of the franchise, we charge each franchised learning center recurring franchise fees based on an agreed percentage of its collected tuition fees and related individual course materials fees.

As of December 31, 2015 and 2016 and June 30, 2017, we recorded deferred revenue and customer advances of RMB489.9 million, RMB601.3 million (US$88.7 million) and RMB 786.2 million (US$116.0 million)), respectively, which are primarily from our educational programs and, to a lesser extent, from our franchise business. Given that our tuition and fees are prepaid, we expect to generate sufficient cash from our operating activities to meet our working capital and capital expenditure needs.

We generate other revenues primarily from Rise Overseas Study Tours, Rise Camps and other complementary products, such as Rise Workshop.

Cost of Revenues

Our cost of revenues consists primarily of (i) personnel costs, including teachers' costs and, to a lesser extent, costs relating to our franchise service and supervision team and research and curriculum development team, (ii) rental costs, (iii) amortization of intangible assets and (iv) others, including construction and design costs, course materials cost and other operating costs incurred to operate self-owned centers. We expect cost of revenues to increase in line with our expansion of business. The table below sets forth a breakdown of our cost of revenues for the periods indicated:

	For the Year Ended December 31,							For the Six Months Ended June 30,				
	2014		2015		2016			2016		2017		
	RMB	Percentage of Revenues	RMB	Percentage of Revenues	RMB	US$	Percentage of Revenues	RMB	Percentage of Revenues	RMB	US$	Percentage of Revenues
	(thousands, except for percentages)											
Personnel costs	92,789	22.8	114,052	21.5	131,598	19,412	18.5	61,489	19.5	75,878	11,193	17.4
Rental costs	85,027	20.9	100,145	18.9	109,692	16,180	15.4	53,002	16.8	71,345	10,524	16.3
Amortization of intangible assets	73,680	18.1	60,338	11.4	35,046	5,170	4.9	20,314	6.4	7,455	1,100	1.7
Others	43,601	10.7	72,136	13.6	87,243	12,869	12.3	34,932	11.1	41,401	6,107	9.5
Total	295,097	72.5	346,671	65.4	363,579	53,631	51.1	169,737	53.8	196,079	28,924	44.9

Amortization of intangible assets includes amortization of courseware license, student base and franchise agreements that were acquired as part of the acquisition of our business by RISE Education in 2013, or the 2013 acquisition, amounting to RMB73.1 million, RMB59.7 million, RMB34.2 million (US$5.0 million) and RMB7.0 million (US$1.0 million) in 2014, 2015 and 2016 and for the six months ended June 30, 2017, respectively. See "Corporate History and Structure—Corporate History." Amortization of such acquired intangible assets is recognized using a straight-line method over the estimated useful lives of each intangible asset except for student base which is amortized on an accelerated basis.

Operating Expenses

Our operating expenses consist of selling and marketing expenses and general and administrative expenses. The table below sets forth our operating expenses, both in absolute amount and as a percentage of revenues, for the periods indicated.

	For the Year Ended December 31,							For the Six Months Ended June 30,				
	2014		2015		2016			2016		2017		
	RMB	Percentage of Revenues	RMB	Percentage of Revenues	RMB	US$	Percentage of Revenues	RMB	Percentage of Revenues	RMB	US$	Percentage of Revenues
	(thousands, except for percentages)											
Selling and marketing	74,368	18.3	96,688	18.3	128,475	18,951	18.1	53,722	17.1	71,243	10,509	16.3
General and administrative	122,791	30.2	135,603	25.6	148,093	21,845	20.8	68,311	21.7	84,921	12,526	19.4
Total operating expenses	197,159	48.5	232,291	43.9	276,568	40,796	38.9	122,033	38.8	156,164	23,035	35.7

Selling and marketing expenses

Our selling and marketing expenses consist primarily of (i) general marketing channel and personnel expenses, and (ii) branding and promotional expenses, including expenses related to our events such as Rise Cup and Rise Star. We expect that our selling and marketing expenses will continue to increase in absolute amounts as we continue to market our products and expand into new geographic regions. We also recorded amortization of trademarks used for brand promotion acquired as part of the 2013 acquisition under selling and marketing expenses. See “Corporate History and Structure—Corporate History.”

General and administrative expenses

Our general and administrative expenses mainly consist of (i) personnel expenses related to management and other employees, (ii) fees paid to professional parties and (iii) rental expenses for administrative facilities. We expect that our general and administrative expenses will increase in absolute amounts in the foreseeable future as we incur additional costs for becoming and being a public company, but will in time decrease as a percentage of our net revenues as we continue to benefit from economies of scale and improve our operating efficiency.

Results of Operations

The table below sets forth a summary of our consolidated results of operations for the periods indicated, both in absolute amounts and as percentages of our revenues. This information should be read together with our consolidated financial statements and related notes included elsewhere in this prospectus. The operating results in any period are not necessarily indicative of the results that may be expected for any future period.

	For the Year Ended December 31,							For the Six Months Ended June 30,				
	2014		2015		2016			2016		2017		
	RMB	Percentage of Revenues	RMB	Percentage of Revenues	RMB	US$	Percentage of Revenues	RMB	Percentage of Revenues	RMB	US$	Percentage of Revenues
	(thousands, except for percentages)											
Revenues:												
Educational programs	349,398	85.9	451,411	85.2	618,326	91,208	87.0	274,278	87.1	377,759	55,723	86.4
Franchise revenues	52,063	12.8	60,793	11.5	63,532	9,371	8.9	32,151	10.2	52,025	7,674	11.9
Other revenues	5,244	1.3	17,265	3.3	29,135	4,298	4.1	8,617	2.7	7,316	1,079	1.7
Total	406,705	100.0	529,469	100.0	710,993	104,877	100.0	315,046	100.0	437,100	64,476	100.0
Cost of revenues	(295,097)	(72.6)	(346,671)	(65.5)	(363,579)	(53,631)	(51.1)	(169,737)	(53.9)	(196,079)	(28,924)	(44.9)
Gross profit	111,608	27.4	182,798	34.5	347,414	51,246	48.9	145,309	46.1	241,021	35,552	55.1
Operating expenses:												
Selling and marketing	(74,368)	(18.3)	(96,688)	(18.3)	(128,475)	(18,951)	(18.1)	(53,722)	(17.1)	(71,243)	(10,509)	(16.3)
General and administrative	(122,791)	(30.2)	(135,603)	(25.6)	(148,093)	(21,845)	(20.8)	(68,311)	(21.7)	(84,921)	(12,526)	(19.4)
Total operating expenses	(197,159)	(48.5)	(232,291)	(43.9)	(276,568)	(40,796)	(38.9)	(122,033)	(38.8)	(156,164)	(23,035)	(35.7)
Operating (loss)/income	(85,551)	(21.0)	(49,493)	(9.3)	70,846	10,450	10.0	23,276	7.3	84,857	12,517	19.4
Interest income	7,150	1.8	17,853	3.4	16,622	2,452	2.3	6,053	1.9	9,438	1,392	2.2
Interest expense	—	—	—	—	(6,073)	(896)	(0.9)	—	—	(9,907)	(1,461)	(2.3)
Foreign currency exchange loss	(27)	(0.0)*	(1,473)	(0.3)	(2,741)	(404)	(0.4)	(1,188)	(0.4)	198	29	0.0*
Other income/(expense), net	74	0.0*	253	0.0*	4,391	648	0.6	(40)	(0.0)*	(136)	(20)	(0.0)*
(Loss)/income before income tax expense	(78,354)	(19.3)	(32,860)	(6.2)	83,045	12,250	11.7	28,101	8.8	84,450	12,457	19.3
Income tax benefit/(expense)	5,685	1.4	1,119	0.2	(32,202)	(4,750)	(4.5)	(9,842)	(3.1)	(26,623)	(3,927)	(6.1)
Net (loss)/income	(72,669)	(17.9)	(31,741)	(6.0)	50,843	7,500	7.2	18,259	5.7	57,827	8,530	13.2
Net loss attributable to non-controlling interests	7,497	1.8	5,456	1.0	3,080	454	0.4	1,066	0.3	2,261	333	0.5
Net (loss)/income attributable to RISE Education Cayman Ltd	(65,172)	(16.0)	(26,285)	(5.0)	53,923	7,954	7.6	19,325	6.0	60,088	8,863	13.7
Non-GAAP Financial Measures:												
EBITDA(1)	14,818		40,794		142,318	20,993		58,591		109,562	16,161	
EBITDA margin(2)	3.6%		7.7%		20.0%	20.0%		18.6%		25.1%	25.1%	

* Less than 0.1%

(1) To see how we define and calculate EBITDA, a reconciliation between EBITDA and net (loss)/income (the most directly comparable U.S. GAAP financial measure) and a discussion about the limitations of non-GAAP financial measures, see "—Non-GAAP Financial Measures."

(2) EBITDA margin is calculated by dividing EBITDA by revenues.

Six Months Ended June 30, 2017 Compared to Six Months Ended June 30, 2016

Revenues

Our revenues increased by 38.7%, from RMB315.0 million for the six months ended June 30, 2016 to RMB437.1 million (US$64.5 million) for the six months ended June 30, 2017. This increase was primarily attributable to an increase of RMB103.5 million (US$15.3 million) in revenues from educational programs.

- *Revenues from educational programs*. Our revenues from educational programs increased by 37.7%, from RMB274.3 million for the six months ended June 30, 2016 to RMB377.8 million (US$55.7 million) for the six months ended June 30, 2017. This increase was primarily due to an increase in student enrollments at self-owned learning centers from approximately 17,958 for the six months ended June 30, 2016 to 26,600 for the six months ended June 30, 2017. The increase in our student enrollments was attributable to (i) higher student enrollments at existing learning centers as they matured and achieved a higher retention rate as well as due to greater sales and marketing efforts for the six months ended June 30, 2017 and (ii) the increase in the number of self-owned learning centers from 46 as of June 30, 2016 to 56 as of June 30, 2017. We expect student enrollments in our self-owned learning centers will increase as we expand. We also had a slight increase in average tuition and fees for the six months ended June 30, 2017.
- *Franchise revenues*. Our franchise revenues increased by 61.8%, from RMB32.2 million for the six months ended June 30, 2016 to RMB52.0 million (US$7.7 million) for the six months ended June 30, 2017. This increase was primarily due to increases in the recurring franchise fees from our existing franchised learning centers for the six months ended June 30, 2017 as well as initial and renewal franchise fees. The number of franchised learning centers increased from 145 as of June 30, 2016 to 190 as of June 30, 2017. We expect the number of franchised learning centers and the recurring fees received from existing franchised learning centers will increase as we expand.
- *Other revenues*. Our other revenues decreased by 15.1%, from RMB8.6 million for the six months ended June 30, 2016 to RMB7.3 million (US$1.1 million) for the six months ended June 30, 2017. The decrease was primarily due to a decrease in revenues from our winter camp in 2017.

Cost of revenues

Our cost of revenues increased from RMB169.8 million for the six months ended June 30, 2016 to RMB196.1 million (US$28.9 million) for the six months ended June 30, 2017, primarily due to the increase in rental costs and personnel costs. Rental costs increased as we expanded our operations, while the increase in personnel costs was primarily attributable to an increase in the number of teachers and higher average compensation and utilization of our teachers as we expanded our network of self-owned learning centers. The number of teachers at self-owned learning centers increased from 1,181 as of June 30, 2016 to 1,315 as of June 30, 2017. Increases in the size of our franchise service and supervision team also contributed to the increase in our cost of revenues. In addition, we recorded amortization of certain intangible assets acquired as part of the 2013 acquisition of RMB19.9 million and RMB7.0 million (US$1.0 million) for the six months ended June 30, 2016 and 2017, respectively. See “—Description of Certain Statement of Income Items—Cost of Revenues.”

Gross profit

Our gross profit increased by 65.9%, from RMB145.3 million for the six months ended June 30, 2016 to RMB241.0 million (US$35.6 million) for the six months ended June 30, 2017. We had gross margins of 46.1% for the six months ended June 30, 2016 and 55.1% for the six months ended June 30, 2017. The increase in our gross margin was primarily attributable to the increase of operating efficiencies and the decrease in amortization.

Selling and marketing expenses

Our selling and marketing expenses increased by 32.6%, from RMB53.7 million for the six months ended June 30, 2016 to RMB71.2 million (US$10.5 million) for the six months ended June 30, 2017. This increase was primarily due to increases in (i) expenses relating to branding and promotional activities for our tenth anniversary in the first half of 2017 and (ii) general marketing channel expenses and personnel expenses as we expanded our network of self-owned learning centers and increased student enrollments. Our selling and marketing expenses constituted 17.1% and 16.3% of our revenues for the six months ended June 30, 2016 and 2017, respectively.

General and administrative expenses

Our general and administrative expenses increased by 24.3%, from RMB68.3 million for the six months ended June 30, 2016 to RMB84.9 million (US$12.5 million) for the six months ended June 30, 2017. This increase was primarily due to an increase in the number of administrative personnel and other administrative expenses. Our general and administrative expenses constituted 21.7% and 19.4% of our revenues for the six months ended June 30, 2016 and 2017, respectively. The decrease was largely due to the increase in our operating efficiency as a result of our standardized management operations and increasing economies of scale.

Operating income

As a result of the foregoing, we had an operating income of RMB84.9 million (US$12.5 million) for the six months ended June 30, 2017, compared to an operating income of RMB23.3 million for the six months ended June 30, 2016.

Interest income, interest expense, foreign currency exchange loss and other income, net

We had interest income of RMB6.1 million and RMB9.4 million (US$1.4 million) for the six months ended June 30, 2016 and 2017, respectively, which are primarily from holdings of interest-bearing financial instruments. We had interest expense of RMB9.9 million (US$1.5 million) for the six months ended June 30, 2017. We had foreign currency exchange loss of RMB1.2 million for the six months ended June 30, 2016 and foreign currency exchange gain of RMB0.2 million (US$0.03 million) for the six months ended June 30, 2017. We had other expense, net of RMB0.04 million for the six months ended June 30, 2016 and other expense, net of RMB0.1 million (US$0.02 million) for the six months ended June 30, 2017.

Income before income tax expense

As a result of the foregoing, we had income before income tax expense of RMB84.5 million (US$ 12.5 million) for the six months ended June 30, 2017, compared to income before income tax of RMB28.1 million for the six months ended June 30, 2016.

Income tax expense

We had an income tax expense of RMB9.8 million and RMB26.6 million (US$3.9 million) for the six months ended June 30, 2016 and 2017, respectively.

Net income

As a result of the foregoing, we had net income of RMB57.8 million (US$8.5 million) for the six months ended June 30, 2017, compared to net income of RMB18.3 million for the six months ended June 30, 2016.

EBITDA

EBITDA, which is net income or loss before interest, taxes, depreciation and amortization, was RMB58.6 million for the six months ended June 30, 2016 and RMB109.6 million (US$16.2 million) for the six months ended June 30, 2017. For a discussion of the limitations associated with using EBITDA rather than U.S. GAAP measures and a reconciliation to net income or loss, see "—Non-GAAP Financial Measures."

Year Ended December 31, 2016 Compared to Year Ended December 31, 2015

Revenues

Our revenues increased by 34.3%, from RMB529.5 million in 2015 to RMB711.0 million (US$104.9 million) in 2016. This increase was primarily attributable to an increase of RMB166.9 million (US$24.6 million) in revenues from educational programs.

- *Revenues from educational programs*. Our revenues from educational programs increased by 37.0%, from RMB451.4 million in 2015 to RMB618.3 million (US$91.2 million) in 2016. This increase was primarily due to an increase in student enrollments at self-owned learning centers from approximately 26,951 in 2015 to 36,173 in 2016. The increase in our student enrollments was attributable to (i) higher student enrollments at existing learning centers as they matured and achieved a higher retention rate as well as due to greater sales and marketing efforts in 2016 and (ii) the increase in the number of self-owned learning centers from 46 as of December 31, 2015 to 54 as of December 31, 2016. We also had a slight increase in average tuition and fees in 2016.
- *Franchise revenues*. Our franchise revenues increased by 4.5%, from RMB60.8 million in 2015 to RMB63.5 million (US$9.4 million) in 2016. This increase was primarily due to an increase in the recurring franchise fees from our existing franchised learning centers in 2016 as well as initial and renewal franchise fees. The number of franchised learning centers increased from 147 as of December 31, 2015 to 167 as of December 31, 2016. We expect student enrollments in those new franchised learning centers will increase as they grow.
- *Other revenues*. Our other revenues increased by 68.8%, from RMB17.3 million in 2015 to RMB29.1 million (US$4.3 million) in 2016. The increase was primarily due to the increase in students enrolled in our overseas study tours.

Cost of revenues

Our cost of revenues increased from RMB346.7 million in 2015 to RMB363.6 million (US$53.6 million) in 2016, primarily due to the increase in personnel costs and rental costs. Such increase was primarily attributable to an increase in the number of teachers and rental costs as we expanded our network of self-owned learning centers. The number of teachers at self-owned learning centers increased from 1,162 as of December 31, 2015 to 1,253 as of December 31, 2016, to staff new centers and expand existing centers. Increases in the size of our franchise service and supervision team and costs associated with our overseas study tours also contributed to the increase in our cost of revenues. In addition, we recorded amortization of certain intangible assets acquired as part of the 2013 acquisition of RMB59.7 million and RMB34.2 million (US$5.0 million) in 2015 and 2016, respectively. See "—Description of Certain Statement of Income Items—Cost of Revenues."

Gross profit

Our gross profit increased by 90.0%, from RMB182.8 million in 2015 to RMB347.4 million (US$51.2 million) in 2016. We had gross margins of 34.5% in 2015 and 48.9% 2016. The increase in our gross margin was primarily attributable to the increase of operating efficiencies and the decrease in amortization of the student base related to the 2013 acquisition that was amortized on a more accelerated basis in 2015 as compared to 2016.

Selling and marketing expenses

Our selling and marketing expenses increased by 32.9%, from RMB96.7 million in 2015 to RMB128.5 million (US$19.0 million) in 2016. This increase was primarily due to increases in (i) general marketing channel expenses and personnel expenses and (ii) expenses relating to branding and promotional activities as we expanded our network of self-owned learning centers and increased student enrollments. Our selling and marketing expenses constituted 18.3% and 18.1% of our revenues in 2015 and 2016, respectively.

General and administrative expenses

Our general and administrative expenses increased by 9.2%, from RMB135.6 million in 2015 to RMB148.1 million (US$21.8 million) in 2016. This increase was primarily due to an increase in the number of administrative personnel and other administrative expenses. Our general and administrative expenses constituted 25.6% and 20.8% of our revenues in 2015 and 2016, respectively. The decrease was largely due to the increase in our operating efficiency.

Operating (loss)/income

As a result of the foregoing, we had an operating income of RMB70.8 million (US$10.5 million) in 2016, compared to an operating loss of RMB49.5 million in 2015.

Interest income, interest expense, foreign currency exchange loss and other income, net

We had interest income of RMB17.9 million and RMB16.6 million (US$2.5 million) in 2015 and 2016, respectively, which are primarily from holdings of interest-bearing financial instruments. We had interest expense of RMB6.1 million (US$0.9 million) in 2016. We had foreign currency exchange loss of RMB1.5 million and RMB2.7 million (US$0.4 million) in 2015 and 2016, respectively. We had other income, net of RMB0.3 million and RMB4.4 million (US$0.6 million) in 2015 and 2016, respectively. The increase in other income, net in 2016 was due to a government subsidy and one-off cash proceeds received from a litigation settlement.

(Loss)/income before income tax expense

As a result of the foregoing, we had income before income tax expense of RMB83.0 million (US$12.3 million) in 2016, compared to a loss before income tax of RMB32.9 million in 2015.

Income tax benefit/(expense)

We had an income tax benefit of RMB1.1 million in 2015 as we did not have taxable income in that year and an income tax expense of RMB32.2 million (US$4.8 million) in 2016.

Net (loss)/income

As a result of the foregoing, we had net income of RMB50.8 million (US$7.5 million) in 2016, compared to net loss of RMB31.7 million in 2015.

EBITDA

EBITDA, which is net income or loss before interest, taxes, depreciation and amortization, was RMB40.8 million in 2015 and RMB142.3 million (US$21.0 million) in 2016. For a discussion of the limitations associated with using EBITDA rather than U.S. GAAP measures and a reconciliation to net income or loss, see “—Non-GAAP Financial Measures.”

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Revenues

Our revenues increased by 30.2%, from RMB406.7 million in 2014 to RMB529.5 million in 2015. This increase was primarily attributable to an increase of RMB101.6 million in revenues from educational programs.

- *Revenue from educational programs*. Our revenue from educational programs increased by 29.2%, from RMB349.4 million in 2014 to RMB451.4 million in 2015. This increase was primarily due to an increase in student enrollments at self-owned learning centers from 18,451 in 2014 to 26,951 in 2015. The increase in our student enrollments was attributable to (i) higher student enrollments at existing learning centers as we increased sales and marketing efforts in 2015, and (ii) the increase in the number of self-owned learning centers from 43 as of December 31, 2014 to 46 as of December 31, 2015. We also had a slight increase in average tuition and fees in 2015.
- *Franchise revenues*. Our franchise revenues increased by 16.8%, from RMB52.1 million in 2014 to RMB60.8 million in 2015. This increase was primarily due to an increase in the initial and renewal franchise fees and an increase in recurring franchise fees from our existing franchised learning centers in 2015. The number of franchised learning centers increased from 137 as of December 31, 2014 to 147 as of December 31, 2015.
- *Other revenues*. Our other revenues increased by 229.2%, from RMB5.2 million to RMB17.3 million in 2015. The increase was primarily due to an increase in students enrolled in our overseas study tours.

Cost of revenues

Our cost of revenues increased by 17.5%, from RMB295.1 million in 2014 to RMB346.7 million in 2015 primarily due to an increase in personnel costs and rental costs. The increase was primarily attributable to an increase in number of teachers and rental costs from self-owned learning centers as we expanded our network. The number of teachers at self-owned learning centers increased from 1,055 as of December 31, 2014 to 1,162 as of December 31, 2015 to staff our new centers and expand the existing ones. Increases in the size of our franchise service and supervision team and costs associated with our overseas study tours also contributed to the increase in our cost of revenues. In addition, we recorded amortization of certain intangible assets acquired as part of the 2013 acquisition of RMB73.1 million and RMB59.7 million in 2014 and 2015, respectively. See “—Description of Certain Statement of Income Items —Cost of Revenues.”

Gross profit

Our gross profit increased by 63.8%, from RMB111.6 million in 2014 to RMB182.8 million in 2015. We had gross margins of 27.4% in 2014 and 34.5% in 2015. The increase in our gross margin was primarily attributable to the increase of operating efficiencies and the decrease in amortization of intangible assets.

Selling and marketing expenses

Our selling and marketing expenses increased by 30.0%, from RMB74.4 million in 2014 to RMB96.7 million in 2015. This increase was primarily due to increases in (i) general marketing channel expenses and personnel expenses and (ii) expenses relating to branding and promotional activities as we expanded our network of self-owned learning centers and increased student enrollments. As a percentage of revenues, our selling and marketing expenses remained at the same level at 18.3% in 2014 and 2015.

General and administrative expenses

Our general and administrative expenses increased by 10.4%, from RMB122.8 million in 2014 to RMB135.6 million in 2015. This increase was primarily due to an increase in the number of administrative

personnel and other administrative expenses. Our general and administrative expenses constituted 30.2% and 25.6% of revenues in 2014 and 2015, respectively. The decrease was largely due to the increase in our operating efficiency.

Operating (loss)/income

As a result of the foregoing, we had an operating loss of RMB49.5 million in 2015, compared to an operating loss of RMB85.6 million.

Interest income, foreign currency exchange loss and other income, net

We had interest income of RMB7.2 million and RMB17.9 million in 2014 and 2015, respectively, which are primarily from holdings of interest-bearing financial instruments. We had foreign currency exchange loss of RMB1.5 million in 2015. We had other income, net of RMB0.3 million in 2015.

(Loss)/income before income tax expense

As a result of the foregoing, our losses before income tax decreased from RMB78.4 million in 2014 to RMB32.9 million in 2015.

Income tax benefit/(expense)

We had an income tax benefit of RMB5.7 million in 2014 and RMB1.1 million in 2015. Our income tax benefits in 2014 and 2015 were primarily attributable to losses incurred during those years.

Net (loss)/income

As a result of the foregoing, we had net loss of RMB31.7 million in 2015, compared to net loss of RMB72.7 million in 2014.

EBITDA

EBITDA was RMB14.8 million in 2014 and RMB40.8 million in 2015. For a discussion of the limitations associated with using EBITDA rather than U.S. GAAP measures and a reconciliation to net income or loss, see “—Non-GAAP Financial Measures.”

Selected Quarterly Results of Operations

The following table sets forth our unaudited consolidated results of operations for each of the ten quarters from January 1, 2015 to June 30, 2017. We have prepared the unaudited quarterly consolidated results of operations set forth below on the same basis as our audited consolidated financial statements and include all adjustments, consisting of normal recurring adjustments, that we consider necessary for a fair statement of our financial position and operating results for the periods presented. Our historical results are not necessarily indicative of results expected for future periods. You should read this selected quarterly results of operations section together with our audited consolidated financial statements and the related notes included elsewhere in this prospectus.

	For the three months ended									
	March 31, 2015	June. 30, 2015	September 30, 2015	December 31, 2015	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017
	(RMB in thousands, except for EBITDA margin)									
Revenues	90,551	120,716	162,726	155,476	142,943	172,103	202,696	193,251	210,323	226,777
Cost of revenues	(78,759)	(78,487)	(102,090)	(87,335)	(88,529)	(81,208)	(101,391)	(92,451)	(96,316)	(99,763)
Gross profit	**11,792**	**42,229**	**60,636**	**68,141**	**54,414**	**90,895**	**101,305**	**100,800**	**114,007**	**127,014**
Operating expenses:										
Selling and marketing	(20,728)	(23,362)	(27,221)	(25,377)	(25,394)	(28,328)	(30,443)	(44,310)	(31,306)	(39,937)
General and administrative	(31,524)	(32,901)	(33,898)	(37,280)	(33,101)	(35,210)	(36,947)	(42,835)	(41,308)	(43,613)
Total operating expenses	**(52,252)**	**(56,263)**	**(61,119)**	**(62,657)**	**(58,495)**	**(63,538)**	**(67,390)**	**(87,145)**	**(72,614)**	**(83,550)**
Operating (loss)/income	**(40,460)**	**(14,034)**	**(483)**	**5,484**	**(4,081)**	**27,357**	**33,915**	**13,655**	**41,393**	**43,464**
Interest income	2,093	5,306	5,754	4,700	980	5,073	6,153	4,416	2,606	6,832
Interest expense	—	—	—	—	—	—	(1,038)	(5,035)	(5,167)	(4,740)
Foreign currency exchange gain/(loss)	27	(5)	(879)	(616)	730	(1,918)	(186)	(1,367)	(18)	216
Other (expense)/income, net	(123)	199	314	(137)	74	(114)	79	4,352	152	(288)
(Loss)/income before income tax expense	**(38,463)**	**(8,534)**	**4,706**	**9,431**	**(2,297)**	**30,398**	**38,923**	**16,021**	**38,966**	**45,484**
Income tax benefit/(expense)	5,765	672	(2,038)	(3,280)	47	(9,889)	(12,020)	(10,340)	(12,576)	(14,047)
Net (loss)/income	**(32,698)**	**(7,862)**	**2,668**	**6,151**	**(2,250)**	**20,509**	**26,903**	**5,681**	**26,390**	**31,437**
Add: Net loss attributable to non-controlling interests	1,589	1,434	1,128	1,305	708	358	51	1,963	1,872	389
Net (loss)/income attributable to RISE Education Cayman Ltd	**(31,109)**	**(6,428)**	**3,796**	**7,456**	**(1,542)**	**20,867**	**26,954**	**7,644**	**28,262**	**31,826**
Non-GAAP Financial Measures:										
EBITDA(1)	(16,650)	8,603	21,067	27,774	17,807	40,784	49,505	34,222	53,582	55,980
EBITDA margin(2)	-18.4%	7.1%	12.9%	17.9%	12.5%	23.7%	24.4%	17.7%	25.5%	24.7%

(1) To see how we define and calculate EBITDA, a reconciliation between EBITDA and net (loss)/income (the most directly comparable U.S. GAAP financial measure) and a discussion about the limitations of non-GAAP financial measures, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures."

(2) EBITDA margin is calculated by dividing EBITDA by revenues.

Seasonal fluctuations have affected, and are likely to continue to affect, our business. Our quarterly revenues overall were primarily generated from our educational programs and, to a lesser extent, from franchise revenues and other revenues. Generally, we generate higher revenues in the third quarter as we generate revenues from summer overseas study tours during the summer holiday, and we generate lower revenues in the first quarter as we deliver fewer classes due to the Chinese New Year holiday. The fluctuation in the first quarter is partially offset by revenues generated from our winter overseas study tours.

Our quarterly cost of revenues, selling and marketing expenses and general and administrative expenses generally increased in absolute amounts during the period from January 1, 2015 to June 30, 2017 as our revenues increased and we opened more self-owned learning centers, enhanced our marketing efforts and increased the headcount of our teachers and other administrative staff. Our operating income decreased from RMB33.9 million in the third quarter of 2016 to RMB13.7 million (US$2.0 million) in the fourth quarter of 2016 mainly because we had increased selling and marketing expenses for branding and promotion activities relating to our tenth anniversary. Overall, although the historical seasonality of our business has been relatively mild, we expect to continue to experience seasonal fluctuations in our results of operations. See “Risk Factors—Risks Related to Our Business and Industry—Our results of operations are subject to seasonal fluctuations.”

Non-GAAP Financial Measures

To supplement our consolidated financial statements, which are prepared and presented in accordance with U.S. GAAP, we use EBITDA and EBITDA margin, both non-GAAP financial measures, as described below, to understand and evaluate our core operating performance. These non-GAAP financial measures, which may differ from similarly titled measures used by other companies, are presented to enhance investors’ overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with U.S. GAAP.

EBITDA is defined as net income or loss before interest, taxes, depreciation and amortization. EBITDA margin is defined as EBITDA as a percentage of revenues. We believe that EBITDA and EBITDA margin provide useful information to investors and others in understanding and evaluating our operating results. These non-GAAP financial measures eliminate the impact of items that we do not consider indicative of the performance of our business. While we believe that these non-GAAP financial measures are useful in evaluating our business, this information should be considered as supplemental in nature and is not meant as a substitute for the related financial information prepared in accordance with U.S. GAAP.

The tables below present reconciliations of EBITDA to net (loss)/income, the most directly comparable U.S. GAAP financial measure, as well as EBITDA margin, for the periods indicated.

	For the Year Ended December 31,				For the Six Months Ended June 30,		
	2014	2015	2016		2016	2017	
	RMB	RMB	RMB	US$	RMB	RMB	US$
	(thousands, except for EBITDA margin)						
Net (loss)/income	(72,669)	(31,741)	50,843	7,500	18,259	57,827	8,530
Add: Depreciation	22,218	26,128	29,634	4,371	13,832	14,528	2,143
Add: Amortization(1)	78,104	65,379	40,188	5,928	22,711	10,115	1,492
Add: Interest expense	—	—	6,073	896	—	9,907	1,461
Add: Income tax (benefit)/expense	(5,685)	(1,119)	32,202	4,750	9,842	26,623	3,927
Less: Interest income	7,150	17,853	16,622	2,452	6,053	9,438	1,392
EBITDA	14,818	40,794	142,318	20,993	58,591	109,562	16,161
EBITDA margin	3.6%	7.7%	20.0%	20.0%	18.6%	25.1%	25.1%

(1) Includes amortization of certain intangible assets acquired as part of the 2013 acquisition. Such intangible assets include courseware license, student base and franchise agreements recorded under cost of revenues in the amount of RMB73.1 million, RMB59.7 million, RMB34.2 million (US$5.0 million), RMB19.9 million and RMB7.0 million (US$1.0 million) in 2014, 2015 and 2016 and for the six months ended June 30, 2016 and 2017, respectively, and trademarks under selling and marketing expenses in the amount of RMB2.9 million, RMB2.9 million, RMB3.1 million (US$0.5 million), RMB1.5 million and RMB1.6 million (US$0.2 million), respectively. See “Corporate History and Structure—Corporate History.”

	For the three months ended									
	Mar. 31, 2015	Jun. 30, 2015	Sep. 30, 2015	Dec. 31, 2015	Mar. 31, 2016	Jun. 30, 2016	Sep. 30, 2016	Dec. 31, 2016	Mar. 31, 2017	Jun. 30, 2017
	(RMB in thousands, except for EBITDA margin)									
Net (loss)/income	(32,698)	(7,862)	2,668	6,151	(2,250)	20,509	26,903	5,681	26,390	31,437
Add: Depreciation	7,517	6,101	5,951	6,559	6,846	6,986	7,077	8,724	6,960	7,568
Add: Amortization(1)	16,389	16,342	16,164	16,484	14,238	8,473	8,620	8,858	5,095	5,020
Add: Interest expense	—	—	—	—	—	—	1,038	5,035	5,167	4,740
Add: Income tax (benefit)/expense	(5,765)	(672)	2,038	3,280	(47)	9,889	12,020	10,340	12,576	14,047
Less: Interest income	2,093	5,306	5,754	4,700	980	5,073	6,153	4,416	2,606	6,832
EBITDA	(16,650)	8,603	21,067	27,774	17,807	40,784	49,505	34,222	53,582	55,980
EBITDA margin	-18.4%	7.1%	12.9%	17.9%	12.5%	23.7%	24.4%	17.7%	25.5%	24.7%

(1) Includes amortization of certain intangible assets acquired as part of the 2013 acquisition. Such intangible assets include courseware license, student base and franchise agreements recorded under cost of revenues and trademarks under selling and marketing expenses. See “Corporate History and Structure—Corporate History.”

The use of EBITDA and EBITDA margin has material limitations as an analytical tool, as EBITDA and EBITDA margin do not include all items that impact our net loss or income for the period.

Liquidity and Capital Resources

Cash Flows and Working Capital

Our principal sources of liquidity have been from cash generated from operating activities. As of December 31, 2015 and 2016 and June 30, 2017, we had RMB517.4 million, RMB640.0 million (US$94.4 million) and RMB537.0 million (US$79.2 million), respectively, in cash and cash equivalents. Cash and cash equivalents consist of cash on hand placed with banks or other financial institutions and highly liquid investment which are unrestricted as to withdrawal and use and have original maturities of three months or less when purchased. Our cash and cash equivalents are primarily denominated in Renminbi.

We intend to finance our future working capital requirements and capital expenditures from cash generated from operating activities, funds raised from financing activities, including the net proceeds we will receive from this offering. As an offshore holding company, we are permitted under PRC laws and regulations to provide funding to our PRC subsidiaries through loans or capital contributions, subject to applicable regulatory approvals. We cannot assure you that we will be able to obtain these regulatory approvals on a timely basis, if at all. See “Risk Factors—Risks Related to Our Corporate Structure—PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of this offering to make loans or additional capital contributions to our PRC subsidiaries and consolidated affiliates, which could materially and adversely affect our liquidity and our ability to fund and expand our business.” We believe that our current available cash and cash equivalents will be sufficient to meet our working capital requirements and capital expenditures in the ordinary course of business for the next twelve months without taking into account the proceeds from this offering.

However, we may require additional cash resources due to changing business conditions or other future developments, including any investments or acquisitions we may decide to selectively pursue. If our existing cash resources are insufficient to meet our requirements, we may seek to sell equity or equity-linked securities, sell debt securities or borrow from banks. We cannot assure you that financing will be available in the amounts we need or on terms acceptable to us, if at all. The sale of additional equity securities would result in additional dilution to our shareholders. The incurrence of indebtedness and issuance of debt securities would result in debt service obligations and could result in operating and financial covenants that restrict our operations and our ability to pay dividends to our shareholders.

We do not have any present plan to pay any cash dividends on our ordinary shares in the foreseeable future after this offering. We currently intend to retain most, if not all, of our available funds and any future earnings to

operate and expand our business. In September 2017, we paid cash dividends totaling US$87 million to our shareholders.

As a holding company with no material operations of our own, we are a corporation separate and apart from our subsidiaries and our VIE and its subsidiaries and, therefore, must provide for our own liquidity. We conduct our operations in China primarily through our PRC subsidiary and our VIE and its subsidiaries and schools. As a result, our ability to pay dividends and to finance any debt we may incur depends upon dividends paid by our subsidiaries, our VIE and its subsidiaries and schools. If our PRC subsidiary or any newly formed PRC subsidiaries incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends to us. In addition, our PRC subsidiaries are permitted to pay dividends to us only out of their respective retained earnings, if any, as determined in accordance with Chinese accounting standards and regulations.

Under applicable PRC laws and regulations, our PRC subsidiaries and schools are each required to set aside a portion of its after tax profits each year to fund certain statutory reserves, and funds from such reserves may not be distributed to us as cash dividends except in the event of liquidation of such subsidiaries. These statutory limitations affect, and future covenant debt limitations might affect, our PRC subsidiaries' ability to pay dividends to us. We currently believe that such limitations will not impact our ability to meet our ongoing short-term cash obligations although we cannot assure you that such limitations will not affect our ability to meet our short-term cash obligations and to distribute dividends to our shareholders in the future.

The following table sets forth a summary of our cash flows for the periods presented:

	For the Year Ended December 31,				For the Six Months Ended June 30,		
	2014	2015	2016		2016	2017	
	RMB	RMB	RMB	US$	RMB	RMB	US$
	(thousands)						
Net cash generated from operating activities	25,045	163,720	240,083	35,414	120,818	255,057	37,623
Net cash used in investing activities	(46,777)	(38,233)	(42,544)	(6,276)	(217,028)	(318,172)	(46,932)
Net cash generated from/(used in) financing activities	3,920	98	(80,209)	(11,831)	(72,039)	(38,413)	(5,666)
Effect of foreign exchange rate changes on cash and cash equivalents	309	2,378	5,233	772	3,425	(1,439)	(213)
Net (decrease)/increase in cash and cash equivalents	(17,503)	127,963	122,563	18,079	(164,824)	(102,967)	(15,188)
Cash and cash equivalents at beginning of period	406,976	389,473	517,436	76,326	517,436	639,999	94,405
Cash and cash equivalents at end of period	389,473	517,436	639,999	94,405	352,612	537,032	79,217

Operating activities

Net cash generated from operating activities amounted to RMB255.1 million (US$37.6 million) for the six months ended June 30, 2017. The difference between our net income of RMB57.8 million (US$8.5 million) and the net cash generated from operating activities was due to (i) an increase in deferred revenue and customer advances of RMB184.8 million (US$27.3 million), (ii) an adjustment of RMB29.4 million (US$4.3 million) in non-cash items, which mainly consisted of depreciation and amortization expense of RMB24.6 million (US$3.6 million), (iii) an increase in accrued expenses and other current liabilities of RMB8.6 million (US$1.3 million), partially offset by an increase in prepayments and other current assets of RMB11.1 million (US$1.6 million) for prepayment to certain suppliers and rental expenses. Deferred revenue and customer advances mainly consists of the upfront tuition fee payments from students and initial franchise fees from our franchise partners, which

increased for the six months ended June 30, 2017 primarily due to an increased number of student enrollments and increased number of newly opened franchised learning centers as our business expanded.

Net cash generated from operating activities amounted to RMB240.1 million (US$35.4 million) in 2016. The difference between our net income of RMB50.8 million (US$7.5 million) and the net cash generated from operating activities was due to (i) an increase in deferred revenue and customer advances of RMB111.4 million (US$16.4 million), (ii) an adjustment of RMB65.1 million (US$9.6 million) in non-cash items, which mainly consisted of depreciation and amortization expense of RMB69.8 million (US$10.3 million), partially offset by deferred income tax benefit of RMB4.8 million (US$0.7 million), (iii) an increase in income taxes payable of RMB18.0 million (US$2.6 million) and (iv) an increase in accrued expenses and other current liabilities of RMB20.5 million (US$3.0 million), partially offset by an increase in prepayments and other current assets of RMB16.8 million (US$2.5 million) for prepayment to certain suppliers and rental expenses. Deferred revenue and customer advances mainly consists of the upfront tuition fee payments from students and initial franchise fees from our franchise partners, which increased in 2016 primarily due to an increased number of student enrollments and increased number of newly opened franchised learning centers as our business expanded. Depreciation and amortization in 2016 consisted mainly of amortization of certain intangible assets acquired as part of the 2013 acquisition.

Net cash generated from operating activities amounted to RMB163.7 million in 2015. The difference between our net loss of RMB31.7 million and the net cash generated from operating activities was due to (i) an increase in deferred revenue and customer advances of RMB105.5 million and (ii) an adjustment of RMB80.0 million in non-cash items, which mainly consisted of depreciation and amortization expense of RMB91.5 million primarily due to the 2013 acquisition, partially offset by deferred income tax benefit of RMB12.0 million. Deferred revenue and customer advances increased in 2015 primarily due to increased number of student enrollments and increased number of newly opened franchised learning centers as our business expanded.

Net cash generated from operating activities amounted to RMB25.0 million in 2014. The difference between our net loss of RMB72.7 million and the net cash generated from operating activities was due to (i) an adjustment of RMB78.1 million in non-cash items, which mainly consisted of depreciation and amortization expense of RMB100.3 million primarily due to the 2013 acquisition and deferred income tax benefit of RMB22.3 million, (ii) an increase in deferred revenue and customer advances of RMB23.3 million and (iii) a decrease in prepayments and other current assets of RMB9.2 million, partially offset by an increase in other non-current assets of RMB10.2 million for lease deposits paid for self-owned learning centers. Deferred revenue and customer advances increased in 2014 primarily due to increased number of student enrollments and increased number of newly opened franchised learning centers as our business expanded.

Investing activities

Net cash used in investing activities amounted to RMB318.2 million (US$46.9 million) for the six months ended June 30, 2017. This was primarily attributable to the (i) purchase of short-term investments of RMB290.0 million (US$42.8 million), (ii) loans to a related party of RMB150.0 million (US$22.1 million) and (iii) purchase of property and equipment of RMB25.9 million (US$3.8 million) and purchase of intangible assets of RMB2.3 million (US$0.3 million) as we opened new self-owned learning centers, partially offset by proceeds from maturity of short-term investments of RMB150.0 million (US$22.1 million).

Net cash used in investing activities amounted to RMB42.5 million (US$6.3 million) in 2016. This was primarily attributable to the (i) purchase of property and equipment of RMB35.5 million (US$5.2 million) and (ii) purchase of intangible assets of RMB8.3 million (US$1.2 million), as we opened new self-owned learning centers.

Net cash used in investing activities amounted to RMB38.2 million in 2015. This was primarily attributable to the (i) purchase of short-term investments of RMB308.0 million, (ii) purchase of property and equipment of RMB35.0 million and (iii) purchase of intangible assets of RMB8.4 million, as we opened new self-owned learning centers, partially offset by the proceeds from maturity of short-term investments of RMB313.0 million.

Net cash used in investing activities amounted to RMB46.8 million in 2014. This was primarily attributable to the (i) purchase of short-term investments of RMB397.5 million, (ii) purchase of property and equipment of RMB36.4 million and (iii) purchase of intangible assets of RMB4.2 million, as we opened new self-owned learning centers, partially offset by the proceeds from maturity of short-term investments of RMB391.5 million.

Financing activities

Net cash used in financing activities amounted to RMB38.4 million (US$5.7 million) for the six months ended June 30, 2017, primarily attributable to an increase in restricted cash of RMB38.4 million (US$5.7 million).

Net cash used in financing activities amounted to RMB38.2 million (US$5.6 million) in 2016, primarily attributable to distribution of RMB426.0 million (US$62.8 million) to our shareholders and an increase in restricted cash of RMB11.1 million (US$1.6 million), partially offset by the proceeds of RMB356.9 million (US$52.6 million) from a loan facility with CTBC Bank Co., Ltd. incurred in 2016.

Net cash generated from financing activities amounted to RMB0.1 million in 2015 and RMB3.9 million in 2014, primarily attributable to the capital injection from a non-controlling interest shareholder.

Long-term loan

In July 2016, we entered into a loan facility agreement with CTBC Bank Co. Ltd. as the lender, which was amended and restated in September 2017, for a short-term facility of US$30.0 million and a long-term facility of US$110.0 million. The long-term facility is guaranteed by Rise IP, Rise HK, the WFOE and the VIE. Rise HK also pledged its equity interests in the WFOE in favor of the lender as security for the long-term facility. We have registered the guarantee provided by the WFOE with SAFE. We did not register the guarantee provided by our VIE with SAFE pursuant to a waiver for such registration granted by the lender. In addition, we have deposited a certain amount of cash in a designated bank account as security for the interest payments under the long-term facility.

We drew down both facilities in full in September 2017. Pursuant to the loan facility agreement, we will repay the short-term facility in full within ten business days of the completion of this offering. The maturity date of the long-term facility is five years from the drawdown date. According to the repayment schedule, US$8.25 million, US$13.75 million US$19.25 million, US$24.75 million and US$44.0 million are to be repaid by each respective anniversary from the drawdown date. The interest rate under the long-term facility is the sum of the London interbank offered rate plus a certain margin, of which the margin decreases as our leverage ratio (which is defined as the ratio of total net debt as of the last date of the relevant period to adjusted EBITDA in respect of the relevant period) decreases. As of the date of this prospectus, the interest rate is 4.81%. We will repay the first installment in September 2018.

We maintained deposits held in a designated bank account as security for interest payments amounting to US$7.3 million as of June 30, 2017.

Capital expenditures

Our capital expenditures amounted to RMB40.6 million, RMB43.4 million, RMB43.8 million (US$6.5 million) and RMB28.2 million (US$4.2 million) in 2014, 2015 and 2016 and for the six months ended June 30, 2017, respectively, for purchases of property and equipment and intangible assets, such as course materials and

software, as we expanded existing and opened new self-owned learning centers. We will continue to make capital expenditures to meet the expected growth of our business and expect that cash generated from our operating activities and financing activities will meet our capital expenditure needs in the foreseeable future.

Contractual Obligations

The following table sets forth our contractual obligations as of June 30, 2017.

	Payment Due by Period				
	Total	Less Than 1 Year	2-3 Years	4-5 Years	More Than 5 Years
	(RMB in thousands)				
Operating lease obligations(1)	592,922	134,377	223,696	132,103	102,746

(1) Represented future minimum lease payments under non-cancelable operating leases in connection with the leases of offices and self-owned learning centers.

In addition, as of June 30, 2017, we had commitments for the construction of leasehold improvements associated with self-owned learning centers of RMB3.7 million (US$0.5 million), which are expected to be paid within one year.

Other than the above, we did not have any significant capital and other commitments, long-term obligations, or guarantees as of June 30, 2017.

Internal Control Over Financial Reporting

Prior to this offering, we were a private company with limited accounting personnel and other resources to address our internal control over financial reporting. In connection with the audit of our consolidated financial statements for the years ended December 31, 2014, 2015 and 2016 and as of December 31, 2015 and 2016, we and our independent registered public accounting firm identified one material weakness as of December 31, 2016, in accordance with the standards established by PCAOB. As defined in standards established by the PCAOB, a “material weakness” is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

The material weakness identified relates to our lack of requisite knowledge of United States generally accepted accounting principles and SEC rules. Neither we nor our independent registered public accounting firm undertook a comprehensive assessment of our internal control over financial reporting under the Sarbanes-Oxley Act for purposes of identifying and reporting any weakness or significant deficiency in our internal control over financial reporting, as we and they will be required to do once we become a public company. Had we performed a formal assessment of our internal control over financial reporting or had our independent registered public accounting firm performed an audit of our internal control over financial reporting, additional control deficiencies may have been identified.

To remedy our identified material weakness, we will adopt several measures that will improve our internal control over financial reporting, including: (i) recruiting additional experienced personnel with relevant past experience working on U.S. GAAP and the SEC reporting; (ii) conducting regular and continuous U.S. GAAP accounting and financial reporting training programs for our accounting and financial reporting personnel, including sending our financial staff to attend external U.S. GAAP training courses; (iii) improving monitoring and oversight controls for non-recurring and complex transactions to ensure the accuracy and completeness of financial reporting; and (iv) updating and enhancing our accounting policy manual for our financial reporting personnel for recurring, non-recurring and complex transactions, and period-end closing processes.

We expect to complete the measures above as soon as practicable and we will continue to implement measures to remedy our internal control deficiencies in order to meet the deadline imposed under Section 404 of the Sarbanes-Oxley Act. The process of designing and implementing an effective financial reporting system is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments and to expend significant resources to maintain a financial reporting system that is adequate to satisfy our reporting obligations. If we fail to develop or maintain an effective system of internal controls over our financial reporting, we may not be able to accurately report our financial results, prevent fraud or meet our reporting obligations. As a result, investor confidence and the market price of our shares may be materially and adversely affected. See "Risk Factors—Risks Related to Our Business—If we fail to implement and maintain an effective system of internal controls, we may be unable to accurately or timely report our results of operations or prevent fraud."

Holding Company Structure

We are a holding company with no material operations of our own. We conduct our operations primarily through our subsidiaries and our VIE and its subsidiaries and schools in China. As a result, our ability to pay dividends depends upon dividends paid by our subsidiaries, which in turn depends on the service and license fees paid to Rise HK and the WFOE by the VIE and its schools. As we invest in and expand our PRC operations in the future, Rise HK and the WFOE will continue to rely on service and license fees from our VIE and the schools and we will rely on dividends from Rise HK and the WFOE for our cash needs. Furthermore, if our subsidiaries or any newly formed subsidiaries incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends to us.

Although we currently do not require any such dividends, loans or advances from our entities for working capital and other funding purposes, we may in the future require additional cash resources from them due to changes in business conditions, to fund future acquisitions and development, or merely to declare and pay dividends or distributions to our shareholders.

The table below sets forth the respective revenue contributions of (i) our company and our Cayman Island subsidiaries, (ii) Rise HK, (iii) our WFOE and (iv) our VIE and its subsidiaries and schools for the periods indicated as a percentage of revenues:

	Revenues				
	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2014	2015	2016	2016	2017
Our company and our subsidiaries					
Our company and Cayman Island subsidiaries	—	—	—	—	—
Rise HK	—	—	—	—	—
WFOE	3%	5%	5%	5%	5%
Our VIE and its subsidiaries and schools	97%	95%	95%	95%	95%
Total Revenues	**100%**	**100%**	**100%**	**100%**	**100%**

The table below sets forth the amount of (i) license fees paid to our Cayman Island subsidiaries by our WFOE and VIE pursuant to the license agreements, (ii) service fees paid to Rise HK by our VIE pursuant to the consulting service agreement, and (iii) service fees paid to our WFOE by our VIE and its subsidiaries and schools pursuant to the service agreement, license agreements and comprehensive service agreements for the periods indicated:

	For the Year Ended December 31,		For the Six Months Ended June 30,		
	2015	2016	2016	2017	2017
	RMB	RMB	RMB	RMB	US$
	(thousands)				
License fees paid to our Cayman Islands subsidiaries	10,289	19,251	11,694	7,270	1,072
Service fees paid to Rise HK*	—	—	—	5,813	857
Service fees paid to our WFOE	85,837	225,610	35,282	116,528	17,189

* For the years ended December 31, 2015 and 2016, service fees under the consulting service agreement were paid directly to our WFOE.

Our subsidiaries including WFOE did not pay any dividends to our company in 2014, 2015, 2016 and the six months ended June 30, 2017.

All our operations are based in the PRC. Our assets are located in the PRC, Hong Kong and Cayman Islands. The table below sets forth the respective asset contributions of (i) our company and our Cayman Island subsidiaries, (ii) Rise HK, (iii) our WFOE and (iv) our VIE and its subsidiaries and schools as of the dates indicated as a percentage of total assets:

	Total Assets		
	As of December 31,		As of June 30,
	2015	2016	2017
Our company and our subsidiaries			
Our company and Cayman subsidiaries	36%	34%	30%
Rise HK	—	1%	1%
WFOE	11%	16%	40%
Our VIE and its subsidiaries and schools	53%	49%	29%
Total Assets	**100%**	**100%**	**100%**

We generally keep cash generated from tuition and fees by our self-owned learning centers in their respective accounts at the end of each year for regulatory inspection purposes, while we transfer cash to the WFOE where it is centrally managed during the year. As a result, the percentage of total assets held by our WFOE was only 16% as of December 31, 2016 as compared to 40% as of June 30, 2017, while the percentage held by our VIE and its subsidiaries and schools changed from 49% to 29% as of the same dates.

Critical Accounting Policies

We prepare our financial statements in conformity with U.S. GAAP, which requires us to make estimates and assumptions that affect our reporting of, among other things, assets and liabilities, contingent assets and liabilities and revenues and expenses. Our estimates and judgments include valuation allowance for deferred tax assets, uncertain tax positions, economic lives and impairment of long-lived assets, impairment of goodwill, estimating the best estimate selling price of each deliverable in our revenue arrangements, and share-based compensation. We regularly evaluate these estimates and assumptions based on the most recently available information, our own historical experiences and other factors that we believe to be relevant under the circumstances. Since our financial reporting process inherently relies on the use of estimates and assumptions, our actual results could differ from what we expect. This is especially true with some accounting policies that

require higher degrees of judgment than others in their application. We consider the policies discussed below to be critical to an understanding of our audited consolidated financial statements because they involve the greatest reliance on our management's judgment.

Revenue Recognition

We recognize revenue when persuasive evidence of an arrangement exists, delivery of the product or service has occurred, the selling price is fixed or determinable and collection is reasonably assured. Our business is subject to business tax, value added taxes and tax surcharges assessed by governmental authorities. Pursuant to ASC 605-45, Revenue Recognition—Principal Agent Considerations, we elected to present business tax, value added taxes and tax surcharges as a reduction of revenues on the consolidated statements of (loss)/income. We include payments received before all of the relevant criteria for revenue recognition are satisfied in the deferred revenue and customer advances line item in the consolidated balance sheets. The primary sources of our revenues are as follows:

Educational programs

Educational programs include English courses and related course materials. In accordance with ASC subtopic 605-25, Revenue Recognition: Multiple-Deliverable Revenue Arrangements, or ASC 605-25, we evaluate all the deliverables in the arrangement to determine whether they represent separate units of accounting. For the arrangements with deliverables to be considered a separate unit of accounting, we allocate the total consideration of the arrangement based on their relative selling price, with the selling price of each deliverable determined using vendor-specific objective evidence, or VSOE, of selling price, third-party evidence, or TPE, of selling price, or management's best estimate of the selling price, or BESP, and recognize revenue as each deliverable is provided. In determining BESP for each deliverable, we considered our overall pricing model and objectives, as well as market or competitive conditions that may impact the price at which we would transact if the deliverable were sold regularly on a standalone basis. We monitor the conditions that affect our determination of selling price for each deliverable and reassesses such estimates periodically.

Course fees are collected in full in advance of the commencement of each course and each course is comprised of a fixed amount of classes. We recognize course revenue ratably as the classes for the related course are delivered to the students. Students are allowed to return course materials if they are unused. However, once the student attends the first class of the respective course, course materials cannot be returned. Therefore, we recognize revenue from the sale of course materials when the student attends the first class of the respective course. The amounts recognized for each deliverable is limited to the amount that is not contingent upon the delivery of additional deliverables or meeting other specified performance conditions.

According to local education bureau regulations, depending on a school's location and the amount of classes remaining for a tutoring course, we may be required to refund course fees for any remaining undelivered classes to students who withdraw from a course. We record the refund as a reduction of the related course fees received in advance and has no impact on recognized revenue. Refunds on recognized revenue were insignificant for all periods presented.

We may issue promotional coupons to attract enrollment for our courses. The promotional coupons are not issued in conjunction with a concurrent revenue transaction and are for a fixed Renminbi amount that can only be redeemed to reduce the amount of the tuition fees for future courses. We account for the promotional coupons as a reduction of revenue when the corresponding revenue is recognized in accordance with ASC 605-50-45-2.

Franchise revenues

Franchise revenues include initial franchise fees, which are non-refundable and recognized as revenue when substantially all services or conditions relating to the initial franchise fee have been performed, which is

generally when a franchise partner commences its operations under the RISE brand. The services to be performed under our franchise agreements to earn the initial franchise fees comprise of (i) authorizing franchise partners to use the RISE brand and our courseware, and (ii) initial setup services, including assisting with site selection and marketing strategy, training of franchisee management and teachers. Our franchise agreements do not include guarantees or other forms of financial assistance, refund provisions or options to repurchase franchises from franchisees. Initial franchise fees are deferred and recorded as "deferred revenue and customer advances" until these commitments and obligations have been performed, which is upon the franchisee commencing its operations under the RISE brand. We also receive recurring franchise fees from our franchise partners, which are based on a fixed percentage of the franchise partner's course fees and proceeds from the sale of related course materials. We recognize the recurring franchise fees as franchise revenues as the fees are earned and realized.

Other revenues

Other revenues comprises mainly of the provision of overseas study tours. We bear the risks and rewards, including customer acceptance of the services and have the right to unilaterally determine and change the study tour itinerary. We also set the study tour prices charged to customers and independently select the travel service suppliers. Therefore, we are the primary obligor of the study tour service arrangement and recognize revenue on a gross basis. We recognize revenue from study tour services once the organized tour is completed in its entirety.

Consolidation of VIE

Our consolidated financial statements include the financial statements of our holding company, our subsidiaries and our VIE and its subsidiaries and schools for which one of our subsidiaries is the primary beneficiary. All significant inter-company transactions and balances between us, our subsidiaries and our VIE and its subsidiaries and schools are eliminated upon consolidation.

PRC laws and regulations currently require any foreign entity that invests in the education industry in China to be an educational institution with relevant experience in providing educational services outside China. Our offshore holding companies are not educational institutions and do not provide educational services outside China. Accordingly, our offshore holding companies are not allowed to directly engage in the education industry in China. To comply with PRC laws and regulations, we conduct all of our junior ELT business in China through our VIE, namely Beijing Step Ahead and its subsidiaries and schools. Our VIE and its subsidiaries and schools hold the requisite licenses and permits necessary to conduct our junior ELT business. In addition, our VIE and its subsidiaries and schools hold leases and other assets necessary to operate our schools, employ teachers and generate substantially all of our revenues. Despite the lack of technical majority ownership, we have effective control of our VIE through a series of contractual arrangements, and a parent-subsidiary relationship exists between us and our VIE. The equity interests of our VIE are legally held by PRC individuals, or the nominee shareholders. Through the contractual agreements, the nominee shareholders of our VIE effectively assigned all their voting rights underlying their equity interests in our VIE to us, and therefore, we have the power to direct the activities of our VIE that most significantly impact its economic performance. We also have the right to receive economic benefits from our VIE that potentially could be significant to our VIE. Based on the above, we consolidate our VIE in accordance with SEC Regulation SX-3A-02 and ASC810-10, Consolidation: Overall.

In November 2016, certain contractual agreements were supplemented to reflect a change in one of the nominee shareholders designated by Rise HK; and it was resolved that Rise HK through our WFOE held the irrevocable proxy to exercise all the voting rights of the shareholders of our VIE since the proxy agreement was in existence. As a result, Rise HK has the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and is the primary beneficiary of the VIE.

For more information on consolidation of our VIE, see Note 1 to our audited consolidated financial statements appearing elsewhere in this prospectus.

Share-based Compensation

We apply ASC 718, Compensation—Stock Compensation ("ASC 718"), to account for our employee share-based payments. In accordance with ASC 718, we determine whether an award should be classified and accounted for as a liability award or an equity award. We classified all our share-based awards to employees as equity awards.

In accordance with ASC 718, we recognize share-based compensation cost for equity awards to employees with a performance condition based on the probable outcome of that performance condition—we recognize compensation cost if it is probable that the performance condition will be achieved and we will not recognize compensation if it is not probable that the performance condition will be achieved.

In accordance with ASC 718, we reflect the effect of a market condition in the grant-date fair value of the granted equity awards. We recognize share-based compensation cost for equity awards with a market condition provided that the requisite service is rendered, regardless of when, if ever, the market condition is satisfied.

We account for any a change in any of the terms or conditions of the awards as a modification of the award. When the vesting conditions (or other terms) of the equity awards granted to employees are modified, we first determine on the modification date, whether the original vesting conditions were expected to be satisfied, regardless of the entity's policy election for accounting for forfeitures. If the original vesting conditions are not expected to be satisfied, the grant-date fair value of the original equity awards are ignored and the fair value of the equity award measured at the modification date is recognized if the modified award ultimately vests.

We use the accelerated method for all awards granted with graded vesting service conditions, and the straight-line method for awards granted with non-graded vesting service conditions. We early adopted Accounting Standard Update ("ASU") ASU 2016-09—*Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting* on January 1, 2014 and elected to account for forfeitures as they occur. The adoption of this guidance had no impact as no share-based compensation expense was recognized during the periods presented. With the assistance of an independent third party valuation firm we determined the fair value of the stock options granted to employees. We used the binomial option pricing model in determining the estimated fair value of the options granted to employees.

We approved the ESOP Plan in 2016. Under the ESOP Plan, we can grant options to our eligible employees, directors and officers for the purchase of up to 7,000,000 ordinary shares (excluding any shares which have lapsed or have been forfeited). The options are exercisable only upon the event of an initial public offering or change of control, each or collectively, the exercisability event. The exercisability event constitutes a performance condition that is not considered probable until the completion of the initial public offering or change of control. We will not recognize any compensation expense until the exercisability event occurs. Upon the occurrence of the exercisability event, the effect of the change in this estimate will be accounted for in the period of change by cumulative compensation cost recognition as if the new estimate had been applied since the service inception date, with the remaining unrecognized compensation cost amortized over the remaining requisite service period.

In September 2016, we resolved to modify substantially all of the options under the ESOP Plan such that all recipients of the options need to remain in service with us until October 1, 2017, October 1, 2018, October 1, 2019, or October 1, 2020, or the options (both vested and unvested portions) will be forfeited. As of the modification date, the original performance condition of the options was not expected to be satisfied, therefore, the modification-date fair value of the options instead of the original grant-date fair value will be used to measure the modified options once they ultimately vest.

The following table summarizes our equity award activity under the ESOP Plan as of December 31, 2016:

	As of December 31, 2016
Number of options granted	5,985,000
Number of options forfeited	—
Number of options outstanding	5,985,000
Weighted-average exercise price (US$)	1.44
Weighted-average modification-date fair value (US$)(1)	N/A
Weighted-average remaining contractual term	7.91
Aggregate intrinsic value(2)	10,683

(1) No awards vested during 2016 and for the six months ended June 30, 2017. We have not granted any new options since December 31, 2016.
(2) The aggregate intrinsic value in the table above represents the difference between the fair value of our ordinary share as of June 30, 2017 and respective exercise price of the option. Total intrinsic value of options exercised for 2016 and for the six months ended June 30, 2017 was nil as no options were exercised.

No share-based compensation expense was recorded in respect of the ESOP Plan for the year ended December 31, 2016 and for the six months ended June 30, 2017 as the exercisability event has not occurred. As of June 30, 2017, there was US$11.9 million of total unrecognized employee share-based compensation expenses, related to unvested share-based awards. Total unrecognized compensation cost may be adjusted for actual forfeitures occurring in the future.

Fair Value of Our Share Options

We estimate the fair value of share options with market conditions using the Monte Carlo simulation model and all other share options using the binomial option-pricing model with the assistance of an independent third party appraiser. The models require the input of highly subjective assumptions including the estimated expected share price volatility and the share price upon which our employees are likely to exercise share options, or the exercise multiple. We historically have been a private company and lack information on our share price volatility. Therefore, we estimate our expected share price volatility based on the historical volatility of a group of similar companies that are publicly-traded. When selecting these public companies on which we have based our expected share price volatility, we selected companies with characteristics similar to us, including the invested capital's value, business model, risk profiles, position within the industry, and with historical share price information sufficient to meet the contractual life of our share options. We will continue to apply this process until a sufficient amount of historical information regarding the volatility of our own share price becomes available. For the exercise multiple, as a private company, we were not able to develop an exercise pattern as reference, thus the exercise multiple is based on management's estimation, which we believe is representative of the future exercise pattern of the options. The risk-free interest rates for the periods within the contractual life of the option are based on the U.S. Treasury yield curve in effect during the period the options were granted.

The assumptions we adopted to estimate the fair value of share options were as follows:

	As of December 31, 2016
Risk-free interest rate	1.92%-2.23%
Expected volatility range	48.1%-50.7%
Suboptimal exercise factor	2.8
Fair value per ordinary share as at valuation date	US$3.10-$3.26

These assumptions represented our best estimates, but the estimates involve inherent uncertainties and the application of our judgment. As a result, if factors change and we use significantly different assumptions or estimates when valuing our share options, our share-based compensation expense could be materially different.

We are also required to estimate the fair value of the ordinary shares underlying our share options when performing the fair value calculations with the binomial option model with the assistance of an independent third party appraiser, we estimated the fair value of our ordinary shares at each respective grant date and modification date. We performed the valuations of our ordinary shares using methodologies, approaches and assumptions consistent with the American Institute of Certified Public Accountants Audit and Accounting Practice Aid Series: Valuation of Privately-Held-Company Equity Securities Issued as Compensation, or the AICPA Practice Guide. The fair value of our ordinary shares at the modification date was valued using a combination of income approach (discounted cash flow method) and market approach.

Once public trading market of the ADSs has been established in connection with the completion of this offering, it will no longer be necessary for us to estimate the fair value of our ordinary shares in connection with our accounting for granted share options.

Income taxes

We follow the liability method of accounting for income taxes in accordance with ASC 740, Income Taxes, or ASC 740. Under this method, we determine deferred tax assets and liabilities based on the difference between the financial reporting and tax bases of assets and liabilities using enacted tax rates that will be in effect in the period in which the differences are expected to reverse. We record a valuation allowance to offset deferred tax assets if based on the weight of available evidence, it is more-likely-than-not that some portion, or all, of the deferred tax assets will not be realized. The effect on deferred taxes of a change in tax rate is recognized in tax expense in the period that includes the enactment date of the change in tax rate.

We accounted for uncertainties in income taxes in accordance with ASC 740. Interest and penalties arising from underpayment of income taxes shall be computed in accordance with the related PRC tax law. The amount of interest expense is computed by applying the applicable statutory rate of interest to the difference between the tax position recognized and the amount previously taken or expected to be taken in a tax return. Interest and penalties recognized in accordance with ASC 740 are classified in the consolidated statements of (loss)/income as income tax expense.

In accordance with the provisions of ASC 740, we recognize in our consolidated financial statements the impact of a tax position if a tax return position or future tax position is “more likely than not” to prevail based on the facts and technical merits of the position. Tax positions that meet the “more likely than not” recognition threshold are measured at the largest amount of tax benefit that has a greater than fifty percent likelihood of being realized upon settlement. Our estimated liability for unrecognized tax benefits which is included in the “other non-current liabilities” line item in the accompanying consolidated financial statements is periodically assessed for adequacy and may be affected by changing interpretations of laws, rulings by tax authorities, changes and/or developments with respect to tax audits, and expiration of the statute of limitations. The actual benefits ultimately realized may differ from our estimates. As each audit is concluded, we record adjustments, if any, in our consolidated financial statements. Additionally, in future periods, changes in facts, circumstances, and new information may require us to adjust the recognition and measurement estimates with regard to individual tax positions. We recognize changes in recognition and measurement estimates in the period in which the changes occur.

As of December 31, 2015 and 2016 and June 30, 2017, we had unrecognized tax benefits of RMB8.8 million, RMB9.1 million (US$1.3 million) and RMB8.2 million (US$1.2 million), of which RMB1.1 million, RMB0.9 million (US$0.1 million) and RMB0.9 million (US$0.1 million) were offset against the deferred tax assets on tax losses carry forward, and the remaining amount of RMB7.8 million, RMB8.2 million (US$1.2 million) and RMB7.3 million (US$1.1 million) which if ultimately recognized, would impact the effective tax rate.

Off-Balance Sheet Commitments and Arrangements

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any unconsolidated third parties. In addition, we have not entered into any derivative contracts that are indexed to our shares and classified as shareholders' equity, or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. Moreover, we do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or product development services with us.

Taxation

Cayman Islands

We are incorporated in the Cayman Islands and our primary business operations are conducted through our subsidiaries and our VIE and its subsidiaries and schools. Under the current laws of the Cayman Islands, we are not subject to tax on income or capital gains arising in Cayman Islands. In addition, dividend payments are not subject to withholding tax in the Cayman Islands.

Hong Kong

Our wholly owned subsidiary in Hong Kong, Rise HK, is subject to Hong Kong profits tax on its activities conducted in Hong Kong at a uniform tax rate of 16.5%. Payments of dividends by our subsidiary in Hong Kong to us are not subject to withholding tax in Hong Kong.

PRC

Our WFOE, VIE and its subsidiaries and schools are subject to PRC enterprise income tax on their taxable income in accordance with the relevant PRC Enterprise Income Tax Law, or EIT Law. Pursuant to the EIT Law, which became effective on January 1, 2008 and was amended on February 24, 2017, a uniform 25% enterprise income tax rate is generally applicable to both foreign-invested enterprises and domestic enterprises, except where a special preferential rate applies. The enterprise income tax is calculated based on the entity's global income as determined under PRC tax laws and accounting standards.

We are subject to value-added tax at a rate of 6% on the services we provide. Tax payable amount of value-added tax relating to the services we provide was the output tax amount in a tax period minus input tax amount in the same period. Pursuant to Circular No. 68 which was promulgated on June 18, 2016, our schools are subject to a simple value-added tax collection method and many of our schools are subject to value-added tax at a rate 3%. We are also subject to surcharges on value-added tax payments in accordance with PRC law.

As a Cayman Islands holding company, we may receive dividends from our PRC subsidiary through Rise HK. Pursuant to the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income, the withholding tax rate in respect to the payment of dividends by a PRC enterprise to a Hong Kong enterprise may be reduced to 5% from a standard rate of 10% if the Hong Kong enterprise directly holds at least 25% of the PRC enterprise. Pursuant to the Notice of the State Administration of Taxation on the Issues concerning the Application of the Dividend Clauses of Tax Agreements issued by the State Administration of Taxation on February 20, 2009, or SAT Circular 81, a Hong Kong resident enterprise must meet the following conditions, among others, in order to apply the reduced withholding tax rate: (i) it must be a company; (ii) it must directly own the required percentage of equity interests and voting rights in the PRC resident enterprise; and (iii) it must have directly owned such required percentage in the PRC resident enterprise throughout the 12 months prior to receiving the dividends. In August 2015, the State Administration of Taxation promulgated the Administrative Measures for Non-Resident Taxpayers to Enjoy

Treatment under Tax Treaties, or SAT Circular 60, which became effective on November 1, 2015. SAT Circular 60 provides that non-resident enterprises are not required to obtain pre-approval from the relevant tax authority in order to enjoy the reduced withholding tax. Instead, non-resident enterprises and their withholding agents may, by self-assessment and on confirmation that the prescribed criteria to enjoy the tax treaty benefits are met, directly apply the reduced withholding tax rate, and file necessary forms and supporting documents when performing tax filings, which will be subject to post-tax filing examinations by the relevant tax authorities. Accordingly, Rise HK may be able to benefit from the 5% withholding tax rate for the dividends it receives from the WFOE, if it satisfies the conditions prescribed under SAT Circular 81 and other relevant tax rules and regulations. However, according to SAT Circular 81 and SAT Circular 60, if the relevant tax authorities consider the transactions or arrangements we have are for the primary purpose of enjoying a favorable tax treatment, the relevant tax authorities may adjust the favorable withholding tax in the future.

If our holding company in the Cayman Islands or any of our subsidiaries outside of China were deemed to be a “resident enterprise” under the EIT Law, it would be subject to enterprise income tax on its worldwide income at a rate of 25%. See “Risk Factors—Risks Related to Doing Business in China—Under the PRC Enterprise Income Tax Law, or the EIT Law, we may be classified as a PRC ‘resident enterprise,’ which could result in unfavorable tax consequences to us and our non-PRC shareholders.”

Quantitative and Qualitative Disclosure about Market Risks

Foreign Exchange Risk

Foreign currency risk arises from future commercial transactions and recognized assets and liabilities. A significant portion of our revenue-generating transactions and expense-related transactions are denominated in Renminbi, which is the functional currency of our subsidiaries, VIE and its subsidiaries in China. Therefore, we have limited exposure to foreign exchange risk for operational activity. However, we have a long term outstanding loan denominated in U.S. Dollars and we do not hedge against currency risk for the repayment of this loan.

The change in value of the Renminbi against the U.S. Dollar and other currencies is affected by various factors such as changes in political and economic conditions in the PRC. On July 21, 2005, the PRC government changed its decade-old policy of pegging the value of the Renminbi to the U.S. Dollar, and the Renminbi appreciated more than 20% against the U.S. Dollar over the following three years. Between July 2008 and June 2010, this appreciation halted and the exchange rate between the Renminbi and the U.S. Dollar remained within a narrow band. Since June 2010, the Renminbi has fluctuated against the U.S. Dollar, at times significantly and unpredictably. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the Renminbi and the U.S. Dollar in the future.

To the extent that we need to convert U.S. Dollars into Renminbi for our operations, appreciation of Renminbi against the U.S. Dollar would reduce the Renminbi amount we receive from the conversion. Conversely, if we decide to convert Renminbi into U.S. Dollars for the purpose of making payments for dividends on our ordinary shares or ADSs, servicing our outstanding debt, or for other business purposes, appreciation of the U.S. Dollar against the Renminbi would reduce the U.S. Dollar amounts available to us.

As of June 30, 2017, we had Renminbi-denominated cash and cash equivalents and restricted cash of RMB447.2 million (US$66.0 million). A 10% depreciation of the Renminbi against the U.S. Dollar based on the foreign exchange rate on June 30, 2017 would result in a decrease of US$6.6 million in cash and cash equivalents and restricted cash.

Credit Risk

We are exposed to credit risk from our financial assets, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Our objective is to seek continual

revenue growth while minimizing losses incurred due to increased credit risk exposure. Financial instruments that potentially subject us to significant concentrations of credit risk consist primarily of cash and cash equivalents, short-term investments and restricted cash. As of June 30, 2017, substantially all of our cash and cash equivalents, short-term investments and restricted cash were deposited with financial institutions, which we believe are of high credit quality and continually monitoring the credit worthiness of these financial institutions.

Interest Rate Risk

We are exposed to interest rate risk related to our outstanding long-term loan. The interest rate of the long-term loan was mainly based on the three month London Interbank Offered Rate and a pre-determined margin. A hypothetical 1% increase or decrease in annual interest rates would increase or decrease interest expense by approximately RMB3.7 million (US$0.5 million) per year based on our debt level as of June 30, 2017.

Our exposure to interest rate risk also relates to the interest income generated by excess cash, which is mostly held in interest-bearing bank deposits. We have not used any derivative financial instruments to manage our interest risk exposure. Interest-earning instruments carry a degree of interest rate risk. We have not been exposed, nor do we anticipate being exposed, to material risks due to changes in interest rates. However, our future interest income may fall shorter of expectations due to changes in market interest rates.

Inflation Risk

Our revenues were generated in China in 2014, 2015 and 2016 and for the six months ended June 30, 2017. Inflation did not have a material impact on our results of operations. According to the National Bureau of Statistics of China, inflation as measured by the consumer price index in China was 2.0%, 1.4%, 2.1% and 1.5% in 2014, 2015 and 2016 and for the six months ended June 30, 2017, respectively. Although we have not been materially affected by inflation since our inception, we can provide no assurance that we will not be affected in the future by higher rates of inflation in China.

Recent Accounting Pronouncements

Please see a detailed discussion in Note 2 to our consolidated financial statements included elsewhere in this prospectus.

OUR INDUSTRY

Introduction to China's Education System

The education system in China consists of education in school and after-school settings. School education includes preschool, elementary school, middle school, high school and university. After-school education refers to all educational courses taken outside of school, and is increasingly prevalent as it offers a variety of training and learning programs that students can participate in at their discretion, based on personal interests and preferences.

Overview of China's Junior ELT Market

Junior ELT refers to after-school English training and tutoring services for students between the ages of three and 18. Many parents in China consider English to be an important language skill that is under-addressed in schools, as evidenced by increasing penetration and growth rates that are higher than the overall education industry. It is increasingly common for Chinese parents to enroll their children in junior ELT classes.

According to Frost & Sullivan, the number of students between the ages of three and 18 enrolled in schools in China is expected to grow to 229.2 million in 2021, representing a CAGR of 1.7% from 2016 to 2021. According to the same source, the number of students enrolled in junior ELT classes in China is expected to grow to 27.8 million in 2021, representing a CAGR of 9.4% from 2016 to 2021. Over the same period, the penetration rate of junior ELT in China, calculated by dividing the number of students enrolled in junior ELT classes in China by the number of students enrolled in school in China, is expected to grow to 12.1% in 2021, according to Frost & Sullivan. Over the same period, average spending in China's junior ELT market is expected to grow rapidly with gross billings growing to RMB239.8 billion by 2021, representing a CAGR of 23.0% from 2016 to 2021, according to Frost & Sullivan. In the premium segment specifically, gross billings is expected to grow to RMB22.8 billion by 2021, representing a CAGR of 23.0% from 2016 to 2021.

We believe the following factors have contributed to, and are expected to continue to fuel, the growth of the junior ELT market in China:

Favorable government policies

Two-child policy. The one-child policy had been the official population policy in China until its gradual phase-out in the early 2010s. Since 2011, the Chinese government has begun to lift the one-child policy gradually and implemented a two-child policy with certain exceptions. According to Frost & Sullivan, this new policy is expected to drive an increase of the total population of the 0-14 age group from 230.1 million in 2016 to 262.4 million in 2021, representing a CAGR of 2.7% from 2016 to 2021, compared to an overall expected population growth CAGR of 0.4% over the same period.

Amended Law on the Promotion of Private Education. On September 1, 2017, the Amended Law on the Promotion of Private Education came into effect, under which private schools will be able to elect to operate on a for-profit basis, and distribute profits to their investors. The amended law underpins the PRC government's support of private sector education and allows education service providers to legally operate profit-seeking schools for the first time. Under the amended law, for-profit schools will also enjoy full autonomy in setting tuition fees and stronger protection for asset ownership. See "Regulation—The Law for Promoting Private Education and Its Implementation Rules."

National Medium-to-Long Term Educational Reform and Development Plan. In 2010, the Chinese government announced the "National Medium-to-Long Term Educational Reform and Development Plan (2010-2020), which has set a strategic development plan, with key objectives to increase investment in education, support the development of private education and strengthen international communication and cooperation.

2017 College Entrance Exam Reforms. Beginning 2017, the PRC government implemented the college entrance exam reforms nationwide under which students will be given two attempts to take their English test during their high school years. As a result of this reform, the assessment for English proficiency will be more focused on students' English listening and speaking ability.

Supportive economic conditions in China

Growing disposable income. According to the National Bureau of Statistics of China, per capita annual disposable income of urban residents in China is expected to increase from RMB33,616.0 in 2016 to RMB48,619.6 in 2021, representing a CAGR of 7.7% from 2016 to 2021.

Growing per capita expenditure on education, cultural and recreational activities. According to Frost & Sullivan, per capita expenditure on education, cultural and recreational activities of urban residents in China is expected to grow from RMB2,638.0 in 2016 to RMB4,232.8 in 2021 at a CAGR of 9.9% from 2016 to 2021.

Strong cultural and societal emphasis on English education in China

Increasing interest in overseas education. According to Frost & Sullivan, an increasing number of Chinese students now pursue overseas education at younger ages. The proportion of Chinese students commencing undergraduate or lower levels of education overseas accounted for 64.5% of the total number of Chinese students commencing overseas study in 2016.

Chinese parents' shifting of preference. When considering ELT programs for their children, Chinese parents are gradually shifting their preference from more rigid, test-oriented learning programs to skill-oriented learning programs. Skill-oriented ELT refers to a holistic approach to develop comprehensive English language skills rather than a test-oriented approach that typically focuses on rote learning and testing skills. According to Frost & Sullivan, the skill-oriented junior ELT market increased from RMB9.3 billion in 2012 to RMB21.5 billion in 2016 in terms of gross billings, representing a CAGR of 23.3%, while the test-oriented ELT market increased from RMB33.7 billion to RMB63.7 billion from 2012 to 2016 in terms of gross billings, representing a CAGR of 17.3%. Going forward, the skill-oriented junior ELT market is expected to grow faster at a CAGR of 27.7% from 2016 to 2021, compared to the growth of the test-oriented junior ELT market at a CAGR of 21.2% from 2016 to 2021, further indicating parents' shift towards skill-oriented learning.

Increasing importance of English training. There are increasing education and language requirements for desirable employment opportunities. According to Frost & Sullivan, employees with fluent English skills have better career prospects and broader opportunities, and on average, have an estimated annual salary level of 81.1% higher than employees with average English skills. As such, parents tend to consider English proficiency as one of the key factors that will lead their children to greater future income and career opportunities. In addition, according to a survey conducted by Frost & Sullivan in 2017, 89% of students currently taking junior ELT classes are expected to continue junior ELT education for more than three years. These factors have contributed to, and are expected to continue to drive, the growth of junior ELT market.

Despite high growth, the penetration rate of China's junior ELT in 2016 remained relatively low at 8.4% compared to other East Asian countries such as Japan, which has a 35.2% penetration rate and South Korea, which has a 60.5% penetration rate for the junior ELT market. Even for tier-one cities in China, the penetration rate remains relatively low at 20.4%, indicating significant potential in market growth in China.

The junior ELT market in China is highly fragmented, with the top three players holding a combined 3.6% market share, with no single player holding market share greater than 1.5%, according to Frost & Sullivan. The top three providers in the junior ELT market in China include EF Kids, POP Kids and Rise. According to Frost & Sullivan, in 2016, we accounted for approximately 1% of market share of junior ELT market in China in terms of gross billings. Based on a survey by Frost & Sullivan, parents prefer junior ELT providers with a strong brand, course content and structure as well as course offerings focused on English conversational ability.

Additionally, there are several key success factors for junior ELT providers to consider in China, including:

High quality education courses and activities. Courses and activities are a major part of junior ELT education. Stimulating the intellectual curiosity of children and cultivating their learning habits significantly affects language development. In addition, Chinese parents increasingly focus on internationally-accredited, and systematic educational content with foreign cultural and language elements, especially if they can increase opportunities for overseas exposure.

Focus on immersive English experiences. Especially with young parents, an immersive English learning environment with conversation-focused learning and skill-based courses are gaining popularity. Such learning styles are believed to encourage students to speak and think in English, as opposed to traditional lecture or test-oriented courses which rely more on textbooks and are less contextual.

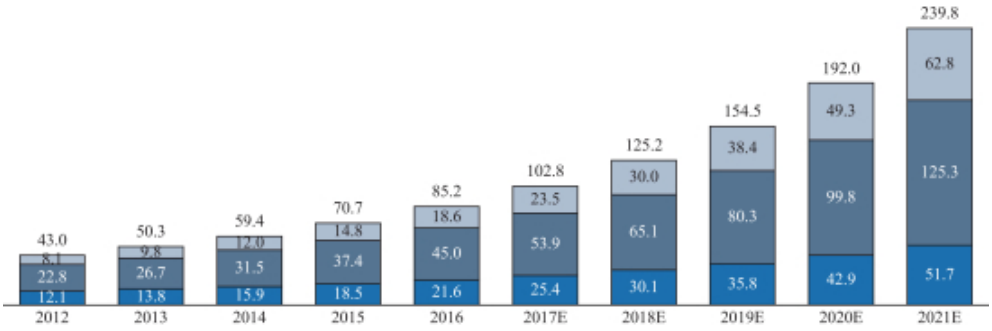
Proximity and traveling convenience of learning centers. Due to the constraints of traveling with young children, proximity and traveling convenience is an important consideration for parents. In addition, players with a wider network of centers are also favored, as they provide greater selection and flexibility.

The chart below illustrates the demographic split and relative market size and growth of each age segment within the junior ELT market:

Segments of Overall Market Size of Junior ELT Market in Terms of Gross Billings (China), 2012 – 2021E

(RMB in billions)

CAGR	Total	Age 3-6	Age 7-12	Age 13-18
2012-2016	18.6%	23.1%	18.5%	15.6%
2016-2021	23.0%	27.6%	22.7%	19.1%



Source: Frost & Sullivan

China's Age 3-6 ELT Market

Age 3-6 ELT provides English language training mainly for students in preschool. It is the fastest growing segment in junior ELT market in China with a high growth of 23.1% CAGR from 2012 to 2016. The age 3-6 ELT market has grown in terms of gross billings from RMB8.1 billion in 2012 to RMB18.6 billion in 2016, and is expected to grow to RMB62.8 billion in 2021, representing a CAGR of 27.6% from 2016 to 2021. In 2016, age 3-6 ELT represented 21.8% of the total junior ELT market, with age 7-12 ELT and age 13-18 ELT market each representing 52.8% and 25.4%, respectively. The penetration rate for age 3-6 ELT has increased from 10.0% in 2012 to 11.6% in 2016, and is expected to further increase to 15.5% in 2021.

There are specific factors that drive the age 3-6 ELT market. For example, the penetration rate of age 3-6 ELT education continues to increase as Chinese parents recognize the importance of early age ELT education.

Parents further recognize that younger kids learn language faster, develop better accents and obtain fluency more quickly. According to a survey conducted by Frost & Sullivan in 2017, 68.4% of children in China start learning English between the ages of three to six while another 10.8% of children start English education before age three. Moreover, public education resources can hardly accommodate parental demand, leaving great opportunities for private ELT providers. As students of this age group do not have pressure of taking exams, there is higher demand for skill-based environments relative to older age groups.

There are several key factors credited with success in the age 3-6 ELT market. For example, as children of this age group require more attention from teachers, parents may consider teachers' qualifications and characteristics. In addition, parents of children from the ages of three to six may also consider the safety and hygiene standard of the learning environment. Pre-school children usually have a more flexible schedule and tend to attend the whole-day class.

China's Age 7-12 ELT Market

Age 7-12 ELT mainly targets students in elementary school. Age 7-12 ELT is the largest segment in terms of gross billings in the junior ELT market in China. The age 7-12 ELT market has grown in terms of gross billings from RMB22.8 billion in 2012 to RMB45.0 billion in 2016, representing a CAGR of 18.5%, and is expected to grow to RMB125.3 billion in 2021, representing a CAGR of 22.7% from 2016 to 2021. The penetration rate has increased from 7.1% in 2012 to 9.3% in 2016, and is expected to further increase to 14.4% in 2021.

There are specific factors that drive the age 7-12 ELT market. Interest from Chinese students in studying abroad during middle school and high school is increasing. Students of age seven to twelve primarily enroll in ELT classes for skill-based learning rather than test-oriented learning. According to a survey conducted by Frost & Sullivan in 2017, only 18.0% of students aged seven to twelve take English classes for test preparation, while 82.0% take classes to improve their English skills.

Students in elementary school begin to adopt online offerings as they become more independent, and technology proficient. Lesson convenience becomes an increasingly important factor due to academic and other extracurricular commitments. A significant portion of age 7-12 ELT enrollment consists of students who have already taken ELT courses at an earlier age. Growth in the age 3-6 ELT market will drive the age 7-12 ELT market, as students with prior ELT experience continue their studies.

There are several factors that will contribute to the growth of the age 7-12 ELT market. For example, customers in the age 7-12 ELT market may also consider the convenience of lesson timings. As students in this age segment enroll in elementary school and other tutoring services, convenience of lesson timings becomes an important consideration.

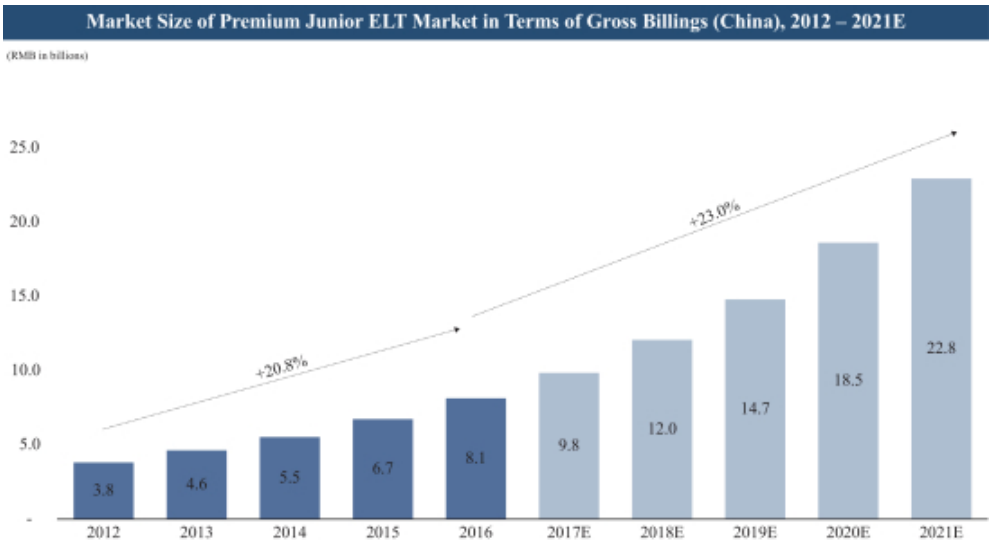
China's Age 13-18 ELT Market

Age 13-18 ELT provides English language training mainly for students in middle school or above. The age 13-18 ELT market has grown in terms of gross billings from RMB12.1 billion in 2012 to RMB21.6 billion in 2016, representing a CAGR of 15.6%, and is expected to grow to RMB51.7 billion in 2021, representing a CAGR of 19.1% from 2016 to 2021. The penetration rate for age 13-18 ELT has increased from 3.9% in 2012 to 5.1% in 2016, and is expected to further increase to 6.3% in 2021.

There are several factors that will contribute to the growth of the age 13-18 ELT market. For example, students from ages of 13 to 18 tend to prefer a flexible learning schedule and may have a preference for test-oriented ELT programs.

China's Premium Junior ELT Market

According to Frost & Sullivan, the junior ELT market can be divided into premium and non-premium segments based on the annual tuition fee, where premium providers offer products with annual fee above RMB16,000 per year.



Source: Frost & Sullivan

The premium segment within China's junior ELT market has been outgrowing the overall junior ELT market. The premium junior ELT market grew in terms of gross billings from RMB3.8 billion in 2012 to RMB8.1 billion in 2016, representing a CAGR of 20.8%, and is expected to grow to RMB22.8 billion in 2021, representing a CAGR of 23.0% from 2016 to 2021. In terms of enrollments, the number of students grew from 0.5 million in 2012 to 0.8 million in 2016, representing a CAGR of 14.6%, and is expected to grow to 1.6 million in 2021, representing a CAGR of 15.4% from 2016 to 2021.

As Chinese families earn higher disposable income, they are more willing to spend on education and hence prioritize ELT premium providers that offer higher teaching quality. However, the premium junior ELT market had a penetration rate of only 0.4% in 2016 according to Frost & Sullivan, indicating significant growth potential.

According to Frost & Sullivan, the top three providers in the premium junior ELT market in China are EF Kids, us and Disney English. According to Frost & Sullivan, in 2016, the top five players accounted for 36.3% of market share of the premium junior ELT market in China in terms of gross billings, and Rise alone accounted for 10.7%. According to a survey conducted by Frost & Sullivan in July 2017, Rise also ranked the first in terms of satisfaction of junior ELT institutions and ranked the third in terms of brand awareness.

China's Tier-One Cities Junior ELT Market

According to Frost & Sullivan, there were 1.5 million students enrolled in junior ELT market in tier-one cities in 2016. In terms of gross billings, tier-one cities combined had RMB13.2 billion, representing 15.5% of the total junior ELT gross billings in China.

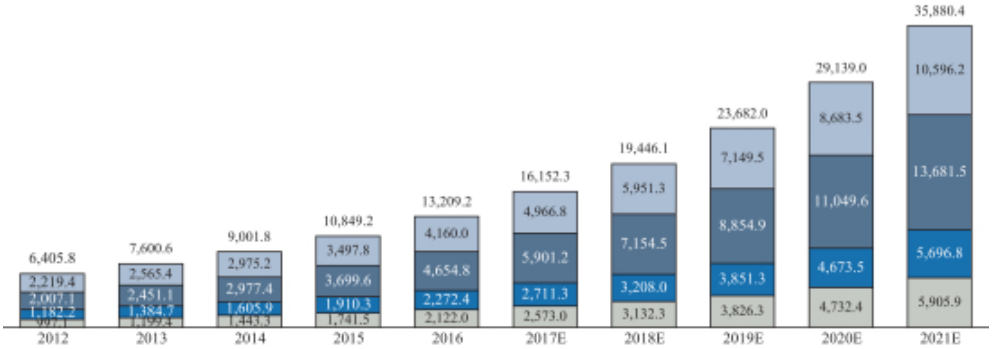
Due to factors such as increasing urbanization, growing household income and appreciation of the value of high quality education, gross billings of the junior ELT market in tier-one cities are expected to grow to

RMB35.9 billion in 2021, representing a CAGR of 22.1% from 2016 to 2021. The table below illustrates the competitive landscape in tier-one cities:

Segments of Overall Market Size of Junior ELT Market in Terms of Gross Billings (Tier-One Cities), 2012 – 2021E

(RMB in millions)

CAGR	Shanghai	Beijing	Guangzhou	Shenzhen
2012-2016	17.0%	23.4%	17.7%	20.8%
2016-2021	20.6%	24.1%	20.2%	22.7%



Source: Frost & Sullivan

According to Frost & Sullivan, in 2016, the top three providers in the junior ELT market in tier-one cities in China as measured by gross billings were EF Kids, us and POP kids. According to Frost & Sullivan, in 2016, the top five players accounted for 21.9% of market share of the junior ELT market in tier-one cities in China in terms of gross billings, and Rise alone accounted for 5.9%. For the premium junior ELT market in tier-one cities, in 2016, the top five players accounted for 56.7% of the market share in terms of gross billings, and Rise alone accounted for 17.1%.

Furthermore, in 2016, the top three providers in the junior ELT market in Beijing as measured by gross billings were us, EF kids and Lily English according to Frost & Sullivan. According to Frost & Sullivan, in 2016, the top five players accounted for 30.1% of market share of the junior ELT market in Beijing in terms of gross billings, and Rise alone accounted for 11.4%. Rise also ranked second, fourth and second in terms of market share measured by gross billings in Shanghai, Guangzhou and Shenzhen, respectively, in 2016.

Self-Owned and Franchise Models

There are two popular models that junior ELT providers adopt, i.e., self-owned model and franchise model. The self-owned model is advantageous due to the consistency of learning center formats and delivery of course offerings, ability to maintain consistent branding, rigorous quality control, and a more coordinated business development plan. However, it also faces challenges such as relatively slower expansion due to capital expenditure requirements, lack of local expertise in new cities, and higher operating costs due to pressure on management. On the other hand, the franchise model is advantageous because of its asset light business model, relatively faster expansion, local expertise and light pressure on management. Nevertheless, it also faces different challenges, such as recruitment of quality franchise partners, quality control, fee growth, potential damage to brand reputation, and difficulty in securing additional revenue channels. More providers operate through the combination of self-owned and franchise models, good operating practices and quality control are required for successful execution.

BUSINESS

Overview

We operate in China's junior ELT market, which refers to after-school English teaching and tutoring services provided by training institutions to students aged three to 18. We are a leader in China's junior ELT market according to Frost & Sullivan, and we ranked second in 2016 with a market share of 10.7% in terms of gross billings in the premium segment. Furthermore, in 2016, we ranked first in the junior ELT market in Beijing with a market share of 11.4% and ranked second in the junior ELT market in tier-one cities with a market share of 5.9%, both in terms of gross billings according to Frost & Sullivan.

We pioneered the "subject-based learning" teaching philosophy in China, whereby various subject matters, such as language arts, math, natural science and social science are used to teach English. Our course offerings use interactive courseware to create an immersive English learning environment that helps students learn to speak and think like a native speaker. In addition, our curricula are designed to foster leadership and critical thinking skills in students while developing their self-confidence and sense of independence. This innovative and holistic approach to teaching English is increasingly attractive to Chinese parents who are looking for alternatives to traditional ELT programs in China, which are more test-oriented.

In 2016 and for the six months ended June 30, 2017, we had 36,173 and 26,600 student enrollments, respectively, in self-owned learning centers. We currently offer three flagship courses, namely Rise Start, Rise On and Rise Up, that are designed for students aged three to six, seven to twelve and 13 to 18, respectively. The curricula of Rise Start and Rise On use courseware that we have licensed from Houghton Mifflin Harcourt Publishing Company, or HMH, a leading American educational publisher, along with other self-developed content, while the curriculum of Rise Up is primarily based on our self-developed content. We also offer a number of complementary products to further enhance our students' learning experience, including Can-Talk, Rise Library Online, Rise Camp, Rise Workshop and Rise Overseas Study Tour.

We devote significant resources to curriculum development to ensure that our course offerings are up-to-date, engaging and effective. We also focus on teacher training through a set of rigorous and systematic processes and programs so that teachers in both self-owned learning centers and franchised learning centers are able to deliver our curricula at a level consistent with our standards. As of June 30, 2017 we had 1,315 teachers in self-owned learning centers. The quality of our course offerings and our unique teaching philosophy has helped us develop a strong and powerful brand that is attractive to parents.

Our business model is highly scalable. We have a network of both self-owned learning centers as well as franchised learning centers. As of June 30, 2017 we had a network of 246 learning centers across 80 cities in China, among which 56 were self-owned centers primarily located in tier-one cities and 190 centers were franchised learning centers primarily located in non-tier-one cities. We have enjoyed significant growth over the past few years. Our revenues increased from RMB529.5 million in 2015 to RMB711.0 million (US$104.9 million) in 2016, and increased from RMB315.0 million for the six months ended June 30, 2016 to RMB437.1 million (US$64.5 million) for the six months ended June 30, 2017, largely as a result of the growth of self-owned learning centers. As our network of learning centers has expanded, our brand has also strengthened. This has allowed us to maintain our position as a market leader, command premium pricing, improve profitability and enjoy a highly loyal customer base. In 2016, we had a 67% student retention rate, 63% higher than the industry average of 41%, according to Frost & Sullivan and our student retention rate improved further to 70% in the six months ended June 30, 2017. We recorded EBITDA of RMB40.8 million and RMB142.3 million (US$21.0 million) in 2015 and 2016, respectively, and RMB58.6 million and RMB109.6 million (US$16.2 million) for the six months ended June 30, 2016 and 2017, respectively. We recorded a net loss of RMB31.7 million in 2015 while we recorded net income of RMB50.8 million (US$7.5 million) in 2016, and we recorded a net income of RMB18.3 million and RMB57.8 million (US$8.5 million) for the six months ended June 30, 2016 and 2017, respectively.

Our Strengths

We believe the following competitive strengths contribute to our success and differentiate us from our competitors:

Leadership in an Attractive and Rapidly Growing Market

We are a leader in China's junior ELT market, which refers to after-school English teaching and tutoring services provided by training institutions to students aged three to 18. In 2016, we ranked third in China's junior ELT market in terms of gross billings, and ranked second in the premium segment with a market share of 10.7% in terms of gross billings, according to Frost & Sullivan. Furthermore, in 2016, we ranked first in the junior ELT market in Beijing with a market share of 11.4% and ranked second in the junior ELT market in tier-one cities with a market share of 5.9%, both in terms of gross billings according to Frost & Sullivan.

The China junior ELT market has grown rapidly in the last few years, from RMB43.0 billion in 2012 to RMB85.2 billion in 2016, representing a CAGR of 18.6%. This growth is expected to continue with the market reaching RMB239.8 billion by 2021, representing a CAGR of 23.0% from 2016 to 2021. Within ELT, the segment for children aged three to six is expected to grow the fastest, reaching RMB62.8 billion in 2021 at a CAGR of 27.6%, according to Frost & Sullivan.

A number of factors will contribute to the expected growth of the junior ELT market discussed above, including:

i) rising birth rate as a result of "two-child policy;"

ii) increasing population in large urban centers, in part due to migration;

iii) increase in average household income and the number of higher income families, particularly in larger cities;

iv) limited penetration of junior ELT across China;

v) favorable government policies that permit increased operational and pricing flexibility to support the growth of private-sector education enterprises;

vi) emphasis on and increased prevalence of English language instruction as part of school curriculum, partly due to continued focus on study-abroad opportunities, especially earlier in a child's life; and

vii) shifting focus to a holistic approach to develop comprehensive English language skills rather than a test-based approach, especially as a contextualized understanding of language becomes increasingly important.

Innovative and Unique Teaching Philosophy

The Chinese junior ELT market comprises test preparation providers who provide tutoring services for standardized tests such as TOEFL, SAT, SSAT and ACT, and skill-based ELT providers who typically focus on vocabulary, syntax, and grammar, and even some elements of test preparation. We are a skill-based ELT provider, but we adhere to our "subject-based learning" teaching philosophy, whereby we use a variety of subjects such as language arts, math, natural sciences and social sciences as the medium for English language teaching. We believe this teaching philosophy provides students with a natural and contextual understanding of English and as a result we have built all of our products around it.

As our products do not focus on test preparation, there is no natural end point for our curriculum other than an academic school year. This allows us to design our curricular to focus on the longer-term and overall development of students rather than more short-term milestones and accomplishments. We promote both project-based and cooperative approaches to learning that allow students to develop their critical thinking, problem solving and leadership skills. Parents have highlighted these aspects as key attractions when choosing ELT products for their children, according to a survey conducted by Frost & Sullivan.

A significant percentage of students take on leadership roles at their schools, in addition to excelling academically due to our focus on overall development. Moreover, while test results are not a key barometer of students' performance, our students have performed well on various English language standardized tests. For example, in a group of our Grade 6 students that took the TOEFL Junior Tests, 73.3% achieved a result that surpassed the median score for Grade 6 native English-speaking students in the United States that took the same exam.

Comprehensive and Innovative Products

We offer a comprehensive suite of products for students ranging from the ages of three to 18, comprising both online and offline coursework. Our core products include three flagship courses, namely Rise Start, Rise On and Rise Up, which cater to students aged three to six, seven to twelve, and 13 to 18, respectively.

For each of our products, we have developed a custom and comprehensive curricula that feature a set of interactive courseware featuring dynamic English instruction through problem-solving and situational cases across various subject matters. We continuously improve and expand our curricular as well as develop complementary products for students. Parents closely associate our products and curriculum with our brand and we believe this provides us with a key competitive advantage that allows us to differentiate ourselves in the highly fragmented and competitive China junior ELT market.

We also utilize technological innovation across our products to enhance students' learning experiences and to improve teaching efficiency. For example, teachers deliver our entire in-class curricular through interactive white boards to promote dynamic interaction. Additionally, complementary products such as Rise V-World are built using both virtual reality (VR) and augmented reality (AR) technologies. Moreover, certain of our products, such as Rise Up, which targets students aged 13 to 18, focus largely on online instruction, which provides students with increased flexibility of how and when they can study.

Extensive and Systematic Product Development and Teacher Training Programs

Key elements of our continued growth and success include our extensive and continuous curriculum development and teacher training programs. Continued course development ensures that our products remain attractive and engaging, particularly as our student mix and their needs and preferences evolve, while teacher training programs ensures that teachers in self-owned learning centers and franchised learning centers are able to deliver our products in a manner consistent with our standards. Both contribute to the overall learning experience of students.

Over the past ten years, we have implemented an average of 40 new additions or upgrades to our existing curricular and courseware and registered an average of seven new copyrights each year. Our track record of curriculum and product development is indicative of our strong research and development capabilities. In the past, a number of public schools have sought our advice and assistance in reviewing and upgrading their own course materials. Moreover, a number of national educational authorities, including the China National Institute of Standardization, have also sought our insight and help in establishing national standards for junior ELT in China.

To complement our curriculum research and development efforts, we provide comprehensive and systematic training to teachers as well as those employed by our franchise partners in franchised learning centers. Our teacher training program comprises an initial component when they are first hired as well as ongoing components. Newly hired teachers are required to attend a mandatory seven-step training program held by education professionals at our headquarters in Beijing. Existing teachers are also required to undergo training sessions periodically throughout the year.

Premium and Trusted Brand

Through our ten years of operations, we have built a strong and powerful brand. According to a survey conducted by Frost & Sullivan amongst parents, Rise is viewed as a leader in the junior ELT market in China. As a testament to our strong brand, we enjoyed a student retention rate of 67% in 2016 and 70% in the six months ended June 30, 2017. Moreover, parents who valued brand, course content and English conversation ability in choosing an ELT institution rated Rise as the number one brand in terms of customer satisfaction for age 3-6 ELT, 30% better than the next closest competitor. We have also received numerous awards and recognitions, including the “Most Popular Junior English Education Organization” by edu.qq.com in 2014, the “Most Reputable Junior English Education Organization” by edu.qq.com in 2015, “Most Creative Brand of the Year” by Beijing News in 2016 and one of the 13 “Reputable Education Organization” by Xinhua.com in 2016.

Our strong brand has had positive impact on our operations. First, our customers are willing to pay a premium price for our products. Our courses at self-owned learning centers are typically priced between RMB16,000 to RMB28,000 per year, representing the higher end of the range of prices for premium junior ELT products, according to Frost & Sullivan. Additionally, our strong brand also helps us recruit new students by lowering our selling and marketing expenses through effective and powerful word-of-mouth marketing. Finally, we believe our brand has helped us in a number of commercial negotiations such as procuring coveted locations for new learning centers, and negotiating rental rates and advertising pricing in both online and offline channels. Our brand also helps us attract high quality teachers relative to our competitors.

Highly Scalable Business Model

Our two-tier business model is highly flexible and scalable. We operate self-owned learning centers in tier-one cities and collaborate with franchise partners in others. This allows us to focus our resources to operate self-owned learning centers in cities that we believe are most attractive while also building our brand and growing our footprint nationally.

Our ability to scale our business while maintaining the quality of student experience is primarily due to our highly standardized learning center and classroom design and products, systematic teacher recruiting and training programs, and well-developed organizational management capabilities. This set of standardized procedures and products allow us and our franchise partners to establish new learning centers quickly while maintaining the same standard of excellence and level of operational and financial results across each center.

As a testament to our highly scalable business model, we have expanded our learning centers from 40 as of December 31, 2008 to 246 as of June 30, 2017, representing an increase of over five times. As of June 30, 2017, we are present in 80 cities in China in aggregate and operate self-owned learning centers in all tier-one cities as well as Wuxi.

Experienced Management Team with Proven Track Record

Our management team consists of seasoned executives with an average of over seven years of experience in education and over ten years of experience in broader managerial roles. Our Chief Executive Officer, Mr. Yiding Sun, previously served as Chief Executive Officer at Gymboree China Group, a private education company specializing in children’s early education. Mr. Sun has six years of experience in the education industry. Our Chief Financial Officer, Ms. Chelsea Qingyan Wang, has five years of experience in education industry and 15 years of experience in information technology industry, a certified member of Chartered Global Management Accountant and the fellow member of Chartered Institute of Management Accountant. Our Senior Vice President, Ms. Sally Yuan, is the General Secretary of the English teaching research division of the Beijing Association of Education and was responsible for various programs in China’s 12th 5-year plan. In addition to senior management, we also have a qualified research and development team, of which many members hold a master degree or above in Education and have studied overseas. Their global professional experience continues

to propel Rise to the forefront of the ELT industry in China and set us apart from our peers. Our team's collective experience and strong execution capabilities enable us to grow successfully, manage our operations, and promote our premium brand.

Our Strategies

We seek to maintain and further strengthen our leading position in the junior ELT service market in China by pursuing the following strategies:

Expand Our Learning Center Network

Given the large opportunity and low penetration rate of junior ELT in China, there is significant room to further expand our learning center network. We will continue to take advantage of growing demand for quality junior English language training and open new self-owned learning centers, largely in tier-one cities with attractive demographics most suited to our products. We also plan to continue the expansion of franchised learning center network nationally by leveraging our strong brand and standardized operational and management system.

Increase Student Enrollment in Self-owned Learning Centers

We seek to expand student enrollment by increasing the retention of existing students as well as acquiring new students. We will focus on enrollment across both existing as well as newer self-owned learning centers. We plan to achieve this through dedicated and strategic branding efforts and improvements and enhance our products.

Enhance and Expand Our Products

We intend to devote significant resources to enhancing as well as expanding our products to other new standalone products as well as complementary products. This includes online product offerings as well as other complementary products such as overseas camps. We will also leverage our large and stable student base to effectively broaden, enhance and market our future products. This will help us extend our existing business lines and strengthen our market leadership by increasing the lifetime value of these students through cross-selling. Moreover, it will allow us to promote a more personalized learning experience for students.

Improve Operating Efficiency

We intend to continue to optimize our operations and improve efficiency on three fronts. First, we plan to continue investing in infrastructure and technology. We are currently investing in IT upgrades to integrate our platform and improve internal efficiency. Second, we will continue to refine our internal business procedures to ensure standardized operations in both self-owned centers and franchised learning centers. Lastly, we will continue to optimize our organizational structure to facilitate more fluid and immediate interaction between our corporate headquarters and self-owned learning centers, allowing for improvements in both operational and marketing efficiency.

Pursue Additional Strategic Partnerships and Alliances

We will consider acquisition opportunities that complement or enhance our existing operations as well as those that are strategically beneficial to our long-term goals, such as franchised learning centers with healthy operations or strategically important locations.

We also expect to deepen our collaborations with overseas curriculum partners as well as overseas partner schools and universities to further enhance and expand our course offerings. For example, we intend to launch an American High School Credit Program where qualified students may get offers from our partner universities.

The Rise Model

Our teaching model is designed to promote the all-around growth of students. We believe every student is unique in their abilities, interests and personalities. We have developed a holistic approach to learning that promotes both the academic advancement and personal development of students in an immersive English-language environment. We offer subject-based courses in English that utilize various subject matters as the medium for English language instruction. Our courses are also designed to focus on skills such as public speaking, project management, and critical thinking and cultivate personal attributes such as leadership, teamwork, creativity and confidence. This unique model allows students to accumulate subject matter knowledge while also developing their language capabilities and strengthening important personal traits.

Our Teaching Philosophy

Our goals as educators are to further the academic progress and personal development of each student. We believe the aspects of our model listed below are critical to achieving these goals.

Subject-based courses

We use a subject-based approach to teaching English by using various subject matters such as language arts, math, natural sciences and social sciences, as the medium through which students accumulate language skills. Rather than learning the language itself through vocabulary, grammar, and syntax, students learn to use the language as a means to understand a variety of subject matters. This allows students to learn English while acquiring a variety of additional academic knowledge to complement their formal schooling. Moreover, subject-based learning trains students to comprehend and use English in a more natural and contextualized manner while making the learning process more intuitive, interesting and enjoyable.

Immersive learning

We deliver our products entirely in English. This compels students to approach and use English as a medium for communicating thoughts and ideas, rather than as a separate subject. This type of immersive learning gives students the opportunity to develop a deeper and more comprehensive understanding of the English language and helps students to not only achieve English language proficiency but also gain the ability to think and converse in English more naturally and in a manner similar to that of native speakers. Our parents are attracted to this novel approach to English instruction as they often learned English in a more rigid and traditional setting that did not provide them with the necessary context and understanding of the various nuances of the language.

Leadership training

Leadership and other soft skills are core focuses for us. Students are able to develop confidence, teamwork, collaboration, independent thinking, problem-solving, presentation and project management skills through both in-class and extra-curricular projects. Students are encouraged to speak in front of their peers in class as well as engage in a number of group projects to solve problems creatively. We believe these aspects of our products are particularly attractive to Chinese parents who increasingly believe these skills are an important contributor to the future success of their children.

Teaching Methodologies

We apply standardized course modules and teaching procedures in courses and across all self-owned and franchised learning centers, with teachers acting as facilitators throughout the process.

Technology-based teaching tools

We provide teachers in our learning centers and those in franchised learning centers with various technology-based teaching tools to allow them to more efficiently deliver our products to students. For instance,

our multimedia and interactive lessons include content that is in standard American English pronunciation and intonation. We also use interactive white boards instead of textbooks to keep students engaged and to promote dynamic interaction in the classroom. We also have Rise V-World, a complementary study tool using virtual reality (VR) and augmented reality (AR) technology, which combines more recreational with educational elements to reinforce concepts taught in our courses and encourage students to apply their new knowledge to real-world situations through a variety of fun and challenging scenarios. Making technology available to our teachers and in the classroom is a critical component in maintaining quality control over our network of learning centers and ensures that all students have a similar experience.

Interactive learning

We utilize multiple interactive teaching methodologies to facilitate the learning process. Our courseware, classroom scenarios, classroom displays, teaching tools and learning materials are designed to promote student interaction with each other and teachers. Students also participate in interactive in-class activities such as debates, crafts and role plays, which effectively enhance learning results. We believe that interactive learning is more enjoyable to students, is better able to maintain their attention throughout the class, and is more effective at conveying important or complicated ideas, especially in the study of a foreign language.

Cooperative learning

Teachers are important in implementing our standardized teaching tools and curricular. They organize and manage class activities based on the principles of teamwork and accountability. We believe this methodology of teaching is especially appealing to younger Chinese parents, the majority of whom have grown up without siblings and in a school system that traditionally emphasizes individual achievement and competition among students.

Project-based learning

Our curricular require students to participate in a variety of projects where students are assigned different team roles and tasks based on their interests. Students use study tools that we have developed to complete various tasks, including conducting research projects, collecting data and making presentations. During the process, students learn how to set goals, manage projects and complete complicated tasks through collaboration. Project-based learning also encourages students to exercise creativity and to think outside the box, important skills that parents value, yet and are often under addressed by China's traditional education system.

Independent thinking and problem solving

In order to cultivate the ability of students to think independently and develop problem solving abilities, we have implemented a series of distinctive teaching methodologies. For instance, our Thinking Graphic Organizer helps students develop and express their ideas through visual representations such as webbing, flow charts and mind maps. Four-Step Problem Solving is another teaching methodology we use to help students systematically understand and solve math problems, which includes understanding the problem, devising a plan, carrying out the plan, and verifying the results. These methods are useful in helping students develop the ability to understand and solve problems on their own, endowing them with important life skills that go far beyond rote memorization and testing skills.

Course Offerings

All our courses are developed based on our teaching philosophy and methodologies, and designed to improve each student's independent learning, leadership and critical thinking skills. It also helps students with their reading, writing, science and cultural awareness, and helps them to become "global citizens."

We offer incremental courses to students, starting each at an appropriate level and elevating them to more advanced courses. Currently our three flagship courses are Rise Start, Rise On and Rise Up targeting students in

preschool, elementary school and middle school from the ages of three to six, seven to twelve, and thirteen to eighteen, respectively. Students in both self-owned learning centers and franchised learning centers are able to enroll in these courses.

We use standardized interactive curricular for our courses. The curriculum of Rise Start and Rise On uses HMH courseware along with other self-developed content, while Rise Up is primarily based on our self-developed curriculum. We have also developed more than 430 proprietary study tools for Chinese students, including scripted lesson plans for teachers, interactive courseware, practice or activity books for students and home application materials for families. By standardizing the curricular and related study tools used in each of our courses, we are able to ensure a consistent quality in each of our courses. This ability to control the quality of each class through standardized instruction is especially important as we expand our business to additional learning centers, especially franchised learning centers.

Rise Start

Rise Start is an offline course for preschool students ranging from the ages of three to six. Rise Start aims to help students develop good learning habits and learn through play, focusing on interaction, discovery and experience. In Rise Start, students are given age-appropriate lessons in English about subjects such as social studies, language arts, math and science. Rise Start consists of a total of approximately 200 course hours during an academic year, in which students come to learning centers one day each week, usually for up to six hours each time. Because students at this age have not yet begun their formal schooling, Rise Start students typically attend in the mornings and afternoons, utilizing our premises during the times in which the older students otherwise are not able to due to formal schooling.

Rise On

Rise On is an offline course for elementary school students from the ages of seven to twelve. Rise On strengthens student abilities across a variety of subject areas while emphasizing self-reliance and problem solving skills. Rise On students learn in English about subjects such as social studies, language arts, math and science. Rise On consists of a total of approximately 180 course hours, which students usually attend in afternoons and evenings, after they have completed their formal school day, or on the weekends.

Rise Up

Rise Up is a course developed for secondary school students from the ages of thirteen to eighteen, which is conducted primarily online. In addition to core skills that all of our course offerings foster, it also helps our students with standardized middle and high school test preparation. Rise Up consists of a total of approximately 170 online course hours using self-guided modules, which provides great flexibility to fit in the schedule of students, as well as approximately 40 online tutorial sessions with native English-speaking teachers that we have selected from our partner third-party platforms. Rise Up students are also required to attend an intensive 15-day offline study camp comprising approximately 90 course hours every summer for additional training and to practice skills that cannot easily be done online.

Our Complementary Products

We also offer a series of complementary products to students from both self-owned learning centers and franchised learning centers, including online products Can-Talk and Rise Library Online, and offline products Rise Camp, Rise Workshop and Rise Overseas Study Tour. We also recently entered into an agreement to acquire the business of a leading Hong Kong-based admissions consulting company specializing in overseas boarding school and college placement. We may in the future offer some of these products on a stand-alone basis.

Can-Talk

Can-Talk is an online product that we launched in May 2017. Through Can-Talk, students receive one-on-one or small-class lessons from native English speaking teachers that we have selected from third-party

platforms that we partner with, who are all certified by Teaching English to Speakers of other Languages, or TESL, to teach English. All native English-speaking teachers available through Can-Talk are from North America. Can-Talk is intended to enhance conversational and academic language skills for students from the ages of six or above. It engages students in learning-focused discussions of popular cultural topics and academic test-oriented topics. Through this platform comprising of 60 sessions, each of which lasts approximately 25 minutes, students are expected to gain greater linguistic skills.

Rise Library Online

Rise Library Online offers online reading programs that provide highly engaging learning experiences for students through multi-functional capacities, including self-adaptive functions based on the Lexile measures, a popular reading assessment standard in the United States, interactive acoustic functions and interactive games. The Library can automatically filter, select and suggest suitable reading materials to students based on their English proficiency level and preferences measured by Lexile standards. The Library applies Stanford Research Institute (SRI) Speech Recognition and Assessment Technology during reading, which combines advanced acoustic models and industrial quality speech recognition engine to measure the accuracy of the pronunciation as the students read the story aloud. The Library also provides interactive multi-functional games that are played after reading a story, which develop and reinforce skills for listening, speaking, writing and reading comprehension. The Library not only provides self-owned textbook-style English reading materials with learning objectives closely aligned with our Rise Start and Rise On curricula, but also offers, through a partnership with a third-party content provider, over 2,600 books and magazines to foster reading habits for students.

Rise Camp and Rise Workshop

Rise Camp and Rise Workshop strive to cultivate students' language skills by encouraging them to apply the English skills they develop during class into real-life situations. These programs take place in various domestic locations that provide an immersive learning environment for students age four or above to practice with native English speaking teachers. Rise Camp is a theme-based camp typically hosted in summer or winter. For instance, in the summer of 2016, we hosted a camp in Beijing where students learned about drone-related technology, artificial intelligence, coding and related science-based topics. Rise Workshop is typically organized during weekends or public holidays with a theme related to arts, social sciences and other topics that students are interested in, with a size of fifteen to twenty students per workshop. Rise Camp and Rise Workshop help students not only improve their English and extra-curriculum knowledge, but also their cooperation and communication skills by working together with group members to accomplish goals and complete tasks. We initiated Rise Camp and Rise Workshop in 2016, and since then we have hosted three camps and 11 workshops where an aggregate of approximately 560 students participated.

Rise Overseas Study Tour

For students age four or above wishing to experience studying abroad, we organize tours for students to attend classes in preschools, elementary schools and middle schools primarily in the United States and Canada. We act as the operator of this program and set the price for the tours. Each tour typically lasts for two to three weeks and usually takes place during the summer or winter. Similar to Rise Camp or Rise Workshop, for students younger than seven, parental presence is required. We have organized tours in approximately 40 overseas schools to provide a wide range of options to students, who can attend various classes with native English speaking students under supervision of teachers in those schools. Moreover, students have the opportunity to mingle with local families after class and gain real life language exposure and a better understanding of cultures in English speaking countries. We began offering Rise Overseas Study Tours in 2012, and in 2016 and the six months ended June 30, 2017 approximately 520 and 126 students, respectively, participated.

Research and Curriculum Development

We have devoted significant resources to research and curriculum development, which are reflected in the quality of our course materials and effectiveness of our teaching methodologies. We use courseware consisting of course models and content licensed from HMH as the base of our Rise Start and Rise On courses and have developed complementary products to meet the needs of our students and take advantage of technological advancements. We frequently revise and upgrade our complementary products and have recently added several short-term courses to optimize our curricula.

Course Materials Based on HMH Licensed Courseware

A portion of the courseware that we use in our Rise Start and Rise On courses is licensed from HMH. Pursuant to license arrangements with HMH, we have an exclusive, subject to certain pre-existing third party rights, and royalty-free right to use certain HMH courseware developed before October 2011 in China permanently for after-school tutoring services for the primary purpose of teaching the English language to non-native English speaking students. Courseware developed by HMH helps students learn important subjects using simple English words and phrases, while also allowing us to easily standardize our courses across all learning centers.

In accordance with our rights under our license arrangements with HMH, we have developed various derivative products based on this HMH courseware, including certain tailored lesson plans for teachers, practice and activity books for students and after-class materials for parents and students to enhance interaction and study at home.

In-house Curriculum Development

We have a dedicated research and curriculum development team based in Beijing, with an average of over six years of relevant experience. Through workshops, trainings and international cooperation, our curriculum research and development team has successfully developed approximately 5,000 course hours and more than 430 course materials.

All of our supplementary curriculum are developed in-house. It typically takes about three months to twelve months to develop our new curriculum.

Our in-house curriculum development process includes three phases. During the first, or pre-development phase, we collect data and information on various potential products that we are considering and we seek feedback on those products from as many as 500 teachers, students and parents. We also conduct at least three rounds of professional consulting with academic experts and consultants on the proposed new course material. During the second, or development phase, our in-house professionals develop a new course proposal to be evaluated by our management and based on their feedback, these professionals revise the proposal and re-submit for approval. After the initial development is complete, we discuss each version across our various departments, a process that involves between 50 and 100 employees, in order to provide feedback to the development team and begin focusing on a final version. We repeat the cross-department review process at least three times during the development phase. During the final, or post development stage, we collect feedback from between 1,000 to 3,000 individuals, including teachers, course consultants, professors, students and parents, before we finalize the new course material.

External Courseware Development

We have engaged a third-party vendor in Ireland with significant experience in developing educational products to assist in our curriculum development. We use this vendor to develop complete courses for us, such as Rise Up Levels 1 and 2, and the curriculum development process is interactive and follows our standards. As of June 30, 2017, this vendor has developed the course materials for over 350 course hours and over 660 videos for us. We own the intellectual property rights for all course materials this vendor develops for us, and we pay them service fees based on the number of hours of developed courses.

Advisory Board

We have established an advisory board consisting of several reputable experts, including scholars, professionals and government officers in China's domestic and the international education industry. These experts have an average of twenty years' experience in education, research or English language teaching, and regularly provide high-level advice on education-related matters. These experts offer valuable advice on curriculum development, teaching quality, and other matters that effectively enhance our teaching and operating standards.

Our Learning Center Network

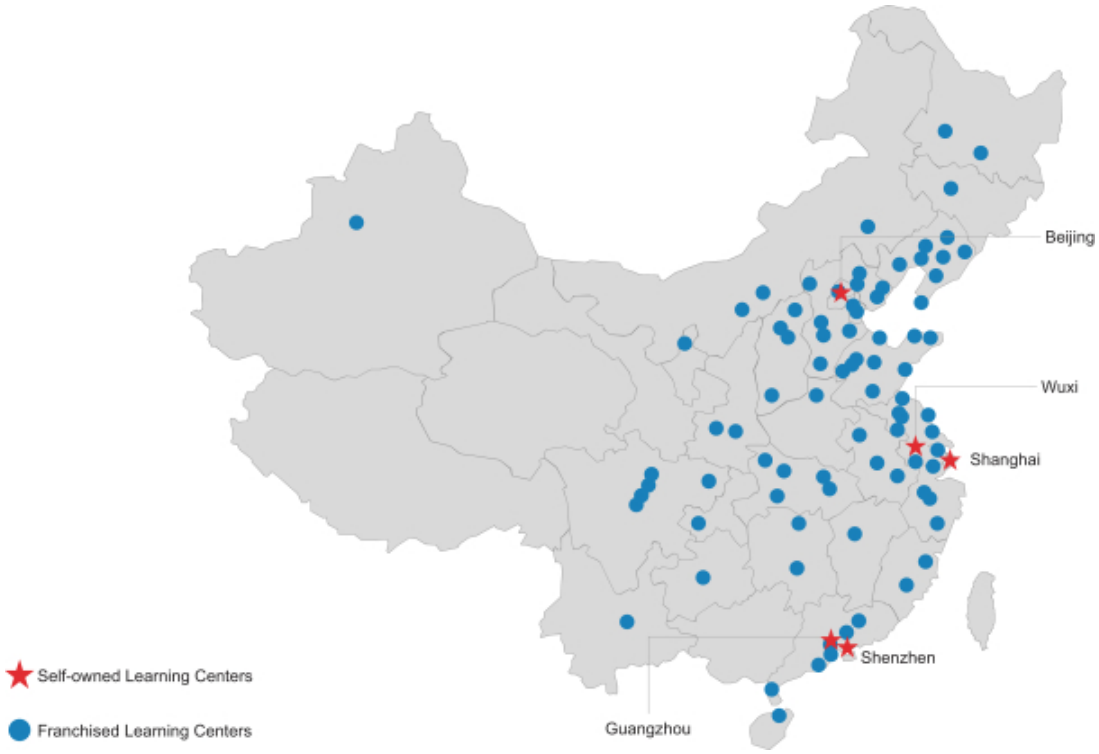
We operate self-owned learning centers in China through our consolidated affiliates including schools and a non-school enterprise, and we cooperate with our franchise partners to operate the franchised learning centers across China.

Our first learning center opened in Beijing in October 2007. In the same year, we agreed with our first franchise partner to open first franchised learning center in Chongqing. Since then we have expanded our learning center network of both self-owned and franchised learning centers rapidly, and have opened an average of 34 new learning centers per year during the past three years. As of June 30, 2017, we had a network of 246 learning centers across 80 cities throughout China, of which 56 were self-owned and 190 were operated by our franchise partners, and among our 56 self-owned learning centers, 30 were located in Beijing, twelve in Shanghai, seven in Guangzhou, five in Shenzhen and two in Wuxi.

The table below illustrates the expansion of our learning center network by showing the number of learning centers as of the dates indicated.

	As of December 31,			As of June 30,
	2014	2015	2016	2017
Self-owned	43	46	54	56
Franchised	137	147	167	190
Total Learning Centers	180	193	221	246

The map below indicates where each of our learning centers is located across China.



Self-owned Learning Centers

Our 56 self-owned learning centers are mostly located in China's tier-one cities of Beijing, Shanghai, Shenzhen and Guangzhou, as well as certain selected cities, such as Wuxi.

Our self-owned learning centers range between approximately 500 and 2,000 square meters in size, and can typically accommodate up to approximately 1,000 students. Our largest learning center, located in Beijing is able to accommodate approximately 2,000 students. We lease all of the premises that hold our learning centers and prefer to enter into lease agreements of at least five years where possible. Our learning centers are usually located in shopping malls or other commercial centers, as this helps to attract new potential students and is usually more convenient to our students and their parents.

We are responsible for all of the operations of our self-owned learning centers. We implement strict quality control measures to make sure each self-owned learning centers is a safe, clean and friendly environment. We have established various processes to maintain high standards and quality within all of our self-owned learning centers. For instance, we have centralized the processes for teacher recruitment, teacher training, online marketing and branding, while adopting local quality control mechanisms in areas such as offline marketing. Each self-owned learning center has a principal who is experienced in education, adheres to our education philosophy, and implements our quality control system. We also have dedicated academic supervisors at each learning center who are responsible for teaching quality. Each school also will always have at least one staff member that is trained in first aid to ensure the safety of our students.

It generally takes us about three months to establish a new self-owned learning center after we have confirmed lease arrangements for the site. We thoroughly evaluate a site for a new learning center and consider factors including customer traffic, local competition, household income, student recruitment projections, staffing requirements and cost estimates. We typically initiate regulatory approval procedures, including school license and registrations with local educational authorities, immediately after the lease agreement is signed. We also conduct financial analysis to estimate return on investment, breakeven point and other key financial indicators before deciding to open any new learning center. As of June 30, 2017, a typical new self-owned learning center reached break-even levels in the eleventh month.

The table below sets forth the major steps involved in opening a new learning center.

6 months to 1 year prior to opening	• Seek suitable site and negotiate leasing arrangements
3 months prior to opening	• Sign rental lease
	• Initiate regulatory approval procedures
2 months prior to opening	• Begin designing and remodeling center interior
	• Hire principal and other supervisors
	• Begin hiring teachers and other staff
	• Conduct market research to formulate marketing plan
1 month prior to opening	• Begin team building process and teacher training
	• Advertising and promotions
	• Technology checks
Opening	• Opening ceremony
	• Enroll students and begin classes

We intend to open more self-owned learning centers in tier-one cities and continue to expand our network of franchised learning centers in other cities and regions across China.

Franchised Learning Centers

We have strategically adopted the franchise model to quickly expand the network of learning centers to non-tier-one cities and the suburbs of tier-one cities in China.

Our criteria in selecting franchise partners include their financial capacity, commitment to education and experience in running education centers. We typically enter into franchise agreements with an initial term of five years with franchise partners and if any franchise agreement needs to be renewed, it will typically be renewed for an additional five-year period. We charge each franchise partner recurring franchise fees based on an agreed percentage of each franchised learning center’s collected tuition fees and also related individual course materials fees.

Potential new franchise partners are required to submit proposals to us containing site selection, market research and plans, anticipated number of students and potential number of learning centers. We have complete discretion in determining whether to accept an applicant as our franchise partner and execute a franchise agreement with them. Our franchise partners are responsible for all of the preparations in opening a new school, including site selection and leasing, interior design based upon our standards, installing all necessary equipment, hiring teachers and staff and recruiting students. Under the franchise model, our franchise partners purchase course materials and textbooks from us, and follow our standardized management system for franchised learning centers in their classroom instructions, their pricing and subsequent price adjustment, typically reviewed on an annual basis, are subject to our approval and we provide centralized trainings for their teachers and management team. We typically do not participate in the day-to-day operations of franchised learning centers.

We monitor operating results of franchised learning centers. Our franchise partners are required to submit to us the statistics of student enrollments in each franchised learning center on a monthly basis. We have a franchise management department of over 20 employees who continually monitor operating condition of each franchised learning center. Should the operating or financial situation of any franchised learning center deteriorate, our franchise management department may suggest plans for improvement to the franchise partner, and we may decide not to renew the franchise agreement with that franchise partner upon expiration if the situation does not improve. In addition, if any franchise partner fails to find a location within two months after signing the franchise agreement, or fails to open a new learning center within four months after signing the franchise agreement, we are entitled to terminate the franchise agreement. As of June 30, 2017, over 48% of our existing franchise partners have operated their franchises for more than five years.

Moreover, we are in the process of introducing a centralized online tracking system which all of franchised learning centers are required to install and use. It is expected that all franchised learning centers will be equipped with this system by the end of 2018, which will allow us to monitor the financial and operating results of the franchised learning centers in real time.

Standardized Management

We have established a standardized management system and process through which we manage and oversee important aspects of our self-owned and franchised learning centers across our network, including learning center administration, supply procurement and the development and sharing of teaching resources. By doing so, we are able to support and facilitate the management of both self-owned and franchised learning centers in an efficient manner as well as ensure consistency in the quality of our education.

Sharing and development of standardized teaching resources

To increase the effectiveness and consistency of teaching quality across learning centers, we have unified our teaching goals, guidelines and materials and courseware at each stage of our courses offered in all self-owned and franchised learning centers. By following these unified guidelines, we make it easy for teachers to effectively teach students in a manner that adheres to our teaching philosophy. Our standardized teaching resources are attractive to parents as they provide them certainty that their children will be participating in structured and effective lessons prepared by education experts regardless of the learning center or the class their children attend. By unifying our teaching materials, it also makes it easier for us to monitor learning results across all of our learning centers and make adjustments and improvements to our materials and resources as needed.

Centralized teacher trainings and academic assessment

We have standardized teacher trainings and academic assessment systems for all teachers employed at both self-owned and franchised learning centers.

All teachers are required to participate in mandatory and ongoing trainings at our headquarters, both at their respective learning centers and online. These trainings all teachers to deepen their understanding of our teaching philosophy, and enhance their skills in better utilizing our teaching resources and provide each student with a quality and effective learning experience.

We assess the academic performance of each teacher on a quarterly basis. Our teacher assessment standards include a number of factors, including teaching performance, written test results, English proficiency and communication skills.

Learning center operation

We have adopted a centralized online tracking system to monitor the daily operation of each self-owned learning center. This system tracks important aspects of the each school’s operations, such as student enrollment,

renewals, teacher staffing and certain operating costs. We conduct periodic reporting meetings with the principals and academic supervisors of each learning center to review results and discuss how to enhance operational performance. We have also unified the design and decorations in all of self-owned learning centers, as well as the procurement procedures and standards for most aspects of the establishment and operation of our learning centers, including computers, desks and chairs, uniforms and other equipment.

Learning results assessment

We also have standardized procedures to monitor and track student's learning results. Teachers are trained to record each student's performance in class in a systemic method for further tracking and review. We have quarterly academic examinations and benchmark online tests to monitor each student's learning progress.

Parent communications

We have standardized the procedures and contents of communication with the parents of students in all self-owned learning centers. We assign at least one teacher in each class to keep regular communications with the parents, including providing updates on their child's progress, following up with after-class homework of the students, collecting feedbacks from parents and recommending new products to the parents.

Students

In 2016 and for the six months ended June 30, 2017, we had a total of 36,173 and 26,600 student enrollments, of which 18,330 and 11,002 were new enrollments, respectively, at self-owned learning centers.

We consider students' English abilities and ages before placing students in appropriate courses and track their performance during our course offerings. We believe our courses are effective in enhancing the English language skills of students. For example, in a group of our Grade 6 students that took the TOEFL Junior Tests, 73.3% achieved a result that surpassed the median score for Grade 6 native English-speaking students in the United States that took the same exam.

Teachers

As of December 31, 2014, 2015 and 2016 and June 30, 2017, we had a total of 1,055, 1,162, 1,253 and 1,315 teachers, respectively, employed by self-owned learning centers. Most of our teachers are full-time employees.

Teachers are responsible for leading each class through the various materials and presentations, and engaging all students in each learning activity. Although we have standardized our teaching tools, teachers must be familiar with our teaching methodologies and the material for each lesson in order to deliver it effectively.

In addition to teaching our students, teachers also focus on serving the needs of the parents of students. Teachers establish multi-channel communications with the parents, including regular offline meetings with parents and weekly follow-up phone calls, as well as online communications and seminars, assisted by other staffs with administrative work, follow up on after-class homework with the parents and students, and recommend various Rise products to the parents. Moreover, we have established an online platform called "Rise Club" where parents can consult with teachers with various questions instantly and check performance results of their children online. As of June 30, 2017, Rise Club had a total number of more than 280,000 registered users.

Teacher training and evaluation

We offer centralized and continuous trainings for teachers, which consists of a minimum of seven incremental training steps. These trainings primarily focus on effectively delivering our highly standardized

course modules. For instance, we provide two weeks of intense training to each teacher right after recruitment, and we continue to provide them with training at our learning centers throughout the duration of the time with us. After training, teachers are required to pass a variety of exams before teaching our classes. We also have an in-house nine-star rating system to track the performance of teachers, which accounts for important factors including teaching quality, student retention rate, satisfaction level of parents, performance review by principals and other factors such as safety and academic contribution. The salary of each teacher is linked to their individual performance, as measured by our rating system.

We also cooperate with overseas educational institutes for teacher training and international accreditations, and many of teachers hold qualification certificates accredited by reputable overseas institutes.

Teacher recruitment

We hire teachers based on their education background, English proficiency level, personalities and passion for teaching. For students attending our more advanced courses such as Rise On, we primarily look for candidates with outstanding academic background and adequate teaching experience. For applicants to teach our younger students in Rise Start, we favor candidates who are caring and patient. Our major teaching recruitment channels include campus recruitment, public recruitment through agencies or headhunters and cooperative programs with normal universities.

Tuition and Fees

We offer our products at different prices in different cities, which we adjust on an annual basis based on a variety of factors, including local income standards and demand for our services. Our annual tuitions and fees are generally higher than our competitors because we believe we offer premium products that parents are willing to invest in. Tuitions and fees in franchised learning centers located in non-tier-one cities are generally lower than self-owned learning centers that are usually located in tier-one cities. We generally increase our standard tuition and fees on an annual basis. In 2016 and for the six months ended June 30, 2017, the average tuition fees for our courses ranged from approximately RMB16,000 to RMB28,000 per year.

Parents are required to prepay tuition and fees for the entire academic year before students can begin classes. If a student withdraws during the year, we offer tutoring course fee refunds in accordance with local education bureau’s regulations. We also charge different prices for each of our complementary products, either by an annual subscription fee or by referring to the prevailing market rates.

Public Cooperation

Drafting and Reviewing National Standards

Our teaching approach and methodologies have been recognized by multiple national authorities and organizations in China, and we have been invited to participate in the drafting and reviewing certain national education standards. For instance, we assisted in drafting the basic requirements of language training services for children and early youth in October 2016, which was initiated by the Chinese National Institute of Standardization, a national authority responsible for establishing education standards, and the China Quality Certification Center.

National Subject Research

Since 2012, we have actively participated in China’s 12th five-year national subject research initiated by National Association of Foreign Language Education, the Chinese Society of Education. As a result, we compiled and published Rational and Classroom Implementations of Subject English Education as a textbook for the promotion of subject-based English in China.

Public School Faculty Training

We cooperate with universities and public schools in providing various trainings for English teachers. Since 2009, we have been invited by the Beijing Educational Society to cooperate with Changchun Normal University to help their college students improve their English teaching skills. We have also provided training to more than 300 public school teachers in Beijing and Ji'nan from 2014 to June 30, 2017.

Subject English Education Research Academy

In 2013, we initiated Subject English Education Research Academy under The Beijing Academic Society for Education, which established the Beijing subject English Teacher Standards in 2013, and our management members play important roles in this academy, which functions as a self-governing organization in China's regional education industry and sets up several industrial standards. As of June 30, 2017, more than thirteen public and private schools and other educational organizations had become members of this academy.

Branding, Sales & Marketing

Branding

We position ourselves as the leader in the junior ELT market in China. Our brand is recognized by multiple educational authorities and organizations in China. For instance, we were accredited as the "Most Popular Junior English Education Organization" by edu.qq.com in 2014, the "Most Reputable Junior English Education Organization" by edu.qq.com in 2015, "Most Creative Brand of the Year" by Beijing News in 2016 and one of the 13 "Reputable Education Organization" by Xinhua.com in 2016.

We promote our brand through a series of marketing and public relationship activities, including traditional marketing means such as television ads, internet ads, outdoor display ads, new media as well as large events such as Rise Cup and Rise Star.

Rise Cup

Rise Cup is an annual nationwide English language project competition we host for all of students, regardless of their location, English level, or age. Participants are encouraged to complete certain tasks through teamwork in a fun manner. The four rounds of Rise Cup challenge students to improve their skills in language, project management, leadership and cooperation. It aims to make students think creatively, critically and independently. Rise Cup provides a platform for students to express their ideas and to prove that they can overcome challenges. Rise Cup concludes with an onstage performance by students, in which they present their projects, using their fine-tuned English skills, in front of an audience of thousands of their fellow students, their parents and judges. In 2017, a total of approximately 49,000 students from 76 cities participated in Rise Cup.

Rise Star

Rise Star is an annual online marketing campaign that we host to promote our brand. Rise Star is a competition for students mainly between the ages of three and eight. Based on a unique theme every year, students participate in the competition by making their own videos expressing their views. For instance, the theme of Rise Star in 2017 was "Wild Animal Rescue," which gave students the opportunity to submit online presentations on the importance of protecting wild animals. It not only encourages students to pursue their interests after class, conduct research independently and present their ideas in a creative way, but also promotes our image by broadcasting the image and products of students in public. We post clips of Rise Star videos on social media and online websites with heavy traffic, which effectively attracts existing and potential customers as well as public interest. In 2017, a total of approximately 45,000 students participated in Rise Star which has attracted more than 40 million page views on our website as of the date of this prospectus.

Marketing

Our marketing approaches integrate our centralized marketing channels through headquarters with localized marketing efforts by each learning center. We conduct marketing activities through both online and offline channels.

Online channel

We place online and mobile advertisements mainly on search engines and conduct marketing on leading web portals and social media platforms in China. When selecting marketing agents, we concentrate on their demonstrative ability to generate traffic, and we have accumulated good credit with reputable social media platforms in China who help us to attract potential customers. Furthermore, we cooperate with innovative media platforms and place banner advertisements or advertorials on education-focused platforms and mobile news apps.

Offline channel

We place outdoor display advertisements in public transportation terminals and residential complexes in selected cities. For instance, we regularly set up booths in shopping malls or supermarkets near our learning centers to distribute leaflets and register new students. We sometimes offer demonstrations in the communities around those centers, or participate in large-scale exhibitions and mega events such as carnivals for children to promote our brand and attract potential customers. We also launch marketing campaigns with partners from vertical industries to achieve synergy from time to time. In addition to the centralized marketing team working at our headquarters, we also have a sales force in each of our learning centers.

By integrating these resources, we have established a stable marketing pool with a multifaceted approach. Moreover, our word-of-mouth referrals counted for approximately 30% in new student enrollment in 2016 and for the six months ended June 30, 2017.

Sales

We have a strong sales team across China consisting of approximately 400 sales personnel as of June 30, 2017. Our sales approaches are flexible and aim to effectively utilize our online and offline marketing strategies to attract new students. We provide extensive and periodical sales trainings to each of our sales personnel to enhance their sales skills and performance.

Competition

The junior ELT market in China is rapidly evolving, highly fragmented and competitive. We are currently a leader in China’s junior ELT market and in our core market, our major competitors include EF Kids and Disney English.

We believe the principal competitive factors in our industry include the following:

- brand recognition;
- scope and quality of course offerings;
- capability of product development and teacher training;
- standardized management and scalable business model;
- customer satisfaction; and
- ability to effectively market course offerings to a broad base of prospective customers.

Given these factors, we believe we are in a favorable position as a provider of junior ELT in China.

Employees

We had 1,929, 2,033, 2,245 and 2,370 employees as of December 31, 2014, 2015 and 2016 and June 30, 2017, respectively. The majority of our employees are full-time. We had the following number of employees by function as of the dates indicated below:

	As of December 31,			As of June 30,
	2014	2015	2016	2017
Teachers	1,055	1,162	1,253	1,315
Sales and marketing	370	358	447	471
Administration	504	513	545	584
Total	1,929	2,033	2,245	2,370

We enter into employment contracts with our full-time employees, which contain confidentiality provisions.

As required by regulations in China, we participate in various employee social security plans that are administered by municipal and provincial governments for our PRC-based full-time employees, including housing, pension, medical insurance, unemployment insurance, injury insurance and maternity insurance. We are required under PRC law to make contributions to employee benefit plans for our PRC-based full-time employees at specified percentages of the total salaries, bonuses and certain allowance of our employees, up to a maximum amount specified by the relevant local governments in China from time to time.

None of our employees are represented by collective bargaining agreement. We believe that we maintain good relationships with our employees. We have not experienced any significant labor disputes.

Intellectual Property

Pursuant to license arrangements with HMH, we have been granted an exclusive, subject to certain pre-existing third party rights, and royalty-free right to use certain courseware developed by HMH before October 2011 in China permanently for after-school tutoring services for the primary purpose of teaching the English language to non-native English speaking students. The curricula of Rise Start and Rise On use this HMH courseware, along with other self-developed content. These arrangements also entitle us to develop derivative products based on this HMH courseware, including tailored lesson plans for teachers, practice and activity books for students and after-class materials for parents and students to enhance interaction and study at home. We own the intellectual property rights for all of these derivative products, subject to HMH's ownership of the intellectual property rights in its underlying courseware. We have complied with the licensing arrangements with HMH during our operations.

We also have self-developed courseware, course materials and complementary products. Moreover, the majority of trademarks that we have registered are related to our self-developed course materials or products.

Our trademarks, copyrights, domain names, trade secrets and other intellectual property rights distinguish our products from those of our competitors and contribute to our competitive advantage in our target markets. To protect our intellectual property, we reply on a combination of trademark, copyright and trade secret laws, and confidentiality agreements with our employees and contractors. We also regularly monitor any infringement or misappropriation of our intellectual property rights.

As of June 30, 2017, our intellectual property rights include the following:

- registration of ten domain names, including our *risecenter*, *rdchina*, *risechina*, *riseedu*, *risehongkong*, *seerabj*, *riselinkedu* and *e-learningkid* websites;
- 202 registered trademarks, including *Rise*, *Rise Immersion Subject English*, *Rismart*, *Pre-Rise*, *Mini Rise*, *Rise Pro*, *Rise Sat*, *Rise AP*, *Rise Act*, *Rise On*, *Rise Up*, *Rise Start* and *Rise Link*, each of which bolsters our strong brand recognition in China;

- 67 copyright registration in China; and
- one patent in China.

Facilities

Our office headquarters occupy approximately 2,600 square meters of leased office space in Beijing, China. We also maintain approximately 200 square meters of leased office space in Tianjin, China. One of our lease agreements will expire in 2018 and we believe substitute office space will be available if we decide not to renew our lease agreement after its expiration. We believe that our current facilities are suitable and adequately meet our current needs. We will consider expanding our current facilities if the number of our employees significantly increases.

We lease a total area of approximately 67,800 square meters for self-owned learning centers across China. These lease arrangements are typically for a period of at least five years, and are renewable upon mutual consent at the end of the lease period. Our franchise partners are responsible for entering into the lease arrangements for the premises on which our franchised schools are operated.

Insurance

We maintain various insurance policies to safeguard against risks and unexpected events. We maintain insurance to cover students and teachers' actual expenses for injuries they might sustain at our learning centers. We also maintain insurance to cover our liability should any injuries occur at our learning centers. We do not maintain business interruption insurance, product liability insurance or key-man life insurance. See "Risk Factors—Risks Related to Our Business and Industry—We have limited insurance coverage with respect to our business and operations." We consider our insurance coverage to be in line with that of other ELT education providers of a similar scale in China.

Legal Proceedings

We are not aware of any unsettled litigations, legal proceedings, or claims to which we are a party that could materially affect our business, operational or financial position. We cannot predict whether we could become a party to any litigation, legal proceeding, or claim arising from the ordinary course of our business, which may, to various extents, affect our future results of business, operations and financial position.

REGULATION

We operate our business in China under a legal regime consisting of the National People's Congress, which is China's highest legislative body, the State Council, which is the highest authority of the executive branch of the PRC central government, and several ministries and agencies under its authority, including the Ministry of Education, or MOE, the State Administration of Press, Publication, Radio, Film and Television, or SAPPRFT, the Ministry of Industry and Information Technology, or MIIT, the Ministry of Civil Affairs, the State Administration for Industry & Commerce, or SAIC, and their respective local offices. This section summarizes the principal PRC regulations related to our business.

Regulations Related to Private Education in the PRC

Education Law of the PRC

On March 18, 1995, the National People's Congress of the PRC, or NPC, enacted the Education Law of the PRC, or Education Law, which was amended on August 27, 2009 and further amended on December 27, 2015. The Education Law sets forth provisions relating to the fundamental education systems of the PRC, including a school education system comprising preschool education, elementary and middle school education and higher education, a system of nine-year compulsory education, a national education examination system, and a system of education certificates. The Education Law stipulates that the government formulates plans for the development of education, establishes and operates schools and other education institution. Furthermore, it provides that in principle, enterprises, social organizations and individuals are encouraged to establish and operate schools and other types of education institutions in accordance with PRC laws and regulations.

The Law for Promoting Private Education and Its Implementation Rules

The Law for Promoting Private Education of the PRC became effective on September 1, 2003 and was amended on June 29, 2013. The Implementation Rules for the Law for Promoting Private Education of the PRC became effective on April 1, 2004. Under these regulations, "private schools" are defined as schools established by social organizations or individuals using non-government funds. Private schools that provide academic education, preschool education, education for self-study examination and other education shall be subject to approval by the education authorities at or above the county level, while private schools that engage in occupational qualification training and occupational skill training shall be subject to approvals from the authorities in charge of labor and social welfare at or above the county level. A duly approved private school will be granted a Permit for Operating a Private School, and shall be registered with the Ministry of Civil Affairs of the PRC, or MCA, or its local counterparts as a private non-enterprise institution. The measures governing for-profit training institutions registered with the Industry and Commerce Department shall be separately formulated by the State Council. As of June 30, 2017, we have established 16 schools in Beijing, Shanghai, Guangzhou and Shenzhen, which are required to obtain the Permits for Operating a Private School and register with relevant local counterparts of the MCA, and one non-school enterprise in Wuxi registered with the local industry and commerce department, which operates the same business as our private schools do, though it is not required by the local education authority to obtain the Permit for Operating a Private School. For a detailed description of the risks regarding not obtaining relevant permits, see "Risk Factors—Risks Related to Our Business and Industry—A number of learning centers operate without the required licenses, permits, filings or registrations."

Under the above regulations, entities and individuals who establish private schools are commonly referred to as "sponsors" rather than "owners" or "shareholders." The economic substance of "sponsorship" with respect to private schools is similar, in certain aspects, to that of shareholder's ownership with respect to companies in terms of legal, regulatory and tax matters. For example, the name of the sponsor shall be entered into the private schools' articles of association and Permit for Operating a Private School, similar to that of shareholders where their names shall be entered into the company's articles of associations and corporate records filed with relevant

authority. From the perspective of control, the sponsor of a private school also has the right to exercise ultimate control over the school by means such as adopting the private school's constitutional documents, electing the school's decision-making bodies, including the school's board of directors and principals. The sponsor can also profit from the private schools by receiving "reasonable returns," as explained in detail below, or disposing its sponsorship interests in the schools for economic gains. However, the rights of sponsors vis-à-vis private schools also differ from the rights of shareholders vis-à-vis companies. For example, under PRC laws, a company's ultimate decision-making body is its shareholders meeting, while for private schools, it is the board of directors, or board of members, though the members of which are substantially appointed by the sponsor. The sponsorship interest also differs from the ownership interests with regard to the right to the distribution of residual properties upon liquidation of a private school. While private education is treated as a public welfare undertaking under the above regulations, sponsors of a private school may choose to require "reasonable returns" from the annual net balance of the school after deduction of costs for school operations, donations received, government subsidies (if any), the reserved development fund and other expenses as required by the regulations. Private schools whose sponsor does not require reasonable returns shall be entitled to the same preferential tax treatment as public schools, while the preferential tax treatment policies applicable to private schools whose sponsor requires reasonable returns shall be formulated by the finance authority, taxation authority and other authorities under the State Council. As of June 30, 2017, among our 16 private schools, 14 were registered as schools requiring reasonable returns, and two were registered as schools not requiring reasonable returns.

No nationwide regulation has been promulgated to regulate the establishment of additional learning centers outside the registered address of a school to date, and different provinces or cities have adopted different procedures. For example, in Beijing, Shenzhen and Guangzhou, an additional learning center shall be located in the same district where the private school is registered and the establishment of an additional learning center is subject to a prior approval or filing procedure with relevant education authority. In Shanghai, an additional learning center is allowed to be established across different district from where the school is registered, provided that it is approved by relevant education authority. Among the 54 self-owned learning centers operated by our 16 schools as of June 30, 2017 (other than the other two self-owned learning centers operated by our non-school enterprise in Wuxi), 16 are located in the same address where the schools are registered, four are located in the same address where the schools are applying for registration, and 34 are located outside the registered addresses of those schools and thus are subject to approvals by or filings with local education authorities.

On November 7, 2016, NPC issued the Amended Law on the Promotion of Private Education, which came into force on September 1, 2017. Under the Amendment, the term "reasonable return" is no longer used and sponsors of private school may choose to establish non-profit or for-profit schools at their own discretion. Nonetheless, school sponsors are not allowed to establish for-profit schools that are engaged in compulsory education. The Amendment further establishes a new classification system for private schools depending on whether they are established and operated for profit-making purposes. According to the Amendment, the key features of the aforesaid new classification system for private schools include the following:

- *Profit distribution.* Sponsors of for-profit schools may adopt the form of a corporation under the PRC Company Law, which are entitled to retain the profits and proceeds from the schools and the operation surplus may be allocated to the sponsors, i.e. the shareholders, pursuant to the PRC Company Law and other relevant laws and regulations. Sponsors of non-profit schools are not entitled to the distribution of profits or proceed from the non-profit schools and all operation surplus of non-profit schools shall be used for the operation of the non-profit schools;
- *Tuition.* For-profit private schools are entitled to set their own tuition and other miscellaneous fees without the need to seek prior approvals from the relevant government authorities. The collection of fees by non-profit schools, on the other hand, shall be regulated by the provincial, autonomous regional or municipal governments;
- *Government Support.* Taxation policies for for-profit private schools are still unclear as more specific provisions are yet to be introduced. On the other hand, non-profit schools enjoy more supportive measures than for-profit schools, such as government subsidies, fund awards and incentive donations.

For example, non-profit schools will enjoy the same preferential tax treatments as public schools. Furthermore, non-profit schools enjoy the same treatment as public schools with respect to the supply of land, which will be supplied by the government through allocation or other means, while land will be supplied to for-profit schools in accordance with applicable laws; and

- *Liquidation.* The remaining assets of for-profit schools shall be distributed to the sponsors in accordance with the PRC Company Law, while the remaining assets of non-profit private schools after liquidation shall continue to be used for the operation of non-profit schools.

On December 29, 2016, the State Council issued the Several Rules of the State Council on Encouraging the Operation of Education by Social Forces and Promoting the Healthy Development of Private Education, or State Council Rules, which request to ease the access to the operation of private schools and encourages social forces to enter the education industry. The State Council Rules also provide that each level of the people's governments shall increase their support to the private schools in terms of financial investment, financial support, autonomy policies, preferential tax treatments, land policies, fee policies, autonomy operation, protecting the rights of teachers and students etc.

On December 30, 2016, MOE, MCA, SAIC, the Ministry of Human Resources and Social Security, or MOHRSS, and the State Commission Office of Public Sectors Reform, or SCOPSR, jointly issued the Implementation Rules on the Classification Registration of Private Schools to reflect the new classification system for private schools as set out in the Amendment. Generally, if a private school established before promulgation of the Amendment chooses to register as a non-profit school, it shall amend its articles of association, continue its operation and complete the new registration process. If such private school chooses to register as a for-profit school, it shall conduct financial liquidation process, have the property rights of its assets such as lands, school buildings and net balance being examined by relevant government authorities, pay up relevant taxes, apply for a new Permit for Operating a Private School, re-register the for-profit school as a corporation and continue its operation. Specific provisions regarding the above registrations are yet to be introduced by people's governments at the provincial level. After specific rules to implement the Amended Law on the Promotion of Private Education are issued by provincial governments, we will be required to re-register our schools either as non-profit schools or for-profit schools according to PRC company law. In light of the practical time required to complete such process, we expect there might be a transition period for private schools to complete the aforesaid required re-registration process which we believe would not materially or adversely affect our business and results of operations.

On December 30, 2016, the MOE, SAIC and MOHRSS jointly issued the Implementation Rules on the Supervision and Administration of For-profit Private Schools, pursuant to which the establishment, division, merger and other material changes of a for-profit private school shall first be approved by the education authorities or the authorities in charge of labor and social welfare, as the case may be, and then be registered with the competent branch of SAIC.

On September 1, 2017, SAIC and MOE jointly issued the Notice of Relevant Work on the Registration and Management of the Name of For-Profit Private Schools, which specifies the requirements on the names of for-profit private schools.

Foreign Investment in Private Education

In 1995, the National Development and Reform Commission, or NDRC, and MOFCOM promulgated the Foreign Investment Industries Guidance Catalog, or Foreign Investment Catalog, as amended on June 28, 2017 and effective on July 28, 2017, pursuant to which (1) non-academic occupational skill training education is categorized as an encouraged industry for foreign investors, (2) preschool education, high school education and higher education are restricted industries for foreign investors, and foreign investments are only allowed to invest in preschool education, high school education and higher education in cooperative ways and the domestic party shall hold a dominant position in the cooperation, and (3) compulsory education, i.e., elementary school and middle school education, is a prohibited industry for foreign investors. Other education related businesses that are not encouraged, restricted or prohibited fall into the allowed industry. As such, our business falls into the category of allowed industry for foreign investment under the Foreign Investment Catalog.

Sino-foreign cooperation in school operation is specifically governed by the Regulation on Operating Sino-foreign Schools of the PRC, which was promulgated by the State Council on March 1, 2003, as amended on July 18, 2013. In addition, The Implementing Rules for the Regulations on Operating Sino-foreign Schools was promulgated by MOE on June 2, 2004 and became effective on July 1, 2004. Pursuant to this regulation and these rules, any foreign entity that invests in the education business in China through sino-foreign cooperation must be an educational institution with relevant experience in providing educational services outside China. Our offshore holding companies are not educational institutions and, to comply with PRC laws and regulations, have entered into a series of contractual arrangements with our VIE and its schools and shareholders.

On June 18, 2012, MOE issued the Implementation Opinions of MOE on Encouraging and Guiding the Entry of Private Capital in the Fields of Education and Promoting the Healthy Development of Private Education to encourage private investment and foreign investment in the field of education. According to these laws, regulations and opinions, the proportion of foreign capital in a PRC-foreign cooperative education institute shall be less than 50%.

Collection of Private Education Fees

Pursuant to the Interim Measures for the Management of the Collection of Private Education Fees, which was promulgated by NDRC, MOE and MOHRSS on March 2, 2005, the types and amounts of fees charged by a private school providing academic education shall be examined and verified by education authorities or the labor and social welfare authorities and approved by the governmental pricing authorities. A private school that provides non-academic education shall file its pricing information with the governmental pricing authority and publicly discloses such information. If a school raises its tuition levels without obtaining the proper approval or making the relevant filing with the relevant government pricing authorities, the school would be required to return the additional tuition fees obtained through the raise and become liable for compensation of any losses caused to the students in accordance with relevant PRC laws.

According to the Amended Law on the Promotion of Private Education, the fees charged by for-profit schools are determined by the schools at their discretion, while the fees charged by non-profit schools shall be regulated by the relevant local government authorities.

Regulations Related to Publishing and Distribution of Publications

The State Council promulgated the Administrative Regulations on Publication, or the Publication Regulations, on December 25, 2001, as amended on February 2, 2016. The Publication Regulations apply to publication activities, i.e., the publishing, printing, copying, importation or distribution of publications, including books, newspapers, periodicals, audio and video products and electronic publications, each of which requires approval from the relevant publication administrative authorities.

In addition, the former General Administration of Press and Publication and MOFCOM issued the Administrative Regulations on Publications Market on July, 24, 2003, as amended by SAPPRFT and MOFCOM on May 31, 2016. According to the Administrative Regulations on Publications Market, any organization or individual engaged in general wholesale or retail distribution of publications shall obtain a Permit for Operating Publications Business.

Rise Tianjin, our PRC subsidiary, obtained the Permit for Operation Publications Business on August 17, 2015.

Measure for Punishment for Violation of Professional Ethics of Primary and Secondary School Teachers

On January 11, 2014, MOE promulgated the Measures for Punishment for Violation of Professional Ethics of Primary and Secondary School Teachers, which prohibits teachers of primary and secondary schools from providing paid tutoring in schools or in out-of-school learning centers. For a detailed description of the risk associated with these matters, see “Risk Factors—Risk Related to Our Business and Industry—We may not be able to continue to recruit, train and retain a sufficient number of qualified teachers.”

Regulations Related to Online Business

Internet Information Services

The State Council promulgated the Internet Information Services Administrative Measures, or Internet Information Measures, on September 25, 2000, as amended on January 8, 2011. According to the Internet Information Measures, Internet information services refer to service activities which provide information to online users through the Internet, which are divided into services of a commercial nature and services of a non-commercial nature. Commercial Internet information services refer to compensatory services which establish websites providing information to online users through the Internet, while non-commercial Internet information services refer to non-compensatory services which provide public information to online users through the Internet. Entities engaging in commercial Internet information services shall obtain a license for Internet information services, or ICP license, from the appropriate telecommunications authorities. Entities engaging in non-commercial Internet information services shall file for record with the telecommunications authorities.

Broadcasting Audio-Video Programs through the Internet or Other Information Network

On July 6, 2004, the former State Administration of Radio, Film and Television, or SARFT, promulgated the Rules for the Administration of Broadcasting of Audio/Video Programs through the Internet and Other Information Networks, or the A/V Broadcasting Rules. The A/V Broadcasting Rules apply to the launch, broadcasting, aggregation, transmission or download of audio/video programs via televisions, mobile phones and the Internet and other information networks. Anyone who wishes to engage in Internet broadcasting activities must first obtain an audio/video program transmission license, with a term of two years, issued by SARFT and operate pursuant to the scope as provided in such license. Foreign invested enterprises are not allowed to engage in the above business.

On April 13, 2005, the State Council announced Several Decisions on Investment by Non-state-owned Companies in Culture-related Business in China. These decisions encourage and support non-state-owned companies to enter certain culture-related business in China, subject to restrictions and prohibitions for investment in audio/video broadcasting, website news and certain other businesses by non-state-owned companies. These decisions authorize SARFT, the Ministry of Culture, or MOC, and the former General Administration of Press and Publication, or GAPP, to adopt detailed implementation rules according to these decisions.

On December 20, 2007, SARFT and the former Ministry of Information Industry, or MII, jointly issued the Rules for the Administration of Internet Audio and Video Program Services, commonly known as Circular 56, which came into effect as of January 31, 2008 and was further amended on August 8, 2015. Circular 56 reiterates the requirement set forth in the A/V Broadcasting Rules that online audio/video service providers must obtain an “Internet audio/video program transmission license” from SARFT. Furthermore, Circular 56 requires all online audio/video service providers to be either wholly state-owned or state-controlled companies. On April 1, 2010, SARFT promulgated the Tentative Categories of Internet Audio-Visual Program Service, or the Categories, as amended on March 3, 2017, which clarified the scope of Internet Audio-Visual Programs. According to the Categories, there are four categories of Internet audio-visual program service which in turn are divided into seventeen sub-categories. The third sub-category of the second sub-category covers the making and broadcasting of certain specialized audio-visual programs concerning art, culture, technology, entertainment, finance, sports, and education.

On June 1, 2016, SAPPRFT promulgated the Provisions on the Administration of Private Network and Targeted Communication Audiovisual Program Services. This regulation applies to “private network and targeted communication audiovisual program services,” i.e. the provision of radio and TV program and other audiovisual program services to the targeted audience with TV, and all types of handheld electronic equipment, etc., as terminal recipients, and through setting up virtual private network through local area networks and

Internet or with Internet and other information networks as targeted transmission channels, including the provision of contents, integrated broadcast control, transmission and distribution, and other activities conducted by such forms as Internet protocol television (IPTV), private network mobile TV, and Internet TV. Whoever provides private network and targeted communication audiovisual program services, such as content provision, integrated broadcast control, and transmission and distribution, shall obtain a License for the Dissemination of Audiovisual Programs through Information Network in accordance with the Provisions on the Administration of Private Network and Targeted Communication Audiovisual Program Services.

Internet Culture Activities

On February 17, 2011, MOC promulgated the Interim Administrative Provisions on Internet Culture, or the Internet Culture Provisions, which became effective on April 1, 2011. The Internet Culture Provisions require ICP services providers engaging in commercial Internet culture activities to obtain a permit from the appropriate culture authority. Internet cultural activities includes (i) the production, duplication, importation, and broadcasting of the Internet cultural products; (ii) the online dissemination whereby cultural products are posted on the Internet or transmitted via the Internet to end-users, such as computers, fixed-line telephones, mobile phones, television sets and games machines, for online users' browsing, use or downloading; and (iii) the exhibition and comparison of the Internet cultural products. Internet cultural products is defined in the Internet Culture Provisions as cultural products produced, broadcast and disseminated via the Internet, which mainly include Internet cultural products specially produced for the Internet, such as online music entertainment, online games, online shows and plays, online performances, online works of art and online cartoons, and Internet cultural products produced from cultural products such as music entertainment, games, shows and plays, performances, works of art, and cartoons through certain techniques and duplicate those to Internet for dissemination.

Internet Publishing

On February 4, 2016, SAPPRFT and MIIT jointly issued the Administrative Measures of Internet Publishing Services, or the Internet Publishing Measures. According to the Internet Publishing Measures, an online publishing services permit shall be obtained to provide online publishing services. Online publishing services refer to providing online publications to the public through information networks. Online publications refer to digital works with publishing features such as having been edited, produced or processed and are made available to the public through information networks, including: (i) written works, pictures, maps, games, cartoons, audio/video reading materials and other original digital works containing useful knowledge or ideas in the field of literature, art, science or other fields; (ii) digital works of which the content is identical to that of any published book, newspaper, periodical, audio/video product, electronic publication or the like; (iii) network literature databases or other digital works, derived from any of the aforesaid works by selection, arrangement, collection or other means; and (iv) other types of digital works as may be determined by SAPPRFT.

Under PRC laws and regulations, we may be required to obtain an ICP license, an internet audio or video program transmission license, an internet culture permit and an online publishing services permit for the operation of our online educational products, such as Rise Up and Can-Talk. See "Risk Factors—Risks Related to Our Business and Industry—A number of learning centers operate without the required licenses, permits, filings or registrations."

Regulations Related to Franchise

The State Council promulgated the Administrative Regulations on Commercial Franchising, or Franchise Regulations, on February 6, 2007. MOFCOM promulgated the Administrative Measures on Filing of Commercial Franchise, or the Franchise Filling Measures, on April 30, 2007, as amended on December 12, 2011, as well as the Administrative Measures on Information Disclosure of Commercial Franchise, or Franchise Information Disclosure Measures, on April 30, 2007, as amended on February 23, 2012.

Under the above regulations, franchise operations refer to a license by an enterprise owner of registered trademarks, enterprise logos, patents, proprietary technologies or other business resources, or franchisor, to another business operator, or franchisee, to use such business resources owned by the franchisor through a contractual arrangement, where the franchisee operates the business according to a uniform business model stipulated under the contract and pay the franchisor franchising fees.

When engaging in a franchise operation, a franchisor and a franchisee shall enter into a written franchise contract containing several key elements such as basic information of the franchisor and the franchisee, terms and conditions of the franchise operation. A franchisor shall file with MOFCOM or its local office within 15 days from the date of entering into a franchise contract with a franchisee for the first time, and shall report to the filing agency on information on franchise contracts executed, revoked, terminated or renewed in the preceding year before March 31 of each year.

Given that our franchised learning centers are owned and operated by our franchise partners, and we only provide franchise services to our franchise partners rather than operating those franchised learning centers directly, the regulations related to foreign investment in the education industry do not apply to our franchising activities. Beijing Step Ahead, our VIE, is the entity owning business resources, including certain registered trademarks and logos, and entering into franchise agreements with our franchise partners. Beijing Step Ahead has filed with MOFCOM all the franchise agreements that have been executed as of June 30, 2017.

Regulations Related to Intellectual Property Protection

Copyright

NPC amended the Copyright Law in 2001 to widen the scope of works and rights that are eligible for copyright protection. The amended Copyright Law extends copyright protection to Internet activities, products disseminated over the Internet and software products. In addition, there is a voluntary registration system administered by the China Copyright Protection Center. The Copyright Law was further amended on February 26, 2010.

To address copyright infringement related to contents posted or transmitted over the Internet, the National Copyright Administration and MII jointly promulgated the Administrative Measures for Copyright Protection Related to the Internet on April 30, 2005. These measures became effective on May 30, 2005.

Trademark

Pursuant to the Trademark Law of the PRC, or the Trademark Law, which was amended on August 30, 2013 and became effective from May 1, 2014, registered trademarks refer to trademarks that have been approved and registered by the Trademark Office of the State Administration for Industry & Commerce, which include commodity trademarks, service trademarks, collective marks and certification marks. The trademark registrant shall enjoy an exclusive right to use the trademark, which shall be protected by law.

Domain name

Pursuant to the Measures for the Administration of Internet Domain Names of the PRC, which was promulgated by MIIT on November 5, 2004 and became effective from December 20, 2004, domain name shall refer to the character mark of hierarchical structure, which identifies and locates a computer on the Internet and corresponds to the Internet protocol (IP) address of that computer and the principle of “first come, first serve” is followed for the domain name registration service. After completing the domain name registration, the registrant becomes the holder of the domain name registered by him/her/it. Furthermore, the holder shall pay operation fees for registered domain names on time in accordance with the schedule set by the relevant domain name registrar. If the domain name holder fails to pay the corresponding fees as required, the domain name registrar will cancel the domain name and notify the holder in writing.

Regulations Related to Foreign Exchange

The principal regulations governing foreign currency exchange in China are the Foreign Exchange Administration Regulations, which were most recently amended in August 2008. Payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can usually be made in foreign currencies without prior approval from the State Administration of Foreign Exchange, or SAFE, by complying with certain procedural requirements. By contrast, approval from or registration with appropriate PRC authorities or banks authorized by appropriate PRC authorities is required where RMB capital is to be converted into foreign currency and remitted out of China to pay capital expenses.

From 2012, SAFE has promulgated several circulars to substantially amend and simplify the current foreign exchange procedure. Pursuant to these circulars, the opening of various special purpose foreign exchange accounts, the reinvestment of RMB proceeds by foreign investors in the PRC and remittance of foreign exchange profits and dividends by a foreign-invested enterprise to its foreign shareholders no longer require the approval or verification of SAFE. In addition, domestic companies are no longer limited to extend cross-border loans to their offshore subsidiaries but are also allowed to provide loans to their offshore parents and affiliates and multiple capital accounts for the same entity may be opened in different provinces. SAFE also promulgated the Circular on Printing and Distributing the Provisions on Foreign Exchange Administration over Domestic Direct Investment by Foreign Investors and the Supporting Documents in May 2013, which specifies that the administration by SAFE or its local branches over direct investment by foreign investors in the PRC shall be conducted by way of registration and banks shall process foreign exchange business relating to the direct investment in the PRC based on the registration information provided by SAFE and its branches. In February 2015, SAFE promulgated SAFE Circular 13, which took effect on June 1, 2015. SAFE Circular 13 delegates the power to enforce the foreign exchange registration in connection with inbound and outbound direct investments under relevant SAFE rules from local branches of SAFE to banks, thereby further simplifying the foreign exchange registration procedures for inbound and outbound direct investments. On January 26, 2017, SAFE issued SAFE Circular 3, which stipulates several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, including (i) under the principle of genuine transaction, banks shall check board resolutions regarding profit distribution, the original version of tax filing records and audited financial statements; and (ii) domestic entities shall hold income to account for previous years' losses before remitting the profits.

Regulations Related to Employee Share Incentive Awards Granted by Listed Companies

On February 15, 2012, SAFE promulgated the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plans of Overseas Publicly-Listed Companies, or the Stock Option Rules, which replaced the Application Procedures of Foreign Exchange Administration for Domestic Individuals Participating in Employee Stock Ownership Plans or Stock Option Plans of Overseas Publicly-Listed Companies issued by SAFE on March 28, 2007. Under the Stock Option Rules and other relevant rules and regulations, PRC residents who participate in a stock incentive plan in an overseas publicly listed company are required to register with SAFE or its local branches and complete certain other procedures. Participants of a stock incentive plan who are PRC residents must retain a qualified PRC agent, which could be a PRC subsidiary of such overseas publicly listed company or another qualified institution selected by such PRC subsidiary, to conduct the SAFE registration and other procedures with respect to the stock incentive plan on behalf of its participants. Such participants must also retain an overseas entrusted institution to handle matters in connection with their exercise of stock options, the purchase and sale of corresponding shares or interests and fund transfers. In addition, the PRC agent is required to amend the SAFE registration with respect to our share incentive plans if there are any material changes to the share incentive plans, the PRC agent or the overseas entrusted institution or other material changes. We and our PRC employees who have been granted incentive shares will be subject to these regulations upon the completion of this offering.

Regulations Related to Foreign Direct Investment in the PRC

According to the previous PRC regulations on direct foreign investment, capital contributions from foreign investors to its PRC subsidiaries, which are considered as foreign-invested enterprises, may only be made when approval by MOFCOM or its local counterpart is obtained.

On September 3, 2016, the Standing Committee of NPC passed amendments to the Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign Cooperative Joint Venture Enterprise Law and the Foreign Owned Enterprise Law. The amended laws provide that, with respect to matters involving foreign-invested enterprises that are not captured by the special administrative measures specified or approved by the State Council, a record-filing requirement, instead of the approval requirement otherwise provided in the laws, will be applicable. MOFCOM promulgated the Provisional Measures on Administration of Filing for Establishment and Change of Foreign Investment Enterprises on October 8, 2016 and further amended it on July 30, 2017, which set forth detailed guidance on, among other things, the scope of application timing, process, information required for the filing, and authorities in charge of the filing. The Foreign Investment Catalog, promulgated by the NDRC and MOFCOM on June 28, 2017 and became effective on July 28, 2017 sets out the special administrative measures for admission of foreign investment, i.e. the negative list for admission of foreign investments, including restricted industries and prohibited industries.

Given that registered capital and total investment amount of Rise Tianjin are currently the same, if we seek to make a capital contribution to Rise Tianjin we must first apply to increase both its registered capital and total investment amount, while if we seek to provide a loan to Rise Tianjin, we must first increase its total investment amount. Although we currently do not plan to utilize the proceeds from this offering to increase the registered capital of Rise Tianjin, or to provide any loan to Rise Tianjin or our VIE and its subsidiaries or schools, if we seek to do so in the future, we may not be able to obtain the required government approvals or complete the required registrations on a timely basis, if at all. See “Risk Factors—Risks Related to Doing Business in China—PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of this offering to make loans or additional capital contributions to our PRC subsidiaries and consolidated affiliates, which could materially and adversely affect our liquidity and our ability to fund and expand our business.”

The Draft Foreign Investment Law

On January 19, 2015, the MOFCOM published the Draft Foreign Investment Law and the accompanying explanatory note of the Draft Foreign Investment Law, or the Explanatory Note, which contains important information about the Draft Foreign Investment Law, including its drafting philosophy and principles, main content, plans to transition to the new legal regime and treatment of business in the PRC controlled by foreign invested enterprises, or FIEs, primarily through contractual arrangements. The Draft Foreign Investment Law and the Explanatory Note have not been finalized and have not come into effect. The Draft Foreign Investment Law is intended to replace the current foreign investment legal regime consisting of three laws: the Sino-Foreign Equity Joint Venture Enterprise Law, the Sino-Foreign Cooperative Joint Venture Enterprise Law and the Foreign Owned Enterprise Law, as well as detailed implementing rules.

The Draft Foreign Investment Law proposes significant changes to the PRC foreign investment legal regime and introduced the concept of “actual control” determined by the identity of the ultimate natural person or enterprise that controls the domestic enterprise. If an enterprise is actually controlled by a foreign investor through contractual arrangements, such enterprise may be regarded as a FIE. Such FIE is restricted or prohibited from investment in certain industries listed on the negative list unless permission from the competent authority in the PRC is obtained. The Draft Foreign Investment Law also provides that any FIEs operating in industries on the negative list will require entry clearance and other approvals that are not required of PRC domestic entities. As a result of the entry clearance and approvals, FIEs operating in industries on the negative list may not be able to continue to conduct their operations through contractual arrangements.

Pursuant to the Draft Foreign Investment Law, as far as new VIE structures are concerned, if the domestic enterprise under the VIE structure is controlled by Chinese nationals, such domestic enterprise may be treated as a Chinese investor and therefore, the VIE structures may be regarded as legal. On the contrary, if the domestic enterprise is controlled by foreign investors, such domestic enterprise may be treated as a foreign-investor or foreign-invested enterprise, and therefore, the operation of such domestic enterprise through VIE structures may be regarded as illegal if the domestic enterprise operates in a sector which is on the negative list and the domestic enterprise does not apply for and obtain the necessary approval.

Regulations Related to Loans to the PRC Entities by Offshore Holding Companies and Cross-border Guarantee

According to the Implementation Rules for the Provisional Regulations on Statistics and Supervision of Foreign Debt promulgated by SAFE on August 27, 1987, the Implementing Rules on Statistics and Supervision of Foreign Debt by SAFE on September 24, 1997, and the Interim Provisions on the Management of Foreign Debts promulgated by SAFE, NDRC and MOFCOM and effective from March 1, 2003, loans by foreign companies to their subsidiaries in China, which accordingly are foreign-invested enterprises, are considered foreign debt, and such loans must be registered with the local branches of SAFE. Under the provisions, the total amount of accumulated medium-term and long-term foreign debt and the balance of short-term debt borrowed by a foreign-invested enterprise is limited to the difference between the total investment and the registered capital of the foreign- invested enterprise. Total investment of a foreign-invested enterprise is the total amount of capital that can be used for the operation of the foreign-invested enterprise, and registered capital of a foreign-invested enterprise is the total amount of capital contributions to the foreign-invested enterprise by its foreign holding company or owners. On April 28, 2013, SAFE promulgated the Measures for the Administration of Foreign Debt Registration, further formulating the registration requirements of foreign debts.

On May 12, 2014, SAFE promulgated the Provisions on Foreign Exchange Administration of Cross-border Guarantee, under which overseas lending secured by domestic guarantee, whereby the place of the registration of the guarantor is within the PRC, while the places of registration of both the debtor and the creditor are outside the PRC, is a kind of cross-border guarantee, and the domestic guarantee shall register the guarantee contract with a local branch of SAIF within 15 working days after the conclusion of the guarantee contract.

M&A Regulations and Overseas Listings

Under the M&A Rules, a foreign investor is required to obtain necessary approvals when (1) a foreign investor acquires equity in a domestic non-foreign invested enterprise thereby converting it into a foreign-invested enterprise, or subscribes for new equity in a domestic enterprise via an increase of registered capital thereby converting it into a foreign-invested enterprise; or (2) 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. The M&A Rules require offshore special purpose vehicles formed for overseas listing purposes through acquisitions of PRC domestic companies and controlled by PRC domestic enterprises or individuals to obtain the approval of CSRC prior to publicly listing their securities on an overseas stock exchange.

MANAGEMENT

Directors and Executive Officers

The following table provides information regarding our directors and executive officers as of the date of this prospectus.

Directors and Executive Officers	Age	Position/Title
Zhongjue Chen	38	Director
David Benjamin Gross-Loh	46	Director
Yiding Sun	49	Director, Chief Executive Officer
Lihong Wang	49	Director
Jiandong Lu	48	Director Appointee*
		Director Appointee*
Chelsea Qingyan Wang	44	Chief Financial Officer
Sally Xue Yuan	40	Senior Vice President of Academics

* Has accepted a director appointment, which will be effective upon the SEC's declaration of effectiveness of the registration statement on Form F-1, of which this prospectus is a part.

Zhongjue Chen has served as our director since October 2013. Mr. Chen has over 14 years of experience in the investment, finance and consulting industries in the United States and Asia. Mr. Chen joined Bain Capital Private Equity in 2005 and is currently a managing director, mainly responsible for managing Bain Capital's private equity investments in Greater China and Asia Pacific region. His focus is on the technology, media, education and business services sectors. Mr. Chen served as an associate consultant in Bain & Company from 2001 to 2003, serving clients in the consumer products, financial services and healthcare sectors. Mr. Chen received an MBA degree from Harvard Business School in 2005 and a Bachelor's degree in economics from Harvard College in 2001.

David Benjamin Gross-Loh has served as our director since July 2013. Mr. Gross-Loh currently serves as the director in Skylark Co. Ltd and Macromill, Inc., each of which is listed in Tokyo. Mr. Gross-Loh has many years of experience both as a senior executive of a large investment firm and as a director of companies across various business sectors. Mr. Gross-Loh joined Bain Capital Private Equity in 2000 and has served as a managing director since 2008. Mr. Gross-Loh received an MBA degree from Harvard Business School in 1998 and a Bachelor of Science degree from Wharton School, University of Pennsylvania in 1992.

Yiding Sun has served as our chief executive officer since August 2013 and as our director since September 2013. Mr. Sun has six years of experience in education industry. Prior to joining us, Mr. Sun served as chief executive officer in Gymboree China Group from 2011 to 2013. Mr. Sun also served as the executive director, vice president of operation, vice chairman and manager in Gome Electrical Appliances Holding Ltd., a company listed on the Stock Exchange of Hong Kong, from 1999 to 2011. During his time at Gome Electrical Appliances Holding, he obtained ample managerial experience in equity trading and investments, commercial real estate management, mergers and acquisitions, strategic planning, marketing and sales and multi-brand operation. Mr. Sun received an EMBA degree from China Europe International Business School in 2013 and a bachelor's degree in science from East China University of Science and Technology in 1990.

Lihong Wang has served as our director since September 2013. Ms. Wang has 11 years of experience in private equity industry. Ms. Wang joined Bain Capital Asia in 2006 and has served as a managing director since January 2011. Ms. Wang served as an executive director in Morgan Stanly Dean Witter Asia Limited from 2005 to 2006. She served as a vice president in J.P. Morgan Securities (Asia Pacific) Limited from 2001 to 2005. She

served as an associate and a manager in Credit Suisse First Boston from 1996 to 2001. Ms. Wang served as a deputy division chief in China Securities Regulatory Commission from 1993 to 1996. She served as a research associate in Stock Exchange Executive Council from 1990 to 1993. Ms. Wang received an MBA degree from Columbia Business School in 1999 and a Bachelor of Science degree from Fudan University in 1990.

Jiandong Lu will serve as our independent director immediately upon the effectiveness of our registration statement on Form F-1, of which this prospectus is a part. Mr. Lu served as a managing director in the Global Real Asset Asia Fund of J.P.Morgan Asset Management from 2015 to 2017, and as a managing director and chief operating officer in J.P.Morgan First Capital Securities Ltd. from 2012 to 2015. Mr. Lu joined J.P Morgan Securities (Asia Pacific) Ltd. as an associate in 2001 and became a managing director in 2011. Mr. Lu served as a senior representative in John Hancock Mutual Life Insurance Company from 1994 to 1999, and he also served as a public officer and chief translator in The Chinese People's Friendship Association with Foreign Countries from 1991 to 1994. Mr. Lu received an MBA degree from the Wharton School at the University of Pennsylvania in 2001 and a Bachelor's degree from Beijing International Studies University in 1991.

Chelsea Qingyan Wang has served as our chief financial officer since 2016. Ms. Wang has five years of experience in education industry and 15 years of experience in information technology industry. Prior to joining us, Ms. Wang served as the chief financial officer in Global Education & Technology Co. from 2014 to 2016, and the chief financial officer and board director in Wolters Kluwer Great China from 2012 to 2014. She also had worked with IBM Great China Group from 1998 to 2012, serving as chief financial officer in IBM China Research Lab and financial controller in IBM Greater China Group Global Business Service Team from 2007 to 2012. Ms. Wang received a Bachelor of Arts degree from Jiangxi University of Finance and Economics in 1995. She is the certified member of Chartered Global Management Accountant and the fellow member of Chartered Institute of Management Accountant.

Sally Xue Yuan has served as our senior vice president of academics since October 2007. Ms. Yuan has 16 years of experience in education industry. She is also the secretary-general of the English Education Research Branch of the Beijing Education Institute and leads several research groups in connection with China's 12th five-year national subject research. Ms. Yuan currently participates in a project led by China National Institute of Standardization and China Quality Certification Center to establish the industry standard of subject English education. Prior to joining us, Ms. Yuan worked as a student teacher in several public elementary schools in New York from 2004 to 2006. Ms. Yuan served as an English teacher in Qingdao No. 1 Railway Middle School from 1996 to 1999. Ms. Yuan received a Master's degree in Elementary Education from Hofstra University in 2006 and a Bachelor's degree in English from Shandong University in 2000.

Board of Directors

Our board of directors will consist of no less than three directors upon the SEC's declaration of effectiveness of our registration statement on Form F-1 to which this prospectus forms a part. A director is not required to hold any shares in our company to qualify to serve as a director. A director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with our company is required to declare the nature of his interest at a meeting of our directors. A general notice given to the directors by any director to the effect that he is a member, shareholder, director, partner, officer or employee of any specified company or firm and is to be regarded as interested in any contract or transaction with that company or firm shall be deemed a sufficient declaration of interest for the purposes of voting on a resolution in respect to a contract or transaction in which he has an interest, and after such general notice it shall not be necessary to give special notice relating to any particular transaction. A director may vote in respect of any contract or proposed contract or arrangement notwithstanding that he may be interested therein and if he does so his vote shall be counted and he may be counted in the quorum at any meeting of the directors at which any such contract or proposed contract or arrangement is considered. Our board of directors may exercise all of the powers of our company to borrow

money, to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock or other securities whenever money is borrowed or as security for any debt, liability or obligation of our company or of any third-party. None of our directors has a service contract with us that provides for benefits upon termination of service.

Committees of the Board of Directors

Prior to the completion of this offering, we intend to establish an audit committee, a compensation committee and a corporate governance and nominating committee under the board of directors. We intend to adopt a charter for each of the three committees prior to the completion of this offering. Each committee's members and functions are described below.

Audit Committee. Our audit committee will consist of Jiandong Lu, and Lihong Wang, and will be chaired by Lihong Wang. Jiandong Lu and satisfy the "independence" requirements of Rule 5605(a)(2) of the Listing Rules of the NASDAQ Stock Market and meet the independence standards under Rule 10A-3 under the Exchange Act. Our audit committee will consist solely of independent directors that satisfy the Nasdaq and SEC requirements within one year of the completion of this offering. Our board of directors has also determined that Jiandong Lu qualifies as an "audit committee financial expert" within the meaning of the SEC rules and possesses financial sophistication within the meaning of the Listing Rules of the NASDAQ Stock Market. The audit committee will oversee our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee will be responsible for, among other things:

- selecting our independent registered public accounting firm and pre-approving all auditing and non-auditing services permitted to be performed by our independent registered public accounting firm;
- reviewing with our independent registered public accounting firm any audit problems or difficulties and management's response and approving all proposed related party transactions, as defined in Item 404 of Regulation S-K;
- discussing the annual audited financial statements with management and our independent registered public accounting firm;
- annually reviewing and reassessing the adequacy of our audit committee charter;
- meeting separately and periodically with the management and our internal auditor and our independent registered public accounting firm;
- reporting regularly to the full board of directors;
- reviewing the adequacy and effectiveness of our accounting and internal control policies and procedures and any steps taken to monitor and control major financial risk exposure; and
- such other matters that are specifically delegated to our audit committee by our board of directors from time to time.

Compensation Committee. Our compensation committee will consist of Jiandong Lu, and Zhongjue Chen, and will be chaired by Zhongjue Chen. Jiandong Lu and satisfy the "independence" requirements of Rule 5605(a)(2) of the Listing Rules of the NASDAQ Stock Market. Our compensation committee will assist the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. Our chief executive officer may not be present at any committee meeting during which his compensation is deliberated upon. The compensation committee will be responsible for, among other things:

- reviewing and approving to the board with respect to the total compensation package for our most senior executive officers;

- approving and overseeing the total compensation package for our executives other than the most senior executive officers;
- reviewing and recommending to the board with respect to the compensation of our directors;
- reviewing periodically and approving any long-term incentive compensation or equity plans;
- selecting compensation consultants, legal counsel or other advisors after taking into consideration all factors relevant to that person's independence from management; and
- programs or similar arrangements, annual bonuses, employee pension and welfare benefit plans.

Corporate Governance and Nominating Committee. Our corporate governance and nominating committee will consist of Jiandong Lu, Lihong Wang and Zhongjue Chen, and will be chaired by Lihong Wang. Jiandong Lu and satisfy the "independence" requirements of Rule 5605(a)(2) of the Listing Rules of the NASDAQ Stock Market. The corporate governance and nominating committee will assist the board of directors in selecting individuals qualified to become our directors and in determining the composition of the board of directors and its committees. The corporate governance and nominating committee will be responsible for, among other things:

- identifying and recommending nominees for election or re-election to our board of directors or for appointment to fill any vacancy;
- reviewing annually with our board of directors its current composition in light of the characteristics of independence, age, skills, experience and availability of service to us;
- identifying and recommending to our board the directors to serve as members of committees;
- advising the board periodically with respect to significant developments in the law and practice of corporate governance as well as our compliance with applicable laws and regulations, and making recommendations to our board of directors on all matters of corporate governance and on any corrective action to be taken; and
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.

Duties of Directors

Under Cayman Islands law, our directors owe fiduciary duties to our company, including a duty of loyalty, a duty to act honestly, and a duty to act in what they consider in good faith to be in our best interests. Our directors must also exercise their powers only for a proper purpose. Our directors also owe to our company a duty to exercise the skill they actually possess and such care and diligence that a reasonably prudent person would exercise in comparable circumstances. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association, as amended and restated from time to time. Our company has the right to seek damages if a duty owed by our directors is breached. In limited exceptional circumstances, a shareholder may have the right to seek damages in our name if a duty owed by our directors is breached.

The functions and powers of our board of directors include, among others:

- convening shareholders' annual general meetings and reporting its work to shareholders at such meetings;
- declaring dividends and distributions;

- appointing officers and determining the term of office of officers;
- exercising the borrowing powers of our company and mortgaging the property of our company; and
- approving the transfer of shares of our company, including the registering of such shares in our share register.

Terms of Directors and Executive Officers

Each of our directors shall hold office until the expiration of his or her term and his or her successor shall have been elected and qualified, or until his or her office is otherwise vacated. All of our executive officers are appointed by and serve at the discretion of our board of directors. Our directors may be removed from office by an ordinary resolution of shareholders. In addition, a director will be removed from office automatically if, among other things, the director (i) becomes bankrupt or makes any arrangement or composition with his creditors; (ii) dies or is found to be or becomes of unsound mind; (iii) resigns by notice in writing to our company; (iv) without special leave of absence from our board of directors, is absent from three consecutive meetings of the board and the board resolves that his office be vacated; (v) is prohibited by law from being a director; or (vi) is removed from office pursuant to any other provisions of our post-IPO memorandum and articles of association. The compensation of our directors is determined by the board of directors. There is no mandatory retirement age for directors.

Employment Agreements and Indemnification Agreements

We expect to standardize employment agreements with our executive officers. Each of our executive officers is employed for a continuous term, or a specified time period which will be automatically extended, unless either we or the executive officer gives prior notice to terminate such employment. We may terminate the employment for cause, at any time, without notice or remuneration, for certain acts of the executive officer, including but not limited to the commitments of any serious or persistent breach or non-observance of the terms and conditions of the employment, conviction of a criminal offense other than one which in the opinion of the board does not affect the executive's position, wilful, disobedience of a lawful and reasonable order, misconducts being inconsistent with the due and faithful discharge of the executive officer's material duties, fraud or dishonesty, or habitual neglect of his or her duties. An executive officer may terminate his or her employment at any time with a three- to six-month prior written notice.

Each executive officer is expected to hold, both during and after the employment agreement expires or is earlier terminated, in strict confidence and not to use or disclose to any person, corporation or other entity without written consent, any confidential information or trade secrets. Each executive officer is expected to disclose in confidence to us all inventions, intellectual and industry property rights and trade secrets which they made, discover, conceive, develop or reduce to practice during the executive officer's employment with us and to assign to our company all his or her all associated titles, interests, patents, patent rights, copyrights, trade secret rights, trademarks, trademark rights, mask work rights and other intellectual property and rights anywhere in the world which the executive officer may solely or jointly conceive, invent, discover, reduce to practice, create, drive, develop or make, or cause to be conceived, invented, discovered, reduced to practice, created, driven, developed or made, during the period of the executive officer's employment with us that are either related to our business, actual or demonstrably anticipated research or development or any of our products or services being developed, manufactured, marketed, sold, or are related to the scope of the employment or make use of our resources. In addition, all executive officers have agreed to be bound by non-competition and non-solicitation restrictions set forth in their agreements. Each executive officer has agreed to devote all his or her working time and attention to our business and use best efforts to develop our business and interests. Moreover, each executive officer has agreed not to, for a certain period following termination of his or her employment or expiration of the employment agreement: (i) carry on or be engaged, concerned or interested directly or indirectly whether as

shareholder, director, employee, partner, agent or otherwise carry on any business in direct competition with us, (ii) solicit or entice away any of our customer, client, representative or agent, or (iii) employ, solicit or entice away or attempt to employ, solicit or entice away any of our officers, managers, consultants or employees.

We expect to enter into indemnification agreements with our directors and executive officers, pursuant to which we will agree to indemnify our directors and executive officers against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being such a director or an executive officer.

Interested Transactions

A director may, subject to any separate requirement for audit committee approval under applicable law or the Listing Rules of the NASDAQ Stock Market, vote in respect of any contract or transaction in which he or she is interested. A director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with our company is required to declare the nature of his interest at a meeting of our directors.

Compensation of Directors and Executive Officers

For the year ended December 31, 2016, we paid an aggregate of approximately RMB5.1 million (US$0.7 million) to our directors and executive officers. Our PRC subsidiary is required by the PRC laws and regulations to make contributions equal to certain percentages of each employee's salary for his or her retirement benefit, medical insurance benefits, housing funds, unemployment and other statutory benefits. Our PRC subsidiary has contributed retirement and similar benefits to our officers and directors in the year ended December 31, 2016.

Share Incentive Plan

We maintain share incentive plan in order to attract, motivate, retain and reward talent, provide additional incentives to our officers, employees, directors and other eligible persons, and promote the success of our business and the interests of our shareholders.

ESOP Plan

In 2016, our board of directors approved an equity incentive plan, or the ESOP Plan, to promote the success of our business and the interests of our shareholders by providing additional incentives and awards to attract, retain and motivate eligible senior executives and key employees and to link the interests of the award recipients with our shareholders.

Under the ESOP Plan, the maximum aggregate number of ordinary shares which may be issued pursuant to all awards under the ESOP Plan was 7,000,000. Unless otherwise approved by our shareholders, the ESOP Plan expires ten years after the date of its effectiveness.

As of the date of this prospectus, options to purchase 5,985,000 ordinary shares, excluding awards that were forfeited or canceled after the relevant grant dates, have been granted and outstanding under the ESOP Plan. The options granted are exercisable only upon the completion of the IPO or change of control. We will not recognize any compensation expense until the exercisability event occurs. As a result, we will incur future share-based compensation expenses upon the occurrence of the exercisability event, upon which the options will be accounted for as a cumulative compensation cost since the service inception date, with the remaining unrecognized compensation cost amortized over the remaining requisite service period. Other than the awards already granted, 1,015,000 shares are available for grant under the ESOP Plan as of the date of this prospectus.

The following paragraphs summarize the terms of the ESOP Plan.

Plan administration. Our compensation committee acts as the plan administrator.

Types of awards. The ESOP Plan permits the award of options.

Award agreements. Each award under the ESOP Plan will be evidenced by an award agreement between the award recipient and our company.

Eligibility. Only our senior executives and key employees are eligible to receive awards or grants under the ESOP Plan.

Term of awards. The term of each award is stated in the relevant award agreement.

Vesting schedule and other restrictions. The plan administrator has discretion in determining and making adjustment in the individual vesting schedules and other restrictions applicable to the awards granted under the ESOP Plan. The vesting schedule is set forth in each award agreement. Each award under the ESOP Plan will expire, or vest or be repurchased by us not more than ten years after the date of grant. A vested option is only exercisable in the event of change of control or an initial public offering, and if a participant who receives the award terminates service with us for cause or resigns when the cause is present, all vested and unvested options shall be forfeited, shall automatically lapse without any compensation and shall have no further force and effect, unless otherwise determined by the plan administrator or set forth in the award agreement.

Exercise price. The plan administrator has discretion in determining the price of awards, subject to a number of limitations, and has discretion in making adjustments in the exercise price of the options.

Term of ESOP Plan. The ESOP Plan will terminate ten years from its effective date.

Amendment. Our board of directors has the authority to amend or terminate the ESOP Plan.

Transfer restrictions. Except as permitted by the plan administrator, all options are not transferable or assignable, other than by will or by the laws of descent and distribution.

The table below sets forth certain information as of the date of this prospectus, concerning the outstanding awards we have granted to our directors and executive officers individually.

Name	Ordinary Shares(1) Underlying Outstanding Awards Granted	Price (US$/Share)	Date of Grant	Date of Expiration
Yiding Sun	1,250,000	1.44	April 6, 2016	October 1, 2024
Chelsea Qingyan Wang	*	1.44	May 20, 2016	May 19, 2020
Sally Xue Yuan	*	1.44	April 6, 2016	October 1, 2024
All directors and executive officers as a group	2,050,000	1.44		

* The outstanding options to purchase ordinary shares in aggregate held by each of these directors and executive officers represent less than 1% of our total outstanding shares.

(1) Represents options to purchase ordinary shares.

2017 ESOP Plan

In 2017, our board of directors approved a new equity incentive plan, or the 2017 ESOP Plan, which will become effective upon completion of this offering, to help attract and retain the best available personnel, provide

additional incentives to employees, directors and consultants. Per board approval, the awards are for employees, consultants and members of our board of directors for outstanding performance and promote the success of our business.

The maximum aggregate number of ordinary shares which may be issued pursuant to all awards under the 2017 ESOP Plan is 5,000,000. Unless otherwise extended by the plan administrator, the 2017 ESOP Plan will not exceed ten years after the date of its effectiveness.

The following paragraphs summarize the terms of the 2017 ESOP Plan.

Plan administration. Our compensation committee acts as the plan administrator.

Types of awards. The 2017 ESOP Plan permits the award of options, restricted shares, restricted share units, dividend equivalents, deferred shares, share payment and share appreciation rights.

Award agreements. Each award under the 2017 ESOP Plan will be evidenced by an award agreement between the award recipient and our company.

Eligibility. Only our employees, consultants and board of directors are eligible to receive awards or grants under the 2017 ESOP Plan.

Term of awards. The term of each award will be stated in the relevant award agreement.

Vesting schedule and other restrictions. The plan administrator has discretion in determining and making adjustments to the individual vesting schedules and other restrictions applicable to the awards granted under the 2017 ESOP Plan. The vesting schedule will be set forth in each award agreement. Each award under the 2017 ESOP Plan will expire, vest or be repurchased by us not more than ten years after the date of grant. The conditions of the exercise of awards will be determined by the plan administrator or set forth in the award agreement.

Exercise price. The plan administrator has discretion in determining the price of awards, subject to a number of limitations, and has discretion in making adjustments in the exercise price of the options.

Term of 2017 ESOP Plan. The 2017 ESOP Plan will terminate on the tenth anniversary of its effective date.

Amendment. The plan administrator has the authority to terminate, amend or modify the 2017 ESOP Plan.

Transfer restrictions. Except as permitted by the plan administrator, all awards are not transferable or assignable, other than by will or by the laws of descent and distribution.

PRINCIPAL AND SELLING SHAREHOLDERS

The following table sets forth information concerning the beneficial ownership of our ordinary shares as of the date of this prospectus:

- each of our directors and executive officers;
- each person known to us to beneficially own more than 5% of our ordinary shares; and
- each selling shareholder.

The calculations in the table below are based on 100,000,000 ordinary shares issued and outstanding as of the date of this prospectus and ordinary shares outstanding immediately upon the completion of this offering, assuming that the underwriters do not exercise their option to purchase additional ADSs.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we have included shares that the person has the right to acquire within 60 days of this offering, including through the exercise of any option, warrant, or other right or the conversion of any other security. These shares, however, are not included in the computation of the percentage ownership of any other person.

	Ordinary Shares Beneficially Owned Prior to This Offering		Ordinary Shares being Sold In This Offering		Ordinary Shares Beneficially Owned After This Offering	
	Number	%†	Number	%†	Number	%†
Directors and Executive Officers:(1)						
Yiding Sun	*	*				
Chelsea Qingyan Wang	*	*				
Sally Xue Yuan	*	*				
All directors and executive officers as a group	*	*				
Principal and Selling Shareholders:						
Bain Capital Rise Education IV Cayman Limited(2)	100,000,000	100.0%				
Multi Union Resources Limited(3)	10,000,000	10.0%				

* Less than 1% of our total outstanding shares.

† For each person and group included in this column, percentage ownership is calculated by dividing the number of ordinary shares beneficially owned by such person or group, including shares that such person or group has the right to acquire within 60 days after the date of this prospectus, by the sum of (i) 100,000,000 which is the total number of ordinary shares outstanding as of the date of this prospectus, and (ii) the number of ordinary shares that such person or group has the right to acquire beneficial ownership within 60 days after the date of this prospectus.

(1) The business address of Mr. Zhongjue Chen, Mr. David Benjamin Gross-Loh and Ms. Lihong Wang is 51/F, Cheung Kong Center, 2 Queen's Road Central, Hong Kong, and the business address of our other directors and executive officers is c/o Room 101, Jia He Guo Xin Mansion, No. 15 Baiqiao Street, Guangqumennei, Dongcheng District, Beijing 100062, People's Republic of China.

(2) Includes (i) 90,000,000 ordinary shares held directly by Bain Capital Rise Education IV Cayman Limited, or Bain Capital Entity, and (ii) 10,000,000 ordinary shares held by Multi Union Resources Limited, which is wholly owned by Bain Capital Entity. Bain Capital Entity is owned by Bain Capital Asia Integral Investors, L.P. Bain Capital Investors, LLC, or BCI, is the general partner of Bain Capital Asia Integral Investors, L.P. The governance, investment strategy and decision-making process with respect to investments held by the Bain Capital Entity is directed by the Global Private Equity Board of BCI. As a result of the relationships described above, BCI may be deemed to share beneficial ownership of the shares held by the Bain Capital Entity. The Bain Capital Entity has an address c/o Bain Capital Private Equity, LP, 200 Clarendon Street, Boston, Massachusetts 02116.

(3) Multi Union Resources Limited is a limited liability company incorporated in the British Virgin Islands and the business address is Corporate Registrations Limited, Sea Meadow House, Blackburne Highway, Road Town, Tortola, British Virgin Islands. Pursuant to a share purchase agreement entered into in September 2017, Multi Union Resources Limited is wholly owned by Bain Capital Entity.

As of the date of this prospectus, none of our ordinary shares are held by record holder in the United States. None of our existing shareholders has different voting rights from other shareholders after the completion of this offering. None of our existing shareholders has informed us that it is affiliated with a registered broker-dealer or is in the business of underwriting securities. We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company. See “Description of Share Capital—History of Securities Issuances” for a description of issuances of our securities that have resulted in significant changes in ownership held by our major shareholders. Each selling shareholder named above acquired its shares in offerings that were exempted from registration under the Securities Act because such offerings involved either private placements or offshore sales to non-U.S. persons.

RELATED PARTY TRANSACTIONS

Contractual Arrangements with Our VIE, Its Shareholders and Us

See “Corporate History and Structure—Contractual Arrangements among Our VIE, Its Schools, Its Shareholders and Us.”

Shareholder Agreement

See “Description of Share Capital—Shareholder Agreement.”

Share Incentive Plan

See “Management—Compensation of Directors and Executive Officers” and “Management—Share Incentive Plan.”

Employment Agreements and Indemnification Agreements

See “Management—Employment Agreements and Indemnification Agreements.”

Other Transactions with Related Parties

In 2013, we entered into a consulting agreement with Bain Capital Private Equity Advisors (China) Ltd., or Bain Capital, an affiliate of our principal shareholder, pursuant to which Bain Capital provides us with business consulting services. We paid RMB6.2 million to Bain Capital during each of the years ended December 31, 2014, 2015 and 2016, and RMB3.1 million (US$0.5 million) for the six months ended June 30, 2017. Pursuant to its terms, the consulting agreement will terminate upon the completion of this offering, at which time we will pay Bain Capital a lump sum amount of RMB33.9 million (US$5.1 million).

In 2015, 2016 and 2017, we entered into a series of entrustment loan agreements with Lionbridge Limited, an affiliate of our principal shareholder, pursuant to which we granted loans of RMB200.0 million, RMB280.0 million (US$41.3 million) and RMB150.0 million (US$22.1 million) to Lionbridge Limited during the years ended December 31, 2015 and 2016, and for the six months ended June 30, 2017, respectively. Loans granted during the years ended December 31, 2015 and 2016 have been fully repaid.

In 2015, we entered into a product development agreement with Beijing Mai Rui Technology Co., Ltd., or Beijing Mai Rui, owned by a former director of us, pursuant to which we paid RMB0.7 million, RMB0.3 million (US$0.04 million) and nil to Beijing Mai Rui during the years ended December 31, 2015 and 2016 and for the six months ended June 30, 2017, respectively.

In September 2017, we entered into an agreement to purchase the business and assets of The Edge Learning Centers Limited, a company in which a managing director of Bain Capital is a director and minority shareholder. The Edge Learning Centers Limited is a leading Hong Kong-based admissions consulting company specializing in overseas boarding school and college placement. Total consideration under the agreement is approximately HK$33 million (US$4.2 million). The acquisition is expected to close during the fourth quarter of 2017, subject to customary closing procedures and conditions.

DESCRIPTION OF SHARE CAPITAL

We are a Cayman Islands company and our affairs are governed by our amended and restated memorandum and articles of association, as amended and restated from time to time, and the Companies Law (as amended) of the Cayman Islands, or referred to as the Companies Law below, and the common law of the Cayman Islands.

As of the date of this prospectus, our authorized share capital consists of US$2,000,000 divided into 200,000,000 ordinary shares with a par value of US$0.01 each. As of the date of this prospectus, 100,000,000 ordinary shares are issued and outstanding. All of our issued and outstanding ordinary shares are fully paid.

Immediately upon the completion of this offering, there will be ordinary shares issued and outstanding, assuming the underwriters do not exercise their option to purchase additional ADSs.

Assuming that we obtain the requisite shareholder approval, we will adopt an amended and restated memorandum and articles of association, or post-IPO memorandum and articles of association, which will become effective and replace our current memorandum and articles of association in its entirety immediately prior to the completion of this offering. The following are summaries of material provisions of our post-IPO memorandum and articles of association and the Companies Law as they relate to the material terms of our ordinary shares that we expect will become effective immediately upon completion of this offering.

Exempted Company

We are an exempted company incorporated with limited liability under the Companies Law. The Companies Law distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary resident company except for the exemptions and privileges listed below:

- an exempted company does not have to file an annual return of its shareholders with the Registrar of Companies;
- an exempted company is not required to open its register of members for inspection;
- an exempted company does not have to hold an annual general meeting;
- an exempted company may issue no par value, negotiable or bearer shares;
- an exempted company may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);
- an exempted company may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- an exempted company may register as a limited duration company; and
- an exempted company may register as a segregated portfolio company.

Ordinary Shares

General

All of our issued and outstanding ordinary shares are fully paid and non-assessable. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their ordinary shares. Our post-IPO memorandum and articles prohibit us from issuing bearer or negotiable shares. Our company will issue only non-negotiable shares in registered form, which will be issued when registered in our register of members.

Dividends

The holders of our ordinary shares are entitled to receive such dividends as may be declared by our board of directors subject to our post-IPO memorandum and articles of association and the Companies Law. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our directors. Under Cayman Islands law, dividends may be paid only out of profits, and out of share premium, a concept analogous to paid-in surplus in the United States. No dividend may be declared and paid unless our directors determine that, immediately after the payment, we will be able to pay our debts as they become due in the ordinary course of business and we have funds lawfully available for such purpose.

Voting Rights

Holders of our ordinary shares have the right to receive notice of, attend, speak and vote at general meetings of our company. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman or one or more shareholder present in person or by proxy entitled to vote and who together hold not less than 10% of the votes attaching to the ordinary shares at the meeting, present in person or by proxy. An ordinary resolution to be passed by the shareholders requires the affirmative vote of a simple majority of the votes attaching to the ordinary shares cast by those shareholders entitled to vote who are present in person or by proxy at a general meeting, while a special resolution requires the affirmative vote of no less than two-thirds of the votes attaching to the ordinary shares cast by those shareholders entitled to vote who are present in person or by proxy at in a general meeting. Both ordinary resolutions and special resolutions may also be passed by a unanimous written resolution signed by all the shareholders of our company, as permitted by the Companies Law and our post-IPO memorandum and articles of association. A special resolution will be required for important matters such as a change of name or making changes to our memorandum and articles of association.

Register of Members

Under Cayman Islands law, we must keep a register of members and there must be entered therein:

- the names and addresses of the members, a statement of the shares held by each member, and of the amount paid or agreed to be considered as paid, on the shares of each member;
- the date on which the name of any person was entered on the register as a member; and
- the date on which any person ceased to be a member.

Under Cayman Islands law, the register of members of our company is prima facie evidence of the matters set out therein (i.e. the register of members will raise a presumption of fact on the matters referred to above unless rebutted) and a member registered in the register of members will be deemed as a matter of Cayman Islands law to have legal title to the shares as set against its name in the register of members. Upon the completion of this offering, our company's register of members will be immediately updated to record and give effect to the issue of ordinary shares by us to JPMorgan, as the depositary (or its custodian or nominee). Once our register of members has been updated, the shareholders recorded in the register of members shall be deemed to have legal title to the shares set against their name.

If the name of any person is, without sufficient cause, entered in or omitted from the register of members, or if default is made or unnecessary delay takes place in entering on the register the fact of any person having ceased to be a member, the person or member aggrieved or any member or the company itself may apply to the Grand Court of the Cayman Islands for an order that the register be rectified, and the Court may either refuse such application or it may, if satisfied of the justice of the case, make an order for the rectification of the register.

General Meetings and Shareholder Proposals

As a Cayman Islands exempted company, we are not obliged by the Companies Law to call shareholders' annual general meetings. Our post-IPO memorandum and articles of association provide that we may (but are not

obliged to) in each year hold a general meeting as our annual general meeting in which case we will specify the meeting as such in the notices calling it, and the annual general meeting will be held at such time and place as may be determined by our directors. We, however, will hold an annual shareholders' meeting during each fiscal year, as required by the Listing Rules at the NASDAQ Stock Market.

Cayman Islands law provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's post-offering amended and restated articles of association. Our post-IPO memorandum and articles of association allow our shareholders holding shares representing in aggregate not less than one-third of all votes attaching to the issued and outstanding shares of our company entitled to vote at general meetings to requisition an extraordinary general meeting of the shareholders, in which case the directors are obliged to call such meeting and to put the resolutions so requisitioned to a vote at such meeting; however, our post-IPO memorandum and articles of association do not provide our shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders.

Shareholders' annual general meetings and any other general meetings of our shareholders may be convened by a majority of our board of directors or our chairman. A quorum required for a meeting of shareholders consists of one or more shareholders holding not less than one-third of all paid up voting share capital of our company present in person or by proxy or, if a corporation or other non-natural person, by its duly authorized representative. Advance notice of at least seven calendar days is required for the convening of our annual general meeting and other shareholders meetings.

Transfer of Ordinary Shares

Subject to the restrictions in our post-IPO memorandum and articles of association as set out below, any of our shareholders may transfer all or any of his or her ordinary shares by an instrument of transfer in the usual or common form or any other form approved by our board.

Our board of directors may, in its absolute discretion, decline to register any transfer of any ordinary share which is not fully paid up or on which we have a lien. Our directors may also decline to register any transfer of any ordinary share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the ordinary shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of shares;
- the instrument of transfer is properly stamped, if required;
- in the case of a transfer to joint holders, the number of joint holders to whom the ordinary share is to be transferred does not exceed four; or
- the ordinary shares transferred are free of any lien in favor of us.

If our directors refuse to register a transfer they are obligated to, within two months after the date on which the instrument of transfer was lodged, send to each of the transferor and the transferee notice of such refusal. The registration of transfers of shares or of any class of shares may, after compliance with any notice requirement of the designated stock exchange, be suspended at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as our board of directors may determine.

Issuance of Additional Shares

Our post-IPO memorandum and articles of association authorizes our board of directors to issue additional ordinary shares from time to time as our board of directors shall determine, to the extent of available authorized

but unissued shares. Our post-IPO memorandum and articles of association also authorize our board of directors to establish from time to time one or more series of preference shares and to determine, with respect to any series of preference shares, the terms and rights of that series, including:

- the designation of the series;
- the number of shares of the series;
- the dividend rights, dividend rates, conversion rights, voting rights; and
- the rights and terms of redemption and liquidation preferences.

Our board of directors may issue preference shares without action by our shareholders to the extent authorized but unissued. Issuance of these shares may dilute the voting power of holders of ordinary shares.

Liquidation

On the winding up of our company, if the assets available for distribution amongst our shareholders shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst our shareholders in proportion to the par value of the shares held by them at the commencement of the winding up, subject to a deduction from those shares in respect of which there are monies due, of all monies payable to our company for unpaid calls or otherwise. If our assets available for distribution are insufficient to repay all of the paid-up capital, the assets will be distributed so that the losses are borne by our shareholders in proportion to the par value of the shares held by them. We are a “limited liability” company registered under the Companies Law, and under the Companies Law, the liability of our members is limited to the amount, if any, unpaid on the shares respectively held by them. Our post-IPO memorandum and articles of association contains a declaration that the liability of our members is so limited.

Calls on Ordinary Shares and Forfeiture of Ordinary Shares

Our board of directors may from time to time make calls upon shareholders for any amounts unpaid on their ordinary shares in a notice served to such shareholders at least fourteen calendar days prior to the specified time and place of payment. The ordinary shares that have been called upon and remain unpaid on the specified time are subject to forfeiture.

Redemption, Repurchase and Surrender of Ordinary Shares

We may issue shares on terms that such shares are subject to redemption, at our option or at the option of the holders thereof, on such terms and in such manner as may be determined, before the issue of such shares, by our board of directors or by a special resolution of our shareholders. Our company may also repurchase any of our shares provided that the manner and terms of such purchase have been approved by our board of directors or by ordinary resolution of our shareholders, or are otherwise authorized by our post-IPO memorandum and articles of association. Under the Companies Law, the redemption or repurchase of any share may be paid out of our company’s profits or out of the proceeds of a fresh issue of shares made for the purpose of such redemption or repurchase, or out of capital (including share premium account and capital redemption reserve) if the company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. In addition, under the Companies Law no such share may be redeemed or repurchased (a) unless it is fully paid up, (b) if such redemption or repurchase would result in there being no shares outstanding, or (c) if the company has commenced liquidation. In addition, our company may accept the surrender of any fully paid share for no consideration.

Variations of Rights of Shares

If at any time the share capital is divided into different classes of shares, the rights attached to any class of shares may, unless otherwise provided by the terms of issue of the shares of that class, be varied either with the

unanimous written consent of the holders of the issued shares of that class or with the sanction of a special resolution passed at a general meeting of the holders of the shares of that class. The rights conferred upon the holders of the shares of any class issued with preferred or other rights will not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu with such existing class of shares.

Inspection of Books and Records

Holders of our ordinary shares will have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records. However, we will provide our shareholders with annual audited financial statements. See “Where You Can Find Additional Information.”

Changes in Capital

Our shareholders may from time to time by ordinary resolutions:

- increase the share capital by such sum, to be divided into shares of such classes and amount, as the resolution prescribes;
- consolidate and divide all or any of our share capital into shares of a larger amount than our existing shares;
- sub-divide our existing shares, or any of them into shares of a smaller amount than that fixed by our post-IPO memorandum of association; provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share will be the same as it was in case of the share from which the reduced share is derived; and
- cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of our share capital by the amount of the shares so canceled.

Our shareholders may by special resolution, subject to confirmation by the Grand Court of the Cayman Islands on an application by our company for an order confirming such reduction, reduce our share capital and any capital redemption reserve in any manner authorized by law.

Differences in Corporate Law

The Companies Law is derived, to a large extent, from the older Companies Acts of England, but does not follow recent English law statutory enactments, and accordingly there are significant differences between the Companies Law and the current Companies Act of England. In addition, the Companies Law differs from laws applicable to Delaware corporations and their shareholders. Set forth below is a summary of certain significant differences between the provisions of the Companies Law applicable to us and the laws applicable to Delaware corporations and their shareholders.

Mergers and Similar Arrangements

The Companies Law permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) “merger” means the merging of two or more constituent companies and the vesting of their undertakings, property and liabilities in one of such companies as the surviving company and (b) a “consolidation” means the combination of two or more constituent companies into a consolidated company and the vesting of the undertakings, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of the shareholders of each constituent company, and (b) such other

authorization, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies together with a declaration as to the solvency of the consolidated or surviving company, a declaration as to the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Dissenting shareholders have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

Separate from the statutory provisions relating to mergers and consolidations, the Companies Law also contains statutory provisions that facilitate the reconstruction and amalgamation of companies by way of schemes of arrangement, provided that the arrangement is approved by a majority in number of each class of shareholders and creditors with whom the arrangement is to be made, and who must in addition represent three-fourths in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder has the right to express to court the view that the transaction ought not to be approved, the court can be expected to approve the arrangement if it determines that:

- the statutory provisions as to the due majority vote have been met;
- the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class;
- the arrangement is such that may be reasonably approved by an intelligent and honest man of that class acting in respect of his interest; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Law.

The Companies Law also contains a statutory power of compulsory acquisition which may facilitate the "squeeze out" of dissentient minority shareholders upon a tender offer. When a tender offer is made and accepted by holders of 90% of the shares affected (within four months), the offeror may, within a two-month period commencing on the expiration of such four month period, require the holders of the remaining shares to transfer such shares to the offeror on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands, but this is unlikely to succeed in the case of an offer which has been so approved unless there is evidence of fraud, bad faith or collusion.

If an arrangement and reconstruction is thus approved, or if a tender offer is made and accepted, a dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of United States corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Shareholders' Suits

In principle, we will normally be the proper plaintiff in any action or proceedings to be brought in respect of a wrong committed against us, and as a general rule a derivative action may not be brought by a minority shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority in the Cayman Islands, the Cayman Islands court can be expected to apply and follow the common law principles (namely the rule in Foss v. Harbottle and the exceptions thereto) which permit a minority shareholder to commence a class action against, or a derivative action in the name of, a company to challenge the following acts in the following circumstances:

- a company acts or proposes to act illegally or ultra vires;

- the act complained of, although not ultra vires, could only be effected duly if authorized by more than a simple majority vote that has not been obtained; and
- those who control the company are perpetrating a “fraud on the minority.”

Directors’ Fiduciary Duties

Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components, the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director must act in a manner he or she reasonably believes to be in the best interests of the corporation.

A director must not use his or her corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interests of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, the director must prove the procedural fairness of the transaction and that the transaction was of fair value to the corporation.

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company, and therefore he or she owes the following duties to the company—a duty to act in good faith in the best interests of the company, a duty not to make a personal profit out of his or her position as director (unless the company permits him or her to do so), a duty not to put himself or herself in a position where the interests of the company conflict with his or her personal interests or his or her duty to a third-party and a duty to exercise powers for the purpose for which such powers were intended. A director of a Cayman Islands company owes to the company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his or her duties a greater degree of skill than may reasonably be expected from a person of his or her knowledge and experience. However, there are indications that the English and commonwealth courts are moving towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands.

Under our post-IPO memorandum and articles of association, directors who are in any way, whether directly or indirectly, interested in a contract or proposed contract with our company must declare the nature of their interest at a meeting of the board of directors. Following such declaration, a director may vote in respect of any contract or proposed contract notwithstanding his interest.

Shareholder Action by Written Resolution

Under the Delaware General Corporation Law, a corporation may eliminate the right of shareholders to act by written consent by amendment to its certificate of incorporation. The Companies Law and our post-IPO memorandum and articles of association provide that shareholders may approve corporate matters by way of a unanimous written resolution signed by or on behalf of each shareholder who would have been entitled to vote on such matter at a general meeting without a meeting being held.

Shareholder Proposals

Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

Cayman Islands law does not provide shareholders any right to put proposal before a meeting and provides limited rights for shareholders to requisition a general meeting. However, these rights may be provided in articles of association. Our post-IPO memorandum and articles of association allow our shareholders holding shares representing in aggregate not less than one-third of all votes attaching to the issued and outstanding shares of our company entitled to vote at general meetings to requisition a shareholder's meeting. Other than this right to requisition a shareholders' meeting, our post-IPO memorandum and articles of association do not provide our shareholders other right to put proposal before annual general meetings or extraordinary general meetings not called by such shareholders. As an exempted Cayman Islands company, we are not obliged by law to call shareholders' annual general meetings.

Cumulative Voting

Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled for a single director, which increases the shareholder's voting power with respect to electing such director. There are no prohibitions in relation to cumulative voting under the laws of the Cayman Islands but our post-IPO memorandum and articles of association do not provide for cumulative voting.

Removal of Directors

Under the Delaware General Corporation Law, a director of a corporation may be removed with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under our post-IPO memorandum and articles of association, directors can be removed by an ordinary resolution. A director shall hold office until the expiration of his or her term or his or her successor shall have been elected and qualified, or until his or her office is otherwise vacated. In addition, a director's office shall be vacated if the director (i) becomes bankrupt or makes any arrangement or composition with his creditors; (ii) is found to be or becomes of unsound mind or dies; (iii) resigns his office by notice in writing to the company; (iv) without special leave of absence from our board of directors, is absent from three consecutive meetings of the board and the board resolves that his office be vacated; (v) is prohibited by law from being a director; or (vi) is removed from office pursuant to any other provisions of our post-IPO memorandum and articles of association.

Transactions with Interested Shareholders

The Delaware General Corporation Law contains a business combination statute applicable to Delaware public corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date on which such person becomes an interested shareholder. An interested shareholder generally is one which owns or owned 15% or more of the target's outstanding voting shares within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction that resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware public corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, the directors of the Company are required to comply with fiduciary duties which they owe to the Company under Cayman Islands law, including

the duty to ensure that, in their opinion, only such transactions entered into are in good faith in the best interests of the company, are entered into for a proper corporate purpose and not with the effect of perpetrating a fraud on the minority shareholders.

Dissolution and Winding Up

Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. The Delaware General Corporation Law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board of directors. Under the Companies Law, our company may be dissolved, liquidated or wound up by either an order of the courts of the Cayman Islands or by a special resolution of our shareholders, or by an ordinary resolution by our shareholders on the basis that our company is unable to pay its debts as they fall due. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so.

Variation of Rights of Shares

If at any time, our share capital is divided into different classes of shares, under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. Under our post-IPO memorandum and articles of association and as permitted by the Companies Law, if our share capital is divided into more than one class of shares, we may vary the rights attached to any class either with the unanimous written consent of the holders of the issued shares of that class or with the sanction of a special resolution passed at a general meeting of the holders of the shares of that class.

Amendment of Governing Documents

Under the Delaware General Corporation Law, a corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. As required by the Companies Law, our post-IPO memorandum and articles of association may only be amended by a special resolution of our shareholders.

Inspection of Books and Records

Under the Delaware General Corporation Law, any shareholder of a corporation may for any proper purpose inspect or make copies of the corporation's stock ledger, list of shareholders and other books and records.

Holders of our shares will have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records. However, we intend to provide our shareholders with annual reports containing audited financial statements.

Anti-takeover Provisions

Some provisions of our post-IPO memorandum and articles of association may discourage, delay or prevent a change of control of our company or management that shareholders may consider favorable, including a provision that authorizes our board of directors to issue preferred shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preferred shares without any further vote or action by our shareholders.

However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our post-IPO memorandum and articles of association for a proper purpose and for what they believe in good faith to be in the best interests of our company.

Rights of Non-resident or Foreign Shareholders

There are no limitations imposed by foreign law or by our post-IPO memorandum and articles of association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our ordinary shares. In addition, there are no provisions in our post-IPO memorandum and articles of association governing the ownership threshold above which shareholder ownership must be disclosed.

Staggered Board of Directors

The Companies Law does not contain statutory provisions that require staggered board arrangements for a Cayman Islands company. Such provisions, however, may validly be provided for in the articles of association, and we have provided for a staggered board of directors in our post-IPO memorandum and articles of association.

History of Securities Issuances

The following is a summary of our securities issued since our inception on July 16, 2013.

Ordinary Shares

On July 16, 2013, we issued one ordinary share to Walker Nominees Limited, which was transferred to Bain Capital Asia Integral Investors, L. P. on the same date.

On August 12, 2013 and September 16, we issued additional 15,000,000 ordinary shares and 20,000,000 ordinary shares, respectively, to Bain Capital Asia Integral Investors, L.P. In September 2013, Bain Capital Asia Integral Investors, L.P. transferred a total of 35,000,001 ordinary shares to Bain Capital Rise Education IV Cayman Limited.

On September 30, 2013, we issued additional 54,999,999 ordinary shares and 10,000,000 ordinary shares to Bain Capital Rise Education IV Cayman Limited and Multi Union Resources Limited, respectively.

Options

We have granted options to purchase our ordinary shares to certain senior management members and key employees. See “Management—Share Incentive Plan.”

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

American Depositary Receipts

JPMorgan Chase Bank, N.A., ("JPMorgan") as depositary will issue the ADSs which you will be entitled to receive in this offering. Each ADS will represent an ownership interest a designated number of shares which we will deposit with the custodian, as agent of the depositary, under the deposit agreement among ourselves, the depositary and yourself as an ADR holder. In the future, each ADS will also represent any securities, cash or other property deposited with the depositary but which they have not distributed directly to you. Unless certificated ADRs are specifically requested by you, all ADSs will be issued on the books of our depositary in book-entry form and periodic statements will be mailed to you which reflect your ownership interest in such ADSs. In our description, references to American depositary receipts or ADRs shall include the statements you will receive which reflect your ownership of ADSs.

The depositary's office is located at 4 New York Plaza, Floor 12, New York, NY, 10004.

You may hold ADSs either directly or indirectly through your broker or other financial institution. If you hold ADSs directly, by having an ADS registered in your name on the books of the depositary, you are an ADR holder. This description assumes you hold your ADSs directly. If you hold the ADSs through your broker or financial institution nominee, you must rely on the procedures of such broker or financial institution to assert the rights of an ADR holder described in this section. You should consult with your broker or financial institution to find out what those procedures are.

As an ADR holder, we will not treat you as a shareholder of ours and you will not have any shareholder rights. Cayman Island law governs shareholder rights. Because the depositary or its nominee will be the shareholder of record for the shares represented by all outstanding ADSs, shareholder rights rest with such record holder. Your rights are those of an ADR holder. Such rights derive from the terms of the deposit agreement to be entered into among us, the depositary and all registered holders from time to time of ADSs issued under the deposit agreement. The obligations of the depositary and its agents are also set out in the deposit agreement. Because the depositary or its nominee will actually be the registered owner of the shares, you must rely on it to exercise the rights of a shareholder on your behalf. The deposit agreement and the ADSs are governed by New York law. Under the deposit agreement, as an ADR holder, you agree that any legal suit, action or proceeding against or involving us or the depositary, arising out of or based upon the deposit agreement, the ADSs or the transactions contemplated thereby, may only be instituted in a state or federal court in New York, New York, and you irrevocably waive any objection which you may have to the laying of venue of any such proceeding and irrevocably submit to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

The following is a summary of what we believe to be the material terms of the deposit agreement. Notwithstanding this, because it is a summary, it may not contain all the information that you may otherwise deem important. For more complete information, you should read the entire deposit agreement and the form of ADR which contains the terms of your ADSs. You can read a copy of the deposit agreement which is filed as an exhibit to the registration statement of which this prospectus forms a part. You may also obtain a copy of the deposit agreement at the SEC's Public Reference Room which is located at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-732-0330. You may also find the registration statement and the attached deposit agreement on the SEC's website at http://www.sec.gov.

Share Dividends and Other Distributions

How will I receive dividends and other distributions on the shares underlying my ADSs?

We may make various types of distributions with respect to our securities. The depositary has agreed that, to the extent practicable, it will pay to you the cash dividends or other distributions it or the custodian receives on

shares or other deposited securities, after converting any cash received into U.S. dollars (if it determines such conversion may be made on a reasonable basis) and, in all cases, making any necessary deductions provided for in the deposit agreement. The depositary may utilize a division, branch or affiliate of JPMorgan to direct, manage and/or execute any public and/or private sale of securities under the deposit agreement. Such division, branch and/or affiliate may charge the depositary a fee in connection with such sales, which fee is considered an expense of the depositary. You will receive these distributions in proportion to the number of underlying securities that your ADSs represent.

Except as stated below, the depositary will deliver such distributions to ADR holders in proportion to their interests in the following manner:

- *Cash.* The depositary will distribute any U.S. dollars available to it resulting from a cash dividend or other cash distribution or the net proceeds of sales of any other distribution or portion thereof (to the extent applicable), on an averaged or other practicable basis, subject to (i) appropriate adjustments for taxes withheld, (ii) such distribution being impermissible or impracticable with respect to certain registered ADR holders, and (iii) deduction of the depositary's and/or its agents' expenses in (1) converting any foreign currency to U.S. dollars to the extent that it determines that such conversion may be made on a reasonable basis, (2) transferring foreign currency or U.S. dollars to the United States by such means as the depositary may determine to the extent that it determines that such transfer may be made on a reasonable basis, (3) obtaining any approval or license of any governmental authority required for such conversion or transfer, which is obtainable at a reasonable cost and within a reasonable time and (4) making any sale by public or private means in any commercially reasonable manner. *If exchange rates fluctuate during a time when the depositary cannot convert a foreign currency, you may lose some or all of the value of the distribution.*
- *Shares.* In the case of a distribution in shares, the depositary will issue additional ADRs to evidence the number of ADSs representing such shares. Only whole ADSs will be issued. Any shares which would result in fractional ADSs will be sold and the net proceeds will be distributed in the same manner as cash to the ADR holders entitled thereto.
- *Rights to receive additional shares.* In the case of a distribution of rights to subscribe for additional shares or other rights, if we timely provide evidence satisfactory to the depositary that it may lawfully distribute such rights, the depositary will distribute warrants or other instruments in the discretion of the depositary representing such rights. However, if we do not timely furnish such evidence, the depositary may:

  (i) sell such rights if practicable and distribute the net proceeds in the same manner as cash to the ADR holders entitled thereto; or

  (ii) if it is not practicable to sell such rights by reason of the non-transferability of the rights, limited markets therefor, their short duration or otherwise, do nothing and allow such rights to lapse, in which case ADR holders will receive nothing and the rights may lapse.
- *Other Distributions.* In the case of a distribution of securities or property other than those described above, the depositary may either (i) distribute such securities or property in any manner it deems equitable and practicable or (ii) to the extent the depositary deems distribution of such securities or property not to be equitable and practicable, sell such securities or property and distribute any net proceeds in the same way it distributes cash.

If the depositary determines in its discretion that any distribution described above is not practicable with respect to any specific registered ADR holder, the depositary may choose any method of distribution that it deems practicable for such ADR holder, including the distribution of foreign currency, securities or property, or it may retain such items, without paying interest on or investing them, on behalf of the ADR holder as deposited securities, in which case the ADSs will also represent the retained items.

Any U.S. dollars will be distributed by checks drawn on a bank in the United States for whole dollars and cents. Fractional cents will be withheld without liability and dealt with by the depositary in accordance with its then current practices.

The depositary is not responsible if it fails to determine that any distribution or action is lawful or reasonably practicable.

There can be no assurance that the depositary will be able to convert any currency at a specified exchange rate or sell any property, rights, shares or other securities at a specified price, nor that any of such transactions can be completed within a specified time period. All purchases and sales of securities will be handled by the Depositary in accordance with its then current policies, which are currently set forth in the "Depositary Receipt Sale and Purchase of Security" section of https://www.adr.com/Investors/FindOutAboutDRs, the location and contents of which the Depositary shall be solely responsible for.

Deposit, Withdrawal and Cancellation

How does the depositary issue ADSs?

The depositary will issue ADSs if you or your broker deposit shares or evidence of rights to receive shares with the custodian and pay the fees and expenses owing to the depositary in connection with such issuance. In the case of the ADSs to be issued under this prospectus, we will arrange with the underwriters named herein to deposit such shares.

Shares deposited in the future with the custodian must be accompanied by certain delivery documentation and shall, at the time of such deposit, be registered in the name of JPMorgan Chase Bank, N.A., as depositary for the benefit of holders of ADRs or in such other name as the depositary shall direct.

The custodian will hold all deposited shares (including those being deposited by or on our behalf in connection with the offering to which this prospectus relates) for the account and to the order of the depositary. ADR holders thus have no direct ownership interest in the shares and only have such rights as are contained in the deposit agreement. The custodian will also hold any additional securities, property and cash received on or in substitution for the deposited shares. The deposited shares and any such additional items are referred to as "deposited securities".

Upon each deposit of shares, receipt of related delivery documentation and compliance with the other provisions of the deposit agreement, including the payment of the fees and charges of the depositary and any taxes or other fees or charges owing, the depositary will issue an ADR or ADRs in the name or upon the order of the person entitled thereto evidencing the number of ADSs to which such person is entitled. All of the ADSs issued will, unless specifically requested to the contrary, be part of the depositary's direct registration system, and a registered holder will receive periodic statements from the depositary which will show the number of ADSs registered in such holder's name. An ADR holder can request that the ADSs not be held through the depositary's direct registration system and that a certificated ADR be issued.

How do ADR holders cancel an ADS and obtain deposited securities?

When you turn in your ADR certificate at the depositary's office, or when you provide proper instructions and documentation in the case of direct registration ADSs, the depositary will, upon payment of certain applicable fees, charges and taxes, deliver the underlying shares to you or upon your written order. Delivery of deposited securities in certificated form will be made at the custodian's office. At your risk, expense and request, the depositary may deliver deposited securities at such other place as you may request.

The depositary may only restrict the withdrawal of deposited securities in connection with:

- temporary delays caused by closing our transfer books or those of the depositary or the deposit of shares in connection with voting at a shareholders' meeting, or the payment of dividends;

- the payment of fees, taxes and similar charges; or
- compliance with any U.S. or foreign laws or governmental regulations relating to the ADRs or to the withdrawal of deposited securities.

This right of withdrawal may not be limited by any other provision of the deposit agreement.

Record Dates

The depositary may, after consultation with us if practicable, fix record dates (which, to the extent applicable, shall be as near as practicable to any corresponding record dates set by us) for the determination of the registered ADR holders who will be entitled (or obligated, as the case may be):

- to receive any distribution on or in respect of deposited securities,
- to give instructions for the exercise of voting rights at a meeting of holders of shares, or
- to pay the fee assessed by the depositary for administration of the ADR program and for any expenses as provided for in the ADR,
- to receive any notice or to act in respect of other matters

all subject to the provisions of the deposit agreement.

Voting Rights

How do I vote?

If you are an ADR holder and the depositary asks you to provide it with voting instructions, you may instruct the depositary how to exercise the voting rights for the shares which underlie your ADSs. As soon as practicable after receipt from us of notice of any meeting at which the holders of shares are entitled to vote, or of our solicitation of consents or proxies from holders of shares, the depositary shall fix the ADS record date in accordance with the provisions of the deposit agreement in respect of such meeting or solicitation of consent or proxy. Holders are strongly encouraged to forward their voting instructions to the depositary as soon as possible. For instructions to be valid, the ADR department of the depositary that is responsible for proxies and voting must receive them in the manner and on or before the time specified, notwithstanding that such instructions may have been physically received by the depositary prior to such time. The depositary will not itself exercise any voting discretion. Furthermore, neither the depositary nor its agents are responsible for any failure to carry out any voting instructions, for the manner in which any vote is cast or for the effect of any vote. Notwithstanding anything contained in the deposit agreement or any ADR, the depositary may, to the extent not prohibited by law or regulations, or by the requirements of the stock exchange on which the ADSs are listed, in lieu of distribution of the materials provided to the depositary in connection with any meeting of, or solicitation of consents or proxies from, holders of deposited securities, distribute to the registered holders of ADRs a notice that provides such holders with, or otherwise publicizes to such holders, instructions on how to retrieve such materials or receive such materials upon request (*i.e.*, by reference to a website containing the materials for retrieval or a contact for requesting copies of the materials).

Under our constituent documents, the depositary would be able to provide us with voting instructions without having to personally attend meetings in person or by proxy. Such voting instructions may be provided to us via facsimile, email, mail, courier or other recognized form of delivery and we agree to accept any such delivery so long as it is timely received prior to the meeting. We will endeavor to provide the depositary with written notice of each meeting of shareholders promptly after determining the date of such meeting so as to enable it to solicit and receive voting instructions. In general, the depositary will require that voting instructions be received by the depositary no less than five business days prior to the date of each meeting of shareholders. Under the post-offering memorandum and articles of association that we expect to adopt, the minimum notice

period required to convene a general meeting is seven days. The depositary may not have sufficient time to solicit voting instructions, and it is possible that you, or persons who hold their ADSs through brokers, dealers or other third parties, will not have the opportunity to exercise a right to vote.

Notwithstanding the above, we have advised the depositary that under the Cayman Islands law and our constituent documents, each as in effect as of the date of the deposit agreement, voting at any meeting of shareholders is by show of hands unless a poll is (before or on the declaration of the results of the show of hands) demanded. In the event that voting on any resolution or matter is conducted on a show of hands basis in accordance with our constituent documents, the depositary will refrain from voting and the voting instructions received by the depositary from holders shall lapse. The depositary will not demand a poll or join in demanding a poll, whether or not requested to do so by holders of ADSs. There is no guarantee that you will receive voting materials in time to instruct the depositary to vote and it is possible that you, or persons who hold their ADSs through brokers, dealers or other third parties, will not have the opportunity to exercise a right to vote.

Reports and Other Communications

Will ADR holders be able to view our reports?

The depositary will make available for inspection by ADR holders at the offices of the depositary and the custodian the deposit agreement, the provisions of or governing deposited securities, and any written communications from us which are both received by the custodian or its nominee as a holder of deposited securities and made generally available to the holders of deposited securities.

Additionally, if we make any written communications generally available to holders of our shares, and we furnish copies thereof (or English translations or summaries) to the depositary, it will distribute the same to registered ADR holders.

Fees and Expenses

What fees and expenses will I be responsible for paying?

The depositary may charge each person to whom ADSs are issued, including, without limitation, issuances against deposits of shares, issuances in respect of share distributions, rights and other distributions, issuances pursuant to a stock dividend or stock split declared by us or issuances pursuant to a merger, exchange of securities or any other transaction or event affecting the ADSs or deposited securities, and each person surrendering ADSs for withdrawal of deposited securities or whose ADRs are cancelled or reduced for any other reason, $5.00 for each 100 ADSs (or any portion thereof) issued, delivered, reduced, cancelled or surrendered, as the case may be. The depositary may sell (by public or private sale) sufficient securities and property received in respect of a share distribution, rights and/or other distribution prior to such deposit to pay such charge.

The following additional charges shall be incurred by the ADR holders, by any party depositing or withdrawing shares or by any party surrendering ADSs and/or to whom ADSs are issued (including, without limitation, issuance pursuant to a stock dividend or stock split declared by us or an exchange of stock regarding the ADSs or the deposited securities or a distribution of ADSs), whichever is applicable:

- a fee of U.S.$1.50 per ADR or ADRs for transfers of certificated or direct registration ADRs;
- a fee of up to U.S.$0.05 per ADS for any cash distribution made pursuant to the deposit agreement;
- an aggregate fee of up to U.S.$0.05 per ADS per calendar year (or portion thereof) for services performed by the depositary in administering the ADRs (which fee may be charged on a periodic basis during each calendar year and shall be assessed against holders of ADRs as of the record date or record dates set by the depositary during each calendar year and shall be payable in the manner described in the next succeeding provision);

- a fee for the reimbursement of such fees, charges and expenses as are incurred by the depositary and/or any of its agents (including, without limitation, the custodian and expenses incurred on behalf of holders in connection with compliance with foreign exchange control regulations or any law or regulation relating to foreign investment) in connection with the servicing of the shares or other deposited securities, the sale of securities (including, without limitation, deposited securities), the delivery of deposited securities or otherwise in connection with the depositary's or its custodian's compliance with applicable law, rule or regulation (which fees and charges shall be assessed on a proportionate basis against holders as of the record date or dates set by the depositary and shall be payable at the sole discretion of the depositary by billing such holders or by deducting such charge from one or more cash dividends or other cash distributions);
- a fee for the distribution of securities (or the sale of securities in connection with a distribution), such fee being in an amount equal to the $0.05 per ADS issuance fee for the execution and delivery of ADSs which would have been charged as a result of the deposit of such securities (treating all such securities as if they were shares) but which securities or the net cash proceeds from the sale thereof are instead distributed by the depositary to those holders entitled thereto;
- stock transfer or other taxes and other governmental charges;
- cable, telex and facsimile transmission and delivery charges incurred at your request in connection with the deposit or delivery of shares, ADRs or deposited securities;
- transfer or registration fees for the registration of transfer of deposited securities on any applicable register in connection with the deposit or withdrawal of deposited securities;
- in connection with the conversion of foreign currency into U.S. dollars, JPMorgan shall deduct out of such foreign currency the fees, expenses and other charges charged by it and/or its agent (which may be a division, branch or affiliate) so appointed in connection with such conversion; and
- fees of any division, branch or affiliate of the depositary utilized by the depositary to direct, manage and/or execute any public and/or private sale of securities under the deposit agreement.

JPMorgan and/or its agent may act as principal for such conversion of foreign currency. For further details see https://www.adr.com.

We will pay all other charges and expenses of the depositary and any agent of the depositary (except the custodian) pursuant to agreements from time to time between us and the depositary. The charges described above may be amended from time to time by agreement between us and the depositary.

The depositary may make available to us a set amount or a portion of the depositary fees charged in respect of the ADR program or otherwise upon such terms and conditions as we and the depositary may agree from time to time. The depositary collects its fees for issuance and cancellation of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions, or by directly billing investors, or by charging the book-entry system accounts of participants acting for them. The depositary will generally set off the amounts owing from distributions made to holders of ADSs. If, however, no distribution exists and payment owing is not timely received by the depositary, the depositary may refuse to provide any further services to holders that have not paid those fees and expenses owing until such fees and expenses have been paid. At the discretion of the depositary, all fees and charges owing under the deposit agreement are due in advance and/or when declared owing by the depositary.

The fees and charges you may be required to pay may vary over time and may be changed by us and by the depositary. You will receive prior notice of the increase in any such fees and charges.

Payment of Taxes

ADR holders must pay any tax or other governmental charge payable by the custodian or the depositary on any ADS or ADR, deposited security or distribution. If any taxes or other governmental charges (including any penalties and/or interest) shall become payable by or on behalf of the custodian or the depositary with respect to any ADR, any deposited securities represented by the ADSs evidenced thereby or any distribution thereon, including, without limitation, any Chinese Enterprise Income Tax owing if the Circular Guoshuifa [2009] No. 82 issued by the Chinese State Administration of Taxation (SAT) or any other circular, edict, order or ruling, as issued and as from time to time amended, is applied or otherwise, such tax or other governmental charge shall be paid by the holder thereof to the depositary and by holding or having held an ADR the holder and all prior holders thereof, jointly and severally, agree to indemnify, defend and save harmless each of the depositary and its agents in respect thereof. If an ADR holder owes any tax or other governmental charge, the depositary may (i) deduct the amount thereof from any cash distributions, or (ii) sell deposited securities (by public or private sale) and deduct the amount owing from the net proceeds of such sale. In either case the ADR holder remains liable for any shortfall. If any tax or governmental charge is unpaid, the depositary may also refuse to effect any registration, registration of transfer, split-up or combination of deposited securities or withdrawal of deposited securities until such payment is made. If any tax or governmental charge is required to be withheld on any cash distribution, the depositary may deduct the amount required to be withheld from any cash distribution or, in the case of a non-cash distribution, sell the distributed property or securities (by public or private sale) in such amounts and in such manner as the depositary deems necessary and practicable to pay such taxes and distribute any remaining net proceeds or the balance of any such property after deduction of such taxes to the ADR holders entitled thereto.

By holding an ADR or an interest therein, you will be agreeing to indemnify us, the depositary, its custodian and any of our or their respective officers, directors, employees, agents and affiliates against, and hold each of them harmless from, any claims by any governmental authority with respect to taxes, additions to tax, penalties or interest arising out of any refund of taxes, reduced rate of withholding at source or other tax benefit obtained.

Reclassifications, Recapitalizations and Mergers

If we take certain actions that affect the deposited securities, including (i) any change in par value, split-up, consolidation, cancellation or other reclassification of deposited securities or (ii) any distributions of shares or other property not made to holders of ADRs or (iii) any recapitalization, reorganization, merger, consolidation, liquidation, receivership, bankruptcy or sale of all or substantially all of our assets, then the depositary may choose to, and shall if reasonably requested by us:

(1) amend the form of ADR;

(2) distribute additional or amended ADRs;

(3) distribute cash, securities or other property it has received in connection with such actions;

(4) sell any securities or property received and distribute the proceeds as cash; or

(5) none of the above.

If the depositary does not choose any of the above options, any of the cash, securities or other property it receives will constitute part of the deposited securities and each ADS will then represent a proportionate interest in such property.

Amendment and Termination

How may the deposit agreement be amended?

We may agree with the depositary to amend the deposit agreement and the ADSs without your consent for any reason. ADR holders must be given at least 30 days notice of any amendment that imposes or increases any

fees or charges (other than stock transfer or other taxes and other governmental charges, transfer or registration fees, SWIFT, cable, telex or facsimile transmission costs, delivery costs or other such expenses), or otherwise prejudices any substantial existing right of ADR holders. Such notice need not describe in detail the specific amendments effectuated thereby, but must identify to ADR holders a means to access the text of such amendment. If an ADR holder continues to hold an ADR or ADRs after being so notified, such ADR holder is deemed to agree to such amendment and to be bound by the deposit agreement as so amended. Notwithstanding the foregoing, if any governmental body or regulatory body should adopt new laws, rules or regulations which would require amendment or supplement of the deposit agreement or the form of ADR to ensure compliance therewith, we and the depositary may amend or supplement the deposit agreement and the ADR at any time in accordance with such changed laws, rules or regulations, which amendment or supplement may take effect before a notice is given or within any other period of time as required for compliance. No amendment, however, will impair your right to surrender your ADSs and receive the underlying securities, except in order to comply with mandatory provisions of applicable law.

How may the deposit agreement be terminated?

The depositary may, and shall at our written direction, terminate the deposit agreement and the ADRs by mailing notice of such termination to the registered holders of ADRs at least 30 days prior to the date fixed in such notice for such termination; provided, however, if the depositary shall have (i) resigned as depositary under the deposit agreement, notice of such termination by the depositary shall not be provided to registered holders unless a successor depositary shall not be operating under the deposit agreement within 60 days of the date of such resignation, and (ii) been removed as depositary under the deposit agreement, notice of such termination by the depositary shall not be provided to registered holders of ADRs unless a successor depositary shall not be operating under the deposit agreement on the 120th day after our notice of removal was first provided to the depositary. After the date so fixed for termination, (a) all direct registration ADRs shall cease to be eligible for the direct registration system and shall be considered ADRs issued on the ADR register maintained by the depositary and (b) the depositary shall use its reasonable efforts to ensure that the ADSs cease to be DTC eligible so that neither DTC nor any of its nominees shall thereafter be a registered holder of ADRs. At such time as the ADSs cease to be DTC eligible and/or neither DTC nor any of its nominees is a registered holder of ADRs, the depositary shall (a) instruct its custodian to deliver all shares to us along with a general stock power that refers to the names set forth on the ADR register maintained by the depositary and (b) provide us with a copy of the ADR register maintained by the depositary. Upon receipt of such shares and the ADR register maintained by the depositary, we have agreed to use our best efforts to issue to each registered holder a Share certificate representing the Shares represented by the ADSs reflected on the ADR register maintained by the depositary in such registered holder's name and to deliver such Share certificate to the registered holder at the address set forth on the ADR register maintained by the depositary. After providing such instruction to the custodian and delivering a copy of the ADR register to us, the depositary and its agents will perform no further acts under the deposit agreement or the ADRs and shall cease to have any obligations under the deposit agreement and/or the ADRs.

Limitations on Obligations and Liability to ADR holders

Limits on our obligations and the obligations of the depositary; limits on liability to ADR holders and holders of ADSs

Prior to the issue, registration, registration of transfer, split-up, combination, or cancellation of any ADRs, or the delivery of any distribution in respect thereof, and from time to time in the case of the production of proofs as described below, we or the depositary or its custodian may require:

- payment with respect thereto of (i) any stock transfer or other tax or other governmental charge, (ii) any stock transfer or registration fees in effect for the registration of transfers of shares or other deposited securities upon any applicable register and (iii) any applicable fees and expenses described in the deposit agreement;

- the production of proof satisfactory to it of (i) the identity of any signatory and genuineness of any signature and (ii) such other information, including without limitation, information as to citizenship, residence, exchange control approval, beneficial ownership of any securities, compliance with applicable law, regulations, provisions of or governing deposited securities and terms of the deposit agreement and the ADRs, as it may deem necessary or proper; and
- compliance with such regulations as the depositary may establish consistent with the deposit agreement.

The issuance of ADRs, the acceptance of deposits of shares, the registration, registration of transfer, split-up or combination of ADRs or the withdrawal of shares, may be suspended, generally or in particular instances, when the ADR register or any register for deposited securities is closed or when any such action is deemed advisable by the depositary; provided that the ability to withdraw shares may only be limited under the following circumstances: (i) temporary delays caused by closing transfer books of the depositary or our transfer books or the deposit of shares in connection with voting at a shareholders' meeting, or the payment of dividends, (ii) the payment of fees, taxes, and similar charges, and (iii) compliance with any laws or governmental regulations relating to ADRs or to the withdrawal of deposited securities.

The deposit agreement expressly limits the obligations and liability of the depositary, ourselves and our respective agents, provided, however, that no disclaimer of liability under the Securities Act of 1933 is intended by any of the limitations of liabilities provisions of the deposit agreement. In the deposit agreement it provides that neither we nor the depositary nor any such agent will be liable if:

- any present or future law, rule, regulation, fiat, order or decree of the United States, the Cayman Islands, the People's Republic of China (including the Hong Kong Special Administrative Region, the People's Republic of China) or any other country or jurisdiction, or of any governmental or regulatory authority or securities exchange or market or automated quotation system, the provisions of or governing any deposited securities, any present or future provision of our charter, any act of God, war, terrorism, nationalization, expropriation, currency restrictions, work stoppage, strike, civil unrest, revolutions, rebellions, explosions, computer failure or circumstance beyond our, the depositary's or our respective agents' direct and immediate control shall prevent or delay, or shall cause any of them to be subject to any civil or criminal penalty in connection with, any act which the deposit agreement or the ADRs provide shall be done or performed by us, the depositary or our respective agents (including, without limitation, voting);
- it exercises or fails to exercise discretion under the deposit agreement or the ADRs including, without limitation, any failure to determine that any distribution or action may be lawful or reasonably practicable;
- it performs its obligations under the deposit agreement and ADRs without gross negligence or willful misconduct;
- it takes any action or refrains from taking any action in reliance upon the advice of or information from legal counsel, accountants, any person presenting shares for deposit, any registered holder of ADRs, or any other person believed by it to be competent to give such advice or information; or
- it relies upon any written notice, request, direction, instruction or document believed by it to be genuine and to have been signed, presented or given by the proper party or parties.

Neither the depositary nor its agents have any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities or the ADRs. We and our agents shall only be obligated to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities or the ADRs, which in our opinion may involve us in expense or liability, if indemnity satisfactory to us against all expense (including fees and disbursements of counsel) and liability is furnished as often as may be required. The depositary and its agents may fully respond to any and all demands or requests for information maintained by or

on its behalf in connection with the deposit agreement, any registered holder or holders of ADRs, any ADRs or otherwise related to the deposit agreement or ADRs to the extent such information is requested or required by or pursuant to any lawful authority, including without limitation laws, rules, regulations, administrative or judicial process, banking, securities or other regulators. The depositary shall not be liable for the acts or omissions made by, or the insolvency of, any securities depository, clearing agency or settlement system. Furthermore, the depositary shall not be responsible for, and shall incur no liability in connection with or arising from, the insolvency of any custodian that is not a branch or affiliate of JPMorgan Chase Bank, N.A. Notwithstanding anything to the contrary contained in the deposit agreement or any ADRs, the depositary shall not be responsible for, and shall incur no liability in connection with or arising from, any act or omission to act on the part of the custodian except to the extent that the custodian has (i) committed fraud or willful misconduct in the provision of custodial services to the depositary or (ii) failed to use reasonable care in the provision of custodial services to the depositary as determined in accordance with the standards prevailing in the jurisdiction in which the custodian is located. The depositary and the custodian(s) may use third party delivery services and providers of information regarding matters such as pricing, proxy voting, corporate actions, class action litigation and other services in connection with the ADRs and the deposit agreement, and use local agents to provide extraordinary services such as attendance at annual meetings of issuers of securities. Although the depositary and the custodian will use reasonable care (and cause their agents to use reasonable care) in the selection and retention of such third party providers and local agents, they will not be responsible for any errors or omissions made by them in providing the relevant information or services. The depositary shall not have any liability for the price received in connection with any sale of securities, the timing thereof or any delay in action or omission to act nor shall it be responsible for any error or delay in action, omission to act, default or negligence on the part of the party so retained in connection with any such sale or proposed sale.

The depositary has no obligation to inform ADR holders or other holders of an interest in any ADSs about the requirements of Cayman Islands or People’s Republic of China law, rules or regulations or any changes therein or thereto.

Additionally, none of us, the depositary or the custodian shall be liable for the failure by any registered holder of ADRs or beneficial owner therein to obtain the benefits of credits on the basis of non-U.S. tax paid against such holder’s or beneficial owner’s income tax liability. Neither we nor the depositary shall incur any liability for any tax consequences that may be incurred by registered holders or beneficial owners on account of their ownership of ADRs or ADSs.

Neither the depositary nor its agents will be responsible for any failure to carry out any instructions to vote any of the deposited securities, for the manner in which any such vote is cast or for the effect of any such vote. The depositary may rely upon instructions from us or our counsel in respect of any approval or license required for any currency conversion, transfer or distribution. The depositary shall not incur any liability for the content of any information submitted to it by us or on our behalf for distribution to ADR holders or for any inaccuracy of any translation thereof, for any investment risk associated with acquiring an interest in the deposited securities, for the validity or worth of the deposited securities, for the credit-worthiness of any third party, for allowing any rights to lapse upon the terms of the deposit agreement or for the failure or timeliness of any notice from us. The depositary shall not be liable for any acts or omissions made by a successor depositary whether in connection with a previous act or omission of the depositary or in connection with any matter arising wholly after the removal or resignation of the depositary. Neither the depositary nor any of its agents shall be liable to registered holders or beneficial owners of interests in ADSs for any indirect, special, punitive or consequential damages (including, without limitation, legal fees and expenses) or lost profits, in each case of any form incurred by any person or entity, whether or not foreseeable and regardless of the type of action in which such a claim may be brought.

In the deposit agreement each party thereto (including, for avoidance of doubt, each holder and beneficial owner and/or holder of interests in ADRs) irrevocably waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any suit, action or proceeding against the depositary and/or us directly

or indirectly arising out of or relating to the shares or other deposited securities, the ADSs or the ADRs, the deposit agreement or any transaction contemplated therein, or the breach thereof (whether based on contract, tort, common law or any other theory).

The depositary and its agents may own and deal in any class of securities of our company and our affiliates and in ADRs.

Disclosure of Interest in ADSs

To the extent that the provisions of or governing any deposited securities may require disclosure of or impose limits on beneficial or other ownership of deposited securities, other shares and other securities and may provide for blocking transfer, voting or other rights to enforce such disclosure or limits, you agree to comply with all such disclosure requirements and ownership limitations and to comply with any reasonable instructions we may provide in respect thereof. We reserve the right to instruct you to deliver your ADSs for cancellation and withdrawal of the deposited securities so as to permit us to deal with you directly as a holder of shares and, by holding an ADS or an interest therein, you will be agreeing to comply with such instructions.

Books of Depositary

The depositary or its agent will maintain a register for the registration, registration of transfer, combination and split-up of ADRs, which register shall include the depositary's direct registration system. Registered holders of ADRs may inspect such records at the depositary's office at all reasonable times, but solely for the purpose of communicating with other holders in the interest of the business of our company or a matter relating to the deposit agreement. Such register may be closed at any time or from time to time, when deemed expedient by the depositary or, in the case of the issuance book portion of the ADR Register, when reasonably requested by the Company solely in order to enable the Company to comply with applicable law.

The depositary will maintain facilities for the delivery and receipt of ADRs.

Pre-release of ADSs

In its capacity as depositary, the depositary shall not lend shares or ADSs; provided, however, that the depositary may (i) issue ADSs prior to the receipt of shares and (ii) deliver shares prior to the receipt of ADSs for withdrawal of deposited securities, including ADSs which were issued under (i) above but for which shares may not have been received (each such transaction a "pre-release"). The depositary may receive ADSs in lieu of shares under (i) above (which ADSs will promptly be canceled by the depositary upon receipt by the depositary) and receive shares in lieu of ADSs under (ii) above. Each such pre-release will be subject to a written agreement whereby the person or entity (the "applicant") to whom ADSs or shares are to be delivered (a) represents that at the time of the pre-release the applicant or its customer owns the shares or ADSs that are to be delivered by the applicant under such pre-release, (b) agrees to indicate the depositary as owner of such shares or ADSs in its records and to hold such shares or ADSs in trust for the depositary until such shares or ADSs are delivered to the depositary or the custodian, (c) unconditionally guarantees to deliver to the depositary or the custodian, as applicable, such shares or ADSs, and (d) agrees to any additional restrictions or requirements that the depositary deems appropriate. Each such pre-release will be at all times fully collateralized with cash, U.S. government securities or such other collateral as the depositary deems appropriate, terminable by the depositary on not more than five (5) business days' notice and subject to such further indemnities and credit regulations as the depositary deems appropriate. The depositary will normally limit the number of ADSs and shares involved in such pre-release at any one time to thirty percent (30%) of the ADSs outstanding (without giving effect to ADSs outstanding under (i) above), provided, however, that the depositary reserves the right to change or disregard such limit from time to time as it deems appropriate. The depositary may also set limits with respect to the number of ADSs and shares involved in pre-release with any one person on a case-by-case basis as it deems appropriate. The depositary may retain for its own account any compensation received by it in conjunction with

the foregoing. Collateral provided in connection with pre-release transactions, but not the earnings thereon, shall be held for the benefit of the ADR holders (other than the applicant).

Appointment

In the deposit agreement, each registered holder of ADRs and each person holding an interest in ADSs, upon acceptance of any ADSs (or any interest therein) issued in accordance with the terms and conditions of the deposit agreement will be deemed for all purposes to:

- be a party to and bound by the terms of the deposit agreement and the applicable ADR or ADRs, and
- appoint the depositary its attorney-in-fact, with full power to delegate, to act on its behalf and to take any and all actions contemplated in the deposit agreement and the applicable ADR or ADRs, to adopt any and all procedures necessary to comply with applicable laws and to take such action as the depositary in its sole discretion may deem necessary or appropriate to carry out the purposes of the deposit agreement and the applicable ADR and ADRs, the taking of such actions to be the conclusive determinant of the necessity and appropriateness thereof.

Governing Law

The deposit agreement and the ADRs are governed by and construed in accordance with the laws of the State of New York. In the deposit agreement, we have submitted to the jurisdiction of the courts of the State of New York and appointed an agent for service of process on our behalf. Notwithstanding the foregoing, (i) any action based on the deposit agreement or the transactions contemplated thereby may be instituted by the depositary in any competent court in the Cayman Islands, Hong Kong, the People's Republic of China and/or the United States, (ii) the depositary may, in its sole discretion, elect to institute any action, controversy, claim or dispute directly or indirectly based on, arising out of or relating to the deposit agreement or the ADRs or the transactions contemplated thereby, including without limitation any question regarding its or their existence, validity, interpretation, performance or termination, against any other party or parties to the deposit agreement (including, without limitation, against ADR holders and owners of interests in ADSs), by having the matter referred to and finally resolved by an arbitration conducted under the terms described below, and (iii) the depositary may in its sole discretion require that any action, controversy, claim, dispute, legal suit or proceeding brought against the depositary by any party or parties to the deposit agreement (including, without limitation, by ADR holders and owners of interests in ADSs) shall be referred to and finally settled by an arbitration conducted under the terms described below. Any such arbitration shall be conducted in the English language either in New York, New York in accordance with the Commercial Arbitration Rules of the American Arbitration Association or in Hong Kong following the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL).

By holding an ADS or an interest therein, registered holders of ADRs and owners of ADSs each irrevocably agree that any legal suit, action or proceeding against or involving us or the depositary, arising out of or based upon the deposit agreement, the ADSs or the transactions contemplated thereby, may only be instituted in a state or federal court in New York, New York, and each irrevocably waives any objection which it may have to the laying of venue of any such proceeding, and irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

SHARES ELIGIBLE FOR FUTURE SALE

Upon the completion of this offering, we will have ADSs outstanding, representing ordinary shares, or approximately % of our outstanding ordinary shares, assuming the underwriters do not exercise their option to purchase additional ADSs (or approximately % of our outstanding ordinary shares, if the underwriters exercise their option to purchase additional ADSs in full). All of the ADSs sold in this offering will be freely transferable by persons other than our "affiliates" without restriction or further registration under the Securities Act. Sales of substantial amounts of ADSs in the public market could adversely affect prevailing market prices of the ADSs. Prior to this offering, there has been no public market for our ordinary shares or the ADSs, and while the ADSs have been approved for listing on the NASDAQ Global Select Market, we cannot assure you that a regular trading market for our ADSs may develop in the ADSs. Our ordinary shares will not be listed on any exchange or quoted for trading on any over- the-counter trading system. We do not expect that a trading market will develop for our ordinary shares not represented by the ADSs.

Lock-Up Agreements

[We have agreed that we will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the Securities and Exchange Commission a registration statement under the Securities Act relating to, any ADSs, our ordinary shares or securities convertible into or exchangeable or exercisable for any ADSs or ordinary shares, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, without the prior written consent of the representatives on behalf of the underwriters for a period ending 180 days after the date of this prospectus, except issuances pursuant to the exercise of employee share options outstanding on the date hereof and certain other exceptions.]

Our directors, executive officers, [shareholders and certain option holders] have agreed with the underwriters, subject to certain exceptions, not to sell, transfer or otherwise dispose of any ADSs, ordinary shares or similar securities or any securities convertible into or exchangeable or exercisable for our ordinary shares or ADSs, for a period ending 180 days after the date of this prospectus.

Rule 144

All of our ordinary shares outstanding prior to this offering are "restricted securities" as that term is defined in Rule 144 under the Securities Act and may be sold publicly in the United States only under an effective registration statement under the Securities Act or pursuant to an available exemption from the registration requirements.

In general, under Rule 144 as currently in effect, beginning 90 days after the date of this prospectus, a person who is not deemed to have been our affiliate at any time during the three months preceding a sale and who has beneficially owned restricted securities within the meaning of Rule 144 for more than six months would be entitled to sell an unlimited number of those shares, subject only to the availability of current public information about us. A non-affiliate who has beneficially owned restricted securities for at least one year from the later of the date these shares were acquired from us or from our affiliate would be entitled to freely sell those shares.

Our affiliates who have beneficially owned "restricted securities" for at least six months would be entitled to sell within any three-month period a number of restricted shares that does not exceed the greater of the following:

- 1% of the then outstanding ordinary shares of the same class, including shares represented by ADSs, which will equal approximately ordinary shares immediately after this offering, assuming the underwriters do not exercise their option to purchase additional ADSs, (or ordinary shares if the underwriters exercise their option to purchase additional ADSs in full); or
- the average weekly trading volume of our ordinary shares of the same class, including shares represented by ADSs on the NASDAQ Global Select Market, during the four calendar weeks preceding the date on which notice of the sale on Form 144 is filed with the SEC.

Affiliates who sell restricted securities under Rule 144 may not solicit orders or arrange for the solicitation of orders, and they are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us. In addition, in each case, shares held by our affiliates would remain subject to lock-up arrangements and would only become eligible for sale when the lock-up period expires.

Rule 701

Beginning 90 days after the date of this prospectus, persons other than affiliates who purchased ordinary shares under a written compensatory plan or other written agreement executed prior to the completion of this offering may be entitled to sell such shares in the United States in reliance on Rule 701. Rule 701 permits affiliates to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. Rule 701 further provides that non-affiliates may sell these shares in reliance on Rule 144 subject only to its manner-of-sale requirements. However, the Rule 701 shares would remain subject to lock-up arrangements and would only become eligible for sale when the lock-up period expires.

Form S-8

We intend to file a registration statement on Form S-8 under the Securities Act covering all ordinary shares which are either subject to outstanding options or may be issued upon exercise of any options or other equity awards which may be granted or issued in the future pursuant to our share incentive plan. We expect to file this registration statement as soon as practicable after the date of this prospectus. Shares registered under any registration statements will be available for sale in the open market, except to the extent that the shares are subject to vesting restrictions with us or the contractual restrictions described below.

TAXATION

The following summary of Cayman Islands, PRC and U.S. federal income tax consequences of an investment in the ADSs or ordinary shares is based upon laws and relevant interpretations thereof in effect as of the date of this prospectus, all of which are subject to change. This summary does not deal with all possible tax consequences relating to an investment in the ADSs or ordinary shares, such as the tax consequences under state, local and other tax laws, or tax laws of jurisdictions other than the Cayman Islands, the PRC and the United States. To the extent that the discussion relates to matters of Cayman Islands tax law, it represents the opinion of Maples and Calder (Hong Kong) LLP, our counsel as to Cayman Islands law.

Cayman Islands Tax Considerations

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or brought within, the jurisdiction of the Cayman Islands. The Cayman Islands is not party to any double tax treaties which are applicable to any payments made by or to our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of our ordinary shares or ADSs will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of our ordinary shares or ADSs, nor will gains derived from the disposal of our ordinary shares or ADSs be subject to Cayman Islands income or corporation tax.

No stamp duty is payable in respect of the issue of our ordinary shares or on an instrument of transfer in respect of our ordinary shares except on instruments executed in, or brought within, the jurisdiction of the Cayman Islands.

People’s Republic of China Tax Considerations

Under the EIT Law, which was promulgated on March 16, 2007 and amended on February 24, 2017, an enterprise established outside the PRC with “de facto management bodies” within the PRC is considered a “resident enterprise” for PRC enterprise income tax purposes and is generally subject to a uniform 25% enterprise income tax rate on its worldwide income. In 2009, the SAT issued SAT Circular 82, which provides certain specific criteria for determining whether the “de facto management body” of a PRC controlled enterprise that is incorporated offshore is located in China. Further to SAT Circular 82, in 2011, the SAT issued SAT Bulletin 45 to provide more guidance on the implementation of SAT Circular 82.

According to SAT Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be considered a PRC resident enterprise by virtue of having its “de facto management body” in China and will be subject to PRC enterprise income tax on its worldwide income only if all of the following conditions are met: (a) the senior management and core management departments in charge of its daily operations function have their presence mainly in the PRC; (b) its financial and human resources decisions are subject to determination or approval by persons or bodies in the PRC; (c) its major assets, accounting books, company seals, and minutes and files of its board and shareholders’ meetings are located or kept in the PRC; and (d) more than half of the enterprise’s directors or senior management with voting rights habitually reside in the PRC. Although SAT Circular 82 and SAT Bulletin 45 apply to offshore incorporated enterprises controlled by PRC enterprises or PRC enterprise groups, the determination criteria set forth therein may reflect the SAT’s general position on how the term “de facto management body” could be applied in determining the tax resident status of offshore enterprises, regardless of whether they are controlled by PRC enterprises, individuals or foreigners.

We believe that we do not meet all of the criteria described above. We believe that neither we nor our subsidiaries outside of China are PRC tax resident enterprises, because neither we nor they are controlled by a PRC enterprise or PRC enterprise group, and because our records and their records (including the resolutions of the respective boards of directors and the resolutions of shareholders) are maintained outside the PRC. However, as the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term “de facto management body” when applied to our offshore entities, we may be considered a resident enterprise and therefore may be subject to PRC enterprise income tax at a rate of 25% on our worldwide income. In addition, if the PRC tax authorities determine that we are a PRC resident enterprise for PRC enterprise income tax purposes, dividends we pay to non-PRC holders may be subject to PRC withholding tax, and gains realized on the sale or other disposition of ADSs or ordinary shares may be subject to PRC tax, at a rate of 10% in the case of non-PRC enterprises or 20% in the case of non-PRC individuals, if such dividends or gains are deemed to be from PRC sources. These rates may be reduced by an applicable tax treaty. Any such tax may reduce the returns on your investment in the ADSs.

United States Federal Income Tax Considerations

The following summary describes the material United States federal income tax consequences of the ownership of our ordinary shares and ADSs as of the date hereof. The discussion set forth below is applicable only to United States Holders and deals only with ordinary shares and ADSs held as capital assets (generally, property held for investment) under the U.S. Internal Revenue Code of 1986, as amended, or the Code. As used herein, the term “United States Holder” means a beneficial owner of an ordinary share or ADS that is for United States federal income tax purposes:

- an individual citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons has or have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

If a partnership holds our ordinary shares or ADSs, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partnership or a partner of a partnership holding our ordinary shares or ADSs, you should consult your tax advisors.

This discussion is based upon existing U.S. federal income tax law, which is subject to differing interpretations or change, possibly with retroactive effect. This discussion is based, in part, upon representations made by the depositary to us and assumes that the deposit agreement, and all other related agreements, will be performed in accordance with their terms. No ruling has been sought from the Internal Revenue Service with respect to any U.S. federal income tax consequences described below, and there can be no assurance that the Internal Revenue Service or a court will not take a contrary position. Additionally, this discussion does not address the U.S. federal estate, gift, Medicare and alternative minimum tax considerations or any state, local and non-U.S. tax considerations, relating to the ownership or disposition of our ADSs or ordinary shares and does not address all aspects of U.S. federal income taxation that may be important to particular investors in light of their individual circumstances or to persons in special tax situations such as:

- a dealer in securities or currencies;
- a bank or other financial institution;

- a regulated investment company;
- a real estate investment trust;
- an insurance company;
- a tax-exempt organization;
- a person holding our ordinary shares or ADSs as part of a hedging, integrated or conversion transaction, a constructive sale or a straddle;
- a trader in securities that has elected the mark-to-market method of accounting for your securities;
- a person who acquires his ADSs or ordinary shares pursuant to an employee share option or otherwise as compensation;
- a person who owns or is deemed to own 10% or more of our voting stock;
- a U.S. expatriate;
- an S corporation, partnership or other pass-through entity for United States federal income tax purposes; or
- a person whose "functional currency" is not the United States dollar.

If you are considering the purchase, ownership or disposition of our ordinary shares or ADSs, you should consult your own tax advisors concerning the United States federal income tax consequences to you in light of your particular situation as well as any consequences arising under the laws of any other taxing jurisdiction.

ADSs

If you hold ADSs, for United States federal income tax purposes you generally will be treated as the owner of the underlying ordinary shares that are represented by such ADSs. Accordingly, deposits or withdrawals of ordinary shares for ADSs will not be subject to United States federal income tax.

Taxation of Dividends

Subject to the discussion under "—Passive Foreign Investment Company Rules" below, the gross amount of distributions on the ADSs or ordinary shares (including any amounts withheld to reflect PRC withholding taxes) will be taxable as dividends, to the extent paid out of our current or accumulated earnings and profits, as determined under United States federal income tax principles. Because we do not intend to determine our earnings and profits on the basis of U.S. federal income tax principles, any distribution we pay generally will be treated as a dividend for U.S. federal income tax purposes. Such income (including withheld taxes) will be includible in your gross income as ordinary income on the day actually or constructively received by you, in the case of the ordinary shares, or by the depositary, in the case of ADSs. Such dividends will not be eligible for the dividends received deduction allowed to corporations under the Code. The following discussion assumes that all dividends will be paid in U.S. Dollars.

A non-corporate United States Holder will be subject to tax at the preferential tax rate applicable to "qualified dividend income," provided that certain conditions are satisfied, including that (1) our ordinary shares (or ADSs representing such ordinary shares) are readily tradeable on an establishes securities market in the United States or, in the event that we are deemed to be a PRC tax resident enterprise under PRC tax law, we are eligible for the benefits of the United States-PRC income tax treaty (the "Treaty"), (2) we are neither a PFIC nor treated as such with respect to a United States Holder (as discussed below) for the taxable year in which the dividend was paid and the preceding taxable year, and (3) certain holding period requirements are met. We expect our ADSs (but not our ordinary shares) will be readily tradeable on an established securities market in the United States. There can be no assurance, however, that our ADSs will be considered readily tradable on an established securities market in subsequent years.

In the event that we are deemed to be a PRC tax resident enterprise under PRC tax law, you may be subject to PRC withholding taxes on dividends paid on our ADSs or ordinary shares, as described under “Taxation—People’s Republic of China Tax Considerations.” If we are deemed to be a PRC tax resident enterprise, we may, however, be eligible for the benefits of the Treaty. If we are eligible for such benefits, dividends we pay on our ordinary shares, regardless of whether such shares are represented by our ADSs, may be eligible for the reduced rates of taxation applicable to qualified dividend income, as discussed above.

Dividends will generally be treated as income from foreign sources for U.S. foreign tax credit purposes and will generally constitute passive category income. Depending on the United States Holder’s individual facts and circumstances, a United States Holder may be eligible, subject to a number of complex limitations, to claim a foreign tax credit in respect of any foreign withholding taxes imposed on dividends received on our ADSs or ordinary shares. The rules governing the foreign tax credit are complex. Accordingly, United States Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances. A United States Holder who does not elect to claim a foreign tax credit for foreign tax withheld may instead claim a deduction, for U.S. federal income tax purposes, in respect of such withholding, but only for a year in which such holder elects to do so for all creditable foreign income taxes.

Sale or Other Disposition

Subject to the discussion below under “—Passive Foreign Investment Company Rules,” a United States Holder generally will recognize capital gain or loss upon the sale or other disposition of ADSs or ordinary shares in an amount equal to the difference between the amount realized upon the disposition and the holder’s adjusted tax basis in such ADSs or ordinary shares. Any capital gain or loss will be long-term if the ADSs or ordinary shares have been held for more than one year and generally will be U.S.-source gain or loss for U.S. foreign tax credit purposes. The deductibility of a capital loss may be subject to limitations. In the event that gain from the disposition of the ADSs or ordinary shares is subject to tax in the PRC, such gain may be treated as PRC-source gain under the Treaty. United States Holders are urged to consult their tax advisors regarding the tax consequences if a foreign tax is imposed on a disposition of our ADSs or ordinary shares, including the availability of the foreign tax credit under their particular circumstances.

Passive Foreign Investment Company Rules

Based on the projected composition of our income and valuation of our assets, including goodwill (whose valuation may be based on the market value of our ADSs from time to time), we do not expect to be a PFIC for our current taxable year, and we do not expect to become one in the foreseeable future, although there can be no assurance in this regard.

In general, we will be a PFIC for any taxable year in which:

- at least 75% of our gross income is passive income; or
- at least 50% of the value (determined on the basis of a quarterly average) of our assets is attributable to assets that produce or are held for the production of passive income.

For this purpose, passive income generally includes dividends, interest, royalties and rents (other than royalties and rents derived in the active conduct of a trade or business and not derived from a related person). Additionally, for this purpose, cash is categorized as a passive asset and a company’s goodwill associated with active business activity is taken into account as a non-passive asset. If we own at least 25% (by value) of the stock of another corporation, we will be treated, for purposes of the PFIC tests, as owning our proportionate share of the other corporation’s assets and receiving our proportionate share of the other corporation’s income.

Although the law in this regard is unclear, we treat our consolidated affiliates as being owned by us for United States federal income tax purposes, not only because we exercise effective control over the operation of such entities but also because we are entitled to substantially all of their economic benefits, and, as a result, we consolidate their results of operation in our financial statements. If it were determined, however, that we are not the owner of any of our consolidated affiliates for United States federal income tax purposes, the composition of our income and assets would change and we may be a PFIC for the current or any subsequent taxable year.

The determination of whether we are a PFIC is made annually. Accordingly, it is possible that we may be a PFIC in the current or any future taxable year due to changes in our asset or income composition. Because we have valued our goodwill based on the projected market value of our equity, a decrease in the price of our ADSs in any taxable year may also result in our becoming a PFIC. The composition of our income and our assets will also be affected by how, and how quickly, we use the proceeds from this offering. Under circumstances where the cash is not deployed for active purposes, our risk of becoming a PFIC may increase. If we are a PFIC for any taxable year during which you hold our ADSs or ordinary shares, you will be subject to special tax rules discussed below.

If we are a PFIC for any taxable year during which you hold our ADSs or ordinary shares, you will be subject to special tax rules with respect to any “excess distribution” received and any gain realized from a sale or other disposition, including, in some circumstances, a pledge, of ADSs or ordinary shares. Distributions received in a taxable year that are greater than 125% of the average annual distributions received during the shorter of the three preceding taxable years or your holding period for the ADSs or ordinary shares will be treated as excess distributions. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over your holding period for the ADSs or ordinary shares;
- the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which we were a PFIC, will be treated as ordinary income; and
- the amount allocated to each other year will be subject to tax at the highest tax rate in effect for that year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

In addition, non-corporate United States Holders will not be eligible for reduced rates of taxation on any dividends received from us if we are a PFIC in the taxable year in which such dividends are paid or in the preceding taxable year.

If we were a PFIC for any taxable year during which you hold our ADSs or ordinary shares and any of our non-United States subsidiaries was also a PFIC, you would be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules. You are urged to consult your tax advisors about the application of the PFIC rules to any of our subsidiaries.

As an alternative to the foregoing rules, a United States Holder of “marketable stock” in a PFIC may make a mark-to-market election with respect to such stock, provided that such stock is “regularly traded.” For those purposes, our ADSs, but not our ordinary shares, will be treated as marketable stock upon their listing on the Nasdaq. However, no assurances may be given that the ADSs will be regularly traded at all times. If a United States Holder makes this election, the holder will generally (i) include as ordinary income for each taxable year that we are a PFIC the excess, if any, of the fair market value of the ADSs held at the end of the taxable year over the adjusted tax basis of such ADSs held at the end of the taxable year and (ii) deduct as an ordinary loss the excess, if any of the adjusted tax basis of the ADSs over the fair market value of such ADSs held at the end of the taxable year, but such deduction will only be allowed to the extent of the amount previously included in income as a result of the mark-to-market election. If a United States Holder makes a mark-to-market election in respect of a corporation classified as a PFIC and such corporation ceases to be classified as a PFIC, the holder will not be

required to take into account the gain or loss described above during any period that such corporation is not classified as a PFIC. If a United States Holder makes a mark-to-market election, any gain such United States Holder recognizes upon the sale or other disposition of our ADSs in a year when we are a PFIC will be treated as ordinary income and any loss will be treated as ordinary loss, but such loss will only be treated as ordinary loss to the extent of the net amount previously included in income as a result of the mark-to-market election. If you make a mark-to-market election it will be effective for the taxable year for which the election is made and all subsequent taxable years unless the ADSs are no longer regularly traded on a qualified exchange or the Internal Revenue Service consents to the revocation of the election. You are urged to consult your tax advisor about the availability of the mark-to-market election, and whether making the election would be advisable in your particular circumstances.

Because, as a technical matter, a mark-to-market election cannot be made for any lower-tier PFICs that we may own, a United States Holder may continue to be subject to the PFIC rules with respect to such United States Holder's indirect interest in any investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes.

We do not intend to provide the information United States Holders would need to make a qualified electing fund election for the current taxable year, and as such the qualified electing fund election has not been and will not be available to United States Holders.

You will generally be required to file Internal Revenue Service Form 8621 if you hold our ADSs or ordinary shares in any year in which we are classified as a PFIC. You are urged to consult your tax advisors concerning the United States federal income tax consequences of holding ADSs or ordinary shares if we are considered a PFIC in any taxable year.

Information Reporting and Backup Withholding

In general, information reporting will apply to dividends in respect of our ADSs or ordinary shares and the proceeds from the sale, exchange or redemption of our ADSs or ordinary shares that are paid to you within the United States (and in certain cases, outside the United States), unless you are an exempt recipient. A backup withholding rules may apply to such payments if you fail to provide a taxpayer identification number or certification of other exempt status or, in the case of dividend payments, if you fail to report in full dividend and interest income.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your United States federal income tax liability provided the required information is furnished to the Internal Revenue Service in a timely manner.

Certain United States Holders are required to report information relating to ADSs or ordinary shares, subject to certain exceptions (including an exception for ADSs or ordinary shares held in accounts maintained by certain financial institutions). You are urged to consult your own tax advisors regarding information reporting requirements relating to your ownership of the ADSs or ordinary shares.

UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement dated , we and the selling shareholders have agreed to sell to the underwriters named below, for whom Morgan Stanley & Co. International plc and Credit Suisse Securities (USA) LLC are acting as representatives, the following respective numbers of shares of ADSs:

Underwriter	Number of ADSs
Morgan Stanley & Co. International plc	
Credit Suisse Securities (USA) LLC	
Total	

The underwriting agreement provides that the underwriters are obligated to purchase all ADSs in the offering if any are purchased, other than those ADSs covered by the over-allotment option described below. The underwriting agreement also provides that if an underwriter defaults the purchase commitments of non-defaulting underwriters may be increased or the offering may be terminated.

We and the selling shareholders have agreed to indemnify the underwriters and certain of their controlling persons against certain liabilities, including liabilities under the Securities Act, and to contribute to payments that the underwriters may be required to make in respect of those liabilities.

The selling shareholders have granted to the underwriters a 30-day option to purchase on a pro rata basis up to additional ADSs from us at the initial public offering price less the underwriting discounts and commissions. The option may be exercised only to cover any over-allotments of ADSs.

The underwriters propose to offer ADSs initially at the public offering price on the cover page of this prospectus and to selling group members at that price less a selling concession of $ per ADS. The underwriters and selling group members may allow a discount of $ per ADS on sales to other broker/dealers. After the initial public offering the underwriters may change the public offering price and concession and discount to broker/dealers.

We will pay underwriting discounts and commissions and offering expenses payable by us, including all of the underwriting discounts and commissions of the selling shareholders. The following table summarizes the compensation and estimated expenses we will pay:

	Per ADS		Total	
	Without Over-allotment	With Over-allotment	Without Over-allotment	With Over-allotment
Underwriting Discounts and Commissions paid by us	$	$	$	$
Expenses payable by us	$	$	$	$

[We have agreed that we will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the Securities and Exchange Commission a registration statement under the Securities Act relating to, any ADSs, our ordinary shares or securities convertible into or exchangeable or exercisable for any ADSs or our ordinary shares, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, without the prior written consent of Morgan Stanley & Co. International plc and Credit Suisse Securities (USA) LLC for a period of [180] days after the date of this prospectus , except issuances pursuant to the exercise of employee stock options outstanding on the date hereof or pursuant to our dividend reinvestment plan.]

[We and the selling shareholders have also agreed to reimburse the underwriters up to $ for certain out-of-pocket expenses.]

[Our officers, directors, [the shareholders and certain option holders] have agreed that they will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any ADSs, our ordinary shares or securities convertible into or exchangeable or exercisable for any ADSs or our ordinary shares, enter into a transaction that would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of ADSs or our ordinary shares, whether any of these transactions are to be settled by delivery of ADSs or our ordinary shares or other securities, in cash or otherwise, or publicly disclose the intention to make any offer, sale, pledge or disposition, or to enter into any transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of Morgan Stanley & Co. International plc and Credit Suisse Securities (USA) LLC and for a period of [180] days after the date of this prospectus.]

We have applied to list our ADSs on the Nasdaq.

[In connection with the listing of ADSs on the Nasdaq, the underwriters will undertake to sell round lots of 100 shares or more to a minimum of beneficial owners.]

Prior to this offering, there has been no public market for the ADSs. The initial public offering price was determined by negotiations among us and the representatives and will not necessarily reflect the market price of the ADSs following this offering. The principal factors that were considered in determining the initial public offering price included:

- the information presented in this prospectus and otherwise available to the underwriters;
- the history of, and prospects for, the industry in which we will compete;
- the ability of our management;
- the prospects for our future earnings;
- the present state of our development, results of operations and our current financial condition;
- the general condition of the securities markets at the time of this offering; and
- the recent market prices of, and the demand for, publicly traded common stock of generally comparable companies.

We cannot assure you that the initial public offering price will correspond to the price at which the ADSs will trade in the public market subsequent to this offering or that an active trading market for the ADSs will develop and continue after this offering.

In connection with the offering the underwriters may engage in stabilizing transactions, over-allotment transactions, syndicate covering transactions, penalty bids and passive market making in accordance with Regulation M under the Exchange Act.

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- Over-allotment involves sales by the underwriters of ADSs in excess of the number of ADSs the underwriters are obligated to purchase, which creates a syndicate short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of ADSs over-allotted by the underwriters is not greater than the number of ADSs that they may purchase in the over-allotment option. In a naked short position, the number of ADSs involved is greater than the number of ADSs in the over-allotment option. The underwriters may close out any covered short position by either exercising their over-allotment option and/or purchasing ADSs in the open market.
- Syndicate covering transactions involve purchases of ADSs in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of ADSs to

close out the short position, the underwriters will consider, among other things, the price of ADSs available for purchase in the open market as compared to the price at which they may purchase ADSs through the over-allotment option. If the underwriters sell more ADSs than could be covered by the over-allotment option, a naked short position, the position can only be closed out by buying ADSs in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the ADSs in the open market after pricing that could adversely affect investors who purchase in the offering.

- Penalty bids permit the representatives to reclaim a selling concession from a syndicate member when the common stock originally sold by the syndicate member is purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.
- In passive market making, market makers in the ADSs who are underwriters or prospective underwriters may, subject to limitations, make bids for or purchases of our ADSs until the time, if any, at which a stabilizing bid is made.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our ADSs or preventing or retarding a decline in the market price of the ADSs. As a result the price of our ADSs may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the Nasdaq or otherwise and, if commenced, may be discontinued at any time.

A prospectus in electronic format may be made available on the web sites maintained by one or more of the underwriters, or selling group members, if any, participating in this offering and one or more of the underwriters participating in this offering may distribute prospectuses electronically. The representatives may agree to allocate a number of ADSs to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the underwriters and selling group members that will make Internet distributions on the same basis as other allocations.

The underwriters and their respective affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. These investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Selling Restrictions

Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission, or ASIC, in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001, or the Corporations Act, and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act. Any offer in

Australia of the ADSs may only be made to persons, or the Exempt Investors, who are “sophisticated investors” (within the meaning of section 708(8) of the Corporations Act), “professional investors” (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the ADSs without disclosure to investors under Chapter 6D of the Corporations Act. The ADSs applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring ADSs must observe such Australian on-sale restrictions. This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any ADSs recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

Canada

The securities may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the securities must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts, or NI 33-105, the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Cayman Islands

This prospectus does not constitute an invitation or offer to the public in the Cayman Islands of the ADSs, whether by way of sale or subscription. The underwriters have not offered or sold, and will not offer or sell, directly or indirectly, any ADSs in the Cayman Islands.

Dubai International Financial Center

This document relates to an exempt offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority. This document is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with exempt offers. The Dubai Financial Services Authority has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it. The ADSs which are the subject of the offering contemplated by this document may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the ADSs offered should conduct their own due diligence on the ADSs. If you do not understand the contents of this document you should consult an authorized financial advisor.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each underwriter represents and agrees that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, it has not made and will not make an offer of ADSs which are the subject of the offering contemplated by this prospectus to the public in that Relevant Member State other than:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of ADSs shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to any ADSs in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the ADSs to be offered so as to enable an investor to decide to purchase or subscribe the ADSs, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

France

Neither this prospectus nor any other offering material relating to the ADSs described in this prospectus has been submitted to the clearance procedures of the Autorité des Marchés Financiers or of the competent authority of another member state of the European Economic Area and notified to the Autorité des Marchés Financiers. The ADSs have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France. Neither this prospectus nor any other offering material relating to the ADSs has been or will be:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 100 or, if the relevant member state has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by us for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,
- released, issued, distributed or caused to be released, issued or distributed to the public in France; or
- used in connection with any offer for subscription or sale of the ADSs to the public in France.

Such offers, sales and distributions will be made in France only:

- to qualified investors (*investisseurs qualifiés)* and/or to a restricted circle of investors (*cercle restreint d’inve*stisseurs), in each case investing for their own account, all as defined in, and in accordance with articles L.411-2, D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the French Code monétaire et financier;
- to investment services providers authorized to engage in portfolio management on behalf of third parties; or

- in a transaction that, in accordance with article L.411-2-II-1° -or-2° -or 3° of the French Code monétaire et financier and article 211-2 of the General Regulations (*Règlement Général*) of the Autorité des Marchés Financiers, does not constitute a public offer (*appel public à l'épargne*).

The ADSs may be resold directly or indirectly, only in compliance with articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French Code monétaire et financier.

Germany

This prospectus does not constitute a Prospectus Directive-compliant prospectus in accordance with the German Securities Prospectus Act (*Wertpapierprospektgesetz*) and does therefore not allow any public offering in the Federal Republic of Germany, or Germany, or any other Relevant Member State pursuant to § 17 and § 18 of the German Securities Prospectus Act. No action has been or will be taken in Germany that would permit a public offering of the ADSs, or distribution of a prospectus or any other offering material relating to the ADSs. In particular, no securities prospectus (Wertpapierprospekt) within the meaning of the German Securities Prospectus Act or any other applicable laws of Germany, has been or will be published within Germany, nor has this prospectus been filed with or approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) for publication within Germany.

Each underwriter will represent, agree and undertake, (i) that it has not offered, sold or delivered and will not offer, sell or deliver the ADSs within Germany other than in accordance with the German Securities Prospectus Act (Wertpapierprospektgesetz) and any other applicable laws in Germany governing the issue, sale and offering of ADSs, and (ii) that it will distribute in Germany any offering material relating to the ADSs only under circumstances that will result in compliance with the applicable rules and regulations of Germany.

This prospectus is strictly for use of the person who has received it. It may not be forwarded to other persons or published in Germany.

Hong Kong

The ADSs may not be offered or sold in Hong Kong by means of any document other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong and any rules made under that Ordinance, or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap.32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the ADSs may be issued or may be in the possession of any person for the purpose of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to ADSs which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Israel

This prospectus does not constitute a prospectus under the Israeli Securities Law, 5728-1968, and has not been filed with or approved by the Israel Securities Authority. In Israel, this prospectus is being distributed only to, and is directed only at, investors listed in the first addendum, or the Addendum, to the Israeli Securities Law, consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange, underwriters purchasing for their own account, venture capital funds, entities with equity in excess of NIS 50 million and qualified individuals, each as defined in the Addendum (as it may be amended from time to time), collectively referred to as qualified investors. Qualified investors may be required to submit written confirmation that they meet the criteria for one of the categories of investors set forth in the prospectus.

Italy

The offering of ADSs has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("CONSOB") pursuant to Italian securities legislation and, accordingly, no ADSs may be offered, sold or delivered, nor copies of this prospectus or any other documents relating to the ADSs may not be distributed in Italy except:

- to "qualified investors," as referred to in Article 100 of Legislative Decree No. 58 of February 24, 1998, as amended, or the Decree No. 58, and defined in Article 26, paragraph 1, letter d) of CONSOB Regulation No. 16190 of October 29, 2007, as amended ("Regulation No. 16190") pursuant to Article 34-ter, paragraph 1, letter. b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("Regulation No. 11971"); or
- in any other circumstances where an express exemption from compliance with the offer restrictions applies, as provided under Decree No. 58 or Regulation No. 11971.

Any offer, sale or delivery of the ADSs or distribution of copies of this prospectus or any other documents relating to the ADSs in the Republic of Italy must be:

- made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of September 1, 1993, as amended, or the Banking Law, Decree No. 58 and Regulation No. 16190 and any other applicable laws and regulations;
- in compliance with Article 129 of the Banking Law, and the implementing guidelines of the Bank of Italy, as amended; and
- in compliance with any other applicable notification requirement or limitation which may be imposed, from time to time, by CONSOB or the Bank of Italy or other competent authority.

Please note that, in accordance with Article 100-bis of Decree No. 58, where no exemption from the rules on public offerings applies, the subsequent distribution of the ADSs on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under Decree No. 58 and Regulation No. 11971.

Furthermore, ADSs which are initially offered and placed in Italy or abroad to qualified investors only but in the following year are regularly ("sistematicamente") distributed on the secondary market in Italy to non-qualified investors become subject to the public offer and the prospectus requirement rules provided under Decree No. 58 and Regulation No. 11971. Failure to comply with such rules may result in the sale of the ADSs being declared null and void and in the liability of the intermediary transferring the ADSs for any damages suffered by such non-qualified investors.

Japan

The ADSs have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

PRC

This prospectus has not been and will not be circulated or distributed in the PRC, and the ADSs may not be offered or sold, and will not be offered or sold, directly or indirectly, to any resident of the PRC or to persons for

re-offering or resale, directly or indirectly, to any resident of the PRC except pursuant to applicable laws and regulations of the PRC. For the purpose of this paragraph, the PRC does not include Taiwan and the Special Administrative Regions of Hong Kong and Macao.

Qatar

The ADSs have not been and will not be offered, sold or delivered at any time, directly or indirectly, in the State of Qatar ("Qatar") in a manner that would constitute a public offering. This prospectus has not been reviewed or approved by or registered with the Qatar Central Bank, the Qatar Exchange or the Qatar Financial Markets Authority. This prospectus is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of ADSs may not be circulated or distributed, nor may the ADSs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than

- to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA,
- to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or
- otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.
- Where the ADSs are subscribed or purchased under Section 275 of the SFA by a relevant person which is:
- a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the ADSs pursuant to an offer made under Section 275 of the SFA except:

  (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

  (ii) where no consideration is or will be given for the transfer;

  (iii) where the transfer is by operation of law;

  (iv) as specified in Section 276(7) of the SFA; or

  (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Switzerland

This document is not intended to constitute an offer or solicitation to purchase or invest in the ADSs described herein. The ADSs may not be publicly offered, sold or advertised, directly or indirectly, in, into or

from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the ADSs constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland, and neither this document nor any other offering or marketing material relating to the ADSs may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, nor the Company nor the ADSs have been or will be filed with or approved by any Swiss regulatory authority. The ADSs are not subject to the supervision by any Swiss regulatory authority, e.g., the Swiss Financial Markets Supervisory Authority FINMA, and investors in the ADSs will not benefit from protection or supervision by such authority.

Taiwan

The ADSs have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be offered or sold in Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or relevant laws and regulations that require a registration, filing or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer or sell the ADSs in Taiwan.

United Arab Emirates (Excluding the Dubai International Financial Center)

The ADSs have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates, or U.A.E., other than in compliance with the laws of the U.A.E. Prospective investors in the Dubai International Financial Centre should have regard to the specific selling restrictions on prospective investors in the Dubai International Financial Centre set out below.

The information contained in this prospectus does not constitute a public offer of ADSs in the U.A.E. in accordance with the Commercial Companies Law (Federal Law No. 8 of 1984 of the U.A.E., as amended) or otherwise and is not intended to be a public offer. This prospectus has not been approved by or filed with the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or the Dubai Financial Services Authority, or DFSA. If you do not understand the contents of this prospectus, you should consult an authorized financial adviser. This prospectus is provided for the benefit of the recipient only, and should not be delivered to, or relied on by, any other person.

United Kingdom

Each of the underwriters severally represents warrants and agrees as follows:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, or FSMA, received by it in connection with the issue or sale of the ADSs in circumstances in which Section 21 of the FSMA does not apply to us; and
- it has complied with, and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the ADSs in, from or otherwise involving the United Kingdom.

EXPENSES RELATED TO THIS OFFERING

Set forth below is an itemization of the total expenses, excluding underwriting discounts and commissions, that are expected to be incurred in connection with the offer and sale of the ADSs by us and the selling shareholders. With the exception of the SEC registration fee, the Nasdaq listing fee and the Financial Industry Regulatory Authority filing fee, all amounts are estimates.

SEC registration fee	US$
Financial Industry Regulatory Authority filing fee	
Nasdaq listing fee	
Printing and engraving expenses	
Accounting fees and expenses	
Legal fees and expenses	
Miscellaneous	
Total	US$

These expenses will be borne by us, except for underwriting discounts and commissions, which will be borne by us and the selling shareholders in proportion to the numbers of ADSs sold in the offering by us and the selling shareholders, respectively.

LEGAL MATTERS

The validity of the ADSs and certain other legal matters with respect to U.S. federal and New York State law in connection with this offering will be passed upon for us by Kirkland & Ellis International LLP. Certain legal matters with respect to U.S. federal and New York State law in connection with this offering will be passed upon for the underwriters by Davis Polk & Wardwell LLP. The validity of the ordinary shares represented by the ADSs offered in this offering and other certain legal matters as to Cayman Islands law will be passed upon for us by Maples and Calder (Hong Kong) LLP. Legal matters as to PRC law will be passed upon for us by Haiwen & Partners and for the underwriters by Fangda Partners. Kirkland & Ellis International LLP may rely upon Maples and Calder (Hong Kong) LLP with respect to matters governed by Cayman Islands law and Haiwen & Partners with respect to matters governed by PRC law. Davis Polk & Wardwell LLP may rely upon Fangda Partners with respect to matters governed by PRC law.

EXPERTS

The consolidated financial statements of RISE Education Cayman Ltd as of December 31, 2015 and 2016, and for each of the three years in the period ended December 31, 2016, appearing in this Prospectus and Registration Statement have been audited by Ernst & Young Hua Ming LLP, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The offices of Ernst & Young Hua Ming LLP are located at Oriental Plaza, No. 1 East Chang An Avenue, Dong Cheng District, Beijing 100738, China.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form F-1, including relevant exhibits, under the Securities Act with respect to the underlying ordinary shares represented by the ADSs to be sold in this offering. We have also filed with the SEC a related registration statement on Form F-6 to register the ADSs. This prospectus, which constitutes a part of the registration statement on Form F-1, does not contain all of the information contained in the registration statement. You should read our registration statements and their exhibits and schedules for further information with respect to us and the ADSs.

Immediately upon the effectiveness of the registration statement to which this prospectus is a part, we will become subject to periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers. Accordingly, we will be required to file reports, including annual reports on Form 20-F, and other information with the SEC. As a foreign private issuer, we are exempt from the rules of the Exchange Act prescribing, among other things, the furnishing and content of proxy statements to shareholders, and Section 16 short swing profit reporting for our executive officers and directors and for holders of more than 10% of our ordinary shares.

All information filed with the SEC can be obtained over the Internet at the SEC's website at www.sec.gov or inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. You can request copies of these documents, upon payment of a duplicating fee, by writing to the SEC. Please call the SEC at 1-800-SEC-0330 or visit the SEC website for further information on the operation of the public reference rooms.

RISE EDUCATION CAYMAN LTD

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of RISE Education Cayman Ltd

We have audited the accompanying consolidated balance sheets of RISE Education Cayman Ltd as of December 31, 2015 and 2016, and the related consolidated statements of consolidated statements of (loss)/income, comprehensive (loss)/income, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2016. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of RISE Education Cayman Ltd at December 31, 2015 and 2016, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2016, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young Hua Ming LLP
Beijing, the People's Republic of China
July 28, 2017

RISE EDUCATION CAYMAN LTD

CONSOLIDATED BALANCE SHEETS

(Amounts in thousands of Renminbi ("RMB") and U.S. dollars ("US$"), except for number of shares and per share data)

	Notes	As at December 31, 2015 RMB	2016 RMB	2016 US$
ASSETS				
Current assets:				
Cash and cash equivalents		517,436	639,999	94,405
Restricted cash		4,712	16,689	2,462
Short-term investments		1,033	—	—
Inventories		5,963	5,533	816
Prepayments and other current assets	5	24,080	45,517	6,714
Total current assets		**553,224**	**707,738**	**104,397**
Non-current assets:				
Property and equipment, net	6	70,860	75,673	11,162
Intangible assets, net	7	244,798	225,951	33,330
Goodwill	8	444,412	461,686	68,102
Deferred tax assets	11	374	4,087	603
Other non-current assets		22,070	25,163	3,712
Total non-current assets		**782,514**	**792,560**	**116,909**
Total assets		**1,335,738**	**1,500,298**	**221,306**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities (including current liabilities of the VIEs without recourse to the Company amounting to RMB533,607 and RMB660,446 (US$97,421) as of December 31, 2015 and 2016, respectively):				
Current portion of long-term loan	10	—	38,186	5,633
Accounts payable		2,938	4,068	600
Accrued expenses and other current liabilities	9	73,172	96,158	14,184
Deferred revenue and customer advances		489,918	601,324	88,700
Income taxes payable	11	5,398	23,630	3,486
Total current liabilities		**571,426**	**763,366**	**112,603**

The accompanying notes are an integral part of the consolidated financial statements.

RISE EDUCATION CAYMAN LTD

CONSOLIDATED BALANCE SHEETS (Continued)

(Amounts in thousands of Renminbi ("RMB") and U.S. dollars ("US$"), except for number of shares and per share data)

	Notes	As at December 31, 2015 RMB	2016 RMB	2016 US$
Non-current liabilities (including non-current liabilities of the VIEs without recourse to the Company amounting to RMB6,510 and RMB4,271 (US$630) as of December 31, 2015 and 2016, respectively)				
Long-term loan	10	—	333,102	49,135
Deferred tax liabilities	11	4,120	3,070	453
Other non-current liabilities	11	8,867	2,333	344
Total non-current liabilities		**12,987**	**338,505**	**49,932**
Total liabilities		**584,413**	**1,101,871**	**162,535**
Commitments and contingencies	16			
Shareholders' equity:				
Ordinary shares (US$0.01 par value; 200,000,000 shares authorized, 100,000,000 shares issued and outstanding as of December 31, 2015 and 2016, respectively)		6,120	6,120	903
Additional paid-in capital		878,385	452,369	66,728
Statutory reserves	13	25,870	32,511	4,796
Accumulated deficit		(181,546)	(134,264)	(19,805)
Accumulated other comprehensive income	17	28,189	50,464	7,444
Total RISE Education Cayman Ltd shareholders' equity		**757,018**	**407,200**	**60,066**
Non-controlling interests		(5,693)	(8,773)	(1,295)
Total equity		**751,325**	**398,427**	**58,771**
Total liabilities, non-controlling interests and shareholders' equity		**1,335,738**	**1,500,298**	**221,306**

The accompanying notes are an integral part of the consolidated financial statements.

RISE EDUCATION CAYMAN LTD

CONSOLIDATED STATEMENTS OF (LOSS)/INCOME

(Amounts in thousands of Renminbi ("RMB") and U.S. dollars ("US$"), except for number of shares and per share data)

	Notes	For the years ended December 31,			
		2014	2015	2016	2016
		RMB	RMB	RMB	US$
Revenues	4	406,705	529,469	710,993	104,877
Cost of revenues		(295,097)	(346,671)	(363,579)	(53,631)
Gross profit		**111,608**	**182,798**	**347,414**	**51,246**
Operating expenses:					
Selling and marketing		(74,368)	(96,688)	(128,475)	(18,951)
General and administrative		(122,791)	(135,603)	(148,093)	(21,845)
Total operating expenses		**(197,159)**	**(232,291)**	**(276,568)**	**(40,796)**
Operating (loss)/income		**(85,551)**	**(49,493)**	**70,846**	**10,450**
Interest income		7,150	17,853	16,622	2,452
Interest expense		—	—	(6,073)	(896)
Foreign currency exchange loss		(27)	(1,473)	(2,741)	(404)
Other income, net		74	253	4,391	648
(Loss)/income before income tax expense		**(78,354)**	**(32,860)**	**83,045**	**12,250**
Income tax benefit/(expense)	11	5,685	1,119	(32,202)	(4,750)
Net (loss)/income		**(72,669)**	**(31,741)**	**50,843**	**7,500**
Add: Net loss attributable to non-controlling interests		7,497	5,456	3,080	454
Net (loss)/income attributable to RISE Education Cayman Ltd		**(65,172)**	**(26,285)**	**53,923**	**7,954**
Net (loss)/income per share:					
Basic and diluted	14	(0.65)	(0.26)	0.54	0.08
Shares used in net (loss)/income per share computation:					
Basic and diluted	14	100,000,000	100,000,000	100,000,000	

The accompanying notes are an integral part of the consolidated financial statements.

RISE EDUCATION CAYMAN LTD

CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS)/ INCOME

(Amounts in thousands of Renminbi ("RMB") and U.S. dollars ("US$"), except for number of shares and per share data)

	For the years ended December 31,			
	2014	2015	2016	2016
	RMB	RMB	RMB	US$
Net (loss)/income	**(72,669)**	**(31,741)**	**50,843**	**7,500**
Other comprehensive income, net of tax of nil:				
Foreign currency translation adjustments	11,548	21,124	22,275	3,286
Other comprehensive income	**11,548**	**21,124**	**22,275**	**3,286**
Comprehensive (loss)/income	**(61,121)**	**(10,617)**	**73,118**	**10,786**
Add: comprehensive loss attributable to non-controlling interests	7,497	5,456	3,080	454
Comprehensive (loss)/income attributable to RISE Education Cayman Ltd	**(53,624)**	**(5,161)**	**76,198**	**11,240**

The accompanying notes are an integral part of the consolidated financial statements.

RISE EDUCATION CAYMAN LTD

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Amounts in thousands of Renminbi ("RMB") and U.S. dollars ("US$"), except for number of shares)

	Ordinary shares (Number)	Ordinary shares (Amount)	Additional paid-in capital	Statutory reserves	Accumulated deficit	Accumulative other comprehensive (loss)/income	Total RISE Education Cayman Ltd shareholder's equity	Non-controlling interests	Total shareholders' equity
Balance at January 1, 2014	100,000,000	6,120	881,303	18,957	(83,176)	(4,483)	818,721	324	819,045
Appropriation of statutory reserves	—	—	—	5,244	(5,244)	—	—	—	—
Purchase of non-controlling interest in a VIE's subsidiary*	—	—	(2,918)	—	—	—	(2,918)	2,918	—
Capital contribution from a non-controlling interest shareholder	—	—	—	—	—	—	—	3,920	3,920
Net loss	—	—	—	—	(65,172)	—	(65,172)	(7,497)	(72,669)
Other comprehensive income	—	—	—	—	—	11,548	11,548	—	11,548
Balance at December 31, 2014	100,000,000	6,120	878,385	24,201	(153,592)	7,065	762,179	(335)	761,844

* In 2014, the Group purchased all the outstanding equity interest held by the minority shareholder in a subsidiary of the VIE, which was accounted for as an equity transaction.

The accompanying notes are an integral part of the consolidated financial statements.

RISE EDUCATION CAYMAN LTD

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)

(Amounts in thousands of Renminbi ("RMB") and U.S. dollars ("US$"), except for number of shares)

	Ordinary shares (Number)	Ordinary shares (Amount)	Additional paid-in capital	Statutory reserves	Accumulated deficit	Accumulative other comprehensive (loss)/income	Total RISE Education Cayman Ltd shareholder's equity	Non-controlling interests	Total shareholders' equity
Balance at January 1, 2015	100,000,000	6,120	878,385	24,201	(153,592)	7,065	762,179	(335)	761,844
Appropriation of statutory reserves	—	—	—	1,669	(1,669)	—	—	—	—
Capital contribution from a non-controlling interest shareholder	—	—	—	—	—	—	—	98	98
Net loss	—	—	—	—	(26,285)	—	(26,285)	(5,456)	(31,741)
Other comprehensive income	—	—	—	—	—	21,124	21,124	—	21,124
Balance at December 31, 2015	100,000,000	6,120	878,385	25,870	(181,546)	28,189	757,018	(5,693)	751,325

The accompanying notes are an integral part of the consolidated financial statements.

RISE EDUCATION CAYMAN LTD

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)

(Amounts in thousands of Renminbi ("RMB") and U.S. dollars ("US$"), except for number of shares)

	Ordinary shares (Number)	Ordinary shares (Amount)	Additional paid-in capital	Statutory reserves	Accumulated deficit	Accumulative other comprehensive (loss)/income	Total RISE Education Cayman Ltd shareholder's equity	Non-controlling interests	Total shareholders' equity
Balance at January 1, 2016	100,000,000	6,120	878,385	25,870	(181,546)	28,189	757,018	(5,693)	751,325
Appropriation of statutory reserves	—	—	—	6,641	(6,641)	—	—	—	—
Distribution to shareholders*	—	—	(426,016)	—	—	—	(426,016)	—	(426,016)
Net income	—	—	—	—	53,923	—	53,923	(3,080)	50,843
Other comprehensive income	—	—	—	—	—	22,275	22,275	—	22,275
Balance at December 31, 2016	100,000,000	6,120	452,369	32,511	(134,264)	50,464	407,200	(8,773)	398,427
Balance at December 31, 2016 (US$)	100,000,000	903	66,728	4,796	(19,805)	7,444	60,066	(1,295)	58,771

* On April 21, 2016 and September 12, 2016, the Board of Directors approved cash distributions that was paid by the Company to the shareholders amounting to US$10,996 and US$53,000, respectively.

The accompanying notes are an integral part of the consolidated financial statements.

RISE EDUCATION CAYMAN LTD

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands of Renminbi ("RMB") and U.S. dollars ("US$"))

	For the years ended December 31,			
	2014	2015	2016	2016
	RMB	RMB	RMB	US$
CASH FLOWS FROM OPERATING ACTIVITIES				
Net (loss)/income	(72,669)	(31,741)	50,843	7,500
Adjustments to reconcile net (loss)/income to net cash used in operating activities:				
Depreciation and amortization expenses	100,322	91,507	69,822	10,299
Loss on disposal of equipment	66	485	16	2
Deferred income tax benefit	(22,330)	(11,997)	(4,763)	(703)
Changes in operating assets and liabilities:				
Restricted cash	(812)	(3,899)	(897)	(132)
Prepayments and other current assets	9,175	(2,716)	(16,756)	(2,472)
Inventories	1,851	1,520	430	63
Accounts payable	1,089	(659)	1,130	167
Accrued expenses and other current liabilities	(9,476)	11,922	20,520	3,027
Income taxes payable	751	(2,343)	17,959	2,649
Deferred revenue and customer advances	23,265	105,516	111,406	16,433
Other non-current assets	(10,162)	2,537	(3,093)	(456)
Other non-current liabilities	3,975	3,588	(6,534)	(963)
Net cash generated from operating activities	**25,045**	**163,720**	**240,083**	**35,414**
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of equipment	110	188	190	28
Purchase of property and equipment	(36,375)	(34,979)	(35,450)	(5,229)
Purchase of intangible assets	(4,249)	(8,409)	(8,317)	(1,227)
Purchase of short-term investments	(397,505)	(308,000)	(615,100)	(90,732)
Proceeds from maturity of short-term investments	391,505	312,967	616,133	90,884
Loans to a related party	—	(200,000)	(280,000)	(41,302)
Repayment of loans from a related party	—	200,000	280,000	41,302
Acquisition of subsidiary and schools, net of cash acquired	(263)	—	—	—
Net cash used in investing activities	**(46,777)**	**(38,233)**	**(42,544)**	**(6,276)**

The accompanying notes are an integral part of the consolidated financial statements.

RISE EDUCATION CAYMAN LTD

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(Amounts in thousands of Renminbi ("RMB") and U.S. dollars ("US$"))

	For the years ended December 31,			
	2014	2015	2016	2016
	RMB	RMB	RMB	US$
CASH FLOWS FROM FINANCING ACTIVITIES				
Change in restricted cash	—	—	(11,080)	(1,634)
Proceeds from long-term loan, net of arrangement fees	—	—	356,887	52,644
Capital contribution from a non-controlling interest shareholder	3,920	98	—	—
Distribution to shareholders	—	—	(426,016)	(62,841)
Net cash generated from/ (used in) financing activities	**3,920**	**98**	**(80,209)**	**(11,831)**
Effects of exchange rate changes	309	2,378	5,233	772
Net (decrease)/increase in cash and cash equivalents	(17,503)	127,963	122,563	18,079
Cash and cash equivalents at beginning of year	406,976	389,473	517,436	76,326
Cash and cash equivalents at end of year	**389,473**	**517,436**	**639,999**	**94,405**
Supplemental disclosures of cash flow information:				
Income taxes paid	(11,919)	(9,633)	(25,845)	(3,812)
Interest expense paid	—	—	(4,170)	(615)
Non-cash investing activities:				
Purchase of property and equipment included in accrued expenses and other current liabilities	(5,410)	(4,660)	(7,292)	(1,076)
Purchase of non-controlling interest in a VIE's subsidiary	(2,918)	—	—	—

The accompanying notes are an integral part of the consolidated financial statements.

RISE EDUCATION CAYMAN LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$")
except for number of shares and per share data)

1. ORGANIZATION AND BASIS OF PRESENTATION

RISE Education Cayman Ltd (the "Company") is a limited company incorporated in the Cayman Islands under the laws of Cayman Islands on July 16, 2013. On September 30, 2013 (the "Acquisition date"), the Company acquired from certain third-party sellers a junior English Language Training ("ELT") business (the "Acquisition").

The Company does not conduct any substantive operations on its own but instead conducts its primary business operations through its wholly-owned subsidiaries, the variable interest entity (the "VIE"), and the VIE's subsidiaries and schools, which are located in the People's Republic of China (the "PRC"). The VIE, the VIE's subsidiaries and schools, hereinafter are collectively referred to as the "VIEs". The accompanying consolidated financial statements include the financial statements of the Company, its wholly-owned subsidiaries and the VIEs (hereinafter collectively referred to as the "Group").

The Group is principally engaged in the business of providing junior ELT services in the PRC primarily under the "RISE" brand. The Group offers a wide range of educational programs, services and products, consisting primarily of educational courses, sale of course materials, franchise services, and study tours.

As of December 31, 2016, details of the Company's subsidiaries, the VIE and the VIE's subsidiaries and schools are as follows:

Name	Date of establishment	Place of establishment	Percentage of equity interest attributable to the Company	Principal activity
Subsidiaries of the Company:				
RISE Education Cayman III Ltd ("Cayman III")	July 29, 2013	Cayman Islands	100%	Investment holding
RISE Education Cayman I Ltd ("Cayman")	June 19, 2013	Cayman Islands	100%	Investment holding
Rise IP (Cayman) Limited ("Rise IP")	July 24, 2013	Cayman Islands	100%	Educational consulting
Bain Capital Rise Education (HK) Limited ("Rise HK")	June 24, 2013	Hong Kong	100%	Educational consulting
Rise (Tianjin) Education Information Consulting Co., Ltd. ("Rise Tianjin" or "WFOE")	August 12, 2013	PRC	100%	Educational consulting
VIE:				
Beijing Step Ahead Education Technology Development Co., Ltd.	January 2, 2008	PRC	—	Educational consulting
VIE's subsidiaries and schools:				
Beijing Haidian District Step Ahead Training School	September 18, 2008	PRC	—	Language education

RISE EDUCATION CAYMAN LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$")
except for number of shares and per share data)**

1. ORGANIZATION AND BASIS OF PRESENTATION (Continued)

Name	Date of establishment	Place of establishment	Percentage of equity interest attributable to the Company	Principal activity
Beijing Shijingshan District Step Ahead Training School	July 14, 2009	PRC	—	Language education
Beijing Changping District Step Ahead Training School	July 3, 2009	PRC	—	Language education
Beijing Chaoyang District Step Ahead Training School	July 20, 2009	PRC	—	Language education
Beijing Xicheng District RISE Immersion Subject English Training School	February 5, 2010	PRC	—	Language education
Beijing Dongcheng District RISE Immersion Subject English Training School	July 30, 2010	PRC	—	Language education
Beijing Tongzhou District RISE Immersion Subject English Training School	April 19, 2011	PRC	—	Language education
Beijing Daxing District RISE Immersion Subject English Training School	March 31, 2013	PRC	—	Language education
Beijing Fengtai District Step Ahead Training School	February 28, 2012	PRC	—	Language education
Shanghai Boyu Investment Management Co., Ltd.	January 29, 2012	PRC	—	Language education
Shanghai Riverdeep Education Information Consulting Co., Ltd.	March 8, 2010	PRC	—	Educational consulting services
Shanghai Huangpu District RISE Immersion Subject English Training School	June 17, 2011	PRC	—	Language education
Guangzhou Ruisi Education Technology Development Co., Ltd.	August 17, 2012	PRC	—	Training services
Guangzhou Yuexiu District RISE Immersion Subject English Training School	April 29, 2014	PRC	—	Language education
Guangzhou Haizhu District RISE Immersion Subject English Training School-Chigang	December 8, 2014	PRC	—	Language education

RISE EDUCATION CAYMAN LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$")
except for number of shares and per share data)**

1. ORGANIZATION AND BASIS OF PRESENTATION (Continued)

Name	Date of establishment	Place of establishment	Percentage of equity interest attributable to the Company	Principal activity
Shenzhen Mei Ruisi Education Management Co., Ltd.	February 28, 2014	PRC	—	Training services
Shenzhen Futian District Rise Training Center	January 8, 2015	PRC	—	Language education
Shenzhen Nanshan District Rise Training Center	May 26, 2015	PRC	—	Language education
Wuxi Rise Foreign Language Training Co., Ltd.	June 5, 2013	PRC	—	Training services

The VIE arrangements

PRC laws and regulations currently require any foreign entity that invests in the education business in China to be an educational institution with relevant experience in providing educational services outside China. The Group's offshore holding companies are not educational institutions and do not provide educational services outside China. Accordingly, the Group's offshore holding companies are not allowed to directly engage in the education business in China. To comply with PRC laws and regulations, the Group conducts all of its junior ELT business in China through the VIEs. The VIEs hold the requisite licenses and permits necessary to conduct the Group's junior ELT business. In addition, the VIEs hold leases and other assets necessary to operate the Group's schools, employ teachers and generate substantially all of the Group's revenues. Despite the lack of technical majority ownership, the Company has effective control of the VIE through a series of contractual arrangements (the "Contractual Agreements") and a parent-subsidiary relationship exists between the Company and the VIE. The equity interests of the VIE are legally held by PRC individuals (the "Nominee Shareholders"). Through the Contractual Agreements, the nominee shareholders of the VIE effectively assign all their voting rights underlying their equity interests in the VIE to the Company, and therefore, the Company has the power to direct the activities of the VIE that most significantly impact its economic performance. The Company also has the right to receive economic benefits from the VIE that potentially could be significant to the VIE. Based on the above, the Company consolidates the VIE in accordance with SEC Regulation SX-3A-02 and ASC810-10, *Consolidation: Overall.*

The following is a summary of the Contractual Agreements:

Proxy Agreement. Pursuant to the Proxy Agreement signed between the respective Nominee Shareholders and the WFOE, the Nominee Shareholders agreed to entrust to the WFOE an irrevocable proxy to exercise all of their voting rights as shareholders of the VIE and approve on behalf of the Nominee Shareholders, all related legal documents pertinent to the exercise of their rights in their capacity as the shareholders of the VIE. The WFOE is also entitled to transfer or assign its voting rights to any other person or entity at its own discretion and without giving prior notice to the Nominee Shareholders or obtaining their consent. The Proxy Agreement remains valid for as long as at least one of the Nominee Shareholders remains a shareholder of the VIE.

RISE EDUCATION CAYMAN LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$")
except for number of shares and per share data)**

1. ORGANIZATION AND BASIS OF PRESENTATION (Continued)

The VIE arrangements (Continued)

Loan Agreements. Pursuant to the Loan Agreements between the respective Nominee Shareholders and the WFOE, the WFOE granted interest-free loans to the Nominee Shareholders to acquire all the equity interests from the VIE's predecessor shareholders as part of the Acquisition. The loan has a term of ten years and the WFOE has the sole discretion to extend the loan. The Nominee Shareholders are not allowed to repay the loan in advance of the maturity date without the WFOE's prior written consent. The timing of the repayment is at the sole discretion of the WFOE and the repayment shall be in the form of transferring the VIE's equity interest to the WFOE or its designees unless the Nominee Shareholders are in breach of the agreement, in which the WFOE can request immediate repayment of the loans.

Call Option Agreement. Pursuant to the Call Option Agreement entered into between the Nominee Shareholders, the VIE and the WFOE, the Nominee Shareholders granted to the WFOE or its designees (i) an exclusive option to purchase, when and to the extent permitted under PRC laws, all or part of all equity interests in the VIE and (ii) an exclusive right to cause the Nominee Shareholders to transfer their equity interest in the VIE to the WFOE or any designated party. The WFOE has the sole discretion when to exercise the option, whether in part or full. The exercise price of the option to purchase all or part of the equity interests in the VIE will be the minimum amount of consideration permitted by the applicable PRC laws. Any proceeds received by the Nominee Shareholders from the exercise of the option exceeding the loan amount, distribution of profits or dividends, shall be remitted to the WFOE, to the extent permitted under PRC laws. The Call Option Agreement will remain in effect until all the equity interests held by the VIE are transferred to the WFOE or its designated party. The WFOE may terminate the Call Option Agreement at their sole discretion, whereas under no circumstances may the VIE or its Nominee Shareholders terminate in accordance with the agreement.

Business Cooperation Agreement. Pursuant to the Business Cooperation Agreement entered into among the WFOE, the VIE and the Nominee Shareholders, the VIE and Nominee Shareholders must appoint candidates designated by the WFOE as the VIE's board of directors and senior executives of the VIEs. In addition, without the prior written consent of WFOE, the VIE and Nominee Shareholders cannot carry out the following activities: (i) increase or decrease the registered capital of the VIEs; (ii) sell or dispose any assets or rights except in the ordinary course of business; (iii) open any new school; (iv) appoint or remove any management director, supervisor or senior executive; (v) enter into any transaction with its shareholders, directors or senior management; (vi) distribute any profits or other payments to its shareholders; (vii) amend its articles of association; (viii) provide any loans to any third parties; (ix) provide security or any other guarantee, (x) pledge or other rights and interests on any of its assets to third parties; or (xi) engage in any transaction that may materially affect their assets, obligations, rights or operations. The agreement has an initial term of ten years, which will be automatically extended for a successive ten year term upon expiration. Neither the VIE nor the Nominee Shareholders may unilaterally terminate this agreement. In June 2017, the agreement was supplemented such that the WFOE has the right to determine and adjust any service fees charged to the VIE at its sole discretion, effective from January 1, 2014.

Equity Pledge Agreement. Pursuant to the Equity Pledge Agreement entered into among the WFOE, the Nominee Shareholders and the VIE, the Nominee Shareholders pledged all of their equity interests in the VIE to the WFOE as collateral to secure their obligations under the above agreements. The Nominee Shareholders further undertake that they will remit any distributions in connection with such shareholder's equity interests in the VIE to the WFOE, to the extent permitted by PRC laws. If the VIE or any of its Nominee Shareholders

RISE EDUCATION CAYMAN LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$")
except for number of shares and per share data)**

1. ORGANIZATION AND BASIS OF PRESENTATION (Continued)

The VIE arrangements (Continued)

breach any of their respective contractual obligations under the above agreements, the WFOE, as the pledgee, will be entitled to certain rights, including the right to sell, transfer or dispose of the pledged equity interest. The Nominee Shareholders of the VIE agree not to create any encumbrance on or otherwise transfer or dispose of their respective equity interest in the VIE, without the prior consent of the WFOE. The Equity Pledge Agreement will be valid until the VIE and their respective shareholders fulfill all the contractual obligations under the above agreements in full and the pledged equity interests have been transferred to the WFOE and/or its designees.

Consulting Services Agreements. Rise HK has entered into Consulting Services Agreements with the WFOE and the VIE, respectively, under which Rise HK provides certain technical and business support services. In return, the WFOE and the VIE agree to pay service fees to Rise HK. The initial term of these agreements is five years, which can be automatically renewed for another five years, unless one party notifies the other party in writing of its intention not to renew within 30 days of expiration.

Service agreement. Pursuant to the Service Agreement, WFOE provides certain services to the VIE, including design of teaching plans, courseware development services and licensed use of the WFOE's business management system. In return, the VIE agrees to pay service fees to the WFOE. The initial term of the agreement is five years, which can be automatically renewed for another five years, unless terminated through mutual agreement of the parties. Neither the VIE nor the Nominee Shareholders may unilaterally terminate the agreement.

Comprehensive Services Agreements. Pursuant to Comprehensive Services Agreements entered into between the WFOE and each of the schools, the WFOE provides certain services to the schools, including design of teaching plans, courseware development services, licensed use of the WFOE's business management system and marketing and operating support services. In return, the schools agreed to pay service fees to WFOE as stipulated in the respective agreements. The initial term of each of these agreements is five years, which can be automatically renewed for another five years, unless terminated through mutual agreement of the parties.

License Agreements. Pursuant to the License Agreements entered into by the WFOE and the schools, the WFOE has licensed trademarks, courseware and other materials for their use in the PRC for an initial term of five years, which will be automatically extended for a successive five years upon expiration. The schools are required to pay royalties to the WFOE, which may be adjusted at the WFOE's sole discretion.

Spousal Consent Letters. Pursuant to the executed spousal consent letters, the spouses of the Nominee Shareholders of the VIE acknowledged that certain equity interests in the VIE held by and registered in the name of his or her spouse will be disposed pursuant to relevant arrangements under the Proxy Agreement, the Loan Agreement, the Call Option Agreement and the Equity Pledge Agreement. These spouses undertake not to take any action to interfere with the disposition of such equity interests, including, without limitation, claiming that such equity interests constitute communal marital property.

RISE EDUCATION CAYMAN LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$")
except for number of shares and per share data)**

1. ORGANIZATION AND BASIS OF PRESENTATION (Continued)

The VIE arrangements (Continued)

In November 2016, certain Contractual Agreements were supplemented to reflect a change in one of the Nominee Shareholders designated by Rise HK, and it was resolved that Rise HK through the WFOE held the irrevocable proxy to exercise all the voting rights of the shareholders of the VIE since the Proxy Agreement was in existence. As a result, Rise HK has the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and is the primary beneficiary of the VIE.

In June 2017, certain Contractual Arrangements were supplemented to reflect a change in one of the Nominee Shareholders designated by Rise HK.

Based on the opinion of the Company's PRC legal counsel, (i) the ownership structure of the Group, including its subsidiaries in the PRC and VIEs are in compliance with all existing PRC laws and regulations; and (ii) each of the Contractual Agreements among Rise HK, the WFOE, the VIEs and the Nominee Shareholders governed by PRC laws, are legal, valid and binding, enforceable against such parties, and will not result in any violation of PRC laws or regulations currently in effect.

However, uncertainties in the PRC legal system could cause the relevant regulatory authorities to find the current Contractual Agreements and businesses to be in violation of any existing or future PRC laws or regulations. If the Company, Rise HK, the WFOE or any of its current or future VIEs are found in violation of any existing or future laws or regulations, or fail to obtain or maintain any of the required permits or approvals, the relevant PRC regulatory authorities would have broad discretion in dealing with such violations, which may include, but not limited to, revocation of business and operating licenses, being required to discontinue or restrict its business operations, restriction of the Group's right to collect revenues, being required to restructure its operations, imposition of additional conditions or requirements with which the Group may not be able to comply, or other regulatory or enforcement actions against the Group that could be harmful to its business. The imposition of any of these or other penalties may result in a material and adverse effect on the Group's ability to conduct its business. In addition, if the imposition of any of these penalties causes the Company to lose the rights to direct the activities of the VIEs or the right to receive their economic benefits, the Company would no longer be able to consolidate the VIEs.

RISE EDUCATION CAYMAN LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$")
except for number of shares and per share data)**

1. ORGANIZATION AND BASIS OF PRESENTATION (Continued)

The following financial statement balances and amounts of the VIEs were included in the accompanying consolidated financial statements:

	As at December 31,		
	2015	2016	2016
	RMB	RMB	US$
Cash and cash equivalents	414,800	437,594	64,549
Restricted cash	4,712	5,609	827
Short-term investments	1,033	—	—
Inventories	465	1,605	237
Prepayments and other current assets	21,699	38,297	5,649
Amounts due from the Group's subsidiaries	46,824	63,897	9,425
Total current assets	489,533	547,002	80,687
Property and equipment, net	65,925	67,601	9,972
Intangible assets, net	23,033	1,740	257
Goodwill	145,781	145,781	21,504
Deferred tax assets	374	4,087	602
Other non-current assets	20,471	23,564	3,476
Total non-current assets	255,584	242,773	35,811
Total assets	745,117	789,775	116,498
Accounts payable	135	1,484	219
Accrued expenses and other liabilities	53,421	76,418	11,272
Deferred revenue and customer advances	479,079	581,215	85,734
Income taxes payable	972	1,329	196
Amounts due to the Group's subsidiaries	104,192	49,007	7,229
Total current liabilities	637,799	709,453	104,650
Deferred tax liabilities	4,120	2,527	373
Other non-current liabilities	2,390	1,744	257
Total non-current liabilities	6,510	4,271	630
Total liabilities	644,309	713,724	105,280

	For the Years ended December 31,			
	2014	2015	2016	2016
	RMB	RMB	RMB	US$
Revenues	394,099	503,256	673,264	99,312
Net loss	(96,250)	(51,138)	(24,532)	(3,619)
Net cash provided by operating activities	35,089	99,499	49,586	7,314
Net cash used in investing activities	(48,243)	(34,116)	(26,792)	(3,952)

RISE EDUCATION CAYMAN LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$")
except for number of shares and per share data)**

1. ORGANIZATION AND BASIS OF PRESENTATION (Continued)

The revenue-producing assets that are held by the VIEs comprise of property and equipment, student base and franchise agreements. The VIEs contributed an aggregate of 97%, 95% and 95% of the consolidated revenues for the years ended December 31, 2014, 2015 and 2016, respectively, after elimination of inter-company transactions.

As of December 31, 2016, there was no pledge or collateralization of the VIEs' assets that can only be used to settle obligations of the VIEs. Other than the amounts due to subsidiaries of the Group (which are eliminated upon consolidation), all remaining liabilities of the VIEs are without recourse to the Company. The Company did not provide nor intend to provide financial or other support not previously contractually required to the VIEs during the years presented.

Relevant PRC laws and regulations restrict the VIEs from transferring a portion of its net assets, equivalent to the balance of its paid-in capital and statutory reserves, to the Company in the form of loans and advances or cash dividends. Please refer to Note 13 for disclosure of restricted net assets.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements of the Group have been prepared in accordance with the accounting principles generally accepted in the United States of America ("US GAAP").

Principles of consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries, and the VIEs. All significant inter-company transactions and balances between the Company, its subsidiaries and the VIEs have been eliminated upon consolidation. Results of subsidiaries, businesses acquired from third parties and the VIEs are consolidated from the date on which control is obtained by the Company.

Use of estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and revenue and expenses in the consolidated financial statements and accompanying notes. Significant accounting estimates reflected in the Group's consolidated financial statements include valuation allowance for deferred tax assets, uncertain tax positions, economic lives and impairment of long-lived assets, impairment of goodwill, estimating the best estimate of selling price for each deliverable in the Group's revenue arrangements, and share-based compensation. Actual results could differ from those estimates.

Convenience translation

Amounts in U.S. dollars are presented for the convenience of the reader and are translated at the noon buying rate of RMB6.7793 per US$1.00 on June 30, 2017 in the City of New York for cable transfers of RMB as certified for customs purposes by the Federal Reserve Bank of New York. No representation is made that the RMB amounts could have been, or could be, converted into US$ at such rate.

RISE EDUCATION CAYMAN LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$")
except for number of shares and per share data)**

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currency

The functional currency of the Company and its non-PRC subsidiaries is the United States Dollars ("US$"). The Company's PRC subsidiaries and the VIEs determined their functional currency to be Renminbi (the "RMB"). The Group uses the RMB as its reporting currency.

Each entity in the Group maintains its financial records in its own functional currency. Transactions denominated in foreign currencies are measured at the exchange rates prevailing on the transaction dates. Monetary assets and liabilities denominated in foreign currencies are remeasured at the exchange rates prevailing at the balance sheet date. Non-monetary items that are measured in terms of historical cost in foreign currency are remeasured using the exchange rates at the dates of the initial transactions. Exchange gains and losses are included in the consolidated statements of (loss)/income.

The Company uses the average exchange rate for the year and the exchange rate at the balance sheet date to translate the operating results and financial position, respectively. Translation differences are recorded in accumulated other comprehensive (loss)/income, a component of shareholders' equity.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and highly liquid investments which are unrestricted as to withdrawal or use, and which have original maturities of three months or less when purchased.

Restricted cash

Restricted cash primarily represents deposits held in a designated bank account as security for the interest payments on the Group's long-term loan; and deposits restricted as to withdrawal or use under government regulations.

Short-term investments

The Group's short-term investments comprise primarily of cash deposits at floating rates based on daily bank deposit rates with original maturities ranging from over three months to six months.

Inventories

Inventories are finished goods and mainly comprised of textbooks and other educational study tools ("course materials"). Course materials are stated at the lower of cost or market. Cost is determined using the weighted average cost method. As of December 31, 2015 and 2016, the Group did not have any provision for inventories.

Property and equipment

Property and equipment is stated at cost less accumulated depreciation and impairment. Depreciation is calculated on a straight line basis over the following estimated useful lives:

Electronic equipment	3 years
Furniture	5 years
Vehicles	4 years
Leasehold improvements	Shorter of the lease term or estimated useful life

RISE EDUCATION CAYMAN LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$")
except for number of shares and per share data)**

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and equipment (Continued)

Repair and maintenance costs are charged to expense as incurred, whereas the cost of renewals and betterments that extend the useful lives of property and equipment are capitalized as additions to the related assets. Retirements, sales and disposals of assets are recorded by removing the cost and accumulated depreciation from the asset and accumulated depreciation accounts with any resulting gain or loss reflected in the consolidated statements of (loss)/income.

Direct costs that are related to the construction of property and equipment, and incurred in connection with bringing the assets to their intended use are capitalized as construction in progress. Construction in progress is transferred to specific property and equipment, and the depreciation of these assets commences when the assets are ready for their intended use. As of December 31, 2015 and 2016, the balances of construction in progress were RMB682 and nil, respectively, which were related to the construction of leasehold improvements for the Group's schools.

Segment reporting

In accordance with ASC 280, *Segment Reporting*, operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker ("CODM"), or decision making group, in deciding how to allocate resources and in assessing performance. The Group has only one reportable segment since the Group does not distinguish revenues, costs and expenses by operating segments in its internal reporting, and reports costs and expenses by nature as a whole. The Group's CODM, who has been identified as the Board of Directors, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole. The Group does not distinguish among markets or segments for the purpose of internal reports. All of the Group's revenues for the years ended December 31, 2014, 2015 and 2016 were generated from the PRC. As of December 31, 2015 and 2016, a majority of the long-lived assets of the Group are located in the PRC, and therefore, no geographical segments are presented.

Non-controlling interests

For certain subsidiaries of the VIE, a non-controlling interest is recognized to reflect the portion of their equity which is not attributable, directly or indirectly, to the Group. Consolidated net (loss)/income on the consolidated statements of (loss)/income includes the net loss attributable to non-controlling interests. The cumulative results of operations attributable to non-controlling interests are recorded as non-controlling interests in the Group's consolidated balance sheets.

Goodwill

The Group assesses goodwill for impairment in accordance with ASC 350-20, *Intangibles—Goodwill and Other: Goodwill* ("ASC 350-20"), which requires that goodwill be tested for impairment at the reporting unit level at least annually and more frequently upon the occurrence of certain events, as defined by ASC 350-20.

There was only one reporting unit (that also represented the operating segment) as of December 31, 2015 and 2016, respectively. Goodwill was allocated to the one reporting unit as of December 31, 2015 and 2016,

RISE EDUCATION CAYMAN LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$")
except for number of shares and per share data)**

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill (Continued)

respectively (Note 8). The Group has the option to assess qualitative factors first to determine whether it is necessary to perform the two-step test in accordance with ASC 350-20. If the Group believes, as a result of the qualitative assessment, that it is more-likely-than-not that the fair value of the reporting unit is less than its carrying amount, the two-step quantitative impairment test described above is required. Otherwise, no further testing is required. In the qualitative assessment, the Group considers primary factors such as industry and market considerations, overall financial performance of the reporting unit, and other specific information related to the operations.

In performing the two-step quantitative impairment test, the first step compares the carrying amount of the reporting unit to the fair value of the reporting unit based on either quoted market prices of the ordinary shares or estimated fair value using a combination of the income approach and the market approach. If the fair value of the reporting unit exceeds the carrying value of the reporting unit, goodwill is not impaired and the Group is not required to perform further testing. If the carrying value of the reporting unit exceeds the fair value of the reporting unit, then the Group must perform the second step of the impairment test in order to determine the implied fair value of the reporting unit's goodwill. The fair value of the reporting unit is allocated to its assets and liabilities in a manner similar to a purchase price allocation in order to determine the implied fair value of the reporting unit goodwill. If the carrying amount of the goodwill is greater than its implied fair value, the excess is recognized as an impairment loss.

Intangible assets

Intangible assets with finite lives are carried at cost less accumulated amortization. Amortization of finite-lived intangible assets except for student base is computed using the straight-line method over the estimated useful lives. Student base is amortized using an accelerated pattern based on the estimated student attrition rate of the acquired schools. The estimated useful lives of intangible assets from the date of purchase are as follows:

Category	Estimated Useful Life
Courseware license	15 years
Franchise agreements	2.5 years
Student base	3-5 years
Trademarks	15 years
Purchased software	3-5 years
Teaching course materials	10 years

Impairment of long-lived assets other than goodwill

The Group evaluates its long-lived assets, including fixed assets and intangible assets with finite lives, for impairment whenever events or changes in circumstances, such as a significant adverse change to market conditions that will impact the future use of the assets, indicate that the carrying amount of an asset may not be fully recoverable. When these events occur, the Group evaluates the recoverability of long-lived assets by comparing the carrying amount of the assets to the future undiscounted cash flows expected to result from the use of the assets and their eventual disposition. If the sum of the expected undiscounted cash flows is less than the carrying amount of the assets, the Group recognizes an impairment loss based on the excess of the carrying

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of long-lived assets other than goodwill (Continued)

amount of the assets over their fair value. Fair value is generally determined by discounting the cash flows expected to be generated by the assets, when the market prices are not readily available. For all periods presented, there was no impairment of any of the Company's long-lived assets.

Fair value of financial instruments

Financial instruments include cash and cash equivalents, short-term investments, restricted cash, certain other current assets, accounts payable, long-term loan, customer advances, and certain other current liabilities. The carrying amounts of these financial instruments, except for the long-term loan, approximate their fair values because of their short-term maturities. The carrying amount of the long-term loan approximates its fair value due to the fact that the related interest rate approximates the interest rates currently offered by financial institutions for similar debt instruments of comparable maturities.

Revenue recognition

Revenue is recognized when persuasive evidence of an arrangement exists, delivery of the product or service has occurred, the selling price is fixed or determinable and collection is reasonably assured. The Group's business is subject to business tax, value added taxes ("VAT") and tax surcharges assessed by governmental authorities. Pursuant to ASC 605-45, *Revenue Recognition—Principal Agent Considerations*, the Group elected to present business tax, VAT and tax surcharges as a reduction of revenues on the consolidated statements of (loss)/income. Payments received before all of the relevant criteria for revenue recognition are satisfied are included in "deferred revenue and customer advances".

The primary sources of the Group's revenues are as follows:

(a) Educational programs

Educational programs include English courses and related course materials. In accordance with ASC subtopic 605-25, *Revenue Recognition: Multiple-Deliverable Revenue Arrangements* ("ASC 605-25"), the Group evaluates all the deliverables in the arrangement to determine whether they represent separate units of accounting. For the arrangements with deliverables to be considered a separate unit of accounting, the Group allocates the total consideration of the arrangement based on their relative selling price, with the selling price of each deliverable determined using vendor-specific objective evidence of selling price, or VSOE, third-party evidence or TPE of selling price, or management's best estimate of the selling price, or BESP, and recognizes revenue as each deliverable is provided. In determining its BESP for each deliverable, the Group considered its overall pricing model and objectives, as well as market or competitive conditions that may impact the price at which the Group would transact if the deliverable were sold regularly on a standalone basis. The Group monitors the conditions that affect its determination of selling price for each deliverable and reassesses such estimates periodically.

Course fees are collected in full in advance of the commencement of each course and each course comprises of a fixed amount of classes. Course revenue is recognized ratably as the classes for the related course are delivered to the students. Students are allowed to return course materials if they are unused. However, once the student attends the first class of the respective course, course materials cannot be returned. Therefore, the Group recognizes revenue from the sale of course materials when the student attends the first class of the respective course. The amounts recognized for each deliverable is limited to the amount that is not contingent upon the delivery of additional deliverables or meeting other specified performance conditions.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

(a) Educational programs (Continued)

According to local education bureau regulations, depending on a school's location and the amount of classes remaining for a course, the Group may be required to refund course fees for any remaining undelivered classes to students who withdraw from a course. The refund is recorded as a reduction of the related course fees received in advance and has no impact on recognized revenue. Refunds on recognized revenue were insignificant for all periods presented.

The Group may issue promotional coupons to attract enrollment for its courses. The promotional coupons are not issued in conjunction with a concurrent revenue transaction and are for a fixed RMB amount that can only be redeemed to reduce the amount of the tuition fees for future courses. The promotional coupons are accounted for as a reduction of revenue when the corresponding revenue is recognized in accordance with ASC 605-50-45-2.

(b) Franchise revenues

Franchise revenues includes non-refundable initial franchise fees, which are recognized by the Group as revenue when substantially all services or conditions relating to the initial franchise fee have been performed, which is generally when a franchisee commences its operations under the RISE brand. The services to be performed under the franchise agreements to earn the initial franchise fees comprise of (i) authorizing franchisees to use the RISE brand and the Group's courseware, and (ii) initial setup services, including assisting with site selection and marketing strategy, training of franchisee management and teachers. The Group's franchise agreements do not include guarantees or other forms of financial assistance, refund provisions or options to repurchase franchises from franchisees. Initial franchise fees are deferred and recorded as "deferred revenue and customer advances" until these commitments and obligations have been performed, which is upon the franchisee commencing its operations under the RISE brand. The Group also receives recurring franchise fees from its franchisees, which include a fixed percentage of the franchisees' course fees and proceeds from the sale of related course materials. The recurring franchise fees are recognized as franchise revenue as the fees are earned and realized.

(c) Other revenues

Other revenues comprises mainly of the provision of overseas study tours. The Group bears the risks and rewards, including customer acceptance of the services and has the right to unilaterally determine and change the study tour itinerary. The Group also sets the study tour prices charged to customers and independently selects travel service suppliers. Therefore, the Group is the primary obligor of the study tour service arrangement and recognizes revenue on a gross basis. Revenue from study tour services is recognized once the organized tour is completed in its entirety.

Advertising expenditures

Advertising costs are expensed when incurred and are included in selling expenses in the consolidated statements of (loss)/income. For the years ended December 31, 2014, 2015 and 2016, advertising expenses were approximately RMB32,982, RMB39,397 and RMB63,734 (US$9,401), respectively.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

Leases are classified at the inception date as either a capital lease or an operating lease. A lease is a capital lease if any of the following conditions exists: a) ownership is transferred to the lessee by the end of the lease term, b) there is a bargain purchase option, c) the lease term is at least 75% of the property's estimated remaining economic life or d) the present value of the minimum lease payments at the beginning of the lease term is 90% or more of the fair value of the leased property to the lessor at the inception date. A capital lease is accounted for as if there was an acquisition of an asset and an incurrence of an obligation at the inception of the lease. All other leases are accounted for as operating leases wherein rental payments are expensed on a straight-line basis over their respective lease term. The Group leases certain office facilities under non-cancelable operating leases. Certain lease agreements contain rent holidays. Rent holidays are considered in determining the straight-line rent expense to be recorded over the lease term.

(Loss)/income per share

In accordance with ASC 260, *Earnings Per Share*, basic (loss)/income per share is computed by dividing net (loss)/income attributable to the Company by the weighted average number of ordinary shares outstanding during the period. Diluted (loss)/income per share is calculated by dividing net (loss)/income attributable to the Company as adjusted for the effect of dilutive ordinary equivalent shares, if any, by the weighted average number of ordinary and dilutive ordinary equivalent shares outstanding during the period. Share options with market conditions, performance conditions, or any combination thereof, are considered contingently issuable shares and are included in the computation of diluted (loss)/income per share to the extent that market and performance conditions are met such that the share options are exercisable at the end of the reporting period, assuming it was the end of the contingency period. Ordinary equivalent shares consist of the ordinary shares issuable upon the conversion of the share options, using the treasury stock method. Ordinary equivalent shares are excluded from the computation of diluted per share if their effects would be anti-dilutive.

Share-based compensation

The Group applies ASC 718, *Compensation — Stock Compensation* ("ASC 718"), to account for its employee share-based payments. In accordance with ASC 718, the Group determines whether an award should be classified and accounted for as a liability award or an equity award. All the Group's share-based awards to employees were classified as equity awards.

In accordance with ASC 718, the Group recognizes share-based compensation cost for equity awards to employees with a performance condition based on the probable outcome of that performance condition — compensation cost is recognized if it is probable that the performance condition will be achieved and shall not be recognized if it is not probable that the performance condition will be achieved.

In accordance with ASC 718, the effect of a market condition is reflected in the grant-date fair value of the granted equity awards. The Group recognizes share-based compensation cost for equity awards with a market condition provided that the requisite service is rendered, regardless of when, if ever, the market condition is satisfied.

A change in any of the terms or conditions of the awards is accounted for as a modification of the award. When the vesting conditions (or other terms) of the equity awards granted to employees are modified, the Group

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based compensation (Continued)

first determines on the modification date whether the original vesting conditions were expected to be satisfied, regardless of the entity's policy election for accounting for forfeitures. If the original vesting conditions are not expected to be satisfied, the grant-date fair value of the original equity awards are ignored and the fair value of the equity award measured at the modification date is recognized if the modified award ultimately vests.

The Group uses the accelerated method for all awards granted with graded vesting service conditions, and the straight-line method for awards granted with non-graded vesting service conditions. The Group early adopted Accounting Standard Update ("ASU") ASU 2016-09—*Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting* on January 1, 2014 and elected to account for forfeitures as they occur. The adoption of this guidance had no impact as no share-based compensation expense was recognized during the periods presented. The Group, with the assistance of an independent third party valuation firm, determined the fair value of the stock options granted to employees. The binomial option pricing model was applied in determining the estimated fair value of the options granted to employees.

Income taxes

The Group follows the liability method of accounting for income taxes in accordance with ASC 740, *Income Taxes* ("ASC 740"). Under this method, deferred tax assets and liabilities are determined based on the difference between the financial reporting and tax bases of assets and liabilities using enacted tax rates that will be in effect in the period in which the differences are expected to reverse. The Group records a valuation allowance to offset deferred tax assets if based on the weight of available evidence, it is more-likely-than-not that some portion, or all, of the deferred tax assets will not be realized. The effect on deferred taxes of a change in tax rate is recognized in tax expense in the period that includes the enactment date of the change in tax rate.

The Group accounted for uncertainties in income taxes in accordance with ASC 740. Interest and penalties arising from underpayment of income taxes shall be computed in accordance with the related PRC tax law. The amount of interest expense is computed by applying the applicable statutory rate of interest to the difference between the tax position recognized and the amount previously taken or expected to be taken in a tax return. Interest and penalties recognized in accordance with ASC 740 are classified in the consolidated statements of (loss)/income as income tax expense.

In accordance with the provisions of ASC 740, the Group recognizes in its consolidated financial statements the impact of a tax position if a tax return position or future tax position is "more likely than not" to prevail based on the facts and technical merits of the position. Tax positions that meet the "more likely than not" recognition threshold are measured at the largest amount of tax benefit that has a greater than fifty percent likelihood of being realized upon settlement. The Group's estimated liability for unrecognized tax benefits which is included in "other non-current liabilities" on the consolidated balance sheets is periodically assessed for adequacy and may be affected by changing interpretations of laws, rulings by tax authorities, changes and/or developments with respect to tax audits, and expiration of the statute of limitations. The actual benefits ultimately realized may differ from the Group's estimates. As each audit is concluded, adjustments, if any, are recorded in the Group's consolidated financial statements. Additionally, in future periods, changes in facts, circumstances, and new

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income taxes (Continued)

information may require the Group to adjust the recognition and measurement estimates with regard to individual tax positions. Changes in recognition and measurement estimates are recognized in the period in which the changes occur.

Government subsidies

Government subsidies primarily consist of financial subsidies received from local governments for operating a business in their jurisdictions and compliance with specific policies promoted by the local governments. There are no defined rules and regulations to govern the criteria necessary for companies to receive such benefits, and the amount of financial subsidy is determined at the discretion of the relevant government authorities. Government subsidies of non-operating nature and with no further conditions to be met are recorded as non-operating income in "Other income, net" of the consolidated statements of (loss)/income when received.

Comprehensive (loss)/income

Comprehensive (loss)/income is defined as the changes in equity of the Group during a period from transactions and other events and circumstances excluding transactions resulting from investments by owners and distributions to owners. Among other disclosures, ASC 220, *Comprehensive Income*, requires that all items that are required to be recognized under current accounting standards as components of comprehensive (loss)/income be reported in a financial statement that is displayed with the same prominence as other financial statements. For each of the periods presented, the Group's comprehensive (loss)/income includes net (loss)/income and foreign currency translation adjustments, and is presented in the consolidated statements of comprehensive (loss)/income.

Employee benefit expenses

All eligible employees of the Group are entitled to staff welfare benefits including medical care, welfare subsidies, unemployment insurance and pension benefits through a PRC government-mandated multi-employer defined contribution plan. The Group is required to accrue for these benefits based on certain percentages of the qualified employees' salaries. The Group is required to make contributions to the plans out of the amounts accrued. The PRC government is responsible for the medical benefits and the pension liability to be paid to these employees and the Group's obligations are limited to the amounts contributed. The Group has no further payment obligations once the contributions have been paid. The Group recorded employee benefit expenses of RMB36,048, RMB46,933 and RMB52,734 (US$7,779) for the years ended December 31, 2014, 2015 and 2016, respectively.

Recent accounting pronouncements

In August 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-14, *Revenue from Contracts with Customers-Deferral* of the effective date ("ASU 2015-14"). The amendments in ASU 2015-14 defer the effective date of ASU No. 2014-09, *Revenue from Contracts with*

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent accounting pronouncements (Continued)

Customers, ("ASU 2014-09"), issued in May 2014. According to the amendments in ASU 2015-14, the new revenue guidance ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2017, including interim reporting periods within that reporting period. Earlier application is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. In March 2016, the FASB issued ASU No. 2016-08, *Revenue from Contracts with Customers—Principal versus Agent Considerations* ("ASU 2016-08"), which clarifies the implementation guidance on principal versus agent considerations. In April 2016, the FASB issued ASU No. 2016-10, *Revenue from Contracts with Customers—Identifying Performance Obligations and Licensing* ("ASU 2016-10"), which clarify guidance related to identifying performance obligations and licensing implementation guidance contained in ASU No. 2014-09. In May 2016, the FASB issued ASU No. 2016-12, *Revenue from Contracts with Customers—Narrow-Scope Improvements and Practical Expedients* ("ASU 2016-12"), which addresses narrow-scope improvements to the guidance on collectability, non-cash consideration, and completed contracts at transition and provides practical expedients for contract modifications at transition and an accounting policy election related to the presentation of sales taxes and other similar taxes collected from customers. The effective date for the amendment in ASU 2016-08, ASU 2016-10 and ASU 2016-12 are the same as the effective date of ASU No. 2014-09. The Group is currently evaluating the available adoption methods and in the process of evaluating its revenue arrangements to determine the impact of the adoption of these ASUs on its consolidated financial statements, if any.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842) ("ASU 2016-02"). ASU 2016-02 modifies existing guidance for off-balance sheet treatment of a lessees' operating leases by requiring lessees to recognize lease assets and lease liabilities. Under ASU 2016-02, lessor accounting is largely unchanged. ASU 2016-02 is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early adoption is permitted. The Group is evaluating this guidance and the impact to the Group, as both lessor and lessee, on the consolidated financial statements.

In March 2016, the FASB issued ASU 2016-07, *Investments—Equity Method and Joint Ventures: Simplifying the Transition to the Equity Method of Accounting* ("ASU 2016-07"). ASU 2016-07 eliminates the requirement to apply the equity method of accounting retrospectively when a reporting entity obtains significant influence over a previously held investment. ASU 2016-07 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. Early adoption is permitted. The adoption of ASU 2016-07 on January 1, 2017 is not expected to have a material effect on the Group's consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows (Topic 230), *Classification of Certain Cash Receipts and Cash Payments* ("ASU 2016-15"). ASU 2016-15 reduces the existing diversity in practice in financial reporting across all industries by clarifying certain existing principles in ASC 230, *Statement of Cash Flows*, ("ASC 230") including providing additional guidance on how and what an entity should consider in determining the classification of certain cash flows. In addition, in November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows* (Topic 230), *Restricted Cash* ("ASU 2016-18"). ASU 2016-18 clarifies certain existing principles in ASC 230, including providing additional guidance related to transfers between cash and restricted cash and how entities present, in their statement of cash flows, the cash receipts and cash payments

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent accounting pronouncements (Continued)

that directly affect the restricted cash accounts. These ASUs will be effective for the Group's fiscal year beginning January 1, 2018 and subsequent interim periods. Early adoption is permitted. The adoption of ASU 2016-15 and ASU 2016-18 will modify the Group's current disclosures and classifications within the consolidated statement of cash flows but they are not expected to have a material effect on the Group's consolidated financial statements.

In October 2016, the FASB issued ASU No. 2016-16, Income Taxes (Topic 740): *Intra-Entity Transfers of Assets Other Than Inventory*. Under the new standard, the selling (transferring) entity is required to recognize a current tax expense or benefit upon transfer of the asset. Similarly, the purchasing (receiving) entity is required to recognize a deferred tax asset or liability, as well as the related deferred tax benefit or expense, upon purchase or receipt of the asset. This pronouncement is effective for reporting periods beginning after December 15, 2017, with early adoption permitted. The Group is still evaluating the effect that this guidance will have on the consolidated financial statements and related disclosures.

In January 2017, the FASB issued ASU No. 2017-01, *Business Combinations (Topic 805): Clarifying Definition of a Business* ("ASU 2017-01"). ASU 2017-01 clarifies the framework for determining whether an integrated set of assets and activities meets the definition of a business. The revised framework establishes a screen for determining whether an integrated set of assets and activities is a business and narrows the definition of a business, which is expected to result in fewer transactions being accounted for as business combinations. Acquisitions of integrated sets of assets and activities that do not meet the definition of a business are accounted for as asset acquisitions. This update is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2017, with early adoption permitted for transactions that have not been reported in previously issued (or available to be issued) financial statements. The Group does not believe this standard will have a material impact on the results of operations or financial condition.

In January 2017, the FASB issued ASU 2017-04, *Simplifying the Test for Goodwill Impairment* ("ASU 2017-04"), which simplifies the accounting for goodwill impairment by eliminating Step two from the goodwill impairment test. If the carrying amount of a reporting unit exceeds its fair value, an impairment loss shall be recognized in an amount equal to that excess, versus determining an implied fair value in Step two to measure the impairment loss. The guidance is effective for annual and interim impairment tests performed in periods beginning after December 15, 2019. Early adoption is permitted for all entities for annual and interim goodwill impairment testing dates on or after January 1, 2017. The guidance should be applied on a prospective basis. The Group is still evaluating the effect that this guidance will have on the consolidated financial statements and related disclosures.

3. CONCENTRATION OF RISKS

Business, customer, political, social and economic risks

The Group participates in a dynamic industry and believes that changes in any of the following areas could have a material adverse effect on the Group's future financial position, results of operations or cash flows: changes in the overall demand for services; competitive pressures due to new entrants; advances and new trends

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3. CONCENTRATION OF RISKS (Continued)

Business, customer, political, social and economic risks (Continued)

in new technologies and industry standards; changes in certain strategic relationships or customer relationships; regulatory considerations; and risks associated with the Group's ability to attract and retain employees necessary to support its growth. The Group's operations could be also adversely affected by significant political, economic and social uncertainties in the PRC. No single customer or supplier accounted for more than 10% of revenue or costs of revenues for the years ended December 31, 2014, 2015 and 2016.

Concentration of credit risk

Financial instruments that potentially subject the Company to significant concentration of credit risk consist primarily of cash and cash equivalents, short-term investments, and restricted cash. As of December 31, 2016, substantially all of the Group's cash and cash equivalents, short-term investments and restricted cash were deposited with financial institutions with high-credit ratings and quality.

Interest rate risk

The Group is exposed to interest rate risk related to its outstanding long-term loan (Note 10). The interest rate of the long-term loan was mainly based on the three month London Interbank Offered Rate and a pre-determined margin. A hypothetical 1% increase or decrease in annual interest rates would increase or decrease interest expense by approximately RMB1,151 (US$170) per year based on the Group's debt level at December 31, 2016.

Foreign currency exchange rate risk

From July 21, 2005, the RMB is permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. For RMB against U.S. dollar, there was depreciation of approximately 0.4%, 5.8% and 6.4% during the years ended December 31, 2014, 2015 and 2016. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the RMB and the U.S. dollar in the future.

To the extent that the Company needs to convert U.S. dollar into RMB for capital expenditures and working capital and other business purposes, appreciation of RMB against U.S. dollar would have an adverse effect on the RMB amount the Company would receive from the conversion. Conversely, if the Company decides to convert RMB into U.S. dollar for the purpose of making payments for dividends on ordinary shares, strategic acquisitions or investments or other business purposes, appreciation of U.S. dollar against RMB would have a negative effect on the U.S. dollar amount available to the Company. In addition, a significant depreciation of the RMB against the U.S. dollar may significantly reduce the U.S. dollar equivalent of the Company's earnings or losses.

Currency convertibility risk

The Group transacts all of its business in RMB, which is not freely convertible into foreign currencies. On January 1, 1994, the PRC government abolished the dual rate system and introduced a single rate of exchange as

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3. CONCENTRATION OF RISKS (Continued)

Currency convertibility risk (Continued)

quoted daily by the People's Bank of China (the "PBOC"). However, the unification of the exchange rates does not imply that the RMB may be readily convertible into United States dollars or other foreign currencies. All foreign exchange transactions continue to take place either through the PBOC or other banks authorized to buy and sell foreign currencies at the exchange rates quoted by the PBOC. Approval of foreign currency payments by the PBOC or other institutions requires submitting a payment application form together with suppliers' invoices, shipping documents and signed contracts. The Group's cash and cash equivalents, and restricted cash denominated in RMB amounted to RMB583,844 (US$86,122) as of December 31, 2016.

4. REVENUES

	For the year ended December 31,			
	2014	2015	2016	2016
	RMB	RMB	RMB	US$
Educational programs	349,398	451,411	618,326	91,208
Franchise revenues[a]	52,063	60,793	63,532	9,371
Others	5,244	17,265	29,135	4,298
	406,705	529,469	710,993	104,877

(a) Initial franchise fees amounted to RMB9,953, RMB16,518, and RMB15,566 (US$2,296), and recurring franchise fees amounted to RMB42,110, RMB44,275, and RMB47,966 (US$7,075) for the years ended December 31, 2014, 2015 and 2016, respectively.

5. PREPAYMENTS AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consisted of the following:

	As at December 31,		
	2015	2016	2016
	RMB	RMB	US$
Prepayments to suppliers	4,515	16,414	2,421
Prepaid rental expense	10,345	10,735	1,583
Staff advances	1,225	1,684	248
Deposits	7,205	7,625	1,125
Prepaid business tax, VAT and other surcharges	50	8,083	1,193
Other receivables	740	976	144
	24,080	45,517	6,714

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6. PROPERTY AND EQUIPMENT, NET

	As at December 31,		
	2015	2016	2016
	RMB	RMB	US$
Electronic equipment	30,902	35,464	5,231
Furniture	6,266	7,350	1,084
Vehicles	1,596	1,168	172
Leasehold improvements	113,760	141,253	20,836
	152,524	185,235	27,323
Less: accumulated depreciation	81,664	109,562	16,161
Property and equipment, net	70,860	75,673	11,162

Depreciation expense for the years ended December 31, 2014, 2015 and 2016 was RMB22,218, RMB26,128 and RMB29,634 (US$4,371), respectively

7. INTANGIBLE ASSETS, NET

The Group's intangible assets were all acquired and consisted of the following:

	As at December 31,		
	2015	2016	2016
	RMB	RMB	US$
Costs:			
Courseware license	199,203	213,509	31,494
Franchise agreements	60,800	60,800	8,968
Student base	91,960	91,960	13,565
Trademarks	45,175	48,419	7,142
Purchased software	9,723	14,101	2,081
Teaching course materials	7,987	10,786	1,591
	414,848	439,575	64,841
Accumulated amortization:			
Courseware license	(29,881)	(46,261)	(6,824)
Franchise agreements	(54,940)	(60,800)	(8,968)
Student base	(75,568)	(90,916)	(13,411)
Trademarks	(6,776)	(10,490)	(1,547)
Purchased software	(1,643)	(3,041)	(449)
Teaching course materials	(1,242)	(2,116)	(312)
	(170,050)	(213,624)	(31,511)
Net carrying amount	244,798	225,951	33,330

The Group recorded amortization expense of RMB78,104, RMB65,379 and RMB40,188 (US$5,928) for the years ended December 31, 2014, 2015 and 2016, respectively.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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7. INTANGIBLE ASSETS, NET (Continued)

As of December 31, 2016, estimated amortization expense of the existing intangible assets for each of the next five years is RMB19,447, RMB19,358, RMB18,804, RMB18,804 and RMB18,804, respectively.

8. GOODWILL

Balance as of January 1, 2015	434,268
Goodwill acquired	—
Impairment losses	—
Foreign exchange effect	10,144
Balance as of December 31, 2015	444,412
Goodwill acquired	—
Impairment losses	—
Foreign exchange effect	17,274
Balance as of December 31, 2016	461,686
Balance as of December 31, 2016 (US$)	68,102

The Group's goodwill is mainly attributable to the Acquisition in 2013. Goodwill is not tax deductible.

For the year ended December 31, 2014, the Group performed a quantitative assessment for its reporting unit by estimating the fair value of the reporting unit based on an income approach. The fair value of the reporting unit exceeded its respective carrying value and therefore, goodwill related to the reporting unit was not impaired. For the years ended December 31, 2015 and 2016, respectively, the Group performed a qualitative assessment based on the requirements of ASC 350-20. The Group evaluated all relevant factors, weighed all factors in their entirety and concluded that it was not more-likely-than-not that the fair value of the reporting unit was less than its respective carrying amount. Therefore, further impairment testing on goodwill was unnecessary as of December 31, 2015 and 2016, respectively.

9. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other liabilities consisted of the following:

	As at December 31,		
	2015	2016	2016
	RMB	RMB	US$
Payroll and welfare payable	39,473	47,221	6,965
Business tax, VAT and surcharges payable	4,288	2,205	325
Interest payable	—	897	132
Accrued expenses	21,470	35,758	5,275
Accrual for purchase of property and equipment	4,660	7,292	1,076
Others	3,281	2,785	411
	73,172	96,158	14,184

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10. LONG-TERM LOAN

In July 2016, the Company entered into a loan facility agreement, pursuant to which the Company is entitled to draw down up to US$55,000. The maturity date of the loan facility is five years from the drawdown date. The arrangement fee of US$1,705 (equivalent to RMB11,559) incurred for the loan facilities was offset against loan liability and accounted for under the effective interest rate method. As of December 31, 2016, the Group has drawn down the facility in full and no principal was repaid. The amount repayable within twelve months was reclassified to current liabilities. The interest rate for the outstanding loan as of December 31, 2016, was approximately 4.35%.

Management assessed no breach of its loan covenants for the year ended December 31, 2016. The loan facility is guaranteed by Rise IP, Rise HK, the WFOE and VIE. Further, the ordinary shares of certain subsidiaries of the Group were pledged as collateral for the loan facility. In addition, the Group maintained deposits held in a designated bank account as security for interest payments amounting to US$1,596 (equivalent to RMB10,820) as of December 31, 2016.

As of December 31, 2016, the loan principal will be due according to the following schedule:

	US$
September 11, 2017	5,500
September 11, 2018	8,250
September 11, 2019	11,000
September 11, 2020	13,750
September 11, 2021	16,500
	55,000

11. INCOME TAXES

Cayman Islands

Under the current laws of the Cayman Islands, the Company and its Cayman subsidiaries are not subject to tax on income or capital gain arising in Cayman Islands. Additionally, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax will be imposed.

Hong Kong

Rise HK is incorporated in Hong Kong and subject to Hong Kong profits tax rate of 16.5%.

PRC

The Company's subsidiaries and VIEs in the PRC are subject to the statutory rate of 25%, in accordance with the Enterprise Income Tax law (the "EIT Law"), which was effective since January 1, 2008.

Dividends, interests, rent or royalties payable by the Group's PRC subsidiaries, to non-PRC resident enterprises, and proceeds from any such non-resident enterprise investor's disposition of assets (after deducting the net value of such assets) shall be subject to 10% EIT, namely withholding tax, unless the respective non-PRC

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11. INCOME TAXES (Continued)

PRC (Continued)

resident enterprise's jurisdiction of incorporation has a tax treaty or arrangements with China that provides for a reduced withholding tax rate or an exemption from withholding tax.

(Loss)/ income before income taxes consists of:

	For the year ended December 31,			
	2014	2015	2016	2016
	RMB	RMB	RMB	US$
PRC	(109,344)	(63,513)	43,995	6,490
Non-PRC	30,990	30,653	39,050	5,760
	(78,354)	(32,860)	83,045	12,250

The current and deferred portions of income tax benefit/(expense) included in the consolidated statements of (loss)/income are as follows:

	For the year ended December 31,			
	2014	2015	2016	2016
	RMB	RMB	RMB	US$
Current income tax expense	(16,645)	(10,878)	(36,965)	(5,453)
Deferred income tax benefit	22,330	11,997	4,763	703
Income tax benefit/(expense)	5,685	1,119	(32,202)	(4,750)

The reconciliation of the income tax expense for the years ended December 31, 2014, 2015 and 2016 is as follows:

	For the year ended December 31,			
	2014	2015	2016	2016
	RMB	RMB	RMB	US$
(Loss)/income before income tax	(78,354)	(32,860)	83,045	12,250
Income tax benefit/(expense) computed at the PRC statutory tax rate of 25%	19,589	8,215	(20,761)	(3,062)
Effect of different tax rates in different jurisdictions	4,166	4,557	5,688	839
Non-deductible expenses	(2,768)	(2,352)	(9,051)	(1,335)
Outside basis difference on investment in WFOE	—	—	(3,174)	(468)
PRC royalty withholding tax	(5,322)	(4,177)	(4,607)	(680)
Changes in valuation allowance	(9,980)	(5,124)	(297)	(44)
Income tax benefit/(expense)	5,685	1,119	(32,202)	(4,750)

The Group early adopted ASU 2015-17, *Income Taxes-Balance Sheet Classification of Deferred Taxes* on January 1, 2015, and classified all deferred tax assets and liabilities as noncurrent as of December 31, 2015 and

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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11. INCOME TAXES (Continued)

2016. The significant components of the Group's deferred tax assets and liabilities during the year ended December 31, 2015 and 2016 are as follows:

	For the year ended December 31,		
	2015	2016	2016
	RMB	RMB	US$
Deferred tax assets:			
Tax loss carry forward	28,394	32,601	4,809
Accrued expenses	1,734	4,590	677
Others	643	1,422	210
Less: Valuation allowance	(25,532)	(25,491)	(3,760)
	5,239	13,122	1,936
Deferred tax liabilities:			
Long-lived assets arising from acquisitions	5,140	—	—
Outside basis difference on investment in WFOE	—	3,174	468
Revenue recognition	3,845	8,931	1,318
	8,985	12,105	1,786
Presentation in the consolidated balance sheets:			
Deferred tax assets	374	4,087	603
Deferred tax liabilities	(4,120)	(3,070)	(453)
Net deferred tax (liabilities)/assets	(3,746)	1,017	150

The Group operates through several subsidiaries and the VIEs and the valuation allowance is considered for each of the subsidiaries and the VIEs on an individual basis. The Group recorded a valuation allowance against deferred tax assets of those subsidiaries and the VIEs that are in a cumulative loss as of December 31, 2015 and 2016. In making such determination, the Group evaluates a variety of factors including the Group's operating history, accumulated deficit, existence of taxable temporary differences and reversal periods.

As of December 31, 2015, the Group's WFOE and the VIEs was in an accumulated deficit position. As of December 31, 2016, the Group had undistributed earnings from the WFOE of approximately RMB31,736 (US$4,681) and the Company accrued deferred income tax liabilities of RMB3,174 (US$468) for the associated withholding tax liability. The VIEs were in an accumulated deficit position as of December 31, 2016.

As of December 31, 2016, the Group had taxable losses of RMB130,404 (US$19,236) derived from entities in the PRC, which can be carried forward per tax regulation to offset future net profit for income tax purposes. The PRC taxable loss will expire from 2017 to 2022 if not utilized.

As of December 31, 2015 and 2016, the Group had unrecognized tax benefits of RMB8,843 and RMB9,124 (US$1,346), of which RMB1,069 and RMB932 (US$138) were offset against the deferred tax assets on tax losses carry forward, and the remaining amount of RMB7,774 and RMB8,192 (US$1,208) which if ultimately

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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11. INCOME TAXES (Continued)

recognized, would impact the effective tax rate. The Group planned to settle unrecognized tax benefits of RMB6,951 (US$1,025) in cash in the next 12 months as of December 31, 2016. Accordingly, such amount was classified as income taxes payable. It is possible that the amount of unrecognized benefits will further change in the next 12 months; however, an estimate of the range of the possible change cannot be made at this moment. A reconciliation of the beginning and ending amount of unrecognized tax benefit is as follows:

	2015	2016	2016
	RMB	RMB	US$
Balance at January 1,	5,251	8,843	1,304
Additions based on tax positions related to current year	3,592	281	41
Balance at December 31,	8,843	9,124	1,345

The Group recognizes interest and penalties accrued related to unrecognized tax benefits in income tax expenses. For the years ended December 31, 2014, 2015 and 2016, the Group recognized approximately RMB154, RMB279 and RMB573 (US$85) in interest, respectively, and RMB314, RMB275, and nil in penalties, respectively. The Group had approximately RMB1,093 and RMB1,666 (US$246) in accrued interest and penalties recorded in other non-current liabilities as of December 31, 2015 and 2016, respectively. The Group planned to settle interest and penalty of RMB574 (US$85) in cash in the next 12 months as of December 31, 2016. Accordingly, such amount was classified as income taxes payable.

As of December 31, 2016, the tax years ended December 31, 2011 through 2016 for the WFOE and the VIEs remain open to examination by the PRC tax authorities.

12. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2014, 2015 and 2016, the Group had the following related party transactions:

		For the year ended December 31,			
	Notes	2014	2015	2016	2016
		RMB	RMB	RMB	US$
Loan to a related party:					
Lionbridge Limited ("Lionbridge")	(a)	—	200,000	280,000	41,302
Fees paid to related parties:					
Beijing Mai Rui Technology Co., Ltd. ("Mai Rui")	(b)	—	705	278	41
Bain Capital Advisors (China) Ltd. ("Bain Advisors")	(c)	6,200	6,200	6,200	915

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$") except for number of shares and per share data)

12. RELATED PARTY TRANSACTIONS (Continued)

(a) The Group entered into certain entrustment loan agreements with Lionbridge, an affiliate of the Group's majority shareholder, pursuant to which the Group granted total loans of RMB200,000 and RMB280,000 (US$41,302) to Lionbridge during the years ended December 31, 2015 and 2016, respectively, with details set forth below:

Loan granted	Principal	Interest Rate	Period
Loan 1	200,000	10%	March 10, 2015 to November 30, 2015
Loan 2	200,000	9%	March 30, 2016 to November 30, 2016
Loan 3	30,000	5%	July 8, 2016 to December, 8, 2016
Loan 4	50,000	6%	July 8, 2016 to December 8, 2016

As of December 31, 2015 and 2016, respectively, the above loans were fully repaid. Interest income of RMB14,542 and RMB12,712 (US$1,875) from the above loans were recorded as interest income during the years ended December 31, 2015 and 2016, respectively.

(b) During the years ended December 31, 2014, 2015 and 2016, the Group paid course development fees of RMB nil, RMB705 and RMB278 (US$41), respectively, to Mai Rui, an entity over which a director of the Group has significant influence.

(c) During the years ended December 31, 2014, 2015 and 2016, the Group paid consulting fees of RMB6,200, RMB6,200 and RMB6,200 (US$915), respectively, to Bain Advisors, an affiliate of the Group's majority shareholder.

13. RESTRICTED NET ASSETS

Prior to payment of dividends, pursuant to the laws applicable to the PRC's foreign investment enterprises, the VIE and the VIE's subsidiaries must make appropriations from after-tax profit to non-distributable reserve funds as determined by the board of directors of each company. These reserves include (i) general reserve and (ii) the development fund.

Subject to certain cumulative limits, the general reserve requires annual appropriations of 10% of after-tax income as determined under PRC laws and regulations at each year-end until the balance reaches 50% of the PRC entity registered capital; the other reserve appropriations are at the Company's discretion. These reserves can only be used for specific purposes of enterprise expansion and are not distributable as cash dividends. During the years ended December 31, 2015 and 2016, the Group's appropriations to the general reserve amounted to nil and RMB3,526 (US$520), respectively.

PRC laws and regulations require private schools that require reasonable returns to make annual appropriations of no less than 25% of after-tax income prior to payments of dividend to its development fund, which is to be used for the construction or maintenance of the school or procurement or upgrading of educational equipment. For private schools that do not require reasonable returns, this amount should be equivalent to no less than 25% of the annual increase of net assets of the school as determined in accordance with generally accepted accounting principles in the PRC. During the years ended December 31, 2015 and 2016, the Group's appropriations to the development fund amounted to RMB1,669 and RMB3,115 (US$459), respectively.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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13. RESTRICTED NET ASSETS (Continued)

These reserves are included as statutory reserves in the consolidated statements of changes in shareholders' equity. The statutory reserves cannot be transferred to the Company in the form of loans or advances and are not distributable as cash dividends except in the event of liquidation.

Relevant PRC laws and regulations restrict the WFOE and the VIEs from transferring certain of their net assets to the Company in the form of loans, advances or cash dividends. Amounts restricted include the paid in capital and statutory reserves of the WFOE and the VIEs, totaling approximately RMB212,279 (US$31,313) as of December 31, 2016.

14. (LOSS)/INCOME PER SHARE

Basic and diluted (loss)/income per share for each of the years presented are calculated as follows:

	For the year ended December 31,			
	2014	2015	2016	2016
	RMB	RMB	RMB	US$
Numerator:				
Net (loss)/income attributable to RISE Education Cayman Ltd—basic and diluted	(65,172)	(26,285)	53,923	7,954
Denominator:				
Weighted average number of ordinary shares outstanding-basic and diluted	100,000,000	100,000,000	100,000,000	
Basic and diluted (loss)/income per share	(0.65)	(0.26)	0.54	0.08

The outstanding share options are considered contingently issuable shares. As the exercisability event has not occurred (Note 2, Note 15) at the respective reporting dates, the contingently issuable shares, were excluded from the computation of diluted (loss)/income per share for the year ended December 31, 2016. There were no outstanding share options during the years ended December 31, 2014 and 2015, respectively.

15. SHARE-BASED PAYMENTS

In 2016, the Board of Directors approved the Equity Option Plan (the "Plan"), which has a term of 10 years and is administrated by the Board of Directors. Under the Plan, the Company reserved options to its eligible employees, directors and officers of the Group for the purchase of 7,000,000 of the Company's ordinary shares in aggregate (excluding shares which have lapsed or have been forfeited).

In April 2016, the Board of Directors approved option grants to employees for the purchase of 5,985,000 of the Company's ordinary shares. 50% of the options granted will generally vest in four or five equal installments over a service period (the "Service Options") while the remaining 50% of the options will vest in two equal installments of 25% each if a fixed targeted return on the Company's ordinary shares is achieved (the "Market Options"). Both the Service Options and Market Options (collectively, the "Options") are exercisable only upon the occurrence of an IPO or change of control (each or collectively, the "exercisability event"). The exercisability event constitutes a performance condition that is not considered probable until the completion of the IPO or

15. SHARE-BASED PAYMENTS (Continued)

change of control. The Company will not recognize any compensation expense until the exercisability event occurs. Upon the occurrence of the exercisability event, the effect of the change in this estimate will be accounted for in the period of change by cumulative compensation cost recognition as if the new estimate had been applied since the service inception date, with the remaining unrecognized compensation cost amortized over the remaining requisite service period.

Modification of options

In September 2016, the Board of Directors approved the modification of substantially all the Options to require recipients to remain in service with the Company until October 1, 2017, October 1, 2018, October 1, 2019, or October 1, 2020; otherwise the Options (both vested and unvested portions) will be forfeited. As of the modification date, the original performance condition of the Options was not expected to be satisfied, therefore, the modification-date fair value of the Options instead of the original grant-date fair value will be used to measure the modified Options once they ultimately vest.

There were no other modifications to the Company's share option arrangements for the periods presented.

A summary of the equity award activity under the Plan is stated below:

	Number of options	Weighted-average exercise price	Weighted-average grant-date fair value	Weighted-average remaining contractual term	Aggregate intrinsic Value
		US$	US$	Years	US$
Outstanding, December 31, 2015	—	—	—	—	—
Granted	5,985,000				
Forfeited	—				
Outstanding, December 31, 2016	5,985,000	1.44	N/A	7.91	10,683
Vested and expected to vest at December 31, 2016	5,985,000				
Exercisable at December 31, 2016	—				

The aggregate intrinsic value in the table above represents the difference between the fair value of the Company's ordinary share as of December 31, 2016 and the option's respective exercise price. Total intrinsic value of options exercised for the years ended December 31, 2015 and 2016 was nil as no options were exercised.

The weighted-average modification-date fair value of the equity awards granted during the year ended December 31, 2016 was US$1.98 per option. No awards were granted during the years ended December 31, 2014 and 2015, respectively.

No awards were vested and no share-based compensation expense was recorded in respect of the Plan for the year ended December 31, 2016 as the exercisability event has not occurred. As of December 31, 2016, there was US$11,870 of total unrecognized share-based compensation expenses. Total unrecognized compensation cost may be adjusted for actual forfeitures occurring in the future.

The fair value of Service Options and Market Options were determined using the binomial option valuation model and Monte Carlo simulation model, respectively, with the assistance from an independent third-party

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15. SHARE-BASED PAYMENTS (Continued)

Modification of options (Continued)

appraiser. The option valuation models required the input of highly subjective assumptions, including the expected share price volatility and the suboptimal early exercise factor. For expected volatilities, the Company has made reference to historical volatilities of several comparable companies. The suboptimal early exercise factor was estimated based on the Company's expectation of exercise behavior of the grantees. The risk-free rate for the period within the contractual life of the Options is based on the market yield of U.S. Treasury Bonds in effect at the time of grant. The estimated fair values of the ordinary shares, at the modification date was determined with the assistance of an independent third-party appraiser. The Company's management is ultimately responsible for the determination of the estimated fair value of its ordinary shares.

The assumptions used to estimate the fair value of the Options granted are as follows:

	2016
Risk-free interest rate	1.92%-2.23%
Expected volatility range	48.1%-50.7%
Suboptimal exercise factor	2.8
Fair value per ordinary share as at valuation date	US$3.10-$3.26

16. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

The Group leases offices and classroom facilities under operating leases. Future minimum lease payments under non-cancelable operating leases with initial terms in excess of one year consist of the following as of December 31, 2016:

	RMB	US$
2017	117,100	17,273
2018	103,194	15,222
2019	87,601	12,922
2020	62,111	9,162
2021 and thereafter	111,849	16,499
	481,855	71,078

Payments under operating leases are expensed on a straight-line basis over the periods of their respective leases. The Group's lease arrangements have no renewal options, rent escalation clauses, restrictions or contingent rents and are all executed with third parties. For the years ended December 31, 2014, 2015 and 2016, total rental expenses for all operating leases amounted to approximately RMB96,927, RMB110,958 and RMB121,530 (US$17,927), respectively.

Capital expenditure commitments

The Group has commitments for the construction of leasehold improvements associated with its schools of RMB1,712 (US$253) at December 31, 2016, which are expected to be paid within one year.

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16. COMMITMENTS AND CONTINGENCIES (Continued)

Contingencies

As of December 31, 2016, the Group is in the process of applying for private school operating permits or private non-enterprise entity registration certificates for several schools. In addition, some of the schools have not obtained fire safety approvals. An estimate for the reasonably possible loss or a range of reasonably possible losses associated with these contingencies cannot be made at this time.

From time to time, the Group is also subject to legal proceedings, investigations, and claims incidental to the conduct of its business. The Group is currently not involved in any legal or administrative proceedings that may have a material adverse impact on the Group's business, financial position or results of operations.

17. ACCUMULATED OTHER COMPREHENSIVE (LOSS)/ INCOME

	Foreign currency translation adjustments
	RMB
Balance as of January 1, 2014	(4,483)
Foreign currency translation adjustments, net of tax of nil	11,548
Balance as of December 31, 2014	7,065
Foreign currency translation adjustments, net of tax of nil	21,124
Balance as of December 31, 2015	28,189
Foreign currency translation adjustments, net of tax of nil	22,275
Balance as of December 31, 2016	50,464
	US$
Balance as of December 31, 2016	7,444

There have been no reclassifications out of accumulated other comprehensive income to net (loss)/income for the periods presented.

18. SUBSEQUENT EVENT

On June 16, 2017, the Company revised its name from Bain Capital Rise Education II Cayman Limited to RISE Education Cayman Ltd effectively immediately. The Company also revised the names of its wholly-owned subsidiaries, Bain Capital Rise Education III Cayman Limited and Bain Capital Rise Education Cayman Limited, respectively, to RISE Education Cayman III Ltd and RISE Education Cayman I Ltd, respectively, on the same date.

19. EVENTS (UNAUDITED) SUBSEQUENT TO THE DATE OF THE REPORT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

On September 15, 2017, the Group entered into an agreement with The Edge Learning Centers Limited (the "Seller") to purchase from the Seller an educational business for a consideration of approximately HK$33 million. This purchase did not meet the significance thresholds stipulated under SEC Regulation SX 3-05(b)(2).

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19. EVENTS (UNAUDITED) SUBSEQUENT TO THE DATE OF THE REPORT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (Continued)

In September 2017, the Company became wholly owned by the Company's controlling shareholder, Bain Capital Education IV Cayman Limited.

In September 2017, the Company approved a new Equity Option Plan (the "2017 Plan"), which will become effective upon the completion of the IPO.

In September 2017, the Group amended a loan facility agreement originally entered in July 2016 (Note 10), for a short-term facility of US$30,000 and a long-term facility of US$110,000. The Group has drawn down the facility in full.

In September 2017, the Company paid a cash dividend of US$87,000 to its shareholders.

20. CONDENSED FINANCIAL INFORMATION OF THE COMPANY

Condensed Balance Sheets

	As at December 31,		
	2015	2016	2016
	RMB	RMB	US$
ASSETS			
Current assets:			
Due from a subsidiary of the Group	50,361	—	—
Total current assets	**50,361**	**—**	**—**
Non-current assets:			
Due from related parties	621,868	298,549	44,038
Investment in subsidiaries	84,789	111,661	16,471
Total non-current assets	706,657	410,210	60,509
Total assets	**757,018**	**410,210**	**60,509**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Advance from a subsidiary of the Group	—	3,010	443
Total current liabilities	**—**	**3,010**	**443**
Total liabilities	**—**	**3,010**	**443**
Shareholders' equity:			
Ordinary shares (US$0.01 par value; 200,000,000 shares authorized, 100,000,000 shares issued and outstanding as of December 31, 2015 and 2016, respectively)	6,120	6,120	903
Additional paid-in capital	878,385	452,369	66,728
Accumulated deficit	(155,676)	(101,753)	(15,009)
Accumulated other comprehensive loss	28,189	50,464	7,444
Total shareholders' equity	**757,018**	**407,200**	**60,066**
Total liabilities and shareholders' equity	**757,018**	**410,210**	**60,509**

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20. CONDENSED FINANCIAL INFORMATION OF THE COMPANY (Continued)

Condensed Statements of Comprehensive (Loss)/Income

	For the year ended December 31,			
	2014	2015	2016	2016
	RMB	RMB	RMB	US$
Operating (loss)/income	—	—	—	—
Equity in (loss)/profit of subsidiaries and the VIEs	(86,065)	(48,332)	35,409	5,223
Interest income	20,893	22,047	18,514	2,731
(Loss)/income before income tax expense	**(65,172)**	**(26,285)**	**53,923**	**7,954**
Income tax expense	—	—	—	—
Net (loss)/income	**(65,172)**	**(26,285)**	**53,923**	**7,954**
Other comprehensive income, net of tax of nil				
Foreign currency translation adjustments	11,548	21,124	22,275	3,286
Other comprehensive income	**11,548**	**21,124**	**22,275**	**3,286**
Comprehensive (loss)/income	**(53,624)**	**(5,161)**	**76,198**	**11,240**

Statements of Cash Flows

	For the year ended December 31,			
	2014	2015	2016	2016
	RMB	RMB	RMB	US$
Net cash generated from investing activities	—	—	426,016	62,841
Net cash used in financing activities	—	—	(426,016)	(62,841)
Net increase in cash and cash equivalents	—	—	—	—
Cash and cash equivalents at beginning of year	—	—	—	—
Cash and cash equivalents at end of year	—	—	—	—

(a) Basis of presentation

For the Company only condensed financial information, the Company records its investment in its subsidiaries and VIEs under the equity method of accounting. Such investment is presented on the condensed balance sheets as "Investment in subsidiaries" and share of their (loss)/income as "Equity in (loss)/ profit of subsidiaries and the VIEs" on the condensed statements of comprehensive (loss)/income. The subsidiaries and VIEs did not pay any dividends to the Company for the periods presented.

(b) Commitments

The Company does not have any significant commitments or long-term obligations as of any of the periods presented.

The Company only condensed financial information should be read in conjunction with the Group's consolidated financial statements.

RISE EDUCATION CAYMAN LTD

AUDITED CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2016 AND UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2017

(Amounts in thousands of Renminbi ("RMB") and U.S. dollars ("US$"), except for number of shares and per share data)

		As of				
	Notes	December 31, 2016	June 30, 2017	June 30, 2017	June 30, 2017	June 30, 2017
		RMB	RMB	US$	RMB	US$
			(unaudited)		Pro-forma shareholders' equity (unaudited)	
ASSETS						
Current assets:						
Cash and cash equivalents		639,999	537,032	79,217		
Restricted cash		16,689	59,818	8,824		
Short-term investments		—	140,000	20,651		
Accounts receivable, net		—	1,553	229		
Amounts due from a related party		—	150,000	22,126		
Inventories		5,533	8,427	1,243		
Prepayments and other current assets	4	45,517	53,227	7,851		
Total current assets		**707,738**	**950,057**	**140,141**		
Non-current assets:						
Property and equipment, net	5	75,673	87,255	12,871		
Intangible assets, net	6	225,951	213,431	31,483		
Goodwill	7	461,686	455,608	67,206		
Deferred tax assets		4,087	7,201	1,062		
Other non-current assets		25,163	29,510	4,353		
Total non-current assets		**792,560**	**793,005**	**116,975**		
Total assets		**1,500,298**	**1,743,062**	**257,116**		
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities (including current liabilities of the VIEs without recourse to the Company amounting to RMB660,446 and RMB838,714 (US$123,718) as of December 31, 2016 and June 30, 2017, respectively):						
Current portion of long-term loan	9	38,186	37,286	5,500		
Accounts payable		4,068	7,680	1,133		
Accrued expenses and other current liabilities	8	96,158	101,591	14,986		
Deferred revenue and customer advances		601,324	786,171	115,966		
Income taxes payable		23,630	19,013	2,805		
Total current liabilities		**763,366**	**951,741**	**140,390**		

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

RISE EDUCATION CAYMAN LTD

AUDITED CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2016 AND UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2017 (Continued)

(Amounts in thousands of Renminbi ("RMB") and U.S. dollars ("US$"), except for number of shares and per share data)

		As of				
	Notes	December 31, 2016	June 30, 2017	June 30, 2017	June 30, 2017	June 30, 2017
		RMB	RMB	US$	RMB	US$
			(unaudited)		Pro-forma shareholders' equity (unaudited)	
Non-current liabilities (including non-current liabilities of the VIEs without recourse to the Company amounting to RMB4,271 and RMB5,679 (US$838) as of December 31, 2016 and June 30, 2017, respectively)						
Long-term loan	9	333,102	327,270	48,275		
Deferred tax liabilities		3,070	8,937	1,318		
Other non-current liabilities		2,333	2,554	377		
Total non-current liabilities		**338,505**	**338,761**	**49,970**		
Total liabilities		**1,101,871**	**1,290,502**	**190,360**		
Commitments and contingencies						
Shareholders' equity:						
Ordinary shares (US$0.01 par value; 200,000,000 shares authorized, 100,000,000 shares issued and outstanding as of December 31, 2016 and June 30, 2017, respectively)		6,120	6,120	903	6,120	903
Additional paid-in capital		452,369	452,369	66,728	—	—
Statutory reserves		32,511	32,511	4,796	32,511	4,796
Accumulated deficit		(134,264)	(74,176)	(10,942)	(245,493)	(36,212)
Accumulated other comprehensive income	15	50,464	46,770	6,899	46,770	6,899
Total RISE Education Cayman Ltd shareholders' equity/(deficit)		**407,200**	**463,594**	**68,384**	**(160,092)**	**(23,614)**
Non-controlling interests	16	(8,773)	(11,034)	(1,628)		
Total equity		**398,427**	**452,560**	**66,756**		
Total liabilities, non-controlling interests and shareholders' equity		**1,500,298**	**1,743,062**	**257,116**		

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

RISE EDUCATION CAYMAN LTD

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2017

(Amounts in thousands of Renminbi ("RMB") and U.S. dollars ("US$"), except for number of shares and per share data)

	Notes	Six months ended June 30,		
		2016	2017	2017
		RMB (unaudited)	RMB (unaudited)	US$ (unaudited)
Revenues	3	315,046	437,100	64,476
Cost of revenues		(169,737)	(196,079)	(28,924)
Gross profit		**145,309**	**241,021**	**35,552**
Operating expenses:				
Selling and marketing		(53,722)	(71,243)	(10,509)
General and administrative		(68,311)	(84,921)	(12,526)
Total operating expenses		**(122,033)**	**(156,164)**	**(23,035)**
Operating income		**23,276**	**84,857**	**12,517**
Interest income		6,053	9,438	1,392
Interest expense		—	(9,907)	(1,461)
Foreign currency exchange (loss)/ gain		(1,188)	198	29
Other expense, net		(40)	(136)	(20)
Income before income tax expense		**28,101**	**84,450**	**12,457**
Income tax expense		(9,842)	(26,623)	(3,927)
Net income		**18,259**	**57,827**	**8,530**
Add: Net loss attributable to non-controlling interests	16	1,066	2,261	333
Net income attributable to RISE Education Cayman Ltd		**19,325**	**60,088**	**8,863**
Net income per share:				
Basic and diluted		0.19	0.60	0.09
Shares used in net income per share computation:				
Basic and diluted		100,000,000	100,000,000	

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

RISE EDUCATION CAYMAN LTD

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2017

(Amounts in thousands of Renminbi ("RMB") and U.S. dollars ("US$"), except for number of shares and per share data)

	Notes	Six months ended June 30,		
		2016	2017	2017
		RMB (unaudited)	RMB (unaudited)	US$ (unaudited)
Net income		**18,259**	**57,827**	**8,530**
Other comprehensive income, net of tax of nil:				
Foreign currency translation adjustments	15	13,894	(3,694)	(545)
Other comprehensive income/(loss)		**13,894**	**(3,694)**	**(545)**
Comprehensive income		**32,153**	**54,133**	**7,985**
Add: comprehensive loss attributable to non-controlling interests		182	2,261	333
Comprehensive income attributable to RISE Education Cayman Ltd		**32,335**	**56,394**	**8,318**

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

RISE EDUCATION CAYMAN LTD

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2017

(Amounts in thousands of Renminbi ("RMB") and U.S. dollars ("US$"))

	Six months ended June 30,		
	2016	2017	2017
	RMB (unaudited)	RMB (unaudited)	US$ (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	18,259	57,827	8,530
Adjustments to reconcile net income to net cash used in operating activities:			
Depreciation and amortization expenses	36,543	24,643	3,635
Loss/(gain) on disposal of equipment	94	(2)	—
Deferred income taxes	(9,184)	2,754	406
Others	—	2,037	300
Changes in operating assets and liabilities:			
Restricted cash	(897)	(4,716)	(696)
Prepayments and other current assets	(44,215)	(11,146)	(1,644)
Inventories	1,006	(2,894)	(427)
Accounts payable	(1,352)	3,612	533
Accrued expenses and other current liabilities	13,460	8,568	1,264
Income taxes payable	9,026	(4,794)	(707)
Deferred revenue and customer advances	98,474	184,847	27,266
Other non-current assets	(2,317)	(4,347)	(641)
Other non-current liabilities	1,921	221	33
Accounts receivable, net	—	(1,553)	(229)
Net cash generated from operating activities	**120,818**	**255,057**	**37,623**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of equipment	1	7	1
Purchase of property and equipment	(15,896)	(25,864)	(3,815)
Purchase of intangible assets	(2,133)	(2,315)	(341)
Purchase of short-term investments	—	(290,000)	(42,777)
Proceeds from maturity of short-term investments	1,000	150,000	22,126
Loans to a related party	(200,000)	(150,000)	(22,126)
Net cash used in investing activities	**(217,028)**	**(318,172)**	**(46,932)**

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

RISE EDUCATION CAYMAN LTD

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2017 (Continued)

(Amounts in thousands of Renminbi ("RMB") and U.S. dollars ("US$"))

	Six months ended June 30,		
	2016	2017	2017
	RMB (unaudited)	RMB (unaudited)	US$ (unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES			
Change in restricted cash	—	(38,413)	(5,666)
Distribution to shareholders	(72,039)	—	
Net cash used in financing activities	**(72,039)**	**(38,413)**	**(5,666)**
Effects of exchange rate changes	3,425	(1,439)	(213)
Net decrease in cash and cash equivalents	(164,824)	(102,967)	(15,188)
Cash and cash equivalents at beginning of period	517,436	639,999	94,405
Cash and cash equivalents at end of period	**352,612**	**537,032**	**79,217**
Supplemental disclosures of cash flow information:			
Income taxes paid	6,295	27,354	4,035
Interest expense paid	—	7,884	1,163
Non-cash investing activities:			
Purchase of property and equipment included in accrued expenses and other current liabilities	2,823	3,905	576

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

RISE EDUCATION CAYMAN LTD

NOTES TO THE UNAUDITED INTERIM CONDENSED

CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$")
except for number of shares and per share data)

1. ORGANIZATION AND BASIS OF PRESENTATION

RISE Education Cayman Ltd (the "Company") is a limited company incorporated in the Cayman Islands under the laws of Cayman Islands on July 16, 2013. On September 30, 2013 (the "Acquisition date"), the Company acquired from certain third-party sellers a junior English Language Training ("ELT") business (the "Acquisition").

The Company does not conduct any substantive operations on its own but instead conducts its primary business operations through its wholly-owned subsidiaries, the variable interest entity (the "VIE"), and the VIE's subsidiaries and schools, which are located in the People's Republic of China (the "PRC"). The VIE, the VIE's subsidiaries and schools, hereinafter are collectively referred to as the "VIEs". The accompanying consolidated financial statements include the financial statements of the Company, its wholly-owned subsidiaries and the VIEs (hereinafter collectively referred to as the "Group").

The Group is principally engaged in the business of providing junior ELT services in the PRC primarily under the "RISE" brand. The Group offers a wide range of educational programs, services and products, consisting primarily of educational courses, sale of course materials, franchise services, and study tours.

As of June 30, 2017, details of the Company's subsidiaries, the VIE and the VIE's subsidiaries and schools are as follows:

Name	Date of establishment	Place of establishment	Percentage of equity interest attributable to the Company	Principal activity
Subsidiaries of the Company:				
RISE Education Cayman III Ltd ("Cayman III")	July 29, 2013	Cayman Islands	100%	Investment holding
RISE Education Cayman I Ltd ("Cayman")	June 19, 2013	Cayman Islands	100%	Investment holding
Rise IP (Cayman) Limited ("Rise IP")	July 24, 2013	Cayman Islands	100%	Educational consulting
Bain Capital Rise Education (HK) Limited ("Rise HK")	June 24, 2013	Hong Kong	100%	Educational consulting
Rise (Tianjin) Education Information Consulting Co., Ltd. ("Rise Tianjin" or "WFOE")	August 12, 2013	PRC	100%	Educational consulting
VIE:				
Beijing Step Ahead Education Technology Development Co., Ltd.	January 2, 2008	PRC	—	Educational consulting

RISE EDUCATION CAYMAN LTD

NOTES TO THE UNAUDITED INTERIM CONDENSED

CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$")
except for number of shares and per share data)

1. ORGANIZATION AND BASIS OF PRESENTATION (Continued)

Name	Date of establishment	Place of establishment	Percentage of equity interest attributable to the Company	Principal activity
VIE's subsidiaries and schools:				
Beijing Haidian District Step Ahead Training School	September 18, 2008	PRC	—	Language education
Beijing Shijingshan District Step Ahead Training School	July 14, 2009	PRC	—	Language education
Beijing Changping District Step Ahead Training School	July 3, 2009	PRC	—	Language education
Beijing Chaoyang District Step Ahead Training School	July 20, 2009	PRC	—	Language education
Beijing Xicheng District RISE Immersion Subject English Training School	February 5, 2010	PRC	—	Language education
Beijing Dongcheng District RISE Immersion Subject English Training School	July 30, 2010	PRC	—	Language education
Beijing Tongzhou District RISE Immersion Subject English Training School	April 19, 2011	PRC	—	Language education
Beijing Daxing District RISE Immersion Subject English Training School	March 31, 2013	PRC	—	Language education
Beijing Fengtai District Step Ahead Training School	February 28, 2012	PRC	—	Language education
Shanghai Boyu Investment Management Co., Ltd.	January 29, 2012	PRC	—	Language education
Shanghai Riverdeep Education Information Consulting Co., Ltd.	March 8, 2010	PRC	—	Educational consulting services
Shanghai Huangpu District RISE Immersion Subject English Training School	June 17, 2011	PRC	—	Language education

RISE EDUCATION CAYMAN LTD

NOTES TO THE UNAUDITED INTERIM CONDENSED

CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$")
except for number of shares and per share data)

1. ORGANIZATION AND BASIS OF PRESENTATION (Continued)

Name	Date of establishment	Place of establishment	Percentage of equity interest attributable to the Company	Principal activity
Guangzhou Ruisi Education Technology Development Co., Ltd.	August 17, 2012	PRC	—	Training services
Guangzhou Yuexiu District RISE Immersion Subject English Training School	April 29, 2014	PRC	—	Language education
Guangzhou Haizhu District RISE Immersion Subject English Training School-Chigang	December 8, 2014	PRC	—	Language education
Shenzhen Mei Ruisi Education Management Co., Ltd.	February 28, 2014	PRC	—	Training services
Shenzhen Futian District Rise Training Center	January 8, 2015	PRC	—	Language education
Shenzhen Nanshan District Rise Training Center	May 26, 2015	PRC	—	Language education
Wuxi Rise Foreign Language Training Co., Ltd.	June 5, 2013	PRC	—	Training services

These unaudited interim condensed consolidated financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") for interim financial information using accounting policies that are consistent with those used in the preparation of the Company's audited consolidated financial statements for the year ended December 31, 2016. Accordingly, these unaudited interim condensed consolidated financial statements do not include all of the information and footnotes required by U.S. GAAP for annual financial statements.

In the opinion of management, the accompanying unaudited interim condensed consolidated financial statements contain all normal recurring adjustments necessary to present fairly the financial position, operating results and cash flows of the Company for each of the periods presented. The results of operations for the six months ended June 30, 2017 are not necessarily indicative of results to be expected for any other interim period or for the full year of 2017. The consolidated balance sheet as of December 31, 2016 was derived from the audited consolidated financial statements at that date but does not include all of the disclosures required by U.S. GAAP for annual financial statements. These unaudited interim condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2016.

RISE EDUCATION CAYMAN LTD

NOTES TO THE UNAUDITED INTERIM CONDENSED

CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$")
except for number of shares and per share data)

1. ORGANIZATION AND BASIS OF PRESENTATION (Continued)

The Group's business is affected by seasonality. The Group generally generates higher revenue from the third quarter starting in September when the new school term commences and in the fourth quarter of each year, due to more courses being offered. In addition, higher revenues are generated in the third quarter due to summer overseas study tours organized during the summer school holidays. The Group has historically generated lower revenues in the first quarter due to fewer courses offered during the Chinese New Year season, and is partially offset by revenues generated from winter overseas study tours.

The following financial statement balances and amounts of the VIEs were included in the accompanying consolidated financial statements:

	As at December 31, 2016 RMB	As at June 30, 2017 RMB	As at June 30, 2017 US$
Cash and cash equivalents	437,594	179,834	26,527
Restricted cash	5,609	10,440	1,540
Short-term investments	—	10,076	1,486
Inventories	1,605	1,008	149
Accounts receivable, net	—	78	11
Prepayments and other current assets	38,297	36,131	5,330
Amounts due from the Group's subsidiaries	63,897	493,501	72,795
Total current assets	547,002	731,068	107,838
Property and equipment, net	67,601	79,526	11,731
Intangible assets, net	1,740	1,055	156
Goodwill	145,781	145,781	21,504
Deferred tax assets	4,087	7,201	1,062
Other non-current assets	23,564	28,753	4,241
Total non-current assets	242,773	262,316	38,694
Total assets	789,775	993,384	146,532
Accounts payable	1,484	1,551	229
Accrued expenses and other current liabilities	76,418	90,650	13,372
Deferred revenue and customer advances	581,215	746,513	110,117
Income taxes payable	1,329	—	—
Amounts due to the Group's subsidiaries	49,007	76,854	11,337
Total current liabilities	709,453	915,568	135,055
Deferred tax liabilities	2,527	3,714	548
Other non-current liabilities	1,744	1,965	290
Total non-current liabilities	4,271	5,679	838
Total liabilities	713,724	921,247	135,893

RISE EDUCATION CAYMAN LTD

NOTES TO THE UNAUDITED INTERIM CONDENSED

CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$")
except for number of shares and per share data)

1. ORGANIZATION AND BASIS OF PRESENTATION (Continued)

	Six months ended June 30,		
	2016	2017	2017
	RMB	RMB	US$
Revenues	300,427	417,018	61,513
Net loss	(12,104)	(6,063)	(894)
Net cash provided used in operating activities	(222,627)	(222,429)	(32,810)
Net cash used in investing activities	(12,154)	(35,331)	(5,212)

The revenue-producing assets that are held by the VIEs comprise of property and equipment, student base and franchise agreements. The VIEs contributed an aggregate of 95% and 95% of the consolidated revenues for the six months ended June 30, 2016 and 2017, respectively, after elimination of inter- company transactions.

As of June 30, 2017, there was no pledge or collateralization of the VIEs' assets that can only be used to settle obligations of the VIEs. Other than the amounts due to subsidiaries of the Group (which are eliminated upon consolidation), all remaining liabilities of the VIEs are without recourse to the Company. The Company did not provide nor intend to provide financial or other support not previously contractually required to the VIEs during the periods presented.

Relevant PRC laws and regulations restrict the VIEs from transferring a portion of its net assets, equivalent to the balance of its paid-in capital and statutory reserves, to the Company in the form of loans and advances or cash dividends. Please refer to Note 12 for disclosure of restricted net assets.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements of the Group have been prepared in accordance with the accounting principles generally accepted in the United States of America ("US GAAP").

Principles of consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries, and the VIEs. All significant inter-company transactions and balances between the Company, its subsidiaries and the VIEs have been eliminated upon consolidation. Results of subsidiaries, businesses acquired from third parties and the VIEs are consolidated from the date on which control is obtained by the Company.

Use of estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and revenue and expenses in the consolidated financial statements and accompanying notes. Significant accounting estimates reflected in the Group's consolidated financial statements include valuation allowance for deferred tax assets, uncertain tax

RISE EDUCATION CAYMAN LTD

NOTES TO THE UNAUDITED INTERIM CONDENSED

CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$")
except for number of shares and per share data)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of estimates (Continued)

positions, economic lives and impairment of long-lived assets, impairment of goodwill, estimating the best estimate of selling price for each deliverable in the Group's revenue arrangements, and share-based compensation. Actual results could differ from those estimates.

Convenience translation

Amounts in U.S. dollars are presented for the convenience of the reader and are translated at the noon buying rate of RMB6.7793 per US$1.00 on June 30, 2017 in the City of New York for cable transfers of RMB as certified for customs purposes by the Federal Reserve Bank of New York. No representation is made that the RMB amounts could have been, or could be, converted into US$ at such rate.

Accounts receivable and allowance for doubtful accounts

Accounts receivable are carried at net realizable value. An allowance for doubtful accounts is recorded when collection of the full amount is no longer probable. In evaluating the collectability of receivable balances, the Group considers specific evidence including the aging of the receivable, the customer's payment history, its current credit-worthiness and current economic trends. Accounts receivable are written off after all collection efforts have ceased.

Unaudited pro forma shareholders' equity

The Company paid a US$87,000 dividend to its shareholders in September 2017 and will recognize a material (i) share based compensation expense; and (ii) one-time consulting agreement termination expense upon the completion of an initial public offering ("IPO"). The pro forma share-based compensation expense was measured using the modification-date fair values of the share options of which the requisite service has been provided as of June 30, 2017. The pro forma one-time consulting agreement termination expense was measured based on a fixed formula stipulated in the consulting agreement. Unaudited pro forma shareholders' equity as of June 30, 2017, as adjusted for the (i) dividend distribution reflected as an adjustment to "additional paid-in capital" and "accumulated deficit"; (ii) share based compensation expense reflected as an adjustment to "additional paid-in capital" and "accumulated deficit"; and (iii) one-time consulting agreement termination expense reflected as an adjustment to "accumulated deficit", is set forth on the unaudited consolidated balance sheet.

Recent accounting pronouncements

In August 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-14, *Revenue from Contracts with Customers-Deferral* of the effective date ("ASU 2015-14"). The amendments in ASU 2015-14 defer the effective date of ASU No. 2014-09, *Revenue from Contracts with Customers*, ("ASU 2014-09"), issued in May 2014. According to the amendments in ASU 2015-14, the new revenue guidance ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2017, including interim reporting periods within that reporting period. Earlier application is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. In March 2016, the FASB issued ASU No. 2016-08, *Revenue from Contracts with Customers—Principal versus Agent Considerations* ("ASU 2016-08"), which clarifies the implementation guidance on principal versus

RISE EDUCATION CAYMAN LTD

NOTES TO THE UNAUDITED INTERIM CONDENSED

CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$")
except for number of shares and per share data)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent accounting pronouncements (Continued)

agent considerations. In April 2016, the FASB issued ASU No. 2016-10, *Revenue from Contracts with Customers—Identifying Performance Obligations and Licensing* ("ASU 2016-10"), which clarify guidance related to identifying performance obligations and licensing implementation guidance contained in ASU No. 2014-09. In May 2016, the FASB issued ASU No. 2016-12, *Revenue from Contracts with Customers— Narrow-Scope Improvements and Practical Expedients* ("ASU 2016-12"), which addresses narrow-scope improvements to the guidance on collectability, non-cash consideration, and completed contracts at transition and provides practical expedients for contract modifications at transition and an accounting policy election related to the presentation of sales taxes and other similar taxes collected from customers. The effective date for the amendment in ASU 2016-08, ASU 2016-10 and ASU 2016-12 are the same as the effective date of ASU No. 2014-09. The Group is currently evaluating the available adoption methods and in the process of evaluating its revenue arrangements to determine the impact of the adoption of these ASUs on its consolidated financial statements, if any.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities* ("ASU 2016-01"), which updates certain aspects of recognition, measurement, presentation and disclosure of financial instruments. ASU 2016-01 will be effective for the Group for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The Group does not believe the adoption of ASU 2016-01 will have a material impact on its consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842) ("ASU 2016-02"). ASU 2016-02 modifies existing guidance for off-balance sheet treatment of a lessees' operating leases by requiring lessees to recognize lease assets and lease liabilities. Under ASU 2016-02, lessor accounting is largely unchanged. ASU 2016-02 is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early adoption is permitted. The Group is evaluating this guidance and the impact to the Group, as both lessor and lessee, on the consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-15, Statement of Cash Flows (Topic 230), *Classification of Certain Cash Receipts and Cash Payments* ("ASU 2016-15"). ASU 2016-15 reduces the existing diversity in practice in financial reporting across all industries by clarifying certain existing principles in ASC 230, *Statement of Cash Flows*, ("ASC 230") including providing additional guidance on how and what an entity should consider in determining the classification of certain cash flows. In addition, in November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows* (Topic 230), *Restricted Cash* ("ASU 2016-18"). ASU 2016-18 clarifies certain existing principles in ASC 230, including providing additional guidance related to transfers between cash and restricted cash and how entities present, in their statement of cash flows, the cash receipts and cash payments that directly affect the restricted cash accounts. These ASUs will be effective for the Group's fiscal year beginning January 1, 2018 and subsequent interim periods. Early adoption is permitted. The adoption of ASU 2016-15 and ASU 2016-18 will modify the Group's current disclosures and classifications within the consolidated statement of cash flows but they are not expected to have a material effect on the Group's consolidated financial statements.

In October 2016, the FASB issued ASU No. 2016-16, Income Taxes (Topic 740): *Intra-Entity Transfers of Assets Other Than Inventory*. Under the new standard, the selling (transferring) entity is required to recognize a

RISE EDUCATION CAYMAN LTD

NOTES TO THE UNAUDITED INTERIM CONDENSED

CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$")
except for number of shares and per share data)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent accounting pronouncements (Continued)

current tax expense or benefit upon transfer of the asset. Similarly, the purchasing (receiving) entity is required to recognize a deferred tax asset or liability, as well as the related deferred tax benefit or expense, upon purchase or receipt of the asset. This pronouncement is effective for reporting periods beginning after December 15, 2017, with early adoption permitted. The Group is still evaluating the effect that this guidance will have on the consolidated financial statements and related disclosures.

In January 2017, the FASB issued ASU No. 2017-01, *Business Combinations (Topic 805): Clarifying Definition of a Business* ("ASU 2017-01"). ASU 2017-01 clarifies the framework for determining whether an integrated set of assets and activities meets the definition of a business. The revised framework establishes a screen for determining whether an integrated set of assets and activities is a business and narrows the definition of a business, which is expected to result in fewer transactions being accounted for as business combinations. Acquisitions of integrated sets of assets and activities that do not meet the definition of a business are accounted for as asset acquisitions. This update is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2017, with early adoption permitted for transactions that have not been reported in previously issued (or available to be issued) financial statements. The Group does not believe this standard will have a material impact on the results of operations or financial condition.

In January 2017, the FASB issued ASU 2017-04, *Simplifying the Test for Goodwill Impairment* ("ASU 2017-04"), which simplifies the accounting for goodwill impairment by eliminating Step two from the goodwill impairment test. If the carrying amount of a reporting unit exceeds its fair value, an impairment loss shall be recognized in an amount equal to that excess, versus determining an implied fair value in Step two to measure the impairment loss. The guidance is effective for annual and interim impairment tests performed in periods beginning after December 15, 2019. Early adoption is permitted for all entities for annual and interim goodwill impairment testing dates on or after January 1, 2017. The guidance should be applied on a prospective basis. The Group is still evaluating the effect that this guidance will have on the consolidated financial statements and related disclosures.

In February 2017, the FASB issued ASU 2017-05, *Other Income-Gains and Losses from the Derecognition of Nonfinancial Assets* ("ASU 2017-05"). ASU 2017-05 defines an in-substance nonfinancial asset and clarifies guidance related to partial sales of nonfinancial assets. This standard is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2017, with early adoption permitted. The Group does not believe this standard will have a material impact on the results of operations or financial condition.

In May 2017, the FASB issued ASU 2017-09, *Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting* that provides clarification on accounting for modifications in share-based payment awards. This guidance is effective for annual periods, including interim periods within those annual periods, beginning after December 15, 2017. Early adoption is permitted. The adoption of this guidance is not expected to have an impact on the Group's consolidated financial statements or related disclosures unless there are modifications to the Group's share-based payment awards.

RISE EDUCATION CAYMAN LTD

NOTES TO THE UNAUDITED INTERIM CONDENSED

CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$")
except for number of shares and per share data)

3. REVENUES

	For the six months ended June 30,		
	2016	2017	2017
	RMB	RMB	US$
Educational programs	274,278	377,759	55,723
Franchise revenues[a]	32,151	52,025	7,674
Others	8,617	7,316	1,079
	315,046	437,100	64,476

(a) Initial franchise fees amounted to RMB7,453, and RMB12,972 (US$1,913), and recurring franchise fees amounted to RMB24,698, and RMB39,053 (US$5,761) for the six months ended June 30, 2016 and 2017, respectively.

4. PREPAYMENTS AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consisted of the following:

	As at December 31,	As at June 30,	
	2016	2017	2017
	RMB	RMB	US$
Prepayments to suppliers	16,414	22,330	3,294
Prepaid rental expense	10,735	11,999	1,770
Staff advances	1,684	1,556	229
Deposits	7,625	11,023	1,626
Prepaid business tax, VAT and other surcharges	8,083	2,955	436
Other receivables	976	3,364	496
	45,517	53,227	7,851

5. PROPERTY AND EQUIPMENT, NET

	As at December 31,	As at June 30,	
	2016	2017	2017
	RMB	RMB	US$
Electronic equipment	35,464	37,136	5,478
Furniture	7,350	7,594	1,120
Vehicles	1,168	1,168	172
Leasehold improvements	141,253	164,232	24,226
	185,235	210,130	30,996
Less: accumulated depreciation	109,562	122,875	18,125
Property and equipment, net	75,673	87,255	12,871

RISE EDUCATION CAYMAN LTD

NOTES TO THE UNAUDITED INTERIM CONDENSED

CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$")
except for number of shares and per share data)

5. PROPERTY AND EQUIPMENT, NET (Continued)

Depreciation expense for the six months ended June 30, 2016 and 2017 was RMB13,832 and RMB14,528 (US$2,143), respectively.

6. INTANGIBLE ASSETS, NET

The Group's intangible assets were all acquired and consisted of the following:

	As at December 31,	As at June 30,	
	2016	2017	2017
	RMB	RMB	US$
Costs:			
Courseware license	213,509	208,475	30,752
Franchise agreements	60,800	60,800	8,968
Student base	91,960	91,960	13,565
Trademarks	48,419	47,278	6,974
Purchased software	14,101	16,839	2,484
Teaching course materials	10,786	10,702	1,578
	439,575	436,054	64,321
Accumulated amortization:			
Courseware license	(46,261)	(52,119)	(7,688)
Franchise agreements	(60,800)	(60,800)	(8,968)
Student base	(90,916)	(91,240)	(13,459)
Trademarks	(10,490)	(11,819)	(1,743)
Purchased software	(3,041)	(3,988)	(588)
Teaching course materials	(2,116)	(2,657)	(392)
	(213,624)	(222,623)	(32,838)
Net carrying amount	225,951	213,431	31,483

The Group recorded amortization expense of RMB22,711 and RMB10,115 (US$1,492) for the six months ended June 30, 2016 and 2017, respectively.

As of June 30, 2017, estimated amortization expense of the existing intangible assets is RMB9,917, RMB19,704, RMB19,151, RMB19,151 and RMB19,151, for the six months ended December 31, 2017, for the years ended December 31, 2018, 2019, 2020 and 2021, respectively.

RISE EDUCATION CAYMAN LTD

NOTES TO THE UNAUDITED INTERIM CONDENSED

CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$")
except for number of shares and per share data)

7. GOODWILL

Balance as of December 31, 2016	461,686
Goodwill acquired	—
Impairment losses	—
Foreign exchange effect	(6,078)
Balance as of June 30, 2017	455,608
Balance as of June 30, 2017 (US$)	67,206

8. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consisted of the following:

	As at December 31,	As at June 30,	
	2016	2017	2017
	RMB	RMB	US$
Payroll and welfare payable	47,221	55,280	8,155
Business tax, VAT and surcharges payable	2,205	8,934	1,318
Interest payable	897	743	110
Accrued expenses	35,758	29,961	4,420
Accrual for purchase of property and equipment	7,292	3,905	576
Others	2,785	2,768	407
	96,158	101,591	14,986

9. LONG-TERM LOAN

As of June 30, 2017, the loan principal will be due according to the following schedule:

	US$
September 11, 2017	5,500
September 11, 2018	8,250
September 11, 2019	11,000
September 11, 2020	13,750
September 11, 2021	16,500
	55,000

The interest rate for the outstanding loan as of December 31, 2016 and June 30, 2017, was approximately 4.35% and 3.99%, respectively. The loan facility is guaranteed by Rise IP, Rise HK, the WFOE and VIE. Further, the ordinary shares of certain subsidiaries of the Group were pledged as collateral for the loan facility. In addition, the Group maintained deposits held in a designated bank account as security for interest payments amounting to US$1,596 and US$7,284 as of December 31, 2016 and June 30, 2017, respectively. Management also assessed no breach of its loan covenants as of June 30, 2017.

RISE EDUCATION CAYMAN LTD

NOTES TO THE UNAUDITED INTERIM CONDENSED

CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$")
except for number of shares and per share data)

10. INCOME TAXES

The Group's effective tax rates were 35% and 31% for the six months ended June 30, 2016 and 2017, respectively. As of June 30, 2017, the Group had unrecognized tax benefits of RMB8,201 (US$1,210), of which RMB932 (US$138) was offset against the deferred tax assets on tax losses carry forward, and the remaining amount of RMB7,269 (US$1,072) which if ultimately recognized, would impact the effective tax rate. The Group had approximately RMB1,762 (US$260) in accrued interest related to unrecognized tax benefits as of June 30, 2017. The Group planned to settle unrecognized tax benefits of RMB5,888 (US$868) and related interest of RMB589 (US$87) in cash in the next 12 months as of June 30, 2017. Accordingly, such amounts were classified as income taxes payable. It is possible that the amount of unrecognized benefits will further change in the next 12 months; however, an estimate of the range of the possible change cannot be made at this moment.

11. RELATED PARTY TRANSACTIONS

During the six months ended June 30, 2016 and 2017, the Group had the following related party transactions:

		For the six months ended June 30,		
	Note	2016	2017	2017
		RMB	RMB	US$
Loan to a related party:				
Lionbridge Limited ("Lionbridge")	(a)	200,000	150,000	22,126
Fees paid to related parties:				
Bain Capital Advisors (China) Ltd. ("Bain Advisors")	(b)	3,100	3,100	457

(a) The Group entered into certain entrustment loan agreements with Lionbridge, an affiliate of the Group's majority shareholder, pursuant to which the Group granted total loans of RMB200,000 and RMB150,000 (US$22,126) to Lionbridge during the six months ended June 30, 2016 and 2017, respectively, with details set forth below:

Loan granted	Principal	Interest Rate	Period
Loan 1	200,000	9%	March 30, 2016 to November 30, 2016
Loan 2	100,000	7%	February 24, 2017 to November 30, 2017
Loan 3	50,000	7%	March 20, 2017 to November 30, 2017

Interest income of RMB3,849 and RMB3,420 (US$504) from the above loans were recorded as interest income during the six months ended June 30, 2016 and 2017, respectively.

(b) During the six months ended June 30, 2016 and 2017, the Group paid consulting fees of RMB3,100 and RMB3,100 (US$457), respectively, to Bain Advisors, an affiliate of the Group's majority shareholder.

RISE EDUCATION CAYMAN LTD

NOTES TO THE UNAUDITED INTERIM CONDENSED

CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$")
except for number of shares and per share data)

12. RESTRICTED NET ASSETS

Relevant PRC laws and regulations restrict the WFOE and the VIEs from transferring certain of their net assets to the Company in the form of loans, advances or cash dividends. Amounts restricted include the paid in capital and statutory reserves of the WFOE and the VIEs, totaling approximately RMB214,384 (US$31,623) as of June 30, 2017.

13. NET INCOME PER SHARE

Basic and diluted net income per share for each of the years presented are calculated as follows:

	For the six months ended June 30,		
	2016	2017	2017
	RMB	RMB	US$
Numerator:			
Net income attributable to RISE Education Cayman Ltd- basic and diluted	19,325	60,088	8,863
Denominator:			
Weighted average number of ordinary shares outstanding- basic and diluted	100,000,000	100,000,000	100,000,000
Basic and diluted net income per share	0.19	0.60	0.09

The outstanding share options are considered contingently issuable shares. As the exercisability event has not occurred at the respective reporting dates, the contingently issuable shares, were excluded from the computation of diluted net income per share for the six months ended June 30, 2016 and 2017.

14. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

The Group leases offices and classroom facilities under operating leases. Future minimum lease payments under non-cancelable operating leases with initial terms in excess of one year consist of the following as of June 30, 2017:

	RMB	US$
Six months ended December 31, 2017	68,318	10,077
2018	127,446	18,799
2019	114,308	16,861
2020	90,350	13,327
2021	64,558	9,523
2022 and thereafter	127,942	18,873
	592,922	87,460

RISE EDUCATION CAYMAN LTD

NOTES TO THE UNAUDITED INTERIM CONDENSED

CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$")
except for number of shares and per share data)

14. COMMITMENTS AND CONTINGENCIES (Continued)

Operating lease commitments (Continued)

Payments under operating leases are expensed on a straight-line basis over the periods of their respective leases. The Group's lease arrangements have no renewal options, rent escalation clauses, restrictions or contingent rents and are all executed with third parties. For the six months ended June 30, 2016 and 2017, total rental expenses for all operating leases amounted to approximately RMB59,630 and RMB75,563 (US$11,145), respectively.

Capital expenditure commitments

The Group has commitments for the construction of leasehold improvements associated with its schools of RMB3,722 (US$549) at June 30, 2017, which are expected to be paid within one year.

Contingencies

As of June 30, 2017, the Group is in the process of applying for private school operating permits or private non-enterprise entity registration certificates for several schools. In addition, some of the schools have not obtained fire safety approvals. An estimate for the reasonably possible loss or a range of reasonably possible losses associated with these contingencies cannot be made at this time.

From time to time, the Group is also subject to legal proceedings, investigations, and claims incidental to the conduct of its business. The Group is currently not involved in any legal or administrative proceedings that may have a material adverse impact on the Group's business, financial position or results of operations.

15. ACCUMULATED OTHER COMPREHENSIVE INCOME

	RMB
Balance as of December 31, 2015	28,189
Foreign currency translation adjustments, net of tax of nil	13,894
Balance as of June 30, 2016	42,083
Balance as of December 31, 2016	50,464
Foreign currency translation adjustments, net of tax of nil	(3,694)
Balance as of June 30, 2017	46,770

	US$
Balance as of June 30, 2017	6,899

There were no reclassifications out of accumulated other comprehensive income to net income for the periods presented.

RISE EDUCATION CAYMAN LTD

NOTES TO THE UNAUDITED INTERIM CONDENSED

CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands of Renminbi ("RMB") and US dollars ("US$")
except for number of shares and per share data)

16. NON-CONTROLLING INTERESTS

The Group's non-controlling interests are attributable to third parties holding minority stakes in a few of the VIE's subsidiaries. A reconciliation of the carrying amounts is as follows:

	RMB
Balance as of January 1, 2017	(8,773)
Net loss	(2,261)
Ending balance	(11,034)

	US$
Balance as of June 30, 2017	(1,628)

17. SUBSEQUENT EVENT

On September 15, 2017, the Group entered into an agreement with The Edge Learning Centers Limited (the "Seller") to purchase from the Seller an educational business for a consideration of approximately HK$33 million. This purchase did not meet the significance thresholds stipulated under SEC Regulation SX 3-05(b)(2).

In September 2017, the Company became wholly owned by the Company's controlling shareholder, Bain Capital Education IV Cayman Limited.

In September 2017, the Company approved a new Equity Option Plan (the "2017 Plan"), which will become effective upon the completion of the IPO.

In September 2017, the Group amended a loan facility agreement originally entered in July 2016 (Note 9), for a short-term facility of US$30,000 and a long-term facility of US$110,000. The Group has drawn down the facility in full.

In September 2017, the Company paid a cash dividend of US$87,000 to its shareholders.

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RiSE

瑞思学科英语

Cultivating the Future Leaders of the World

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Under our post-IPO memorandum and articles of association, which will become effective immediately upon the completion of this offering, to the fullest extent permissible under Cayman Islands law every director and officer of our company shall be indemnified against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by him, other than by reason of such person's own dishonesty, wilful default or fraud, in or about the conduct of our Company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions as a director or officer of our company, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by him in defending (whether successfully or otherwise) any civil proceedings concerning our company or its affairs in any court whether in the Cayman Islands or elsewhere.

Pursuant to the form of indemnification agreements to be filed as Exhibit 10.2 to this Registration Statement, we will agree to indemnify our directors and executive officers against certain liabilities and expenses that they incur in connection with claims made by reason of their being a director or an executive officer of our company.

The Underwriting Agreement, the form of which is filed as Exhibit 1.1 to this Registration Statement, will also provide for indemnification of us and our officers and directors.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

ITEM 7. RECENT SALES OF UNREGISTERED SECURITIES.

During the past three years, we did not issue and sell any securities without registering the securities under the Securities Act.

ITEM 8. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Exhibits

See Exhibit Index for a complete list of all exhibits filed as part of this registration, which Exhibit Index is incorporated herein by reference.

(b) Financial Statement Schedules

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the Combined and Consolidated Financial Statements or the Notes thereto.

ITEM 9. UNDERTAKINGS.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 6, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant under Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

RISE EDUCATION CAYMAN LTD

EXHIBIT INDEX

Exhibit Number	Description of Document
1.1*	Form of Underwriting Agreement
3.1	Memorandum and Articles of Association of the Registrant, as currently in effect
3.2	Form of Amended and Restated Memorandum and Articles of Association of the Registrant, as effective upon the completion of this offering
4.1*	Form of Registrant's Specimen American Depositary Receipt (included in Exhibit 4.3)
4.2*	Registrant's Specimen Certificate for Ordinary Shares
4.3*	Form of Deposit Agreement between the Registrant, the depositary and owners and holders of the ADSs
5.1	Opinion of Maples and Calder (Hong Kong) LLP regarding the validity of the ordinary shares being registered
8.1	Opinion of Maples and Calder (Hong Kong) LLP regarding certain Cayman Islands tax matters (included in Exhibit 5.1)
8.2	Opinion of Haiwen & Partners regarding certain PRC tax matters (included in Exhibit 99.2)
10.1	Equity Incentive Plan
10.2	2017 Equity Incentive Plan
10.3	Form of Indemnification Agreement between the Registrant and each of its directors and executive officers
10.4	Form of Employment Agreement with each executive officer of the Registrant
10.5	Amended and Restated License Agreement between Daplon Limited and Rise Education Hong Kong Limited, dated September 28, 2013 and Letter Agreement between Houghton Mifflin Harcourt Publishing Company and Rise IP (Cayman) Limited, dated October 11, 2013
10.6	English translation of Loan Agreement between Rise Tianjin and Peng Zhang, dated November 11, 2016
10.7	English translation of Loan Agreement between Rise Tianjin and Yiding Sun, dated June 8, 2017
10.8	English translation of Call Option Agreement among Rise Tianjin, Peng Zhang, Yiding Sun and Beijing Step Ahead, dated June 8, 2017
10.9	English translation of Proxy Agreement among Rise Tianjin, Peng Zhang, Yiding Sun and Beijing Step Ahead, dated June 8, 2017
10.10	English translation of Equity Pledge Agreement among Rise Tianjin, Peng Zhang, Yiding Sun and Beijing Step Ahead, dated June 8, 2017
10.11	English translation of Business Cooperation Agreement among Rise Tianjin, Peng Zhang, Yiding Sun and Beijing Step Ahead, dated June 8, 2017
10.12	Consulting Services Agreement between Rise HK and Rise Tianjin, dated January 12, 2014
10.13	Consulting Services Agreement between Rise HK and Beijing Step Ahead, dated January 12, 2014, as supplemented on February 28, 2017
10.14	English translation of Service Agreement between Rise Tianjin and Beijing Step Ahead, dated December 1, 2014
10.15	English translation of form of Comprehensive Services Agreement between Rise Tianjin and each of Beijing Step Ahead's schools

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Exhibit Number	Description of Document
10.16	Form of License Agreement between Rise Tianjin and each of the Beijing Step Ahead's schools
21.1	Principal Subsidiaries and Affiliated Entities of the Registrant
23.1	Consent of Ernst & Young Hua Ming LLP, Independent Registered Public Accounting Firm
23.2	Consent of Maples and Calder (Hong Kong) LLP (included in Exhibit 5.1)
23.3	Consent of Haiwen & Partners (included in Exhibit 99.2)
24.1	Powers of Attorney (included on signature page)
99.1	Code of Business Conduct and Ethics of the Registrant
99.2	Opinion of Haiwen & Partners regarding certain PRC law matters
99.3	Consent of Frost & Sullivan
99.4	Consent of Jiandong Lu, an independent director appointee

* To be filed by amendment.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Beijing, on September 22, 2017.

RISE Education Cayman Ltd

By: /s/ Yiding Sun
Name: Yiding Sun
Title: Director and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of Yiding Sun and Chelsea Qingyan Wang as an attorney-in-fact with full power of substitution, for him or her in any and all capacities, to do any and all acts and all things and to execute any and all instruments which said attorney and agent may deem necessary or desirable to enable the registrant to comply with the Securities Act of 1933, as amended, or the Securities Act, and any rules, regulations and requirements of the Securities and Exchange Commission thereunder, in connection with the registration under the Securities Act of ordinary shares of the registrant, or the Shares, including, without limitation, the power and authority to sign the name of each of the undersigned in the capacities indicated below to the Registration Statement on Form F-1, or the Registration Statement, to be filed with the Securities and Exchange Commission with respect to such Shares, to any and all amendments or supplements to such Registration Statement, whether such amendments or supplements are filed before or after the effective date of such Registration Statement, to any related Registration Statement filed pursuant to Rule 462(b) under the Securities Act, and to any and all instruments or documents filed as part of or in connection with such Registration Statement or any and all amendments thereto, whether such amendments are filed before or after the effective date of such Registration Statement; and each of the undersigned hereby ratifies and confirms all that such attorney and agent shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Zhongjue Chen Name: Zhongjue Chen	Director	September 22, 2017
/s/ David Benjamin Gross-Loh Name: David Benjamin Gross-Loh	Director	September 22, 2017
/s/ Yiding Sun Name: Yiding Sun	Director and Chief Executive Officer (principal executive officer)	September 22, 2017
/s/ Lihong Wang Name: Lihong Wang	Director	September 22, 2017
/s/ Chelsea Qingyan Wang Name: Chelsea Qingyan Wang	Chief Financial Officer (principal financial and accounting officer)	September 22, 2017

SIGNATURE OF AUTHORIZED REPRESENTATIVE IN THE UNITED STATES

Pursuant to the Securities Act of 1933, the undersigned, the duly authorized representative in the United States of RISE Education Cayman Ltd, has signed this registration statement or amendment thereto in New York on September 22, 2017.

Authorized U.S. Representative

By: /s/ Colleen A. De Vries
Name: Colleen A. De Vries
Title: Senior Vice President

Exhibit 3.1

THE COMPANIES LAW (AS AMENDED)

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

BAIN CAPITAL RISE EDUCATION II CAYMAN LIMITED

1. The name of the company is Bain Capital Rise Education II Cayman Limited (the "**Company**").

2. The registered office of the Company will be situated at the offices of Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands or at such other location as the Directors may from time to time determine.

3. The objects for which the Company is established are unrestricted and the Company shall have Ml power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the companies Law (as amended} of the Cayman Islands (the "**Law**").

4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by Section 27(2) of the law.

5. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing ln this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.

6. The liability of the shareholders of the Company is limited to the amount, if any, unpaid on the shares respectively held by them.

7. The capital of the Company is **US$50,000.00** divided into **5,000,000** Ordinary Shares of a nominal or par value of **US$0.01** each provided always that subject to the law and the Articles of Association the Company shall have power to redeem or purchase any of its shams and to sub-divide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority, special privilege or other rights or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be ordinary, preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.

8. The Company may exercise the power contained in Section 206 of the Law to deregister in the Cayman Islands and be registered by way of continuation in some other Jurisdiction.

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COMPANIES LAW (AS AMENDED)

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

BAIN CAPITAL RISE EDUCATION II CAYMAN LIMITED

TABLE A

The Regulations contained or incorporated in Table 'A' in the First Schedule of the Law shall not apply to Bain Capital Rise Education II Cayman Limited (the "**Company**") and the following Articles shall comprise the Articles of Association of the Company.

INTERPRETATION

1. In these Articles the following defined terms will have the meanings ascribed to them, lf not inconsistent with the subject or context

"**Articles**" means these articles of association of the Company, as amended or substituted from time to time.

"**Branch Register**" means any branch Register of such category or categories of Members as the Company may from time to time determine. ·

"**Class**" or "**Classes**" means any class or classes of Shares as may from time to time tie issued by the Company. ·

"**Directors**" means any branch Register of such category or categories of Members as the Company may from time to time determine.

"**Law**" means the Companies Law (as amended) of the Cayman Islands.

"**Memorandum of Association**" means the memorandum of association of the Company, as amended or substituted from time to time.

"**Office**" means the registered office of the Company as required by the law.

"**Ordinary Resolution**" means a resolution;

(a) passed by a simple majority of such Shareholders as, being entitled to do so, vote in person, where proxies are allowed, by proxy at a general meeting of the Company and where a poll is taken regard shall be had ln computing a majority to the nearby votes to which each Shareholder is entitled; or

(b) approved in writing by all of the Shareholders entitled to vote at a general meeting or the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments, if more than one, is executed.

"**paid up"** means paid up as to the par value in respect of the issue of any Shares and includes credited as paid up.

"**Person**" means any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires.

"**Principal Register**"**,** where the Company has established one or more Branch Registers pursuant to the Law and these Articles, means the Register maintained by the Company pursuant to the Law and these Articles that is not designated by the Directors as a Branch Register.

"**Register"** means the register of Members of the Company required to be kept pursuant to the Law and includes any Branch Register(s) established by the Company in accordance with the Law.

"**Seal**" means the common seal of the Company (if adopted) including any facsimile thereof.

"**Secretary**" means any Person appointed by the Directors to perform any of the duties of the secretary of the Company.

"**Share**" means a share in the capital of the Company. All references to "Shares" herein shall be deemed to be Shares of any or all Classes as the context may require. For the avoidance of doubt in these Articles the expression "Share" shall include a fraction of a Share.

"**Shareholder**" **or** "**Member**" means a Person who is registered as the holder of Shares in the Register and includes each subscriber to the Memorandum of Association pending entry in the Register of such subscriber

"**Share Premium Account'**" means the share premium account established in accordance with these Articles and the Law.

"**signed**" means bearing a signature or representation of a signature affixed by mechanical means.

"**Special Resolution**" means a special resolution of the Company passed in accordance with the Law, being a resolution:

(a) passed by a majority of not less than two-thirds of such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company of which notice specifying the intention to propose the resolution as a special resolution has been duly given and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Shareholder is entitled; or

(b) approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments, if more than one, is executed.

"**Treasury Shares**" means Shares that were previously issued but were purchased, redeemed, surrendered or otherwise acquired by the Company and not cancelled.

2. In these Articles, save where the context requires otherwise:

(a) words importing the singular number shalt include the plural number and vice versa;

(b) words importing the masculine gender only shalt include the feminine gender and any Person as the context may require;

(c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;

(d) reference to a dollar or dollars or USD (or$) and to a cent or cents is reference to dollars and cents of the United States of America;

(e) reference to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force;

(f) reference to any determination by the Directors shall be construed as a determination by the Directors in their sole and absolute discretion and shall be applicable either generally or in any particular case: and

(g) reference to "in writing" shall be construed as written or represented by any means reproducible in writing, including any form of print, lithograph, email, facsimile, photograph or telex or represented by any other substitute or format for storage or transmission for writing or partly one and partly another.\

3. Subject to the preceding Articles, any words defined in the Law shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

PRELIMINARY

4. The business of the Company may be commenced at any time after incorporation.

5. The Office shall be at such address in the Cayman Islands as the Directors may from time to time determine. The Company may in addition establish and maintain such other offices and places of business and agencies in such places as the Directors may from time to time determine.

6. The expenses incurred in the formation of the Company and in connection with the offer for subscription and issue of Shares shall be paid by the Company. Such expenses may be amortised over such period as the Directors may determine and the amount so paid shall be charged against income and/or capital in the accounts of the Company as the Directors shall determine.

7. The Directors shall keep, or cause to be kept, the Register at such place or (subject to compliance with the Law and these Articles) places as the Directors may from time to time determine. In the absence of any such determination, the Register shall be kept at the Office. The Directors may keep, or cause to be kept, one or more Branch Registers as well as the Principal Register in accordance with the Law, provided always that a duplicate of such Branch Register(s) shall be maintained with the Principal Register in accordance with the Law.

SHARES

8. Subject to these Articles, all Shares for the time being unissued shall be under the control of the Directors who may:

   (a) issue, allot and dispose of the same to such Persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine; and

   (b) grant options with respect to such Shares and issue warrants or similar instruments with respect thereto; and, for such purposes, the Directors may reserve an appropriate number of Shares for the time being unissued.

9. The Directors, or the Shareholders by Ordinary Resolution, may authorise the division of Shares into any number of Classes and the different Classes shall be authorised, established and designated (or re-designated as the case may be) and the variations in the relative rights (including, without limitation, voting, dividend and redemption rights), restrictions, preferences, privileges and payment obligations as between the different Classes (if any) may be fixed and determined by the Directors or the Shareholders by Ordinary Resolution.

10. The Company may insofar as may be permitted by law, pay a commission to any Person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any Shares. Such commissions may be satisfied by the payment of cash or the lodgement of fully or partly paid-up Shares or partly in one way and partly in the other. The Company may also pay such brokerage as may be lawful on any issue of Shares.

11. The Directors may refuse to accept any application for Shares, and may accept any application in whole or in part, for any reason or for no reason.

MODIFICATION OF RIGHTS

12. Whenever the capital of the Company is divided into different Classes the rights attached to any such Class may, subject to any rights or restrictions for the time being attached to any Class, only be materially adversely varied or abrogated with the consent in writing of the holders of not less than two-thirds of the issued Shares of the relevant Class, or with the sanction of a resolution passed at a separate meeting of the holders of the Shares of such Class by a majority of two-thirds of the votes cast at such a meeting. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, *mutatis mutandis*, apply, except that the necessary quorum shall be one or more Persons at least holding or representing by proxy one-third in nominal or par value amount of the issued Shares of the relevant Class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those Shareholders who are present shall form a quorum) and that, subject to any rights or restrictions for the time being attached to the Shares of that Class, every Shareholder of the Class shall on a poll have one vote for each Share of the Class held by him. For the purposes of this Article the Directors may treat all the Classes or any two or more Classes as forming one Class if they consider that all such Classes would be affected in the same way by the proposals under consideration, but in any other case shall treat them as separate Classes.

13. The rights conferred upon the holders of the Shares of any Class issued with preferred or other rights shall not, subject to any rights or restrictions for the time being attached to the Shares of that Class, be deemed to be materially adversely varied or abrogated by, *inter alia*, the creation, allotment or issue of further Shares ranking *pari passu* with or subsequent to them or the redemption or purchase of any Shares of any Class by the Company.

CERTIFICATES

14. No Person shall be entitled to a certificate for any or all of his Shares, unless the Directors shall determine otherwise.

FRACTIONAL SHARES

15. The Directors may issue fractions of a Share and, if so issued, a fraction of a Share shall be subject to and carry the corresponding fraction of liabilities (whether with respect to nominal or par value, premium, contributions, calls or otherwise), limitations, preferences, privileges, qualifications, restrictions, rights (including, without prejudice to the generality of the foregoing, voting and participation rights) and other attributes of a whole Share. If more than one fraction of a Share of the same Class is issued to or acquired by the same Shareholder such fractions shall be accumulated.

LIEN

16. The Company has a first and paramount lien on every Share (whether or not fully paid) for all amounts (whether presently payable or not) payable at a fixed time or called in respect of that Share. The Company also has a first and paramount lien on every Share (whether or not fully paid) registered in the name of a Person indebted or under liability to the Company (whether he is the sole registered holder of a Share or one of two or more joint holders) for all amounts owing by him or his estate to the Company (whether or not presently payable). The Directors may at any time declare a Share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a Share extends to any amount payable in respect of it.

17. The Company may sell, in such manner as the Directors in their absolute discretion think fit, any Share on which the Company has a lien, but no sale shall be made unless an amount in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing, demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share, or the Persons entitled thereto by reason of his death or bankruptcy.

18. For giving effect to any such sale the Directors may authorise some Person to transfer the Shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the Shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

19. The proceeds of the sale after deduction of expenses, fees and commission incurred by the Company shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the Shares prior to the sale) be paid to the Person entitled to the Shares immediately prior to the sale.

CALLS ON SHARES

20. The Directors may from time to time make calls upon the Shareholders in respect of any moneys unpaid on their Shares, and each Shareholder shall (subject to receiving at least fourteen days' notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on such Shares.

21. The joint holders of a Share shall be jointly and severally liable to pay calls in respect thereof.

22. If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest upon the sum at the rate of eight percent per annum from the day appointed for the payment thereof to the time of the actual payment, but the Directors shall be at liberty to waive payment of that interest wholly or in part.

23. The provisions of these Articles as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the amount of the Share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

24. The Directors may make arrangements on the issue of partly paid Shares for a difference between the Shareholders, or the particular Shares, in the amount of calls to be paid and in the times of payment.

25. The Directors may, if they think fit, receive from any Shareholder willing to advance the same all or any part of the moneys uncalled and unpaid upon any partly paid Shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding without the sanction of an Ordinary Resolution, eight percent per annum) as may be agreed upon between the Shareholder paying the sum in advance and the Directors.

FORFEITURE OF SHARES

26. If a Shareholder fails to pay any call or instalment of a call in respect of any Shares on the day appointed for payment, the Directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

27. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the Shares in respect of which the call was made will be liable to be forfeited.

28. If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has been given may at any time thereafter, before the payment required by notice has been made, be forfeited by a resolution of the Directors to that effect.

29. A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.

30. A Person whose Shares have been forfeited shall cease to be a Shareholder in respect of the forfeited Shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which at the date of forfeiture were payable by him to the Company in respect of the Shares forfeited, but his liability shall cease if and when the Company receives payment in full of the amount unpaid on the Shares forfeited.

31. A statutory declaration in writing that the declarant is a Director, and that a Share has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts in the declaration as against all Persons claiming to be entitled to the Share.

32. The Company may receive the consideration, if any, given for a Share on any sale or disposition thereof pursuant to the provisions of these Articles as to forfeiture and may execute a transfer of the Share in favour of the Person to whom the Share is sold or disposed of and that Person shall be registered as the holder of the Share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the disposition or sale.

33. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes due and payable, whether on account of the amount of the Share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

TRANSFER OF SHARES

34. The instrument of transfer of any Share shall be in any usual or common form or such other form as the Directors may, in their absolute discretion, approve and be executed by or on behalf of the transferor and if in respect of a nil or partly paid up Share, or if so required by the Directors, shall also be executed on behalf of the transferee and shall be accompanied by the certificate (if any) of the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain a Shareholder until the name of the transferee is entered in the Register in respect of the relevant Shares.

35. The Directors may in their absolute discretion decline to register any transfer of Shares without assigning any reason therefor.

36. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine.

37. All instruments of transfer that are registered shall be retained by the Company, but any instrument of transfer that the Directors decline to register shall (except in any case of fraud) be returned to the Person depositing the same.

TRANSMISSION OF SHARES

38. The legal personal representative of a deceased sole holder of a Share shall be the only Person recognised by the Company as having any title to the Share. In the case of a Share registered in the name of two or more holders, the survivors or survivor, or the legal personal representatives of the deceased holder of the Share, shall be the only Person recognised by the Company as having any title to the Share.

39. Any Person becoming entitled to a Share in consequence of the death or bankruptcy of a Shareholder shall upon such evidence being produced as may from time to time be required by the Directors, have the right either to be registered as a Shareholder in respect of the Share or, instead of being registered himself, to make such transfer of the Share as the deceased or bankrupt Person could have made; but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the Share by the deceased or bankrupt Person before the death or bankruptcy.

40. A Person becoming entitled to a Share by reason of the death or bankruptcy of a Shareholder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered Shareholder, except that he shall not, before being registered as a Shareholder in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

ALTERATION OF SHARE CAPITAL

41. The Company may from time to time by Ordinary Resolution increase the share capital by such sum, to be divided into Shares of such Classes and amount, as the resolution shall prescribe.

42. The Company may by Ordinary Resolution:

    (a) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares;

    (b) convert all or any of its paid up Shares into stock and reconvert that stock into paid up Shares of any denomination;

    (c) subdivide its existing Shares, or any of them into Shares of a smaller amount provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in case of the Share from which the reduced Share is derived; and

    (d) cancel any Shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of its share capital by the amount of the Shares so cancelled.

43. The Company may by Special Resolution reduce its share capital and any capital redemption reserve in any manner authorised by law.

REDEMPTION, PURCHASE AND SURRENDER OF SHARES

44. Subject to the Law, the Company may:

    (a) issue Shares on terms that they are to be redeemed or are liable to be redeemed at the option of the Company or the Shareholder on such terms and in such manner as the Directors may determine;

    (b) purchase its own Shares (including any redeemable Shares) on such terms and in such manner as the Directors may determine and agree with the Shareholder;

    (c) make a payment in respect of the redemption or purchase of its own Shares in any manner authorised by the Law; and

(d) accept the surrender for no consideration of any paid up Share (including any redeemable Share} on such terms and in such manner as the Directors may determine.

45. Any Share in respect of which notice of redemption has been given shall not be entitled to participate in the profits of the Company in respect of the period after the date specified as the date of redemption in the notice of redemption.

46. The redemption, purchase or surrender of any Share shall not be deemed to give rise to the redemption, purchase or surrender of any other Share.

47. The Directors may when making payments in respect of redemption or purchase of Shares, if authorised by the terms of issue of the Shares being redeemed or purchased or with the agreement of the holder of such Shares, make such payment either in cash or in specie.

TREASURY SHARES

48. Shares that the Company purchases, redeems or acquires (by way of surrender or otherwise) may, at the option of the Company, be cancelled immediately or held as Treasury Shares in accordance with the Law. In the event that the Directors do not specify that the relevant Shares are to be held as Treasury Shares, such Shares shall be cancelled.

49. No dividend may be declared or paid, and no other distribution (whether in cash or otherwise} of the Company's assets (including any distribution of assets to members on a winding up} may be declared or paid in respect of a Treasury Share.

50. The Company shall be entered in the Register as the holder of the Treasury Shares provided that:

(a) the Company shall not be treated as a member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;

(b} a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of these Articles or the Law, save that an allotment of Shares as fully paid bonus shares in respect of a Treasury Share is permitted and Shares allotted as fully paid bonus shares in respect of a treasury share shall be treated as Treasury Shares.

51. Treasury Shares may be disposed of by the Company on such terms and conditions as determined by the Directors.

GENERAL MEETINGS

52. The Directors may, whenever they think fit, convene a general meeting of the Company.

53. The Directors may cancel or postpone any duly convened general meeting at any time prior to such meeting, except for general meetings requisitioned by the Shareholders in accordance with these Articles, for any reason or for no reason at any time prior to the time for holding such meeting or, if the meeting is adjourned, the time for holding such adjourned meeting. The Directors shall give Shareholders notice in writing of any postponement, which postponement may be for a stated period of any length or indefinitely as the Directors may determine.

54. General meetings shall also be convened on the requisition in writing of any Shareholder or Shareholders entitled to attend and vote at general meetings of the Company holding at least ten percent of the paid up voting share capital of the Company deposited at the Office specifying the objects of the meeting by notice given no later than 21 days from the date of deposit of the requisition signed by the requisitionists, and if the Directors do not convene such meeting for a date not later than 45 days after the date of such deposit, the requisitionists themselves may convene the general meeting in the same manner, as nearly as possible, as that in which general meetings may be convened by the Directors, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Directors to convene the general meeting shall be reimbursed to them by the Company.

55. If at any time there are no Directors, any two Shareholders (or if there is only one Shareholder then that Shareholder} entitled to vote at general meetings of the Company may convene a general meeting in the same manner as nearly as possible as that in which general meetings may be convened by the Directors.

NOTICE OF GENERAL MEETINGS

56. At least seven clear days' notice in writing counting from the date service is deemed to take place as provided in these Articles specifying the place, the day and the hour of the meeting and, in case of special business, the general nature of that business, shall be given in the manner hereinafter provided or in such other manner (if any) as may be prescribed by the Company by Ordinary Resolution to such Persons as are, under these Articles, entitled to receive such notices from the Company, but with the consent of all the Shareholders entitled to receive notice of some particular meeting and attend and vote thereat, that meeting may be convened by such shorter notice or without notice and in such manner as those Shareholders may think fit.

57. The accidental omission to give notice of a meeting to or the non-receipt of a notice of a meeting by any Shareholder shall not invalidate the proceedings at any meeting.

PROCEEDINGS AT GENERAL MEETINGS

58. All business carried out at a general meeting shall be deemed special with the exception of sanctioning a dividend, the consideration of the accounts, balance sheets, any report of the Directors or of the Company's auditors, and the fixing of the remuneration of the Company's auditors. No special business shall be transacted at any general meeting without the consent of all Shareholders entitled to receive notice of that meeting unless notice of such special business has been given in the notice convening that meeting.

59. No business shall be transacted at any general meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business. Save as otherwise provided by these Articles, one or more Shareholders holding at least a majority of the paid up voting share capital of the Company present in person or by proxy and entitled to vote at that meeting shall form a quorum.

60. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Shareholders, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Shareholder or Shareholders present and entitled to vote shall form a quorum.

61. If the Directors wish to make this facility available for a specific general meeting or all general meetings of the Company, participation in any general meeting of the Company may be by means of a telephone or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.

62. The chairman, if any, of the Directors shall preside as chairman at every general meeting of the Company.

63. If there is no such chairman, or if at any general meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, any Director or Person nominated by the Directors shall preside as chairman, failing which the Shareholders present in person or by proxy shall choose any Person present to be chairman of that meeting.

64. The chairman may adjourn a meeting from time to time and from place to place either:

(a) with the consent of any general meeting at which a quorum is present (and shall if so directed by the meeting); or

(b) without the consent of such meeting if, in his sole opinion, he considers it necessary to do so to:

(i) secure the orderly conduct or proceedings of the meeting; or

(ii) give all persons present in person or by proxy and having the right to speak and / or vote at such meeting, the ability to do so,

but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting, or adjourned meeting, is adjourned for fourteen days or more, notice of the adjourned meeting shall be given in the manner provided for the original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

65. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman or one or more Shareholders present in person or by proxy entitled to vote, and unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.

66. If a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

67. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

68. A poll demanded on the election of a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.

VOTES OF SHAREHOLDERS

69. Subject to any rights and restrictions for the time being attached to any Share, on a show of hands every Shareholder present in person and every Person representing a Shareholder by proxy shall, at a general meeting of the Company, each have one vote and on a poll every Shareholder and every Person representing a Shareholder by proxy shall have one vote for each Share of which he or the Person represented by proxy is the holder.

70. In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register.

71. A Shareholder of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote in respect of Shares carrying the right to vote held by him, whether on a show of hands or on a poll, by his committee, or other Person in the nature of a committee appointed by that court, and any such committee or other Person, may vote in respect of such Shares by proxy.

72. No Shareholder shall be entitled to vote at any general meeting of the Company unless all calls, if any, or other sums presently payable by him in respect of Shares carrying the right to vote held by him have been paid.

73. On a poll votes may be given either personally or by proxy.

74. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under Seal or under the hand of an officer or attorney duly authorised. A proxy need not be a Shareholder.

75. An instrument appointing a proxy may be in any usual or common form or such other form as the Directors may approve.

76. The instrument appointing a proxy shall be deposited at the Office or at such other place as is specified for that purpose in the notice convening the meeting no later than the time for holding the meeting or, if the meeting is adjourned, the time for holding such adjourned meeting.

77. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

78. A resolution in writing signed by all the Shareholders for the time being entitled to receive notice of and to attend and vote at general meetings of the Company (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

79. Any corporation which is a Shareholder or a Director may by resolution of its directors or other governing body authorise such Person as it thinks fit to act as its representative at any meeting of the Company or of any meeting of holders of a Class or of the Directors or of a committee of Directors, and the Person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Shareholder or Director.

DIRECTORS

80. The name(s) of the first Director(s) shall either be determined in writing by a majority (or in the case of a sole subscriber that subscriber) of, or elected at a meeting of, the subscribers of the Memorandum of Association.

81. The Company may by Ordinary Resolution appoint any natural person or corporation to be a Director.

82. Subject to these Articles, a Director shall hold office until such time as he is removed from office by Ordinary Resolution.

83. The Company may by Ordinary Resolution from time to time fix the maximum and minimum number of Directors to be appointed but unless such numbers are fixed as aforesaid the minimum number of Directors shall be one and the maximum number of Directors shall be unlimited.

84. The remuneration of the Directors may be determined by the Directors or by Ordinary Resolution.

85. There shall be no shareholding qualification for Directors unless determined otherwise by Ordinary Resolution.

86. The Directors shall have power at any time and from time to time to appoint a natural person or corporation as a Director, either as a result of a casual vacancy or as an additional Director, subject to the maximum number (if any) imposed by Ordinary Resolution.

ALTERNATE DIRECTOR

87. Any Director may in writing appoint another Person to be his alternate and, save to the extent provided otherwise in the form of appointment, such alternate shall have authority to sign written resolutions on behalf of the appointing Director, but shall not be required to sign such written resolutions where they have been signed by the appointing Director, and to act in such Director's place at any meeting of the Directors at which he is unable to be present. Every such alternate shall be entitled to attend and vote at meetings of the Directors as a Director when the Director appointing him is not personally present and where he is a Director to have a separate vote on behalf of the Director he is representing in addition to his own vote. A Director may at any time in writing revoke the appointment of an alternate appointed by him. Such alternate shall not be deemed to be an officer of the Company solely as a result of his appointment as an alternate. The remuneration of such alternate shall be payable out of the remuneration of the Director appointing him and the proportion thereof shall be agreed between them.

88. Any Director may appoint any Person, whether or not a Director, to be the proxy of that Director to attend and vote on his behalf, in accordance with instructions given by that Director, or in the absence of such instructions at the discretion of the proxy, at a meeting or meetings of the Directors which that Director is unable to attend personally. The instrument appointing the proxy shall be in writing under the hand of the appointing Director and shall be in any usual or common form or such other form as the Directors may approve, and must be lodged with the chairman of the meeting of the Directors at which such proxy is to be used, or first used, prior to the commencement of the meeting.

POWERS AND DUTIES OF DIRECTORS

89. Subject to the Law, these Articles and to any resolutions passed in a general meeting, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all powers of the Company. No resolution passed by the Company in general meeting shall invalidate any prior act of the Directors that would have been valid if that resolution had not been passed.

90. The Directors may from time to time appoint any natural person or corporation, whether or not a Director to hold such office in the Company as the Directors may think necessary for the administration of the Company, including but not limited to, the office of president, one or more vice-presidents, treasurer, assistant treasurer, manager or controller, and for such term and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another}, and with such powers and duties as the Directors may think fit. Any natural person or corporation so appointed by the Directors may be removed by the Directors or by the Company by Ordinary Resolution. The Directors may also appoint one or more of their number to the office of managing director upon like terms, but any such appointment shall ipso facto determine if any managing director ceases from any cause to be a Director, or if the Company by Ordinary Resolution resolves that his tenure of office be terminated.

91. The Directors may appoint any natural person or corporation to be a Secretary (and if need be an assistant Secretary or assistant Secretaries} who shall hold office for such tenn, at such remuneration and upon such conditions and with such powers as they think fit. Any Secretary or assistant Secretary so appointed by the Directors may be removed by the Directors or by the Company by Ordinary Resolution.

92. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.

93. The Directors may from time to time and at any time by power of attorney (whether under Seal or under hand} or otherwise appoint any company, firm or Person or body of Persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys or authorised signatory (any such person being an **"Attorney" or "Authorised Signatory",** respectively) of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of Persons dealing with any such Attorney or Authorised Signatory as the Directors may think fit, and may also authorise any such Attorney or Authorised Signatory to delegate all or any of the powers, authorities and discretion vested in him.

94. The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the three next following Articles shall not limit the general powers conferred by this Article.

95. The Directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any natural person or corporation to be a member of such committees or local boards and may appoint any managers or agents of the Company and may fix the remuneration of any such natural person or corporation.

96. The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such local board, or any of them to fill any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any natural person or corporation so appointed and may annul or vary any such delegation, but no Person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

97. Any such delegates as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.

BORROWING POWERS OF DIRECTORS

98. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof, to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.

THE SEAL

99. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of the Seal and if given after may be in general form confirming a number of affixings of the Seal. The Seal shall be affixed in the presence of a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose and every Person as aforesaid shall sign every instrument to which the Seal is so affixed in their presence.

100. The Company may maintain a facsimile of the Seal in such countries or places as the Directors may appoint and such facsimile Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of such facsimile Seat and if given after may be in general form confirming a number of affixings of such facsimile Seal. The facsimile Seal shall be affixed in the presence of such Person or Persons as the Directors shall for this purpose appoint and such Person or Persons as aforesaid shall sign every instrument to which the facsimile Seal is so affixed in their presence and such affixing of the facsimile Seal and signing as aforesaid shall have the same meaning and effect as if the Seal had been affixed in the presence of and the instrument signed by a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose.

101. Notwithstanding the foregoing, a Secretary or any assistant Secretary shall have the authority to affix the Seal, or the facsimile Seal, to any instrument for the purposes of attesting authenticity of the matter contained therein but which does not create any obligation binding on the Company.

DISQUALIFICATION OF DIRECTORS

102. The office of Director shall be vacated, if the Director:

(a) becomes bankrupt or makes any arrangement or composition with his creditors;

(b) dies or is found to be or becomes of unsound mind;

(c) resigns his office by notice in writing to the Company;

(d) is removed from office by Ordinary Resolution;

(e) is removed from office by notice addressed to him at his last known address and signed by all of his co-Directors (not being less than two in number); or

(f) is removed from office pursuant to any other provision of these Articles.

PROCEEDINGS OF DIRECTORS

103. The Directors may meet together (either within or without the Cayman Islands) for the despatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chairman shall have a second or casting vote. A Director may, and a Secretary or assistant Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.

104. A Director may participate in any meeting of the Directors, or of any committee appointed by the Directors of which such Director is a member, by means of telephone or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.

105. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed, if there be two or more Directors the quorum shall be two, and if there be one Director the quorum shall be one. A Director represented by proxy or by an alternate Director at any meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present.

106. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors. A general notice given to the Directors by any Director to the effect that he is to be regarded as interested in any contract which may thereafter be made with that company or firm shall be deemed a sufficient declaration of interest in regard to any contract so made. A Director may vote in respect of any contract or proposed contract or arrangement notwithstanding that he may be interested therein and if he does so his vote shall be counted and he may be counted in the quorum at any meeting of the Directors at which any such contract or proposed contract or arrangement shall come before the meeting for consideration.

107. A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established. A Director, notwithstanding his interest, may be counted in the quorum present at any meeting of the Directors whereat he or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged and he may vote on any such appointment or arrangement.

108. Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.

109. The Directors shall cause minutes to be made in books or loose-leaf folders provided for the purpose of recording:

(g) all appointments of officers made by the Directors;

(h) the names of the Directors present at each meeting of the Directors and of any committee of the Directors: and

(i) all resolutions and proceedings at all meetings of the Company, and of the Directors and of committees of Directors.

110. When the chairman of a meeting of the Directors signs the minutes of such meeting the same shall be deemed to have been duly held notwithstanding that all the Directors have not actually come together or that there may have been a technical defect in the proceedings.

111. A resolution in writing signed by all the Directors or all the members of a committee of Directors entitled to receive notice of a meeting of Directors or committee of Directors, as the case may be (an alternate Director, subject as provided otherwise in the terms of appointment of the alternate Director, being entitled to sign such a resolution on behalf of his appointer), shall be as valid and effectual as if it had been passed at a duly called and constituted meeting of Directors or committee of Directors, as the case may be. When signed a resolution may consist of several documents each signed by one or more of the Directors or his duly appointed alternate.

112. The continuing Directors may act notwithstanding any vacancy in their body but if and for so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number, or of summoning a general meeting of the Company, but for no other purpose.

113. The Directors may elect a chairman of heir meetings and determine the period for which he is to hold office but if no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting.

114. Subject to any regulations imposed on it by the Directors, a committee appointed by the Directors may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, the committee members present may choose one of their number to be chairman of the meeting.

115. A committee appointed by the Directors may meet and adjourn as it thinks proper. Subject to any regulations imposed on it by the Directors, questions arising at any meeting shall be determined by a majority of votes of the committee members present and in case of an equality of votes the chairman shall have a second or casting vote.

116. All acts done by any meeting of the Directors or of a committee of Directors, or by any Person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Person had been duly appointed and was qualified to be a Director.

DIVIDENDS

117. Subject to any rights and restrictions for the time being attached to any Shares, or as otherwise provided for in the Law and these Articles, the Directors may from time to time declare dividends (including interim dividends) and other distributions on Shares in issue and authorise payment of the same out of the funds of the Company lawfully available therefor.

118. Subject to any rights and restrictions for the time being attached to any Shares, the Company by Ordinary Resolution may declare dividends, but no dividend shall exceed the amount recommended by the Directors.

119. The Directors may, before recommending or declaring any dividend, set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, in the absolute discretion of the Directors be applicable for meeting contingencies, or for equalising dividends or for any other purpose to which those funds may be properly applied and pending such application may in the absolute discretion of the Directors, either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit.

120. Any dividend may be paid in any manner as the Directors may determine. If paid by cheque it will be sent through the post to the registered address of the Shareholder or Person entitled thereto, or in the case of joint holders, to any one of such joint holders at his registered address or to such Person and such address as the Shareholder or Person entitled, or such joint holders as the case may be, may direct. Every such cheque shall be made payable to the order of the Person to whom it is sent or to the order of such other Person as the Shareholder or Person entitled, or such joint holders as the case may be, may direct.

121. The Directors when paying dividends to the Shareholders in accordance with the foregoing provisions of these Articles may make such payment either in cash or in specie.

122. Subject to any rights and restrictions for the time being attached to any Shares, all dividends shall be declared and paid according to the amounts paid up on the Shares, but if and for so long as nothing is paid up on any of the Shares dividends may be declared and paid according to the par value of the Shares.

123. If several Persons are registered as joint holders of any Share, any of them may give effectual receipts for any dividend or other moneys payable on or in respect of the Share.

124. No dividend shall bear interest against the Company.

ACCOUNTS, AUDIT AND ANNUAL RETURN AND DECLARATION

125. The books of account relating to the Company’s affairs shall be kept in such manner as may be determined from time to time by the Directors.

126. The books of account shall be kept at the Office, or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.

127. The Directors may from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Shareholders not being Directors, and no Shareholder (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by Ordinary Resolution.

128. The accounts relating to the Company’s affairs shall only be audited if the Directors so determine, in which case the financial year end and the accounting principles will be determined by the Directors.

129. The Directors in each year shall prepare, or cause to be prepared, an annual return and declaration setting forth the particulars required by the Law and deliver a copy thereof to the Registrar of Companies in the Cayman Islands.

CAPITALISATION OF RESERVES

130. Subject to the Law and these Articles, the Directors may:

(a) resolve to capitalise an amount standing to the credit of reserves (including a Share Premium Account, capital redemption reserve and profit and loss account), whether or not available for distribution;

(b) appropriate the sum resolved to be capitalised to the Shareholders in proportion to the nominal amount of Shares (whether or not fully paid} held by them respectively and apply that sum on their behalf in or towards:

(i) paying up the amounts (if any) for the time being unpaid on Shares held by them respectively, or

(ii) paying up in full unissued Shares or debentures of a nominal amount equal to that sum,

and allot the Shares or debentures, credited as fully paid, to the Shareholders (or as they may direct) in those proportions, or partly in one way and partly in the other, but the Share Premium Account, the capital redemption reserve and profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued Shares to be allotted to Shareholders credited as fully paid;

(c) make any arrangements they think fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where Shares or debentures become distributable in fractions the Directors *may* deal with the fractions as they think fit;

(d) authorise a Person to enter (on behalf of all the Shareholders concerned) into an agreement with the Company providing for either:

(i) the allotment to the Shareholders respectively, credited as fully paid, of Shares or debentures to which they may be entitled on the capitalisation, or

(ii) the payment by the Company on behalf of the Shareholders (by the application of their respective proportions of the reserves resolved to be capitalised) of the amounts or part of the amounts remaining unpaid on their existing Shares,

and any such agreement made under this authority being effective and binding on all those Shareholders; and

(e) generally do all acts and things required to give effect to any of the actions contemplated by this Article.

SHARE PREMIUM ACCOUNT

131. The Directors shall in accordance with the Law establish a Share Premium Account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any Share.

132. There shall be debited to any Share Premium Account on the redemption or purchase of a Share the difference between the nominal value of such Share and the redemption or purchase price provided always that at the discretion of the Directors such sum may be paid out of the profits of the Company or, if permitted by the Law, out of capital.

NOTICES

133. Any notice or document may be served by the Company r by the Person entitled to give notice to any Shareholder either personally, or by posting it airmail or air courier service in a prepaid letter addressed to such Shareholder at his address as appearing in the Register, or by electronic mail to any electronic mail address such Shareholder may have specified in writing for the purpose of such service of notices, or by facsimile should the Directors deem it appropriate. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands first in the Register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.

134. Any Shareholder present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.

135. Any notice or other document, if served by:

(a) post, shall be deemed to have been served five clear days after the time when the letter containing the same is posted;

(b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;

(c) recognised courier service, shall be deemed to have been served 48 hours after the time when the letter containing the same is delivered to the courier service; or

(d) electronic mail, shall be deemed to have been served immediately upon the time of the transmission by electronic mail.

In proving service by post or courier service it shall be sufficient to prove that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier service.

136. Any notice or document delivered or sent by post to or left at the registered address of any Shareholder in accordance with the terms of these Articles shall notwithstanding that such Shareholder be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Shareholder as sole or joint holder, unless his name shall at the time of the service of the notice or document, have been removed from the Register as the holder of the Share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all Persons interested (whether jointly with or as claiming through or under him) in the Share.

137. Notice of every general meeting of the Company shall be given to:

(a) all Shareholders holding Shares with the right to receive notice and who have supplied to the Company an address for the giving of notices to them; and

(b) every Person entitled to a Share in consequence of the death or bankruptcy of a Shareholder, who but for his death or bankruptcy would be entitled to receive notice of the meeting.

No other Person shall be entitled to receive notices of general meetings.

INDEMNITY

138. Every Director (including for the purposes of this Article any alternate Director appointed pursuant to the provisions of these Articles), Secretary, assistant Secretary, or other officer for the time being and from time to time of the Company (but not including the Company's auditors) and the personal representatives of the same (each an **"Indemnified Person")** shall be indemnified and secured harmless against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such Indemnified Person, other than by reason of such Indemnified Person's own dishonesty, wilful default or fraud, in or about the conduct of the Company's business or affairs (including as a result of any mistake of judgment} or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such Indemnified Person in defending (whether successfully or otherwise) any civil proceedings concerning the Company or its affairs in any court whether in the Cayman Islands or elsewhere.

139. No Indemnified Person shall be liable:

(a) for the acts, receipts, neglects, defaults or omissions of any other Director or officer or agent of the Company; or

(b) for any loss on account of defect of title to any property of the Company; or

(c} on account of the insufficiency of any security in or upon which any money of the Company shall be invested; or

(d) for any loss incurred through any bank, broker or other similar Person; or

(e) for any loss occasioned by any negligence, default, breach of duty, breach of trust, error of judgement or oversight on such Indemnified Person's part; or

(f} for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities, or discretions of such Indemnified Person's office or in relation thereto;

unless the same shall happen through such Indemnified Person's own dishonesty, wilful default or fraud.

NON-RECOGNITION OF TRUSTS

140. Subject to the proviso hereto, no Person shall be recognised by the Company as holding any Share upon any trust and the Company shall not, unless required by law, be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or (except only as otherwise provided by these Articles or as the Law requires) any other right in respect of any Share except an absolute right to the entirety thereof in each Shareholder registered in the Register, provided that, notwithstanding the foregoing, the Company shall be entitled to recognise any such interests as shall be determined by the Directors.

WINDING UP

141. If the Company shall be wound up the liquidator shall apply the assets of the Company in such manner and order as he thinks fit in satisfaction of creditors' claims.

142. If the Company shall be wound up, the liquidator may, with the sanction of an Ordinary Resolution divide amongst the Shareholders in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different Classes. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Shareholders as the liquidator, with the like sanction shall think fit, but so that no Shareholder shall be compelled to accept any assets whereon there is any liability.

AMENDMENT OF ARTICLES OF ASSOCIATION

143. Subject to the Law and the rights attaching to the various Classes, the Company may at any time and from time to time by Special Resolution alter or amend these Articles in whole or in part.

CLOSING OF REGISTER OR FIXING RECORD DATE

144. For the purpose of determining those Shareholders that are entitled to receive notice of, attend or vote at any meeting of Shareholders or any adjournment thereof, or those Shareholders that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Shareholder for any other purpose, the Directors may provide that the Register shall be closed for transfers for a stated period which shall not exceed in any case 40 days. If the Register shall be so closed for the purpose of determining those Shareholders that are entitled to receive notice of, attend or vote at a meeting of Shareholders the Register shall be so closed for at least ten days immediately preceding such meeting and the record date for such determination shall be the date of the closure of the Register.

145. In lieu of or apart from closing the Register, the Directors may fix in advance a date as the record date for any such determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of the Shareholders and for the purpose of determining those Shareholders that are entitled to receive payment of any dividend the Directors may, at or within 90 days prior to the date of declaration of such dividend, fix a subsequent date as the record date for such determination.

146. If the Register is not so closed and no record date is fixed for the determination of those Shareholders entitled to receive notice of, attend or vote at a meeting of Shareholders or those Shareholders that are entitled to receive payment of a dividend, the date on which notice of the meeting is posted or the date on which the resolution of the Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of Shareholders. When a determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of Shareholders has been made as provided in this Article, such determination shall apply to any adjournment thereof.

REGISTRATION BY WAY OF CONTINUATION

147. The Company may by Special Resolution resolve to be registered by way of continuation in a jurisdiction outside the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article, the Directors may cause an application to be made to the Registrar of Companies to deregister the Company in the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.

MERGERS AND CONSOLIDATION

148. The Company may by Special Resolution resolve to merge or consolidate the Company in accordance with the Law.

DISCLOSURE

149. The Directors, or any authorised service providers (including the officers, the Secretary and the registered office agent of the Company), shall be entitled to disclose to any regulatory or judicial authority, or to any stock exchange on which the Shares may from time to time be listed, any information regarding the affairs of the Company including, without limitation, information contained in the Register and books of the Company.

Exhibit 3.2

THE COMPANIES LAW (2016 REVISION)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES

AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION
OF
RISE EDUCATION CAYMAN LTD

(adopted by a Special Resolution passed on , 2017 and effective immediately prior to the completion of the Company's initial public offering of American Depositary Shares representing its Ordinary Shares)

1. The name of the Company is RISE Education Cayman Ltd.

2. The Registered Office of the Company will be situated at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, or at such other location within the Cayman Islands as the Directors may from time to time determine.

3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Law or any other law of the Cayman Islands.

4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by the Companies Law.

5. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.

6. The liability of each Shareholder is limited to the amount, if any, unpaid on the Shares held by such Shareholder.

7. The authorised share capital of the Company is US$2,000,000 divided into 200,000,000 ordinary shares of a par value of US$0.01 each. Subject to the Companies Law and the Articles, the Company shall have power to redeem or purchase any of its Shares and to increase or reduce its authorised share capital and to sub-divide or consolidate the said Shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority, special privilege or other rights or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be ordinary, preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.

8. The Company has power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

9. Capitalised terms that are not defined in this Memorandum of Association bear the same meanings as those given in the Articles of Association of the Company.

THE COMPANIES LAW (2016 REVISION)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES

AMENDED AND RESTATED
ARTICLES OF ASSOCIATION
OF
RISE EDUCATION CAYMAN LTD

(adopted by a Special Resolution passed on , 2017 and effective immediately prior to the completion of the Company's initial public offering of American Depositary Shares representing its Ordinary Shares)

TABLE A

The regulations contained or incorporated in Table 'A' in the First Schedule of the Companies Law shall not apply to the Company and the following Articles shall comprise the Articles of Association of the Company.

INTERPRETATION

1. In these Articles the following defined terms will have the meanings ascribed to them, if not inconsistent with the subject or context:

"ADS" means an American Depositary Share representing Ordinary Shares;

"Affiliate" means in respect of a Person, any other Person that, directly or indirectly, through (1) one or more intermediaries, controls, is controlled by, or is under common control with, such Person, and (i) in the case of a natural person, shall include, without limitation, such person's spouse, parents, children, siblings, mother-in-law, father-in-law, brothers-in-law and sisters-in-law, a trust for the benefit of any of the foregoing, and a corporation, partnership or any other entity wholly or jointly owned by any of the foregoing, and (ii) in the case of an entity, shall include a partnership, a corporation or any other entity or any natural person which directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such entity. The term "control" shall mean the ownership, directly or indirectly, of shares possessing more than fifty per cent (50%) of the voting power of the corporation, partnership or other entity (other than, in the case of a corporation, securities having such power only by reason of the happening of a contingency), or having the power to control the management or elect a majority of members to the board of directors or equivalent decision-making body of such corporation, partnership or other entity;

“Articles”	means these articles of association of the Company, as amended or substituted from time to time;
“Board” and **“Board of Directors”** and **“Directors”**	means the directors of the Company for the time being, or as the case may be, the directors assembled as a board or as a committee thereof;
“Chairman”	means the chairman of the Board of Directors;
“Class” or “Classes”	means any class or classes of Shares as may from time to time be issued by the Company;
“Commission”	means the Securities and Exchange Commission of the United States of America or any other federal agency for the time being administering the Securities Act;
“Company”	means RISE Education Cayman Ltd, a Cayman Islands exempted company;
“Companies Law”	means the Companies Law (2016 Revision) of the Cayman Islands and any statutory amendment or re-enactment thereof;
“Company’s Website”	means the main corporate/investor relations website of the Company, the address or domain name of which has been disclosed in any registration statement filed by the Company in connection or which has otherwise been notified to Shareholders;
“Designated Stock Exchange”	means the stock exchange in the United States on which any Shares or ADSs are listed for trading;
“Designated Stock Exchange Rules”	means the relevant code, rules and regulations, as amended, from time to time, applicable as a result of the original and continued listing of any Shares or ADSs on the Designated Stock Exchange;
“electronic”	has the meaning given to it in the Electronic Transactions Law and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;
“electronic communication”	means electronic posting to the Company’s Website, transmission to any number, address or internet website or other electronic delivery methods as otherwise decided and approved by not less than two-thirds of the vote of the Board;
“Electronic Transactions Law”	means the Electronic Transactions Law (2003 Revision) of the Cayman Islands and any statutory amendment or re-enactment thereof;

"electronic record"	has the meaning given to it in the Electronic Transactions Law and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;
"Memorandum of Association"	means the memorandum of association of the Company, as amended or substituted from time to time;
"Ordinary Resolution"	meansa resolution: (a) passed by a simple majority of the votes cast by such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting of the Company held in accordance with these Articles; or (b) approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments, if more than one, is executed;
"Ordinary Share"	means an ordinary share of a par value of US$0.01 in the capital of the Company, and having the rights, preferences, privileges and restrictions provided for in the Memorandum and these Articles;
"paid up"	means paid up as to the par value in respect of the issue of any Shares and includes credited as paid up;
"Person"	means any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires;
"Register"	means the register of Members of the Company maintained in accordance with the Companies Law;
"Registered Office"	means the registered office of the Company as required by the Companies Law;
"Seal"	means the common seal of the Company (if adopted) including any facsimile thereof;
"Secretary"	means any Person appointed by the Directors to perform any of the duties of the secretary of the Company;
"Securities Act"	means the Securities Act of 1933 of the United States of America, as amended, or any similar federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time;

"Share"	means a share in the capital of the Company, and includes an Ordinary Share. All references to "Shares" herein shall be deemed to be Shares of any or all Classes as the context may require. For the avoidance of doubt in these Articles the expression "Share" shall include a fraction of a Share;
"Shareholder" or "Member"	means a Person who is registered as the holder of one or more Shares in the Register;
"Share Premium Account"	means the share premium account established in accordance with these Articles and the Companies Law;
"signed"	means bearing a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a person with the intent to sign the electronic communication;
"Special Resolution"	means a special resolution of the Company passed in accordance with the Companies Law, being a resolution: (a) passed by not less than two-thirds of the votes cast by such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting of the Company of which notice specifying the intention to propose the resolution as a special resolution has been duly given; or (b) approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments, if more than one, is executed;
"Treasury Share"	means a Share held in the name of the Company as a treasury share in accordance with the Companies Law; and
"United States"	means the United States of America, its territories, its possessions and all areas subject to its jurisdiction.

2. In these Articles, save where the context requires otherwise:

(a) words importing the singular number shall include the plural number and vice versa;

(b) words importing the masculine gender only shall include the feminine gender and any Person as the context may require;

(c) the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative;

(d) reference to a dollar or dollars (or US$) and to a cent or cents is reference to dollars and cents of the United States of America;

(e) reference to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force;

(f) reference to any determination by the Directors shall be construed as a determination by the Directors in their sole and absolute discretion and shall be applicable either generally or in any particular case;

(g) reference to “in writing” shall be construed as written or represented by any means reproducible in writing, including any form of print, lithograph, email, facsimile, photograph or telex or represented by any other substitute or format for storage or transmission for writing including in the form of an electronic record or partly one and partly another;

(h) any requirements as to delivery under the Articles include delivery in the form of an electronic record or an electronic communication;

(i) any requirements as to execution or signature under the Articles, including the execution of the Articles themselves, can be satisfied in the form of an electronic signature as defined in the Electronic Transaction Law; and

(j) Sections 8 and 19(3) of the Electronic Transactions Law shall not apply.

3. Subject to the last two preceding Articles, any words defined in the Companies Law shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

PRELIMINARY

4. The business of the Company may be conducted as the Directors see fit.

5. The Registered Office shall be at such address in the Cayman Islands as the Directors may from time to time determine. The Company may in addition establish and maintain such other offices and places of business and agencies in such places as the Directors may from time to time determine.

6. The expenses incurred in the formation of the Company and in connection with the offer for subscription and issue of Shares shall be paid by the Company. Such expenses may be amortised over such period as the Directors may determine and the amount so paid shall be charged against income and/or capital in the accounts of the Company as the Directors shall determine.

7. The Directors shall keep, or cause to be kept, the Register at such place as the Directors may from time to time determine and, in the absence of any such determination, the Register shall be kept at the Registered Office.

SHARES

8. Subject to these Articles, all Shares for the time being unissued shall be under the control of the Directors who may, in their absolute discretion and without the approval of the Members, cause the Company to:

   (a) issue, allot and dispose of Shares (including, without limitation, preferred shares) (whether in certificated form or non-certificated form) to such Persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine;

   (b) grant rights over Shares or other securities to be issued in one or more classes or series as they deem necessary or appropriate and determine the designations, powers, preferences, privileges and other rights attaching to such Shares or securities, including dividend rights, voting rights, conversion rights, terms of redemption and liquidation preferences, any or all of which may be greater than the powers, preferences, privileges and rights associated with the then issued and outstanding Shares, at such times and on such other terms as they think proper; and

   (c) grant options with respect to Shares and issue warrants or similar instruments with respect thereto.

9. The Directors may authorise the division of Shares into any number of Classes and the different Classes shall be authorised, established and designated (or re-designated as the case may be) and the variations in the relative rights (including, without limitation, voting, dividend and redemption rights), restrictions, preferences, privileges and payment obligations as between the different Classes (if any) may be fixed and determined by the Directors or by a Special Resolution. The Directors may issue from time to time, out of the authorised share capital of the Company, preferred shares with such preferred or other rights, all or any of which may be greater than the rights of Ordinary Shares, at such time and on such terms as they may think appropriate in their absolute discretion and without approval of the Members; provided, however, before any preferred shares of any such series are issued, the Directors shall by resolution of Directors determine, with respect to any series of preferred shares, the terms and rights of that series, including:

   (a) the designation of such series, the number of preferred shares to constitute such series and the subscription price thereof if different from the par value thereof;

   (b) whether the preferred shares of such series shall have voting rights, in addition to any voting rights provided by law, and, if so, the terms of such voting rights, which may be general or limited;

   (c) the dividends, if any, payable on such series, whether any such dividends shall be cumulative, and, if so, from what dates, the conditions and dates upon which such dividends shall be payable, and the preference or relation which such dividends shall bear to the dividends payable on any shares of any other class or any other series of shares;

(d) whether the preferred shares of such series shall be subject to redemption by the Company, and, if so, the times, prices and other conditions of such redemption;

(e) whether the preferred shares of such series shall have any rights to receive any part of the assets available for distribution amongst the Members upon the liquidation of the Company, and, if so, the terms of such liquidation preference, and the relation which such liquidation preference shall bear to the entitlements of the holders of shares of any other class or any other series of shares;

(f) whether the preferred shares of such series shall be subject to the operation of a retirement or sinking fund and, if so, the extent to and manner in which any such retirement or sinking fund shall be applied to the purchase or redemption of the preferred shares of such series for retirement or other corporate purposes and the terms and provisions relative to the operation thereof;

(g) whether the preferred shares of such series shall be convertible into, or exchangeable for, shares of any other class or any other series of preferred shares or any other securities and, if so, the price or prices or the rate or rates of conversion or exchange and the method, if any, of adjusting the same, and any other terms and conditions of conversion or exchange;

(h) the limitations and restrictions, if any, to be effective while any preferred shares of such series are outstanding upon the payment of dividends or the making of other distributions on, and upon the purchase, redemption or other acquisition by the Company of, the existing shares or shares of any other class of shares or any other series of preferred shares;

(i) the conditions or restrictions, if any, upon the creation of indebtedness of the Company or upon the issue of any additional shares, including additional shares of such series or of any other class of shares or any other series of preferred shares; and

(j) any other powers, preferences and relative, participating, optional and other special rights, and any qualifications, limitations and restrictions thereof;

and, for such purposes, the Directors may reserve an appropriate number of Shares for the time being unissued. The Company shall not issue Shares to bearer.

10. The Company may insofar as may be permitted by law, pay a commission to any Person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any Shares. Such commissions may be satisfied by the payment of cash or the lodgement of fully or partly paid-up Shares or partly in one way and partly in the other. The Company may also pay such brokerage as may be lawful on any issue of Shares.

11. The Directors may refuse to accept any application for Shares, and may accept any application in whole or in part, for any reason or for no reason.

MODIFICATION OF RIGHTS

12. If at any time the capital of the Company is divided into different Classes, all or any of the rights attached to any such Class may, subject to any rights or restrictions for the time being attached to any Class, be varied with the consent in writing of all of the holders of the issued Shares of that Class or with the sanction of a special resolution passed at a separate meeting of the holders of the Shares of that Class. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be one or more Persons holding or representing by proxy at least one-third in nominal or par value amount of the issued Shares of the relevant Class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those Shareholders who are present shall form a quorum) and that, subject to any rights or restrictions for the time being attached to the Shares of that Class, every Shareholder of the Class shall on a poll have one vote for each Share of the Class held by him. For the purposes of this Article the Directors may treat all the Classes or any two or more Classes as forming one Class if they consider that all such Classes would be affected in the same way by the proposals under consideration, but in any other case shall treat them as separate Classes.

13. The rights conferred upon the holders of the Shares of any Class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that Class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* with or subsequent to the Shares of that Class or the redemption or purchase of any Shares of any Class by the Company. The rights of the holders of Shares shall not be deemed to be varied by the creation or issue of Shares with preferred or other rights including, without limitation, the creation of Shares with enhanced or weighted voting rights.

CERTIFICATES

14. Every Person whose name is entered as a Member in the Register may, without payment and upon its written request, request a certificate within two calendar months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) in the form determined by the Directors. All certificates shall specify the Share or Shares held by that Person, provided that in respect of a Share or Shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a Share to one of several joint holders shall be sufficient delivery to all. All certificates for Shares shall be delivered personally or sent through the post addressed to the Member entitled thereto at the Member's registered address as appearing in the Register.

15. Every share certificate of the Company shall bear legends required under the applicable laws, including the Securities Act.

16. Any two or more certificates representing Shares of any one Class held by any Member may at the Member's request be cancelled and a single new certificate for such Shares issued in lieu on payment (if the Directors shall so require) of one dollar (US$1.00) or such smaller sum as the Directors shall determine.

17. If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same Shares may be issued to the relevant Member upon request, subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in connection with the request as the Directors may think fit.

18. In the event that Shares are held jointly by several persons, any request may be made by any one of the joint holders and if so made shall be binding on all of the joint holders.

FRACTIONAL SHARES

19. The Directors may issue fractions of a Share and, if so issued, a fraction of a Share shall be subject to and carry the corresponding fraction of liabilities (whether with respect to nominal or par value, premium, contributions, calls or otherwise), limitations, preferences, privileges, qualifications, restrictions, rights (including, without prejudice to the generality of the foregoing, voting and participation rights) and other attributes of a whole Share. If more than one fraction of a Share of the same Class is issued to or acquired by the same Shareholder such fractions shall be accumulated.

LIEN

20. The Company has a first and paramount lien on every Share (whether or not fully paid) for all amounts (whether presently payable or not) payable at a fixed time or called in respect of that Share. The Company also has a first and paramount lien on every Share registered in the name of a Person indebted or under liability to the Company (whether he is the sole registered holder of a Share or one of two or more joint holders) for all amounts owing by him or his estate to the Company (whether or not presently payable). The Directors may at any time declare a Share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a Share extends to any amount payable in respect of it, including but not limited to dividends.

21. The Company may sell, in such manner as the Directors in their absolute discretion think fit, any Share on which the Company has a lien, but no sale shall be made unless an amount in respect of which the lien exists is presently payable nor until the expiration of fourteen calendar days after a notice in writing, demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share, or the Persons entitled thereto by reason of his death or bankruptcy.

22. For giving effect to any such sale the Directors may authorise a Person to transfer the Shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the Shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

23. The proceeds of the sale after deduction of expenses, fees and commission incurred by the Company shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the Shares prior to the sale) be paid to the Person entitled to the Shares immediately prior to the sale.

CALLS ON SHARES

24. Subject to the terms of the allotment, the Directors may from time to time make calls upon the Shareholders in respect of any moneys unpaid on their Shares, and each Shareholder shall (subject to receiving at least fourteen calendar days' notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on such Shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.

25. The joint holders of a Share shall be jointly and severally liable to pay calls in respect thereof.

26. If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest upon the sum at the rate of eight percent per annum from the day appointed for the payment thereof to the time of the actual payment, but the Directors shall be at liberty to waive payment of that interest wholly or in part.

27. The provisions of these Articles as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the amount of the Share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

28. The Directors may make arrangements with respect to the issue of partly paid Shares for a difference between the Shareholders, or the particular Shares, in the amount of calls to be paid and in the times of payment.

29. The Directors may, if they think fit, receive from any Shareholder willing to advance the same all or any part of the moneys uncalled and unpaid upon any partly paid Shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding without the sanction of an Ordinary Resolution, eight percent per annum) as may be agreed upon between the Shareholder paying the sum in advance and the Directors. No such sum paid in advance of calls shall entitle the Member paying such sum to any portion of a dividend declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.

FORFEITURE OF SHARES

30. If a Shareholder fails to pay any call or instalment of a call in respect of partly paid Shares on the day appointed for payment, the Directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

31. The notice shall name a further day (not earlier than the expiration of fourteen calendar days from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed, the Shares in respect of which the call was made will be liable to be forfeited.

32. If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has been given may at any time thereafter, before the payment required by notice has been made, be forfeited by a resolution of the Directors to that effect.

33. A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.

34. A Person whose Shares have been forfeited shall cease to be a Shareholder in respect of the forfeited Shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which at the date of forfeiture were payable by him to the Company in respect of the Shares forfeited, but his liability shall cease if and when the Company receives payment in full of the amount unpaid on the Shares forfeited.

35. A certificate in writing under the hand of a Director of the Company that a Share has been duly forfeited on a date stated in the certificate shall be conclusive evidence of the facts in the declaration as against all Persons claiming to be entitled to the Share.

36. The Company may receive the consideration, if any, given for a Share on any sale or disposition thereof pursuant to the provisions of these Articles as to forfeiture and may execute a transfer of the Share in favour of the Person to whom the Share is sold or disposed of and that Person shall be registered as the holder of the Share and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the disposition or sale.

37. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes due and payable, whether on account of the amount of the Share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

TRANSFER OF SHARES

38. The instrument of transfer of any Share shall be in writing and in any usual or common form or such other form as the Directors may, in their absolute discretion, approve and be executed by or on behalf of the transferor and if in respect of a nil or partly paid up Share, or if so required by the Directors, shall also be executed on behalf of the transferee and shall be accompanied by the certificate (if any) of the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain a Shareholder until the name of the transferee is entered in the Register in respect of the relevant Shares.

39. (a) The Directors may in their absolute discretion decline to register any transfer of Shares which is not fully paid up or on which the Company has a lien.

(b) The Directors may also decline to register any transfer of any Share unless:

(i) the instrument of transfer is lodged with the Company, accompanied by the certificate for the Shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

(ii) the instrument of transfer is in respect of only one Class of Shares;

(iii) the instrument of transfer is properly stamped, if required;

(iv) in the case of a transfer to joint holders, the number of joint holders to whom the Share is to be transferred does not exceed four; and

(v) a fee of such maximum sum as the Designated Stock Exchange may determine to be payable, or such lesser sum as the Board of Directors may from time to time require, is paid to the Company in respect thereof.

40. The registration of transfers may, after compliance with any notice required by the Designated Stock Exchange Rules, be suspended and the Register closed at such times and for such periods as the Directors may, in their absolute discretion, from time to time determine, provided always that such registration of transfer shall not be suspended nor the Register closed for more than thirty calendar days in any calendar year.

41. All instruments of transfer that are registered shall be retained by the Company. If the Directors refuse to register a transfer of any Shares, they shall within two calendar months after the date on which the instrument of transfer was lodged with the Company send notice of the refusal to each of the transferor and the transferee.

TRANSMISSION OF SHARES

42. The legal personal representative of a deceased sole holder of a Share shall be the only Person recognised by the Company as having any title to the Share. In the case of a Share registered in the name of two or more holders, the survivors or survivor, or the legal personal representatives of the deceased survivor, shall be the only Person recognised by the Company as having any title to the Share.

43. Any Person becoming entitled to a Share in consequence of the death or bankruptcy of a Shareholder shall, upon such evidence being produced as may from time to time be required by the Directors, have the right either to be registered as a Shareholder in respect of the Share or, instead of being registered himself, to make such transfer of the Share as the deceased or bankrupt Person could have made; but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the Share by the deceased or bankrupt Person before the death or bankruptcy.

44. A Person becoming entitled to a Share by reason of the death or bankruptcy of a Shareholder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered Shareholder, except that he shall not, before being registered as a Shareholder in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company, provided however, that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within ninety calendar days, the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with.

REGISTRATION OF EMPOWERING INSTRUMENTS

45. The Company shall be entitled to charge a fee not exceeding one dollar (US$1.00) on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney, notice in lieu of distringas, or other instrument.

ALTERATION OF SHARE CAPITAL

46. The Company may from time to time by Ordinary Resolution increase the share capital by such sum, to be divided into Shares of such Classes and amount, as the resolution shall prescribe.

47. The Company may by Ordinary Resolution:

(a) increase its share capital by new Shares of such amount as it thinks expedient;

(b) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares;

(c) subdivide its Shares, or any of them, into Shares of an amount smaller than that fixed by the Memorandum, provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in case of the Share from which the reduced Share is derived; and

(d) cancel any Shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of its share capital by the amount of the Shares so cancelled.

48. The Company may by Special Resolution reduce its share capital and any capital redemption reserve in any manner authorised by law.

REDEMPTION, PURCHASE AND SURRENDER OF SHARES

49. Subject to the provisions of the Companies Law and these Articles, the Company may:

(a) issue Shares that are to be redeemed or are liable to be redeemed at the option of the Shareholder or the Company. The redemption of Shares shall be effected in such manner and upon such terms as may be determined, before the issue of such Shares, by either the Board or by the Shareholders by Special Resolution;

(b) purchase its own Shares (including any redeemable Shares) in such manner and upon such terms as have been approved by the Board or by the Shareholders by Ordinary Resolution, or are otherwise authorised by these Articles; and

(c) make a payment in respect of the redemption or purchase of its own Shares in any manner permitted by the Companies Law, including out of capital.

50. The purchase of any Share shall not oblige the Company to purchase any other Share other than as may be required pursuant to applicable law and any other contractual obligations of the Company.

51. The holder of the Shares being purchased shall be bound to deliver up to the Company the certificate(s) (if any) thereof for cancellation and thereupon the Company shall pay to him the purchase or redemption monies or consideration in respect thereof.

52. The Directors may accept the surrender for no consideration of any fully paid Share.

TREASURY SHARES

53. The Directors may, prior to the purchase, redemption or surrender of any Share, determine that such Share shall be held as a Treasury Share.

54. The Directors may determine to cancel a Treasury Share or transfer a Treasury Share on such terms as they think proper (including, without limitation, for nil consideration).

GENERAL MEETINGS

55. All general meetings other than annual general meetings shall be called extraordinary general meetings.

56. (a) The Company may (but shall not be obliged to) in each calendar year hold a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held at such time and place as may be determined by the Directors.

(b) At these meetings the report of the Directors (if any) shall be presented.

57. (a) The Chairman or a majority of the Directors may call general meetings, and they shall on a Shareholders' requisition forthwith proceed to convene an extraordinary general meeting of the Company.

(b) A Shareholders' requisition is a requisition of two or more Members holding at the date of deposit of the requisition Shares which carry in aggregate not less than one-third (1/3) of all votes attaching to all issued and outstanding Shares of the Company that as at the date of the deposit carry the right to vote at general meetings of the Company.

(c) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Registered Office, and may consist of several documents in like form each signed by one or more requisitionists.

(d) If there are no Directors as at the date of the deposit of the Members' requisition, or if the Directors do not within twenty-one calendar days from the date of the deposit of the requisition duly proceed to convene a general meeting to be held within a further twenty-one calendar days, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a general meeting, but any meeting so convened shall not be held after the expiration of three calendar months after the expiration of the said twenty-one calendar days.

(e) A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.

NOTICE OF GENERAL MEETINGS

58. At least seven (7) calendar days' notice shall be given for any general meeting. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting and the general nature of the business and shall be given in the manner hereinafter mentioned or in such other manner if any as may be prescribed by the Company, provided that a general meeting of the Company shall, whether or not the notice specified in this Article has been given and whether or not the provisions of these Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed:

(a) in the case of an annual general meeting, by all the Shareholders (or their proxies) entitled to attend and vote thereat; and

(b) in the case of an extraordinary general meeting, by two-thirds (2/3rd) of the Shareholders having a right to attend and vote at the meeting, present in person or by proxy or, in the case of a corporation or other non-natural person, by its duly authorised representative or proxy.

59. The accidental omission to give notice of a meeting to or the non-receipt of a notice of a meeting by any Shareholder shall not invalidate the proceedings at any meeting.

PROCEEDINGS AT GENERAL MEETINGS

60. No business except for the appointment of a chairman for the meeting shall be transacted at any general meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business. One or more Shareholders who together hold Shares which carry in aggregate not less than one-third (1/3) of all votes attaching to all issued and outstanding Shares that carry the right to vote at such general meeting, present in person or by proxy or, if a corporation or other non-natural person, by its duly authorised representative, shall be a quorum for all purposes.

61. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall be dissolved.

62. If the Directors wish to make this facility available for a specific general meeting or all general meetings of the Company, participation in any general meeting of the Company may be by means of a telephone or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.

63. The Chairman, if any, of the Board of Directors shall preside as chairman at every general meeting of the Company.

64. If there is no such Chairman of the Board of Directors, or if at any general meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, any Director or Person nominated by the Directors shall preside as chairman of that meeting, failing which the Shareholders present in person or by proxy shall choose any Person present to be chairman of that meeting.

65. The chairman may with the consent of any general meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting, or adjourned meeting, is adjourned for fourteen calendar days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

66. The Directors may cancel or postpone any duly convened general meeting at any time prior to such meeting, except for general meetings requisitioned by the Shareholders in accordance with these Articles, for any reason or for no reason, upon notice in writing to Shareholders. A postponement may be for a stated period of any length or indefinitely as the Directors may determine. Notice of the business to be transacted at such postponed general meeting shall not be required. If a general meeting is postponed in accordance with this Article, the appointment of a proxy will be valid if it is received as required by the Articles not less than 48 hours before the time appointed for holding the postponed meeting.

67. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded. A poll may be demanded by the chairman of the meeting or by any or one or more Shareholders who together hold Shares which carry in aggregate not less than ten percent of the votes attaching to all issued and outstanding Shares that carry the right to vote at such general meeting, present in person or by proxy or, if a corporation or other non-natural person, by its duly authorised representative. Unless a poll is so demanded, a declaration by the chairman of the meeting that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.

68. If a poll is duly demanded it shall be taken in such manner as the chairman of the meeting directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

69. All questions submitted to a meeting shall be decided by an Ordinary Resolution except where a greater majority is required by these Articles or by the Companies Law. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall not be entitled to a second or casting vote.

70. A poll demanded on the election of a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.

VOTES OF SHAREHOLDERS

71. Subject to any rights and restrictions for the time being attached to any Share, on a show of hands every Shareholder present in person or by proxy (or, if a corporation or other non-natural person, by its duly authorised representative or proxy) shall, at a general meeting of the Company, each have one vote and on a poll every Shareholder present in person or by proxy (or, if a corporation or other non-natural person, by its duly authorised representative or proxy) shall have one vote for each Ordinary Share of which he is the holder.

72. In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy (or, if a corporation or other non-natural person, by its duly authorised representative or proxy) shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register.

73. Shares carrying the right to vote that are held by a Shareholder of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may be voted, whether on a show of hands or on a poll, by his committee, or other Person in the nature of a committee appointed by that court, and any such committee or other Person may vote in respect of such Shares by proxy.

74. No Shareholder shall be entitled to vote at any general meeting of the Company unless all calls, if any, or other sums presently payable by him in respect of Shares carrying the right to vote held by him have been paid.

75. On a poll votes may be given either personally or by proxy.

76. Each Shareholder, other than a recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)), may only appoint one proxy on a show of hand. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised. A proxy need not be a Shareholder.

77. An instrument appointing a proxy may be in any usual or common form or such other form as the Directors may approve.

78. The instrument appointing a proxy shall be deposited at the Registered Office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company:

(a) not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

(b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or

(c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director;

provided that the Directors may in the notice convening the meeting, or in any instrument of proxy sent out by the Company, direct that the instrument appointing a proxy may be deposited at such other time (no later than the time for holding the meeting or adjourned meeting) at the Registered Office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company. The chairman of the meeting may in any event at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited. An instrument of proxy that is not deposited in the manner permitted shall be invalid.

79. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

80. A resolution in writing signed by all the Shareholders for the time being entitled to receive notice of and to attend and vote at general meetings of the Company (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

81. Any corporation which is a Shareholder or a Director may by resolution of its directors or other governing body authorise such Person as it thinks fit to act as its representative at any meeting of the Company or of any meeting of holders of a Class or of the Directors or of a committee of Directors, and the Person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Shareholder or Director.

DEPOSITARY AND CLEARING HOUSES

82. If a recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)) is a Member of the Company it may, by resolution of its directors or other governing body or by power of attorney, authorise such Person(s) as it thinks fit to act as its representative(s) at any general meeting of the Company or of any Class of Shareholders provided that, if more than one Person is so authorised, the authorisation shall specify the number and Class of Shares in respect of which each such Person is so authorised. A Person so authorised pursuant to this Article shall be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)) could exercise if it were an individual Member holding the number and Class of Shares specified in such authorisation, including the right to vote individually on a show of hands.

DIRECTORS

83. (a) Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than three (3) Directors, and there shall be no maximum number of Directors.

(b) The Board of Directors shall have a Chairman elected and appointed by a majority of the Directors then in office. The period for which the Chairman will hold office will also be determined by a majority of all of the Directors then in office. The Chairman shall preside as chairman at every meeting of the Board of Directors, save and except that if the Chairman is not present at a meeting of the Board of Directors within fifteen minutes after the time appointed for holding the same, or if the Chairman is unable or unwilling to act as the chairman of a meeting of the Board of Directors, the attending Directors may choose one of their number to be the chairman of the meeting.

(c) The Company may by Ordinary Resolution appoint any person to be a Director.

(d) The Board may, by the affirmative vote of a simple majority of the remaining Directors present and voting at a Board meeting, appoint any person as a Director, to fill a casual vacancy on the Board or as an addition to the existing Board.

(e) A Director shall hold office until the expiration of his or her term or his or her successor shall have been elected and qualified, or until his or her office is otherwise vacated.

84. A Director may be removed from office by Ordinary Resolution of the Company, notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under such agreement). A vacancy on the Board created by the removal of a Director under the previous sentence may be filled by Ordinary Resolution or by the affirmative vote of a simple majority of the remaining Directors present and voting at a Board meeting. The notice of any meeting at which a resolution to remove a Director shall be proposed or voted upon must contain a statement of the intention to remove that Director and such notice must be served on that Director not less than ten (10) calendar days before the meeting. Such Director is entitled to attend the meeting and be heard on the motion for his removal.

85. The Board may, from time to time, and except as required by applicable law or Designated Stock Exchange Rules, adopt, institute, amend, modify or revoke the corporate governance policies or initiatives of the Company and determine on various corporate governance related matters of the Company as the Board shall determine by resolution of Directors from time to time.

86. A Director shall not be required to hold any Shares in the Company by way of qualification. A Director who is not a Member of the Company shall nevertheless be entitled to attend and speak at general meetings.

87. The remuneration of the Directors may be determined by the Directors or by Ordinary Resolution.

88. The Directors shall be entitled to be paid their travelling, hotel and other expenses properly incurred by them in going to, attending and returning from meetings of the Directors, or any committee of the Directors, or general meetings of the Company, or otherwise in connection with the business of the Company, or to receive such fixed allowance in respect thereof as may be determined by the Directors from time to time, or a combination partly of one such method and partly the other.

ALTERNATE DIRECTOR OR PROXY

89. Any Director may in writing appoint another Person to be his alternate and, save to the extent provided otherwise in the form of appointment, such alternate shall have authority to sign written resolutions on behalf of the appointing Director, but shall not be required to sign such written resolutions where they have been signed by the appointing director, and to act in such Director's place at any meeting of the Directors at which the appointing Director is unable to be present. Every such alternate shall be entitled to attend and vote at meetings of the Directors as a Director when the Director appointing him is not personally present and where he is a Director to have a separate vote on behalf of the Director he is representing in addition to his own vote. A Director may at any time in writing revoke the appointment of an alternate appointed by him. Such alternate shall be deemed for all purposes to be a Director of the Company and shall not be deemed to be the agent of the Director appointing him. The remuneration of such alternate shall be payable out of the remuneration of the Director appointing him and the proportion thereof shall be agreed between them.

90. Any Director may appoint any Person, whether or not a Director, to be the proxy of that Director to attend and vote on his behalf, in accordance with instructions given by that Director, or in the absence of such instructions at the discretion of the proxy, at a meeting or meetings of the Directors which that Director is unable to attend personally. The instrument appointing the proxy shall be in writing under the hand of the appointing Director and shall be in any usual or common form or such other form as the Directors may approve, and must be lodged with the chairman of the meeting of the Directors at which such proxy is to be used, or first used, prior to the commencement of the meeting.

DISQUALIFICATION OF DIRECTORS

91. The office of Director shall be vacated, if the Director:

(a) becomes bankrupt or makes any arrangement or composition with his creditors;

(b) dies or is found to be or becomes of unsound mind;

(c) resigns his office by notice in writing to the Company;

(d) without special leave of absence from the Board, is absent from meetings of the Board for three consecutive meetings and the Board resolves that his office be vacated;

(e) is prohibited by any applicable law or Designated Stock Exchange Rules from being a Director; or

(f) is removed from office pursuant to any other provision of these Articles.

POWERS AND DUTIES OF DIRECTORS

92. Subject to the Companies Law, these Articles and to any resolutions passed in a general meeting, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all powers of the Company. No resolution passed by the Company in general meeting shall invalidate any prior act of the Directors that would have been valid if that resolution had not been passed.

93. Subject to these Articles, the Directors may from time to time appoint any natural person or corporation, whether or not a Director to hold such office in the Company as the Directors may think necessary for the administration of the Company, including but not limited to, chief executive officer, one or more other executive officers, president, one or more vice-presidents, treasurer, assistant treasurer, manager or controller, and for such term and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another), and with such powers and duties as the Directors may think fit. Any natural person or corporation so appointed by the Directors may be removed by the Directors. The Directors may also appoint one or more of their number to the office of managing director upon like terms, but any such appointment shall ipso facto terminate if any managing director ceases for any cause to be a Director, or if the Company by Ordinary Resolution resolves that his tenure of office be terminated.

94. The Directors may appoint any natural person or corporation to be a Secretary (and if need be an assistant Secretary or assistant Secretaries) who shall hold office for such term, at such remuneration and upon such conditions and with such powers as they think fit. Any Secretary or assistant Secretary so appointed by the Directors may be removed by the Directors.

95. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.

96. The Directors may from time to time and at any time by power of attorney (whether under Seal or under hand) or otherwise appoint any company, firm or Person or body of Persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys or authorised signatory (any such person being an “Attorney” or “Authorised Signatory”, respectively) of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of Persons dealing with any such Attorney or Authorised Signatory as the Directors may think fit, and may also authorise any such Attorney or Authorised Signatory to delegate all or any of the powers, authorities and discretion vested in him.

97. The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the three next following Articles shall not limit the general powers conferred by this Article.

98. The Directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any natural person or corporation to be a member of such committees or local boards and may appoint any managers or agents of the Company and may fix the remuneration of any such natural person or corporation.

99. The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such local board, or any of them to fill any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any natural person or corporation so appointed and may annul or vary any such delegation, but no Person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

100. Any such delegates as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.

BORROWING POWERS OF DIRECTORS

101. The Directors may from time to time at their discretion exercise all the powers of the Company to borrow money, to mortgage or charge all or any part of its undertaking, property and assets (present and future) and uncalled capital, and to issue debentures, bonds and other securities, whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.

THE SEAL

102. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of the Seal and if given after may be in general form confirming a number of affixings of the Seal. The Seal shall be affixed in the presence of a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose and every Person as aforesaid shall sign every instrument to which the Seal is so affixed in their presence.

103. The Company may maintain a facsimile of the Seal in such countries or places as the Directors may appoint and such facsimile Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of such facsimile Seal and if given after may be in general form confirming a number of affixings of such facsimile Seal. The facsimile Seal shall be affixed in the presence of such Person or Persons as the Directors shall for this purpose appoint and such Person or Persons as aforesaid shall sign every instrument to which the facsimile Seal is so affixed in their presence and such affixing of the facsimile Seal and signing as aforesaid shall have the same meaning and effect as if the Seal had been affixed in the presence of and the instrument signed by a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose.

104. Notwithstanding the foregoing, a Secretary or any assistant Secretary shall have the authority to affix the Seal, or the facsimile Seal, to any instrument for the purposes of attesting authenticity of the matter contained therein but which does not create any obligation binding on the Company.

PROCEEDINGS OF DIRECTORS

105. The Directors may meet together (either within or without the Cayman Islands) for the despatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. At any meeting of the Directors, each Director present in person or represented by his proxy or alternate shall be entitled to one vote. In case of an equality of votes the chairman of the meeting shall not have a second or casting vote. A Director may, and a Secretary or assistant Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.

106. A Director may participate in any meeting of the Directors, or of any committee appointed by the Directors of which such Director is a member, by means of telephone or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.

107. The quorum necessary for the transaction of the business of the Board may be fixed by the Directors, and unless so fixed, the quorum shall be a majority of Directors then in office. A Director represented by proxy or by an alternate Director at any meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present.

108. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract or arrangement with the Company shall declare the nature of his interest at a meeting of the Directors. A general notice given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract or transaction which may thereafter be made with that company or firm shall be deemed a sufficient declaration of interest in regard to any contract so made or transaction so consummated. A Director may vote in respect of any contract or proposed contract or arrangement notwithstanding that he may be interested therein and if he does so his vote shall be counted and he may be counted in the quorum at any meeting of the Directors at which any such contract or proposed contract or arrangement shall come before the meeting for consideration, provided that (a) such Director, if his interest (whether direct or indirect) in such contract or arrangement is material, has declared the nature of his interest at the earliest meeting of the Board at which it is practicable for him to do so, either specifically or by way of a general notice and (b) if such contract or arrangement is a transaction with a related party, such transaction has been approved by the audit committee of the Company.

109. A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established. A Director, notwithstanding his interest, may be counted in the quorum present at any meeting of the Directors whereat he or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged and he may vote on any such appointment or arrangement.

110. Any Director may act by himself or through his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.

111. The Directors shall cause minutes to be made for the purpose of recording:

(a) all appointments of officers made by the Directors;

(b) the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and

(c) all resolutions and proceedings at all meetings of the Company, and of the Directors and of committees of Directors.

112. When the chairman of a meeting of the Directors signs the minutes of such meeting the same shall be deemed to have been duly held notwithstanding that all the Directors have not actually come together or that there may have been a technical defect in the proceedings.

113. A resolution in writing signed by all the Directors or all the members of a committee of Directors entitled to receive notice of a meeting of Directors or committee of Directors, as the case may be (an alternate Director, subject as provided otherwise in the terms of appointment of the alternate Director, being entitled to sign such a resolution on behalf of his appointer), shall be as valid and effectual as if it had been passed at a duly called and constituted meeting of Directors or committee of Directors, as the case may be. When signed a resolution may consist of several documents each signed by one or more of the Directors or his duly appointed alternate.

114. The continuing Directors may act notwithstanding any vacancy in their body but if and for so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number, or of summoning a general meeting of the Company, but for no other purpose.

115. Subject to any regulations imposed on it by the Directors, a committee appointed by the Directors may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, the committee members present may choose one of their number to be chairman of the meeting.

116. A committee appointed by the Directors may meet and adjourn as it thinks proper. Subject to any regulations imposed on it by the Directors, questions arising at any meeting shall be determined by a majority of votes of the committee members present and in case of an equality of votes the chairman shall not have a second or casting vote.

117. All acts done by any meeting of the Directors or of a committee of Directors, or by any Person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Person had been duly appointed and was qualified to be a Director.

PRESUMPTION OF ASSENT

118. A Director who is present at a meeting of the Board of Directors at which an action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent from such action with the person acting as the chairman or secretary of the meeting before the adjournment thereof or shall forward such dissent by registered post to such person immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favour of such action.

DIVIDENDS

119. Subject to any rights and restrictions for the time being attached to any Shares, the Directors may from time to time declare dividends (including interim dividends) and other distributions on Shares in issue and authorise payment of the same out of the funds of the Company lawfully available therefor.

120. Subject to any rights and restrictions for the time being attached to any Shares, the Company by Ordinary Resolution may declare dividends, but no dividend shall exceed the amount recommended by the Directors.

121. The Directors may, before recommending or declaring any dividend, set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, in the absolute discretion of the Directors, be applicable for meeting contingencies or for equalising dividends or for any other purpose to which those funds may be properly applied, and pending such application may in the absolute discretion of the Directors, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit.

122. Any dividend payable in cash to the holder of Shares may be paid in any manner determined by the Directors. If paid by cheque it will be sent by mail addressed to the holder at his address in the Register, or addressed to such person and at such addresses as the holder may direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such Shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company.

123. The Directors may determine that a dividend shall be paid wholly or partly by the distribution of specific assets (which may consist of the shares or securities of any other company) and may settle all questions concerning such distribution. Without limiting the generality of the foregoing, the Directors may fix the value of such specific assets, may determine that cash payment shall be made to some Shareholders in lieu of specific assets and may vest any such specific assets in trustees on such terms as the Directors think fit.

124. Subject to any rights and restrictions for the time being attached to any Shares, all dividends shall be declared and paid according to the amounts paid up on the Shares, but if and for so long as nothing is paid up on any of the Shares dividends may be declared and paid according to the par value of the Shares. No amount paid on a Share in advance of calls shall, while carrying interest, be treated for the purposes of this Article as paid on the Share.

125. If several Persons are registered as joint holders of any Share, any of them may give effective receipts for any dividend or other moneys payable on or in respect of the Share.

126. No dividend shall bear interest against the Company.

127. Any dividend unclaimed after a period of six calendar years from the date of declaration of such dividend may be forfeited by the Board of Directors and, if so forfeited, shall revert to the Company.

ACCOUNTS, AUDIT AND ANNUAL RETURN AND DECLARATION

128. The books of account relating to the Company’s affairs shall be kept in such manner as may be determined from time to time by the Directors.

129. The books of account shall be kept at the Registered Office, or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.

130. The Directors may from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Shareholders not being Directors, and no Shareholder (not being a Director) shall have any right to inspect any account or book or document of the Company except as conferred by any applicable law or authorised by the Directors or by Ordinary Resolution.

131. The accounts relating to the Company's affairs shall be audited in such manner and with such financial year end as may be determined from time to time by the Directors or failing any determination as aforesaid shall not be audited.

132. The Directors may appoint an auditor of the Company who shall hold office until removed from office by a resolution of the Directors and may fix his or their remuneration.

133. Every auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of the duties of the auditors.

134. The auditors shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment, and at any time during their term of office, upon request of the Directors or any general meeting of the Members.

135. The Directors in each calendar year shall prepare, or cause to be prepared, an annual return and declaration setting forth the particulars required by the Companies Law and deliver a copy thereof to the Registrar of Companies in the Cayman Islands.

CAPITALISATION OF RESERVES

136. Subject to the Companies Law, the Directors may:

(a) resolve to capitalise any sum standing to the credit of any of the Company's reserve accounts or funds (including the Share Premium Account and capital redemption reserve fund) or any sum standing to the credit of the profit and loss account or otherwise available for distribution;

(b) appropriate the sum resolved to be capitalised to the Shareholders in proportion to the nominal amount of Shares (whether or not fully paid) held by them respectively and apply that sum on their behalf in or towards:

(i) paying up the amounts (if any) for the time being unpaid on Shares held by them respectively, or

(ii) paying up in full unissued Shares or debentures of a nominal amount equal to that sum,

and allot the Shares or debentures, credited as fully paid, to the Shareholders (or as they may direct) in those proportions, or partly in one way and partly in the other, but the Share Premium Account, the capital redemption reserve and profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued Shares to be allotted to Shareholders credited as fully paid;

(c) make any arrangements they think fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where Shares or debentures become distributable in fractions the Directors may deal with the fractions as they think fit;

(d) authorise a Person to enter (on behalf of all the Shareholders concerned) into an agreement with the Company providing for either:

(i) the allotment to the Shareholders respectively, credited as fully paid, of Shares or debentures to which they may be entitled on the capitalisation, or

(ii) the payment by the Company on behalf of the Shareholders (by the application of their respective proportions of the reserves resolved to be capitalised) of the amounts or part of the amounts remaining unpaid on their existing Shares,

and any such agreement made under this authority being effective and binding on all those Shareholders; and

(e) generally do all acts and things required to give effect to the resolution.

137. Notwithstanding any provisions in these Articles, the Directors may resolve to capitalise any sum standing to the credit of any of the Company's reserve accounts or funds (including the Share Premium Account and capital redemption reserve fund) or any sum standing to the credit of the profit and loss account or otherwise available for distribution by applying such sum in paying up in full unissued Shares to be allotted and issued to:

(a) employees (including Directors) or service providers of the Company or its Affiliates upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Directors or the Members;

(b) any trustee of any trust or administrator of any share incentive scheme or employee benefit scheme to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Directors or Members; or

(c) any depositary of the Company for the purposes of the issue, allotment and delivery by the depositary of ADSs to employees (including Directors) or service providers of the Company or its Affiliates upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Directors or the Members.

SHARE PREMIUM ACCOUNT

138. The Directors shall in accordance with the Companies Law establish a Share Premium Account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any Share.

139. There shall be debited to any Share Premium Account on the redemption or purchase of a Share the difference between the nominal value of such Share and the redemption or purchase price provided always that at the discretion of the Directors such sum may be paid out of the profits of the Company or, if permitted by the Companies Law, out of capital.

NOTICES

140. Except as otherwise provided in these Articles, any notice or document may be served by the Company or by the Person entitled to give notice to any Shareholder either personally, or by posting it by airmail or by a recognized courier service in a prepaid letter addressed to such Shareholder at his address as appearing in the Register, or by electronic mail to any electronic mail address such Shareholder may have specified in writing for the purpose of such service of notices, or by facsimile to any facsimile number such Shareholder may have specified in writing for the purpose of such service of notices, or by placing it on the Company's Website should the Directors deem it appropriate. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands first in the Register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.

141. Any notice, if send from one country to another, shall be sent by airmail or by a recognized courier service.

142. Any Shareholder present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.

143. Any notice or other document, if served by:

(a) post, shall be deemed to have been served five calendar days after the time when the letter containing the same is posted;

(b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;

(c) recognized courier service, shall be deemed to have been served 48 hours after the time when the letter containing the same is delivered to the courier service;

(d) electronic mail, shall be deemed to have been served immediately upon the time of the transmission by electronic mail; or

(e) placing it on the Company's Website, shall be deemed to have been served immediately upon the time when the same is placed on the Company's Website.

In proving service by post or courier service it shall be sufficient to prove that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier service.

144. Any notice or document delivered or sent by post to or left at the registered address of any Shareholder in accordance with the terms of these Articles shall notwithstanding that such Shareholder be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Shareholder as sole or joint holder, unless his name shall at the time of the service of the notice or document have been removed from the Register as the holder of the Share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all Persons interested (whether jointly with or as claiming through or under him) in the Share.

145. Notice of every general meeting of the Company shall be given to:

(a) all Shareholders holding Shares with the right to receive notice and who have supplied to the Company an address for the giving of notices to them; and

(b) every Person entitled to a Share in consequence of the death or bankruptcy of a Shareholder, who but for his death or bankruptcy would be entitled to receive notice of the meeting.

No other Person shall be entitled to receive notices of general meetings.

INFORMATION

146. No Member shall be entitled to require discovery of any information in respect of any detail of the Company's trading or any information which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board would not be in the interests of the Members of the Company to communicate to the public.

147. The Board shall be entitled to release or disclose any information in its possession, custody or control regarding the Company or its affairs to any of its Members including, without limitation, information contained in the Register and transfer books of the Company.

INDEMNITY

148. Every Director (including for the purposes of this Article any alternate Director appointed pursuant to the provisions of these Articles), Secretary, assistant Secretary, or other officer for the time being and from time to time of the Company (but not including the Company's auditors) and the personal representatives of the same (each an "**Indemnified Person**") shall be indemnified and secured harmless against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such Indemnified Person, other than by reason of such Indemnified Person's own dishonesty, wilful default or fraud, in or about the conduct of the Company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such Indemnified Person in defending (whether successfully or otherwise) any civil proceedings concerning the Company or its affairs in any court whether in the Cayman Islands or elsewhere.

149. No Indemnified Person shall be liable:

(a) for the acts, receipts, neglects, defaults or omissions of any other Director or officer or agent of the Company; or

(b) for any loss on account of defect of title to any property of the Company; or

(c) on account of the insufficiency of any security in or upon which any money of the Company shall be invested; or

(d) for any loss incurred through any bank, broker or other similar Person; or

(e) for any loss occasioned by any negligence, default, breach of duty, breach of trust, error of judgement or oversight on such Indemnified Person's part; or

(f) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities, or discretions of such Indemnified Person's office or in relation thereto;

unless the same shall happen through such Indemnified Person's own dishonesty, willful default or fraud.

FINANCIAL YEAR

150. Unless the Directors otherwise prescribe, the financial year of the Company shall end on December 31st in each calendar year and shall begin on January 1st in each calendar year.

NON-RECOGNITION OF TRUSTS

151. No Person shall be recognised by the Company as holding any Share upon any trust and the Company shall not, unless required by law, be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or (except only as otherwise provided by these Articles or as the Companies Law requires) any other right in respect of any Share except an absolute right to the entirety thereof in each Shareholder registered in the Register.

WINDING UP

152. If the Company shall be wound up the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Companies Law, divide amongst the Members in species or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for that purpose value any assets and determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any asset upon which there is a liability.

153. If the Company shall be wound up, and the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst the Members in proportion to the par value of the Shares held by them at the commencement of the winding up subject to a deduction from those Shares in respect of which there are monies due, of all monies payable to the Company for unpaid calls or otherwise. If in a winding up, the assets available for distribution amongst the Members shall be insufficient to repay the whole of the share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the par value of the Shares held by them. This Article is without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

AMENDMENT OF ARTICLES OF ASSOCIATION

154. Subject to the Companies Law, the Company may at any time and from time to time by Special Resolution alter or amend these Articles in whole or in part.

CLOSING OF REGISTER OR FIXING RECORD DATE

155. For the purpose of determining those Shareholders that are entitled to receive notice of, attend or vote at any meeting of Shareholders or any adjournment thereof, or those Shareholders that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Shareholder for any other purpose, the Directors may provide that the Register shall be closed for transfers for a stated period which shall not exceed in any case thirty calendar days in any calendar year.

156. In lieu of or apart from closing the Register, the Directors may fix in advance a date as the record date for any such determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of the Shareholders and for the purpose of determining those Shareholders that are entitled to receive payment of any dividend the Directors may, at or within ninety calendar days prior to the date of declaration of such dividend, fix a subsequent date as the record date for such determination.

157. If the Register is not so closed and no record date is fixed for the determination of those Shareholders entitled to receive notice of, attend or vote at a meeting of Shareholders or those Shareholders that are entitled to receive payment of a dividend, the date on which notice of the meeting is posted or the date on which the resolution of the Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of Shareholders. When a determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of Shareholders has been made as provided in this Article, such determination shall apply to any adjournment thereof.

REGISTRATION BY WAY OF CONTINUATION

158. The Company may by Special Resolution resolve to be registered by way of continuation in a jurisdiction outside the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article, the Directors may cause an application to be made to the Registrar of Companies to deregister the Company in the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.

DISCLOSURE

159. The Directors, or any service providers (including the officers, the Secretary and the registered office agent of the Company) specifically authorised by the Directors, shall be entitled to disclose to any regulatory or judicial authority any information regarding the affairs of the Company including without limitation information contained in the Register and books of the Company.

Exhibit 5.1

RISE Education Cayman Ltd
Room 101, Jia He Guo Xin Mansion
No. 15 Baiqiao Street
Guangqumennei
Dongcheng District, Beijing 100062
People's Republic of China

22 September 2017

Dear Sirs

RISE Education Cayman Ltd

We have acted as Cayman Islands legal advisers to RISE Education Cayman Ltd (the "**Company**") in connection with the Company's registration statement on Form F-1, including all amendments or supplements thereto (the "**Registration Statement**"), filed with the Securities and Exchange Commission under the U.S. Securities Act of 1933, as amended to date relating to the offering by the Company of certain American Depositary Shares (the "**ADSs**") representing the Company's ordinary shares of par value US$0.01 each (the "**Shares**").

We are furnishing this opinion as Exhibit 5.1 to the Registration Statement.

1 Documents Reviewed

For the purposes of this opinion, we have reviewed only originals, copies or final drafts of the following documents and such other documents as we have deemed necessary in order to render the opinions below:

1.1 The certificate of incorporation dated 16 July 2013 and the certificate of incorporation on change of name dated 16 June 2017 issued by the Registrar of Companies in the Cayman Islands.

1.2 The amended and restated memorandum and articles of association of the Company as adopted by special resolution passed on 30 September 2013 (the "**Pre-IPO M&A**").

1.3 The amended and restated memorandum and articles of association of the Company as adopted by a special resolution passed on 22 September 2017 and effective conditional and immediately prior to the completion of the Company's initial public offering of the ADSs representing the Shares (the "**IPO M&A**").

1.4 The written resolutions of the directors of the Company dated 22 September 2017 (the "**Directors' Resolutions**").

1.5 The written resolutions of the shareholders of the Company dated 22 September 2017 (the "**Shareholders' Resolutions**").

1.6 A certificate from a Director of the Company addressed to this firm dated 22 September 2017, a copy of which is attached hereto (the "**Director's Certificate**").

1.7 A certificate of good standing dated 21 September 2017, issued by the Registrar of Companies in the Cayman Islands (the "**Certificate of Good Standing**").

1.8 The Registration Statement.

2 Assumptions

The following opinions are given only as to, and based on, circumstances and matters of fact existing and known to us on the date of this opinion letter. These opinions only relate to the laws of the Cayman Islands which are in force on the date of this opinion letter. In giving these opinions we have relied (without further verification) upon the completeness and accuracy, as at the date of this opinion letter, of the Director's Certificate and the Certificate of Good Standing. We have also relied upon the following assumptions, which we have not independently verified:

2.1 Copies of documents, conformed copies or drafts of documents provided to us are true and complete copies of, or in the final forms of, the originals.

2.2 All signatures, initials and seals are genuine.

2.3 There is nothing under any law (other than the law of the Cayman Islands) which would or might affect the opinions set out below.

3 Opinion

Based upon the foregoing and subject to the qualifications set out below and having regard to such legal considerations as we deem relevant, we are of the opinion that:

3.1 The Company has been duly incorporated as an exempted company with limited liability and is validly existing and in good standing with the Registrar of Companies under the laws of the Cayman Islands.

3.2 The authorised share capital of the Company, with effect immediately prior to the completion of the Company's initial public offering of the ADSs representing the Shares, will be US$2,000,000 divided into 200,000,000 ordinary shares with a par value of US$0.01 each.

3.3 The issue and allotment of the Shares have been duly authorised and when allotted, issued and paid for as contemplated in the Registration Statement, the Shares will be legally issued and allotted, fully paid and non-assessable. As a matter of Cayman law, a share is only issued when it has been entered in the register of members (shareholders).

3.4 The statements under the caption "Taxation" in the prospectus forming part of the Registration Statement, to the extent that they constitute statements of Cayman Islands law, are accurate in all material respects and that such statements constitute our opinion.

4 Qualifications

Except as specifically stated herein, we make no comment with respect to any representations and warranties which may be made by or with respect to the Company in any of the documents or instruments cited in this opinion or otherwise with respect to the commercial terms of the transactions the subject of this opinion.

In this opinion the phrase "non-assessable" means, with respect to Shares in the Company, that a shareholder shall not, solely by virtue of its status as a shareholder, be liable for additional assessments or calls on the Shares by the Company or its creditors (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to our name under the headings “Enforceability of Civil Liabilities” and “Legal Matters” and elsewhere in the prospectus included in the Registration Statement. In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the U.S. Securities Act of 1933, as amended, or the Rules and Regulations of the Commission thereunder.

Yours faithfully

/s/ Maples and Calder
Maples and Calder
Encl

Director's Certificate

RISE Education Cayman Ltd
Room 101, Jia He Guo Xin Mansion
No. 15 Baiqiao Street
Guangqumennei
Dongcheng District, Beijing 100062
People's Republic of China

22 September 2017

To: Maples and Calder (Hong Kong) LLP
53/F, The Center
99 Queen's Road Central
Central, Hong Kong

Dear Sirs

RISE Education Cayman Ltd (the "Company")

I, the undersigned, being a director of the Company, am aware that you are being asked to provide a legal opinion (the "**Opinion**") in relation to certain aspects of Cayman Islands law. Capitalised terms used in this certificate have the meaning given to them in the Opinion. I hereby certify that:

1 The Pre-IPO M&A remain in full and effect and, except as amended by the Shareholders' Resolutions adopting the IPO M&A, are otherwise unamended.

2 The Directors' Resolutions were duly passed in the manner prescribed in the Pre-IPO M&A (including, without limitation, with respect to the disclosure of interests (if any) by directors of the Company) and have not been amended, varied or revoked in any respect.

3 The Shareholders' Resolutions were duly passed in the manner prescribed in the Pre-IPO M&A and have not been amended, varied or revoked in any respect.

4 The authorised share capital of the Company is US$2,000,000 divided into 200,000,000 ordinary shares of a par value of US$0.01 each.

5 The authorised share capital of the Company, with effect immediately prior to the completion of the Company's initial public offering of the ADSs representing the Shares, will be US$2,000,000 divided into 200,000,000 ordinary shares of a par value of US$0.01 each.

6 The shareholders of the Company have not restricted or limited the powers of the directors in any way and there is no contractual or other prohibition (other than as arising under Cayman Islands law) binding on the Company prohibiting it from issuing and allotting the Shares or otherwise performing its obligations under the Registration Statement.

7 The directors of the Company at the date of the Directors' Resolutions were as follows:

David Benjamin Gross-Loh
Yiding Sun
Lihong Wang
Zhongjue Chen

8 The minutes book and corporate records of the Company as maintained at its registered office in the Cayman Islands and made available to you are complete and accurate in all material respects, and all minutes and resolutions filed therein represent a complete and accurate record of all meetings of the Shareholders and directors (or any committee thereof) of the Company (duly convened in accordance with the Memorandum and Articles) and all resolutions passed at the meetings or passed by written resolution or consent, as the case may be.

9 Each director considers the transactions contemplated by the Registration Statement to be of commercial benefit to the Company and has acted bona fide in the best interests of the Company, and for a proper purpose of the Company in relation to the transactions the subject of the Opinion.

10 To the best of my knowledge and belief, having made due inquiry, the Company is not the subject of legal, arbitral, administrative or other proceedings in any jurisdiction that would have a material adverse effect on the business, properties, financial condition, results of operations or prospects of the Company. Nor have the directors or shareholders taken any steps to have the Company struck off or placed in liquidation, nor have any steps been taken to wind up the Company. Nor has any receiver been appointed over any of the Company's property or assets.

I confirm that you may continue to rely on this Certificate as being true and correct on the day that you issue the Opinion unless I shall have previously notified you personally to the contrary.

[*signature page follows*]

Signature: /s/ Zhongjue CHEN
Name: Zhongjue CHEN
Title: Director

Signature: /s/ David Benjamin GROSS-LOH
Name: David Benjamin GROSS-LOH
Title: Director

Signature: /s/ Yiding SUN
Name: Yiding SUN
Title: Director

Signature: /s/ Lihong WANG
Name: Lihong WANG
Title: Director

Exhibit 10.1

BAIN CAPITAL RISE EDUCATION II CAYMAN LIMITED

(the "Company")

2016 Equity Incentive Plan

(For P.R.C. Citizen)

1. **PURPOSE AND TERM OFPLAN.** The purpose of this Plan is to provide incentives and rewards to attract, retain and motivate eligible senior executives and key employees of the Company and its Subsidiaries, whose present and potential contributions are important to the success of the Company, by offering such executives and employees an opportunity to participate in the Company's future performance through awards of certain stock options.

   Unless earlier terminated as provided herein, this Plan will terminate ten (10) years from the Effective Date or, if earlier, the date of shareholder approval.

2. **DEFINITIONS.** As used in this Plan and the Option Agreement, the following terms will have the following meanings ascribed to them:

   *"**Board**"* means the Board of Directors of the Company.

   *"**Business Day**"* means any day that is not a Saturday, Sunday, legal holiday or other day on which commercial banks are required or authorized by law to be closed in the Cayman Islands or Hong Kong, or the People's Republic of China.

   *"**Cash Proceeds**"* means all sales proceeds, distributions and dividends in respect of the Ordinary Shares in cash and shall exclude, for the avoidance of doubt, any director fees, management fee, transaction fee or other consideration, if any, paid in relation to the Company.

   *"**Cause**"* means, in the context of Termination of a Participant, where any of the following have arisen with respect to such Participant: (a) any willful, material violation by the Participant of any law or regulation applicable to the business of the Company or a Subsidiary of the Company, the Participant's conviction for, or guilty plea to, a felony (being a crime punishable by imprisonment of one year or more under applicable law) or a crime involving moral turpitude, or any willful perpetration by the Participant of a common law fraud, (b) the Participant's commission of an act of personal dishonesty which involves personal profit in connection with the Company, any of its Subsidiaries or any other entity having a business relationship with the Company or any of its Subsidiaries, (c) any material breach by the Participant of any provision of any agreement or understanding between the Company or any Subsidiary of the Company and the Participant regarding the terms of the Participant's service as an employee to the Company or a Subsidiary of the Company, including without limitation, the willful and continued failure or refusal of the Participant to perform the material duties required of such Participant as a senior executive officer or key employee (as the case may be) of the Company or a Subsidiary of the Company (other than as a result of having a Disability), or a breach of any applicable invention assignment and confidentiality agreement or similar agreement between the Company or a Subsidiary of the Company and the Participant, (d) the Participant's disregard of the policies of the Company or any Subsidiary of the Company so as to cause loss, damage or injury to the property, reputation or employees of the Company or a Subsidiary of the Company, or (e) any other misconduct by the Participant which is injurious to the financial condition or business reputation of, or is otherwise injurious to, the Company or a Subsidiary of the Company or the Investor.

*"**Change of Control**"* means the change of the controlling party in the event of any of the following (as determined by the Compensation Committee acting reasonably): (a) a merger or consolidation after which the Investor (x) ceases to own at least a majority of the outstanding shares of capital stock (regardless of class) of the Company and (y) does not otherwise have Control of the Company, (b) the sale of all or substantially all of the assets of the Company in one transaction or series of related transactions followed by the liquidation of the Company, or (c) a sale or issuance of shares (excluding an IPO) following which the Investor (x) ceases to own at least a majority of the outstanding shares of capital stock (regardless of class) of the Company and (y) does not otherwise have Control of the Company.

*"**Compensation Committee**"* means the Compensation Committee created and appointed by the Board to administer this Plan, or if no Compensation Committee is created and appointed, the Board.

*"**Company**"* means Bain Capital Rise Education II Cayman Limited, a Cayman Islands company, or any successor of the Company.

*"**Confidential Information**"* means any information concerning the Company, any of its subsidiaries, the Investor and any affiliate of any of the foregoing, including, but not limited to, information relating to the financial condition, business, operations or prospects of any such Persons in the possession of or furnished to any Participant (including the Plan and all documentation related thereto); *provided* that the term "Confidential Information" does not include information that (i) is or becomes generally available to the public other than as a result of a disclosure by a Participant in violation of an obligation of confidentiality, or (ii) is or was available to such Participant on a non-confidential basis.

*"**Control**"* means, in respect of any Person, the possession of, or the entitlement to currently possess, whether held directly or indirectly, the power to manage or direct the management of such Person, or to appoint the managing and governing bodies of such Person, or a majority of the members thereof, whether through the ownership of voting securities, by contract or other written instrument (which may include a shareholders agreement, side letter or similar arrangement) or otherwise (and for the avoidance of doubt, a limited partnership shall be deemed to be Controlled by its general partner and/or by such other Person or Persons to whom such Control may have been granted or whom the limited partnership may have appointed to carry out those functions ordinarily associated with the rights and obligations of the general partner).

*"**Disability**"* means a disability, whether temporary or permanent, partial or total, as determined by the Compensation Committee.

*"**Effective Date**"* means **[*INSERT DATE OF ADOPTION OF THE PLAN*]** 2014.

*"**Exercise Price**"* means the price at which a holder of an Option may purchase the Ordinary Shares issuable upon exercise of the Option, as specified by this Plan and the respective Option Agreement.

*"**Expiration Date**"* means the tenth (10th) anniversary of the Effective Date or, if earlier, upon Termination (subject to extension in furtherance of Section 4.1(k)), death or Disability of the Participant, or any other date determined by the Compensation Committee.

*"**Fair Market Value**"* means, as of any date, the value of a share of the Company's Ordinary Shares determined as follows: (i) if the Ordinary Shares are then listed on a national stock exchange, the average closing sales price per share on the exchange for the last preceding ten (10) days on which there was a sale of Ordinary Shares on such exchange, as determined by the Compensation Committee; (ii) if Ordinary Shares are not then listed on a national stock exchange but are then traded on an over-the-counter market, the average of the closing bid and asked prices for the Ordinary Shares in such over-the-counter market for the last ten (10) preceding days on which there was a sale of such Ordinary Shares in such market, as determined by the Compensation Committee; or (iii) if the Ordinary Shares are not then listed on a national stock exchange or traded on an over-the-counter market, such value as the Compensation Committee in its discretion may in good faith determine; provided that, where the Ordinary Shares are so listed or traded, the Compensation Committee may make discretionary determinations where the Ordinary Shares have not been traded for 10 consecutive trading days immediately before such date.

*"**Hong Kong**"* shall mean Hong Kong Special Administration Region of the People's Republic of China.

*"**Investor**"* means Bain Capital Rise Education IV Cayman Ltd., its affiliates and the funds and other entities controlled, managed or advised by any of the foregoing (other than the Company and its Subsidiaries).

*"**IPO**"* means a sale pursuant to an initial public offering of the Ordinary Shares of the Company in an internationally recognized stock exchange or market pursuant to an effective registration statement filed under the applicable securities law.

*"**MoM**"* means, on any date, (1) all Cash Proceeds received by the Investor after the initial investment in the Company, divided by (2) the aggregate investment amount paid by the Investor for the Ordinary Shares initially acquired by the Investor plus the aggregate value (as determined by the Board) of all cash and other investments thereafter made by the Investor in the Company and its Subsidiaries from time to time.

*"**Option**"* means an award of an option to purchase Ordinary Shares pursuant to Section 5 hereof.

*"**Option Agreement**"* means, with respect to each Option, the signed written agreement (including the exhibits thereto) between the Company and the Participant setting forth the terms and conditions of the Option.

*"**Ordinary Shares**"* means the Company's ordinary shares, US$0.01 par value per share, and any successor security.

*"**Participant**"* means a person who receives an Option under this Plan.

*"**Person**"* means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, any other business or non-profit entity and a governmental entity or any department, agency or political subdivision thereof.

*"**Plan**"* means the Company's 2014 Equity Incentive Plan set out in this document, as amended from time to time pursuant to its terms.

*"**Regulatory Extension**"* means, with respect to any time period and applicable transaction, an extension of such time period until such time as any requisite or material regulatory, governmental or contractual approval (from a third party that is not a party to such applicable transaction), required in connection with such transaction is obtained, so long as the applicable parties are undertaking reasonable efforts to obtain such approval and such approval may reasonably be expected to be obtained.

*"**Subsidiary**"* means, with respect to any Person, any corporation, partnership, limited liability company, association or business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a partnership, limited liability company, association or other business entity, either (A) a majority of partnership or other similar ownership interests thereof are at the time owned or controlled, directly or indirectly, by such Person or one or more Subsidiaries of that Person or a combination thereof or (B) such Person is a general partner, managing member of managing director of such partnership, limited liability company, or other business entity.

*"**Solvent Reorganization**"* means any solvent reorganization of the Company, including by recapitalization, transfer or sale of Ordinary Shares or assets, or contribution of assets and/or liabilities, or any liquidation, exchange of securities, migration of entity, formation of new entity, or any other transaction or group of related transactions, in which: (i) all holders of the same class of securities of the Company (including Options and Ordinary Shares) are offered the same consideration in respect of such securities; (ii) each such holder's pro rata (direct and indirect) economic interest in the business of the Company and its Subsidiaries (relative to all other holders, directly or indirectly, of Options and Ordinary Shares) are preserved; and (iii) the economic rights of each Participant in the Plan are preserved in all material respects.

"***Termination***" or "***Terminated***" means, for purposes of this Plan with respect to a Participant that such Participant has for any reason ceased to provide services as an executive officer or an employee to the Company or a Subsidiary of the Company. A Participant will not be deemed to have ceased to provide services in the case of sick leave, military leave or any other leave of absence approved by the Compensation Committee in writing, provided that such leave is for a period of not more than 90 days (a) unless reinstatement (or, in the case of an employee with an ISO, reemployment) upon the expiration of such leave is guaranteed by contract or statute, or (b) unless provided otherwise pursuant to formal policy adopted from time to time by the Company's Board and issued and promulgated in writing. In the case of any Participant on sick leave, military leave or an approved leave of absence, the Compensation Committee may make such provisions respecting suspension of vesting of the Options while on leave from the Company or a Subsidiary of the Company as it may deem appropriate, except that in no event may an Option be exercised after the respective Expiration Date. The Compensation Committee will have sole discretion to determine whether a Participant has ceased to provide services. The date on which notice is delivered (by the Participant or the Company or a Subsidiary of the Company) of such cessation of services shall be the effective date of such termination for determining such Participant's rights in relation to the Plan (the "***Termination Date***")**.**

3. SHARES SUBJECT TO THE PLAN.

3.1 Number of Ordinary Shares Available. Subject to Section 3.2, one Ordinary Share will be reserved and available for grant and issuance with respect to each Option pursuant to this Plan (collectively, the "***Option Shares***"). Subject to Section 3.2 hereof, Option Shares reserved for issuance in relation to this Plan will be available for issuance in connection with the exercise of any Option under this Plan, including to the extent such Option Shares: (a) are issued pursuant to an Option exercised hereunder but the Ordinary Shares are forfeited or repurchased by the Company; or (b) are subject to an Option that otherwise terminates without Option Shares being issued. At all times the Company will reserve and keep available a sufficient number of Option Shares as will be required to satisfy the requirements of all Options granted and outstanding under this Plan.

3.2 Adjustment of the Option Shares. In the event that the number of the Company's outstanding Ordinary Shares is changed by a stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, consolidation, reclassification or similar change in the capital structure of the Company without consideration (a "***Capitalization Event***"), then, with respect to each Option outstanding prior to such Capitalization Event, (a) the number of Ordinary Shares reserved for issuance under this Plan, and (b) the Exercise Prices and number of Ordinary Shares subject to each outstanding Option will be proportionately adjusted as determined by the Compensation Committee such that the Fair Market Value of the Option Shares subject to each Option following such Capitalization Event equals the Fair Market Value of the Option Shares subject to each Option immediately preceding such Capitalization Event, provided that the holder of such Option takes all such actions as are required by the Board or the shareholders of the Company and complies with applicable securities laws, the Plan and the Option Agreement; provided further, *however*, that fractions of an Ordinary Share will not be issued but will be rounded down to the nearest whole Ordinary Share; and provided, *finally*, that the Exercise Price of any Option may not be decreased below the par value of the Ordinary Shares subject to such Option.

4. ADMINISTRATION.

4.1 Compensation Committee Authority. This Plan will be administered by the Compensation Committee. Subject to the general purposes, terms and conditions of this Plan, and to the direction of the Board, the Compensation Committee will have full power to implement and carry out this Plan. Without limitation, the Compensation Committee will have the authority to:

(a) construe and interpret this Plan, any Option Agreement and any other agreement or document executed pursuant to this Plan;

(b) prescribe, amend and rescind rules and regulations relating to this Plan;

(c) approve persons to receive each Option;

(d) determine the form and terms of each Option;

(e) determine the number of Ordinary Shares or other consideration subject to each Option;

(f) determine whether each Option will be granted singly, in combination with, in tandem with, in replacement of, or as alternatives to, other Options under this Plan or awards under any other incentive or compensation plan of the Company or any Subsidiary of the Company;

(g) grant waivers of any conditions of this Plan or any Option;

(h) determine the terms of vesting, exercisability and payment of each Option;

(i) correct any defect, supply any omission, or reconcile any inconsistency in this Plan, any Option, or any Option Agreement;

(j) determine whether an Option has been earned;

(k) extend the vesting period beyond a Participant's Termination Date; and

(l) make all other determinations for the administration of this Plan.

4.2 Compensation Committee Discretion. Unless in contravention of any express terms of this Plan or Option, any determination required in relation to the Plan, the Option Agreement, an Option or an Option Share shall be made by the Compensation Committee in its sole discretion either (a) at the time of grant of the Option, or (b) at any later time. Any such determination will be final and binding on the Company and on all persons having an interest in any Option under this Plan or Option Share. The Compensation Committee may delegate to one or more officers of the Company the authority to grant an Option under this Plan, *provided* that such officer or officers are members of the Board.

5. OPTIONS. The Compensation Committee may grant one or more Options to eligible persons and will determine the number of Ordinary Shares subject to the Options, the Exercise Price of the Options, the period during which the Options may be exercised, and all other terms and conditions of the Options, subject to the following:

5.1 Form of Option Grant. Each Option granted under this Plan will be evidenced by an Option Agreement (which may relate to one or more Options granted) substantially in form and substance as attached hereto as Exhibit A, or in such other form and contain such provisions (which need not be the same for each Participant) as the Compensation Committee may from time to time approve, and which will comply with and be subject to the terms and conditions of this Plan.

5.2 Date of Grant. The date of grant of an Option will be the date upon which the Compensation Committee makes the determination to grant such Option, unless a later date is otherwise specified by the Compensation Committee. The Option Agreement and a copy of this Plan will be delivered to the Participant within a reasonable time after the granting of the Option.

5.3 Vesting. Each Option, to the extent that there has been no Termination of the respective Participant's employment for Cause and the Option has not otherwise lapsed, expired, terminated or been forfeited, shall be vested and accelerated according to the terms and conditions set forth in the Option Agreement, as determined by the Compensation Committee at the time of grant, and shall otherwise not be vested. All Options held by a Participant which are otherwise not vested on such Participant's Termination Date shall automatically lapse, without any compensation or other obligation to such Participant, and shall have no further force and effect. Notwithstanding the Vesting Schedules attached to the respective Option Agreement or the nature of the vesting applicable to an Option, the Compensation Committee also may provide for Options to be vested at one time or from time to time, periodically or otherwise, in such number of Options or percentage of Options as the Compensation Committee determines at any time.

5.4 Exercise of Option.

(a) Generally. Each Option (notwithstanding the nature of the vesting applicable thereto), once vested in accordance with the Plan and the Option Agreement, can be exercised only in the following circumstances:

(1) Change of Control. In the event of a Change of Control, each vested Option (including each Option which would be vested upon completion of such Change of Control) shall become exercisable immediately before the transaction giving rise to such Change of Control completes. All Options (vested and unvested) which are not validly exercised by the date specified by the Board (the "Change of Control Exercise Date") shall automatically lapse upon Completion of such Change of Control, without any compensation or other obligation to such Participant, and shall have no further force and effect, provided that the Company gives the respective Participant holding such vested Option at least five (5) Business Days advance written notice prior to the Change of Control Exercise Date regarding such Change of Control.

Notwithstanding anything to the contrary, the exercise of each vested Option in relation to a Change of Control shall be conditioned on completion of such Change of Control, and in the event the Board determines that the respective Change of Control has been cancelled, terminated or will not otherwise complete for any reason, all Options otherwise exercised in relation thereto shall remain outstanding, unexercised and subject to the rights and obligations of the Plan and the Option Agreement (including the right to be exercised upon a subsequent Change of Control or IPO), the respective Option Exercise Agreement shall automatically lapse and lose force and effect, and the Company shall promptly refund to each respective Participant the aggregate Exercise Price paid by such Participant in relation to such Options subject to exercise.

(2) IPO. In the event of an IPO, each such vested Option shall become exercisable upon such IPO. Following an IPO, vested Options (including Options which thereafter become vested for the first time) shall remain exercisable (subject to the remainder of this Plan, including expiration in accordance with Section 5.5).

(b) Exercise at Other Times. The Compensation Committee also may provide for Options to be exercisable at one time or from time to time, periodically or otherwise, in such number of Options or percentage of Options as the Compensation Committee determines at any time.

(c) Limitations on Exercise. The Compensation Committee may specify a reasonable minimum number of Ordinary Shares that may be purchased on any exercise of Options; *provided* that such minimum number will not prevent Participant from exercising all of the then fully vested and exercisable Options held by such Participant.

(d) Exercise Price. The Exercise Price of an Option will be determined by the Compensation Committee when the Option is granted. For the avoidance of doubt, the Exercise Price of [***see Option Agreement***] Options to be granted hereunder in 2014 (the "***2014 Batch***") by the Board will be USD[see Option Agreement], equal to the purchase price per ordinary share paid by the Investor in its initial investment in the Company.

(e) Method of Exercise. Each Option may be exercised only by delivery to the Company of a written stock option exercise agreement in a form approved by the Compensation Committee ("***Option Exercise Agreement***"), which needs not be the same for each Participant. The Option Exercise Agreement will state (a) the number of Ordinary Shares being purchased (not to exceed the number of Ordinary Shares associated with the Options then vested and exercisable by the respective Participant, as determined by the Compensation Committee), (b) the restrictions imposed on the Ordinary Shares purchased under such Option Exercise Agreement, if any in addition to those set out in this Plan, and (c) such representations and agreements regarding the Participant's investment intent and access to information and other matters, if any, as may be required or desirable by the Company to comply with applicable securities laws. The Participant shall execute and deliver to the Company the Option Exercise Agreement together with payment in full of the Exercise Price, and any applicable taxes, for the number of Ordinary Shares being purchased. An election to exercise an Option shall be effective and validly made by a Participant at the moment that a binding Option Exercise Agreement (with no further conditions to be satisfied by the respective Participant) is delivered by the respective Participant to the Board in accordance with the terms of this Plan and such Option Exercise Agreement.

5.5 Termination; Expiration Date; Effect of Lapse. Subject to earlier buy-out pursuant to Section 13**,** notwithstanding the exercise periods set forth in the Option Agreement, exercise of an Option, unless otherwise determined by the Compensation Committee, will always be subject to the terms and conditions of the Option Agreement, provided that each Option (whether vested or unvested) shall automatically lapse on the Expiration Date, without any compensation or other obligation to such Participant, and have no further force and effect. The lapsing, termination or forfeiture of any Option shall in no way limit the obligations of the respective Participant pursuant to the Plan and the Option Agreement, including in relation to any other Options or Option Shares then held by such Participant.

5.6 Modification, Extension or Renewal. The Compensation Committee may modify, extend or renew outstanding Options and authorize the grant of new Options in substitution therefore, and each Participant will cooperate in taking all actions which the Compensation Committee reasonably requires in relation to such substitution; provided that any such action may not impair any of a Participant's rights under any Option previously granted, without the written consent of such Participant or the written consent of Participants then holding a majority of the outstanding Options or as otherwise contemplated by the Plan. The Compensation Committee may reduce the Exercise Price of each outstanding Option without the consent of Participants by a written notice to them; provided, however, that the Exercise Price may not be reduced below the minimum Exercise Price that would be permitted under Section 5.4(d) hereof for each Option granted on the date the action is taken to reduce the Exercise Price; provided further, that the Exercise Price will not be reduced below the par value of the respective Ordinary Shares, if any.

6. PAYMENT FOR SHARE PURCHASES. Payment of the Exercise Price for Option Shares purchased pursuant to this Plan may be made in cash (by check) or, with the consent of the Company, by waiver of compensation due or accrued to the Participant from the Company for services rendered, or the combination of the foregoing. The Compensation Committee may, in its sole discretion, to the extent permitted by law, elect to assist the Participant in paying for Option Shares purchased under this Plan by authorizing a guarantee by the Company of a third-party loan to the Participant. Furthermore, the Compensation Committee may, in its sole discretion, allow a Participant to satisfy part or all of the Exercise Price payable upon exercise of one or more Options held by such Participant by allowing such Participant to waive its rights to a number of vested and exercisable Options in respect of which the related Option Shares have a Fair Market Value (reduced by the respective Exercise Price applicable to the Options so waived) equal to part or all of the Exercise Price otherwise payable by such Participant.

7. WITHHOLDING TAXES.

7.1 Withholding Generally. Whenever Ordinary Shares are to be issued in satisfaction of Option granted under this Plan, the Company may require the Participant to remit to the Company an amount sufficient to satisfy withholding tax requirements in any applicable jurisdiction prior to the delivery of any certificate or certificates for such Ordinary Shares. Whenever, under this Plan, payments in satisfaction of Option are to be made in cash by the Company, such payment will be net of an amount sufficient to satisfy all applicable withholding tax requirements.

7.2 Stock Withholding. When, under applicable tax laws, a Participant incurs tax liability in connection with the exercise or vesting of any Option that is subject to tax withholding and the Participant is obligated to pay the Company the amount required to be withheld, the Compensation Committee may in its sole discretion allow the Participant to satisfy the minimum withholding tax obligation by electing to have the Company withhold from the Ordinary Shares to be issued that minimum number of Ordinary Shares having a Fair Market Value (after reduction for the respective Exercise Price, if not already then paid by the Participant) equal to the minimum amount of tax required to be withheld, determined on the date that the amount of tax to be withheld is to be determined; but in no event will the Company withhold Ordinary Shares if such withholding would result in adverse accounting consequences to the Company. All elections by a Participant to have Ordinary Shares withheld for this purpose will be made in accordance with the requirements established by the Compensation Committee for such elections and be in writing in a form acceptable to the Compensation Committee.

8. PRIVILEGES OF STOCK OWNERSHIP.

No Participant will have any of the rights of a shareholder with respect to any Option Shares until the Option Shares are issued to the Participant upon exercise of an Option in accordance with the Plan and the Option Agreement. After Option Shares are so issued to the Participant, the Participant will be a shareholder and have all the rights of a shareholder with respect to such Option Shares, including the right to vote and receive all dividends or other distributions made or paid with respect to such Option Shares, subject to the remainder of this Plan and the Option Agreement.

9. TRANSFERABILITY. Except as permitted by the Compensation Committee, any Option granted under this Plan, and any interest therein, will not be transferable or assignable by the Participant, other than by will or by the laws of descent and distribution. During the lifetime of the Participant, an Option will be exercisable only by the Participant or Participant's legal representative and any elections with respect to an Option may be made only by the Participant or Participant's legal representative.

10. RESTRICTIONS ON SHARES.

10.1 Prohibition on Transfer. The Participant shall not transfer, sell, assign, grant a lien or security interest in, pledge, hypothecate, encumber or otherwise dispose of any of its Option Shares (or any interest therein) directly or indirectly to any Person (a "***Transfer***") without the prior written consent of the Board, except pursuant to a Transfer in accordance with Section 10.2 (*Transfer Following IPO*), Section 10.3 (*Solvent Reorganization*), Section 10.4 (*Right of Repurchase on Termination*), or Section 10.5 (*Forfeiture of Options and Repurchase of Option Shares upon Breach of Non-Compete Obligations*). Any Transfer or attempted Transfer in violation of this Section 10.1 shall be null and void *ab initio*, and disregarded by the Company, and the Company shall not give any effect to such purported Transfer or record such purported Transfer on its security registers or treat any purported transferee of such Option Shares as the owner of such Option Shares for any purpose hereunder or otherwise.

10.2 Transfer Following IPO. In the event of an IPO, a Participant holding Option Shares shall be entitled to thereafter transfer a number of Option Shares on the respective stock exchange or market, provided the Participant agrees that, upon request of the Company or the underwriters managing any public offering of the Company's securities, the Participant will not sell or otherwise dispose of any Option Shares without the prior written consent of the Company or such underwriters, as the case may be, for such period of time after the effective date of such registration requested by such managing underwriters and subject to all restrictions as the Company or the underwriters may specify.

10.3 Solvent Reorganization. The Board shall have the right to cause a Solvent Reorganization at any time for any reason. In the event Ordinary Shares are exchanged or converted or new securities are issued in a Solvent Reorganization, the definitions and other provisions of this Plan, the Option Agreement and the Option Exercise Agreement shall be automatically amended to reflect such exchange, conversion or issuance, as determined in the discretion of the Board, acting in good faith, with notice of any such amendments provided to Participants in accordance with Section 19 (*Notices*).

10.4 Right of Repurchase on Termination. The Company shall have the right (but not the obligation), which right shall be freely assignable by the Company, (the "***Call Right***") to repurchase all or any portion of the Ordinary Shares then held by a Participant for cash (or, at the Company's discretion, cancellation of purchase money indebtedness owed to the Company by the Participant) in the amount specified below (the "***Call Price***") following such Participant's Termination, which right may be exercised at any time within 180 days after the later of (i) the Participant's Termination Date, and (ii) the date the Participant purchases such Ordinary Shares under the Plan (the later of such dates, the "***Call Reference Date***"). The Call Price with respect to each Ordinary Share subject to an exercise of the Call Right ("***Called Shares***") shall be (x) in the event of resignation (in the absence of Cause) or termination without Cause, the Fair Market Value of each such Ordinary Share on the respective Call Reference Date, and (y) otherwise, the cost (Exercise Price) of the Called Shares (in either case, the "***Call Price***"). Each holder of a Called Share shall provide customary representations and warranties with respect to each Called Share as the Board requires in its sole discretion. However, the failure of a holder of one or more Called Shares to comply with its obligations shall in no way delay the completion of such transfer of each such Called Share, which shall be recorded in the applicable Company security registers at the moment that the Company makes available to the respective Participant the applicable Call Price (including where such amount is recorded in the Company's accounting records as reserved for such purpose).

10.5 Forfeiture of Options and Repurchase of Option Shares upon Breach of Non-Compete Obligations. If following Termination (with or without a Cause) (including resignation), a Participant breaches his or her non-compete and/or confidentiality and/or non-solicitation commitment towards the Company or its Subsidiaries under the respective employment contract or service agreement (a "Breach"), then upon such Breach, (a) all vested and unexercised Options, to the extent they have not been terminated, forfeited or lapsed, shall be forfeited, shall automatically lapse (without any compensation or other obligation to such Participant) and shall have no further force and effect; (b) all Option Shares issued pursuant to the Options exercised hereunder and held by such Participant shall be subject to the Company's right to repurchase, if not already repurchased by the Company, within 180 days of such Breach being notified by the Company (or, if adjudication is rendered thereon, within such period from the date of breach to 180 days after the adjudication) for consideration equal to cost (Exercise Price) of such Option Shares. The Participant shall provide customary representations and warranties with respect to such Option Shares and shall take all actions and provide all assistances necessary for transferring such Called Shares to the Company as the Board requires in its sole discretion. However, the failure of the Participant to comply with its obligations shall in no way delay the completion of such transfer of each such Option Shares, which shall be recorded in the applicable Company security registers at the moment that the Company makes available to the respective Participant the applicable repurchase price (including where such amount is recorded in the Company's accounting records as reserved for such purpose).

10.6 Right of First Refusal. At the discretion of the Compensation Committee, the Company may reserve to itself and/or its assignee(s) in the Option Agreement a right of first refusal to purchase all Ordinary Shares that a Participant (or a subsequent transferee) may propose to transfer to a third party.

10.7 Facilitation. Each holder of one or more Options, and each holder of one or more Option Shares, shall take such actions as the Board, acting in good faith, requires to consummate and make effective, in the most expeditious manner practicable, all actions in furtherance of a Solvent Reorganization or otherwise a Change of Control or IPO (as the case may be), all with a view to obtaining the best terms in such transaction. Without limiting the generality of the foregoing, each Participant hereby waives, and undertakes to take any action necessary in the future to waive, any dissenter's rights, appraisal rights or similar rights in connection with any Solvent Reorganization, Change of Control or IPO. For so long as the restrictions set forth in Section 10 apply, the Participant shall irrevocably authorise the Company or such agent to date and complete all outstanding details on such instruments of transfer or forms in furtherance of the restrictions set forth in Section 10.

11. **CERTIFICATES.** All certificates for Ordinary Shares or other securities delivered under this Plan will be subject to such stock transfer orders, legends and other restrictions as the Compensation Committee may deem necessary or advisable, including restrictions under any applicable securities law, or any rules, regulations and other requirements of any stock exchange or automated quotation system upon which the Ordinary Shares may be listed or quoted.

12. **ESCROW; PLEDGE OF SHARES.** To enforce any restrictions on a Participant's Option Shares set forth in Section 10 hereof, the Compensation Committee may require the Participant to deposit all certificates representing Option Shares, together with stock powers or other instruments of transfer approved by the Compensation Committee, appropriately endorsed in blank, with the Company or an agent designated by the Company to hold in escrow until such restrictions have lapsed or terminated. The Compensation Committee may cause a legend or legends referencing such restrictions to be placed on the certificates. In connection with any pledge of the Option Shares in furtherance of the restrictions set forth in Section 10 hereof, Participant will be required to execute and deliver a written pledge agreement in such form as the Compensation Committee will from time to time approve.

13. **Exchange And Buyout Of Vested Options; Termination Of Unvested Options.** The Company may, at any time or from time to time at its sole election, buy from a Participant one or more Options previously granted which has become vested (the "***Vested Option Call***") with payment (x) in cash equal to the then determined Fair Market Value of the Option Shares into which each such vested Option is exercisable (or would otherwise be exercisable if such exercise is not then allowed by the Plan), less the respective Exercise Price payable in relation thereto, or (y) such other consideration as the Compensation Committee and the Participant may agree, in each case, pursuant to a transfer agreement in form and substance (including customary representations and warranties by the transferor of such Options) determined by the Compensation Committee; or the Compensation Committee may authorize the Company, with the consent of the respective Participant, to issue new Options in exchange for the surrender and cancellation of any or all outstanding Options. Each Option subject to the Vested Option Call shall be recorded as transferred on the later to occur of (i) the Company providing the respective Participant with written notice of such transfer, and (ii) the moment that the Company makes available to the respective Participant the applicable consideration (including where such amount is recorded in the Company's accounting records as reserved for such purpose). Notwithstanding anything to the contrary in this Plan, the Compensation Committee may at any time terminate (without any compensation or other obligation to a Participant) one or more Options which are then unvested, including such Options which the Compensation Committee determines are permanently unvested pursuant to the terms of the applicable Option Agreement, which Options so Terminated shall have no further force and effect, provided that the Board and the Company will make commercially reasonable efforts to ensure that any incentive plan proposed to replace this Plan makes available to Participants aggregate economic consideration which is no less favourable (on a gross pre-tax basis) than available under this Plan.

14. SECURITIES LAW AND OTHER REGULATORY COMPLIANCE.

14.1 Compliance Required. An Option will not be effective unless such Option is in compliance with all applicable securities laws, rules and regulations of any governmental body, and the requirements of any stock exchange or automated quotation system upon which the Ordinary Shares may then be listed or quoted, as they are in effect on the date of grant of the Option and also on the date of exercise or other issuance. Notwithstanding any other provision in this Plan, the Company will have no obligation to issue or deliver Ordinary Shares (or certificates in respect thereof) under this Plan prior to (a) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable, (b) compliance with any exemption, completion of any registration or other qualification of such Ordinary Shares under any law or ruling of any applicable governmental body that the Company determines to be necessary or advisable, and (c) full compliance with the Plan and the Option Agreement by the respective holder of such Ordinary Shares (or holder of the Option exercised in relation thereto, as the case may be). The Company will be under no obligation to register the Ordinary Shares with or to effect compliance with the exemption, registration, qualification or listing requirements of any applicable securities laws, stock exchange or automated quotation system, and the Company will have no liability for any inability or failure to do so.

14.2 No Delay. To the extent the Board determines that any action required by or in relation to this Plan, an Option Agreement, an Option Exercise Agreement, an Option or an Option Share will not be in compliance (on the date such action is contemplated to be taken) with all applicable securities laws, rules and regulations of any governmental body, and the requirements of any stock exchange or automated quotation system, such required action shall not delay any other action contemplated by this Plan (including without limit a Change of Control or IPO) and the taking of such contemplated action shall be permitted notwithstanding non-compliance with the Plan, Option Agreement or Option Exercise Agreement (as the case may be), provided that the Board, in good faith, determines that commercially reasonable efforts have been made to (i) achieve compliance with the terms of the Plan, and (ii) otherwise, make available to Participants aggregate economic consideration which is no less favourable (on a gross pre-tax basis) than otherwise available had the Plan been complied with notwithstanding this sentence.

15. NO OBLIGATION TO EMPLOY. Nothing in this Plan or any Option granted under this Plan will confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or any Subsidiary of the Company or limit in any way the right of the Company or any Subsidiary of the Company to terminate Participant's employment or other relationship at any time, with or without Cause.

16. GOVERNING LAW. This Plan and all agreements hereunder shall be governed by and construed in accordance with the laws of the Cayman Islands.

17. AMENDMENT OR TERMINATION OF PLAN. Subject to Section 5.6 hereof, the Board may at any time terminate or amend this Plan in any respect, including (without limitation) amending any provision applicable to any Option then outstanding, and amending any form of Option Agreement or other instrument in relation to this Plan .

18. NONEXCLUSIVITY OF THE PLAN. Neither the adoption of this Plan by the Board, the submission of this Plan to the shareholders of the Company for approval, nor any provision of this Plan will be construed as creating any limitations on the power of the Board to adopt such additional compensation arrangements as it may deem desirable, including without limitation the granting of stock options and other equity awards otherwise than under this Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

19. **NOTICES**. Any notice required to be given or delivered to the Company shall be in writing and addressed to the Corporate Secretary of the Company at its principal corporate offices. Any notice required to be given or delivered to a Participant shall be in writing and addressed to the Participant at the address indicated therefore in the respective Option Agreement or to such other address as such Participant may designate in writing from time to time to the Company, or if no such address has been so notified, addressed to the Corporate Secretary of the Company at its principal corporate offices. All notices shall be deemed effectively given upon personal delivery or, otherwise, two Business Days after its deposit, prepaid, via any international express courier (with delivery confirmation requested).

20. **CONFIDENTIALITY**. Each Participant acknowledges that neither its participation in the Plan nor the holding of Options or Option Shares provides such Participant with any right to receive information. Nevertheless, each Participant acknowledges that it may receive Confidential Information as a result of such Participant's participation in the Plan, or holding of Options or Options Shares and therefore agrees that it will not, during or after the term of this Plan, take commercial or proprietary advantage of or profit from any Confidential Information nor disclose Confidential Information to any Person for any reason or purpose whatsoever, except (i) to such Participant's auditors, attorneys or other agents, in each case, to the extent bound by obligations of confidentiality no less onerous than those set forth in this Plan; or (ii) to the extent required to be disclosed by order of a court of competent jurisdiction, administrative body or governmental body, or by subpoena, summons or legal process, or by law, rule or regulation (provided that each Participant required to make such disclosure shall, to the extent permitted by law, provide to Board prompt written notice in advance of any such disclosure and comply with the Board's requests to obtain a protective order in relation to such disclosure).

EXHIBIT A

OPTION AGREEMENT

Exhibit 10.2

RISE Education Cayman Ltd

2017 SHARE INCENTIVE PLAN

ARTICLE 1
PURPOSE

The purpose of the RISE Education Cayman Ltd 2017 Share Incentive Plan (the "Plan") is to promote the success and enhance the value of RISE Education Cayman Ltd (the "Company") by linking the personal interests of the members of the Board, Employees and Consultants to those of Company shareholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to Company shareholders. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of members of the Board, Employees and Consultants upon whose judgment, interests and special efforts the successful conduct of the Company's operation is largely dependent.

ARTICLE 2
DEFINITIONS AND CONSTRUCTION

Wherever the following terms are used in the Plan they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates.

2.1 "Administrator" shall mean the entity that conducts the general administration of the Plan as provided in Article 10. With reference to the duties of the Committee under the Plan which have been delegated to one or more persons pursuant to Section 10.6, or as to which the Board has assumed, the term "Administrator" shall refer to such person(s) unless the Committee or the Board has revoked such delegation or the Board has terminated the assumption of such duties.

2.2 "Applicable Accounting Standards" shall mean International Financial Reporting Standards, Generally Accepted Accounting Principles in the United States, or such other accounting principles or standards as may apply to the Company's financial statements under Applicable Laws.

2.3 "Applicable Laws" means (i) the laws of the Cayman Islands as they relate to the Company and its Shares; (ii) the legal requirements relating to the Plan and the Awards under applicable provisions of the corporate, securities, tax and other laws, rules, regulations and government orders of any jurisdiction applicable to Awards granted to residents; and (iii) the rules of any applicable securities exchange, national market system or automated quotation system on which the Shares are listed, quoted or traded.

2.4 "Article" means an article of this Plan.

2.5 "Award" shall mean an Option, a Restricted Share award, a Restricted Share Unit award, a Dividend Equivalents award, a Deferred Share award, a Share Payment award or a Share Appreciation Right, which may be awarded or granted under the Plan (collectively, "Awards").

2.6 "Award Agreement" shall mean any written notice, agreement, terms and conditions, contract or other instrument or document evidencing an Award, including through electronic medium, which shall contain such terms and conditions with respect to an Award as the Administrator shall determine consistent with the Plan.

2.7 "Board" shall mean the Board of Directors of the Company.

2.8 "Code" shall mean the United States Internal Revenue Code of 1986, as amended from time to time.

2.9 "Committee" shall mean the Compensation Committee of the Board, or another committee or subcommittee of the Board, appointed as provided in Section 10.1.

2.10 "Company" shall mean RISE Education Cayman Ltd, a Cayman Islands company.

2.11 "Consultant" means any consultant or adviser if: (a) the consultant or adviser renders bona fide services to a Service Recipient; (b) the services rendered by the consultant or adviser are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities; and (c) the consultant or adviser is a natural person who has contracted directly with the Service Recipient to render such services.

2.12 "Corporate Transaction" means any of the following transactions, *provided, however*, that the Committee shall determine under (f) and (g) whether multiple transactions are related, and its determination shall be final, binding and conclusive:

(a) an amalgamation, arrangement, consolidation or scheme of arrangement in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the jurisdiction in which the Company is incorporated or which following such transaction the holders of the Company's voting securities immediately prior to such transaction own fifty percent (50%) or more of the surviving entity;

(b) the direct or indirect acquisition by any person or related group of persons (other than an acquisition from or by the Company or by a Company-sponsored employee benefit plan or by a person that directly or indirectly controls, is controlled by, or is under common control with, the Company) of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities pursuant to a tender or exchange offer made directly to the Company's shareholders which a majority of the Incumbent Board (as defined below) who are not affiliates or associates of the offeror under Rule 12b-2 promulgated under the Exchange Act do not recommend such shareholders accept, or

(c) the individuals who, as of the Effective Date, are members of the Board (the "Incumbent Board"), cease for any reason to constitute at least fifty percent (50%) of the Board; *provided, that* if the election, or nomination for election by the Company's shareholders, of any new member of the Board is approved by a vote of at least fifty percent (50%) of the Incumbent Board, such new member of the Board shall be considered as a member of the Incumbent Board.

(d) the sale, transfer or other disposition of all or substantially all of the assets of the Company (other than to a Parent, Subsidiary or Related Entity);

(e) the completion of a voluntary or insolvent liquidation or dissolution of the Company;

(f) any reverse takeover, scheme of arrangement, or series of related transactions culminating in a reverse takeover or scheme of arrangement (including, but not limited to, a tender offer followed by a reverse takeover) in which the Company survives but (A) the Shares of the Company outstanding immediately prior to such transaction are converted or exchanged by virtue of the transaction into other property, whether in the form of securities, cash or otherwise, or (B) in which securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities are transferred to a person or persons different from those who held such securities immediately prior to such transaction culminating in such takeover or scheme of arrangement, but excluding any such transaction or series of related transactions that the Committee determines shall not be a Corporate Transaction; or

(g) acquisition in a single or series of related transactions by any person or related group of persons (other than the Company or by a Company-sponsored employee benefit plan) of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities but excluding any such transaction or series of related transactions that the Committee determines shall not be a Corporate Transaction.

2.13 "Deferred Share" shall mean a right to receive Shares awarded under Section 7.3.

2.14 "Director" shall mean a member of the Board, as constituted from time to time.

2.15 "Dividend Equivalent" shall mean a right to receive the equivalent value (in cash or Shares) of dividends paid on Shares, awarded under Section 7.1.

2.16 "Effective Date" shall have the meaning set forth in Section 11.1.

2.17 "Eligible Individual" shall mean any person who is an Employee[, a Consultant] or a Non-Employee Director, as determined by the Committee; provided, however, that Awards shall not be granted to [Consultants or] Non-Employee Directors who are resident of any country in the European Union, and any other country which pursuant to Applicable Laws does not allow grants to non-employees.

2.18 "Employee" means any person who is in the employ of a Service Recipient, subject to the control and direction of the Service Recipient as to both the work to be performed and the manner and method of performance. The payment of a director's fee by a Service Recipient shall not be sufficient to constitute "employment" by the Service Recipient.

2.19 "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

2.20 "Fair Market Value" means, as of any date, the value of Shares determined as follows:

(a) If the Shares are listed on one or more established and regulated securities exchanges, national market systems or automated quotation system on which Shares are listed, quoted or traded, its Fair Market Value shall be the closing sales price for such shares (or the closing bid, if no sales were reported) as quoted on the principal exchange or system on which the Shares are listed (as determined by the Committee) on the date of determination (or, if no closing sales price or closing bid was reported on that date, as applicable, on the last trading date such closing sales price or closing bid was reported), as reported in *The Wall Street Journal* or such other source as the Committee deems reliable;

(b) If the Shares are not listed on an established securities exchange, notational market system or automated quotation system, but are regularly quoted by a recognized securities dealer, its Fair Market Value shall be the closing sales price for such shares as quoted by such securities dealer on the date of determination, but if selling prices are not reported, the Fair Market Value of a Share shall be the mean between the high bid and low asked prices for the Shares on the date of determination (or, if no such prices were reported on that date, on the last date such prices were reported), as reported in *The Wall Street Journal* or such other source as the Committee deems reliable; or

(c) In the absence of an established market for the Shares of the type described in (a) and (b), above, the Fair Market Value thereof shall be determined by the Committee in good faith and in its discretion by reference to (i) the placing price of the latest private placement of the Shares and the development of the Company's business operations and the general economic and market conditions since such latest private placement, (ii) other third party transactions involving the Shares and the development of the Company's business operation and the general economic and market conditions since such sale, (iii) an independent valuation of the Shares, or (iv) such other methodologies or information as the Committee determines to be indicative of Fair Market Value, relevant.

2.21 "Holder" shall mean a person who has been granted an Award.

2.22 "Incentive Option" shall mean an Option that is intended to meet the applicable provisions of Section 422 of the Code.

2.23 "Non-Employee Director" shall mean a Director of the Company who is not an Employee.

2.24 "Non-Qualified Option" shall mean an Option that is not an Incentive Option.

2.25 "Option" shall mean a right to purchase Shares at a specified exercise price, granted under Article 5. An Option shall be either a Non-Qualified Option or an Incentive Option; *provided, however*, that only Incentive Options may be granted to Employees.

2.26 "Parent" means any entity whether domestic or foreign, in an unbroken chain of entities ending with the Company, if each of the entities other than the first entity in the unbroken chain beneficially owns, at the time of the determination, securities or interests representing more than fifty percent (50%) of the total combined voting power of all classes of securities or interests in one of the other entities in such chain.

2.27 "Plan" shall mean this RISE Education Cayman Ltd 2017 Share Incentive Plan, as it may be amended or restated from time to time.

2.28 "Related Entity" means any business, corporation, partnership, limited liability company or other entity in which the Company, a Parent or Subsidiary of the Company holds a substantial economic interest, directly or indirectly, through ownership or contractual arrangements but which is not a Subsidiary and which the Board designates as a Related Entity for purposes of the Plan.

2.29 "Restricted Shares" shall mean Shares awarded under Article 6 that is subject to certain restrictions and may be subject to risk of forfeiture or repurchase.

2.30 "Restricted Share Units" shall mean the right to receive Shares awarded under Section 7.4.

2.31 "Securities Act" shall mean the Securities Act of 1933, as amended.

2.32 "Service Recipient" means the Company, any Parent or Subsidiary of the Company and any Related Entity to which an Eligible Individual provides services as an Employee[, Consultant] or as a Director.

2.33 "Share" means an ordinary share of the Company, and such other securities of the Company that may be substituted for Shares pursuant to Article 12.

2.34 "Share Appreciation Right" shall mean a share appreciation right granted under Article 8.

2.35 "Share Payment" shall mean (a) a payment in the form of Shares, or (b) an option or other right to purchase Shares, as part of a bonus, deferred compensation or other arrangement, awarded under Section 7.2.

2.36 "Subsidiary" means any entity (other than the Company), whether domestic or foreign, in an unbroken chain of entities beginning with the Company if each of the entities other than the last entity in the unbroken chain beneficially owns, at the time of the determination, securities or interests representing more than fifty percent (50%) of the total combined voting power of all classes of securities or interests in one of the other entities in such chain.

2.37 "Substitute Award" shall mean an Award granted under the Plan upon the assumption of, or in substitution for, outstanding equity awards previously granted by a company or other entity in connection with a Corporate Transaction; *provided, however, that* in no event shall the term "Substitute Award" be construed to refer to an award made in connection with the cancellation and repricing of an Option or Share Appreciation Right.

2.38 "Termination of Service" shall mean,

(a) [As to a Consultant, the time when the engagement of a Holder as a Consultant to a Service Recipient is terminated for any reason, with or without cause, including, without limitation, by resignation, discharge, death or retirement, but excluding terminations where the Consultant simultaneously commences or remains in employment or service with the Company, any Subsidiary or any Related Entity.]

(b) As to a Non-Employee Director, the time when a Holder who is a Non-Employee Director ceases to be a Director for any reason, including, without limitation, a termination by resignation, failure to be elected, death or retirement, but excluding terminations where the Holder simultaneously commences or remains in employment or service with the Company, any Subsidiary or any Related Entity.

(c) As to an Employee, the time when the employee-employer relationship between a Holder and the Service Recipient is terminated for any reason, including, without limitation, a termination by resignation, discharge, death, disability or retirement; but excluding terminations where the Holder simultaneously commences or remains in employment or service with the Company, any Subsidiary or any Related Entity.

The Administrator, in its sole discretion, shall determine the effect of all matters and questions relating to Terminations of Service, including, without limitation, the question of whether a Termination of Service resulted from a discharge for cause and all questions of whether particular leaves of absence constitute a Termination of Service; provided, however, that, with respect to Incentive Options, unless the Administrator otherwise provides in the terms of the Award Agreement or otherwise, a leave of absence, change in status from an employee to an independent contractor or other change in the employee-employer relationship shall constitute a Termination of Service only if, and to the extent that, such leave of absence, change in status or other change interrupts employment for the purposes of Section 422(a)(2) of the Code and the then applicable regulations and revenue rulings under said Section. For purposes of the Plan, a Holder's employee-employer relationship or consultancy relations shall be deemed to be terminated in the event that the Subsidiary or Related Entity employing or contracting with such Holder ceases to remain a Subsidiary or Related Entity following any merger, sale of securities or other corporate transaction or event (including, without limitation, a spin-off).

2.39 "Trading Date" means the closing of the first sale to the general public of the Shares pursuant to an effective registration statement under Applicable Laws, which results in the Shares being publicly traded on one or more established stock exchanges or national market systems.

ARTICLE 3
SHARES SUBJECT TO THE PLAN

3.1 Number of Shares.

(a) Subject to Section 12.1 and Section 3.1(b), the aggregate number of Shares which may be issued or transferred pursuant to Awards under the Plan is the sum of 5,000,000 Shares (5% of the total shares outstanding as of 30 June 2017) and subject to the Board approval may increase on annual basis as the increase of the number of Shares outstanding (on an as-converted basis) on the last day of the immediately preceding calendar year.

(b) To the extent that an Award terminates, expires, or lapses for any reason, or is settled in cash and not Shares, then any Shares subject to the Award shall again be available for the grant of an Award pursuant to the Plan. Shares delivered by the Holder or withheld by the Company upon the exercise of any Award under the Plan, in payment of the exercise price thereof or tax withholding thereon, may again be optioned, granted or awarded hereunder, subject to the limitations of Section 3.1(a). If any Shares forfeited by the Holder or repurchased by the Company are again returned to the Company, these shares may again be optioned, granted or awarded hereunder, subject to the limitations of Section 3.1(a). To the extent permitted by Applicable Laws, Shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form of combination by the Company, any Parent or any Subsidiary or Related Entity shall not be counted against Shares available for grant pursuant to the Plan. The payment of Dividend Equivalents in cash in conjunction with any outstanding Awards shall not be counted against the Shares available for issuance under the Plan. Notwithstanding the provisions of this Section 3.1(b), no Shares may again be optioned, granted or awarded if such action would cause an Incentive Option to fail to qualify as an incentive stock option under Section 422 of the Code.

3.2 Share Distributed. Any Shares distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares, treasury Shares (subject to Applicable Laws) or Shares purchased on the open market. Additionally, in the discretion of the Committee, American Depository Shares in an amount equal to the number of Shares which otherwise would be distributed pursuant to an Award may be distributed in lieu of Shares in settlement of any Award. If the number of Shares represented by an American Depository Share is other than on a one-to-one basis, the limitations of Section 3.1 shall be adjusted to reflect the distribution of American Depository Shares in lieu of Shares.

ARTICLE 4
GRANTING OF AWARDS

4.1 Participation. The Administrator may, from time to time, select from among all Eligible Individuals, those to whom an Award shall be granted and shall determine the nature and amount of each Award, which shall not be inconsistent with the requirements of the Plan. No Eligible Individual shall have any right to be granted an Award pursuant to the Plan.

4.2 Award Agreement. Each Award shall be evidenced by an Award Agreement. Award Agreements evidencing Incentive Options shall contain such terms and conditions as may be necessary to meet the applicable provisions of Section 422 of the Code.

4.3 Jurisdictions. Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in the jurisdictions in which the Service Recipients operate or have Eligible Individuals, or in order to comply with the requirements of any securities exchange, the Administrator, in its sole discretion, shall have the power and authority to: (a) determine which Subsidiaries and Related Entities shall be covered by the Plan; (b) determine which Eligible Individuals are eligible to participate in the Plan; (c) modify the terms and conditions of any Award granted to Eligible Individuals to comply with Applicable Laws; (d) establish subplans and modify exercise procedures and other terms and procedures, to the extent such actions may be necessary or advisable (any such subplans and/or modifications shall be attached to the Plan as appendices); *provided, however*, that no such subplans and/or modifications shall increase the share limitations contained in Section 3.1; and (e) take any action, before or after an Award is made, that it deems advisable to obtain approval or comply with any Applicable Laws including necessary local governmental regulatory exemptions or approvals or listing requirements of any such securities exchange. Notwithstanding the foregoing, the Administrator may not take any actions hereunder, and no Awards shall be granted, that would violate the any Applicable Laws.

4.4 Stand-Alone and Tandem Awards. Awards granted pursuant to the Plan may, in the sole discretion of the Administrator, be granted either alone, in addition to, or in tandem with, any other Award granted pursuant to the Plan. Awards granted in addition to or in tandem with other Awards may be granted either at the same time as or at a different time from the grant of such other Awards.

ARTICLE 5
OPTIONS

5.1 General. The Committee is authorized to grant Options to Eligible Individuals on the following terms and conditions:

(a) Exercise Price. The exercise price per Share subject to an Option shall be determined by the Administrator and set forth in the Award Agreement which may be a fixed or variable price related to the Fair Market Value of the Shares; *provided, however*, that no Option may be granted to an individual subject to taxation in the United States at less than the Fair Market Value on the date of grant, without compliance with Section 409A of the Code, or the Holder's consent. The exercise price per Share subject to an Option may be amended or adjusted in the absolute discretion of the Administrator, the determination of which shall be final, binding and conclusive. For the avoidance of doubt, to the extent not prohibited by Applicable Laws (including any applicable exchange rule), a downward adjustment of the exercise prices of Options mentioned in the preceding sentence shall be effective without the approval of the Company's shareholders or the approval of the affected Holders.

(b) Vesting. The period during which the right to exercise, in whole or in part, an Option vests in the Holder shall be set by the Administrator and the Administrator may determine that an Option may not be exercised in whole or in part for a specified period after it is granted. Such vesting may be based on service with the Service Recipient or any other criteria selected by the Administrator. At any time after grant of an Option, the Administrator may, in its sole discretion and subject to whatever terms and conditions it selects, accelerate the period during which an Option vests. No portion of an Option which is unexercisable at a Holder's Termination of Service shall thereafter become exercisable, except as may be otherwise provided by the Administrator either in the Award Agreement or by action of the Administrator following the grant of the Option.

(c) Time and Conditions of Exercise. The Administrator shall determine the time or times at which an Option may be exercised in whole or in part, including exercise prior to vesting and that a partial exercise must be with respect to a minimum number of shares. The Administrator shall also determine any conditions, if any, that must be satisfied before all or part of an Option may be exercised.

(d) Partial Exercise. An exercisable Option may be exercised in whole or in part. However, an Option shall not be exercisable with respect to fractional shares and the Administrator may require that, by the terms of the Option, a partial exercise must be with respect to a minimum number of shares.

(e) Manner of Exercise. All or a portion of an exercisable Option shall be deemed exercised upon delivery of all of the following to the Secretary of the Company, or such other person or entity designated by the Administrator, or his, her or its office, as applicable:

(i) A written or electronic notice complying with the applicable rules established by the Administrator stating that the Option, or a portion thereof, is exercised. The notice shall be signed by the Holder or other person then entitled to exercise the Option or such portion of the Option;

(ii) Such representations and documents as the Administrator, in its sole discretion, deems necessary or advisable to effect compliance with all Applicable Laws or regulations, and the rules of any securities exchange or automated quotation system on which the Shares are listed, quoted or traded. The Administrator may, in its sole discretion, also take whatever additional actions it deems appropriate to effect such compliance including, without limitation, placing legends on share certificates and issuing stop-transfer notices to agents and registrars;

(iii) In the event that the Option shall be exercised pursuant to Section 9.3 by any person or persons other than the Holder, appropriate proof of the right of such person or persons to exercise the Option, as determined in the sole discretion of the Administrator; and

(iv) Full payment of the exercise price and applicable withholding taxes to share administrator of the Company for the Shares with respect to which the Option, or portion thereof, is exercised, in a manner permitted by Section 9.1 and 9.2.

(f) Term. The term of any Option granted under the Plan shall not exceed ten years. Except as limited by the requirements of Section 409A or Section 422 of the Code and regulations and rulings thereunder, the Administrator may extend the term of any outstanding Option, and may extend the time period during which vested Options may be exercised, in connection with any Termination of Service of the Holder, and may amend any other term or condition of such Option relating to such a Termination of Service.

(g) Evidence of Grant. All Options shall be evidenced by an Award Agreement between the Company and the Holder. The Award Agreement shall include such additional provisions as may be specified by the Committee.

5.2 Incentive Options. Incentive Options may be granted to Employees of the Company, a Parent or Subsidiary of the Company (which qualify as a parent or subsidiary corporation under Section 424(e) and (f) of the Code respectively). Incentive Options may not be granted to Employees of a Related Entity or to Non-Employee Directors [or Consultants]. The terms of any Incentive Options granted pursuant to the Plan, in addition to the requirements of Section 5.1, must comply with the following additional provisions of this Section 5.2:

(a) Expiration of Option. An Incentive Option may not be exercised to any extent by anyone after the first to occur of the following events, unless otherwise approved by the Administrator in a separate resolution:

(i) Ten years from the date it is granted, unless an earlier time is set in the Award Agreement;

(ii) Three months after the Holder's Termination of Service as an Employee (save in the case of termination on account of disability or death); and

(iii) One year after the date of the Holder's Termination of Service on account of disability or death. Upon the Holder's disability or death, any Incentive Options exercisable at the Holder's disability or death may be exercised by the Holder's legal representative or representatives, by the person or persons entitled to do so pursuant to the Holder's last will and testament, or, if the Holder fails to make testamentary disposition of such Incentive Option or dies intestate, by the person or persons entitled to receive the Incentive Option pursuant to the applicable laws of descent and distribution as determined under Applicable Laws.

(b) Individual Dollar Limitation. The aggregate Fair Market Value (determined as of the time the Option is granted) of all Shares with respect to which Incentive Options are first exercisable by a Holder in any calendar year may not exceed US$100,000 or such other limitation as imposed by Section 422(d) of the Code, or any successor provision. To the extent that Incentive Options are first exercisable by a Holder in excess of such limitation, the excess shall be considered Non-Qualified Options.

(c) Ten Percent Owners. An Incentive Option shall be granted to any individual who, at the date of grant, owns Shares possessing more than ten percent of the total combined voting power of all classes of shares of the Company only if such Option is granted at a price that is not less than 110% of Fair Market Value on the date of grant and the Option is exercisable for no more than five years from the date of grant.

(d) Transfer Restriction. The Holder shall give the Company prompt notice of any disposition of Shares acquired by exercise of an Incentive Option within (i) two years from the date of grant of such Incentive Option or (ii) one year after the transfer of such Shares to the Holder.

(e) Expiration of Incentive Options. No Award of an Incentive Option may be made pursuant to this Plan after the tenth anniversary of the Effective Date.

(f) Right to Exercise. During a Holder's lifetime, an Incentive Option may be exercised only by the Holder.

5.3 Substitute Awards. Notwithstanding the foregoing provisions of this Article 5 to the contrary, in the case of an Option that is a Substitute Award, the price per share of the shares subject to such Option may be less than the Fair Market Value per share on the date of grant, *provided*, that the excess of: (a) the aggregate Fair Market Value (as of the date such Substitute Award is granted) of the shares subject to the Substitute Award, over (b) the aggregate exercise price thereof does not exceed the excess of: (x) the aggregate fair market value (as of the time immediately preceding the transaction giving rise to the Substitute Award, such fair market value to be determined by the Administrator) of the shares of the predecessor entity that were subject to the grant assumed or substituted for by the Company, over (y) the aggregate exercise price of such shares.

5.4 Substitution of Share Appreciation Rights. The Administrator may provide in the Award Agreement evidencing the grant of an Option that the Administrator, in its sole discretion, shall have the right to substitute a Share Appreciation Right for such Option at any time prior to or upon exercise of such Option; *provided*, that such Share Appreciation Right shall be exercisable with respect to the same number of Shares for which such substituted Option would have been exercisable.

ARTICLE 6
AWARD OF RESTRICTED SHARES

6.1 Award of Restricted Shares.

(a) The Administrator is authorized to grant Restricted Share to Eligible Individuals, and shall determine the amount of, and the terms and conditions, including the restrictions applicable to each award of Restricted Shares, which terms and conditions shall not be inconsistent with the Plan, and may impose such conditions on the issuance of such Restricted Shares as it deems appropriate.

(b) The Administrator shall establish the purchase price, if any, and form of payment for Restricted Shares; *provided*, *however*, that such purchase price shall be no less than the par value of the Shares to be purchased, unless otherwise permitted by Applicable Laws. In all cases, legal consideration shall be required for each issuance of Restricted Shares.

6.2 Rights as Shareholders. Subject to Section 6.4, upon issuance of Restricted Shares, the Holder shall have, unless otherwise provided by the Administrator, all the rights of a shareholder with respect to said shares, subject to the restrictions in his or her Award Agreement, including the right to receive all dividends and other distributions paid or made with respect to the shares; *provided*, *however*, that, in the sole discretion of the Administrator, any extraordinary distributions with respect to the Shares shall be subject to the restrictions set forth in Section 6.3.

6.3 Restrictions. All Restricted Shares (including any shares received by Holders thereof with respect to Restricted Shares as a result of share dividends, share splits or any other form of recapitalization) shall, in the terms of each individual Award Agreement, be subject to such restrictions and vesting requirements as the Administrator shall provide. Such restrictions may include, without limitation, restrictions concerning voting rights and transferability and such restrictions may lapse separately or in combination at such times and pursuant to such circumstances or based on such criteria as selected by the Administrator, including, without limitation, criteria based on the Holder's duration of employment, directorship or consultancy with the Service Recipient, or other criteria selected by the Administrator. By action taken after the Restricted Shares are issued, the Administrator may, on such terms and conditions as it may determine to be appropriate, accelerate the vesting of such Restricted Shares by removing any or all of the restrictions imposed by the terms of the Award Agreement. Restricted Share may not be sold or encumbered until all restrictions are terminated or expire.

6.4 Repurchase or Forfeiture of Restricted Shares. If no price was paid by the Holder for the Restricted Shares, upon a Termination of Service the Holder's rights in unvested Restricted Shares then subject to restrictions shall lapse, and such Restricted Shares shall be surrendered to the Company and cancelled without consideration. If a purchase price was paid by the Holder for the Restricted Shares, upon a Termination of Service the Company shall have the right to repurchase from the Holder the unvested Restricted Shares then subject to restrictions at a cash price per share equal to the price paid by the Holder for such Restricted Shares or such other amount as may be specified in the Award Agreement. The Administrator in its sole discretion may provide that in the event of certain events the Holder's rights in unvested Restricted Shares shall not lapse, such Restricted Shares shall vest and shall be non-forfeitable, and if applicable, the Company shall not have a right of repurchase.

6.5 Certificates for Restricted Shares. Restricted Shares granted pursuant to the Plan may be evidenced in such manner as the Administrator shall determine. Certificates or book entries evidencing Restricted Shares must include an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Share, and the Company may, in its sole discretion, retain physical possession of any share certificate until such time as all applicable restrictions lapse.

ARTICLE 7
AWARD OF DIVIDEND EQUIVALENTS, DEFERRED SHARES, SHARE PAYMENTS, RESTRICTED SHARE UNITS

7.1 Dividend Equivalents. Dividend Equivalents may be granted by the Administrator based on dividends declared on the Shares, to be credited as of dividend payment dates during the period between the date an Award is granted to a Holder and the date such Award vests, is exercised, is distributed or expires, as determined by the Administrator. Such Dividend Equivalents shall be converted to cash or additional Shares by such formula and at such time and subject to such limitations as may be determined by the Administrator.

7.2 Share Payments. The Administrator is authorized to make Share Payments to any Eligible Individual. The number or value of shares of any Share Payment shall be determined by the Administrator and may be based upon any other criteria, including service to the Service Recipients, determined by the Administrator. Share Payments may, but are not required to be made in lieu of base salary, bonus, fees or other cash compensation otherwise payable to such Eligible Individual.

7.3 Deferred Shares. The Administrator is authorized to grant Deferred Shares to any Eligible Individual. The number of shares of Deferred Shares shall be determined by the Administrator and may be based on any specific criteria, including service to the Service Recipients, as the Administrator determines, in each case on a specified date or dates or over any period or periods determined by the Administrator. Shares underlying a Deferred Share award will not be issued until the Deferred Share award has vested, pursuant to a vesting schedule or other conditions or criteria set by the Administrator. Unless otherwise provided by the Administrator, a Holder of Deferred Shares shall have no rights as a Company shareholder with respect to such Deferred Shares until such time as the Award has vested and the Shares underlying the Award has been issued to the Holder.

7.4 Restricted Share Units. The Administrator is authorized to grant Restricted Share Units to any Eligible Individual. The number and terms and conditions of Restricted Share Units shall be determined by the Administrator. The Administrator shall specify the date or dates on which the Restricted Share Units shall become fully vested and nonforfeitable, and may specify such conditions to vesting as it deems appropriate, including service to the Service Recipients, in each case on a specified date or dates or over any period or periods, as the Administrator determines. The Administrator shall specify, or permit the Holder to elect, the conditions and dates upon which the Shares underlying the Restricted Share Units which shall be issued, which dates shall not be earlier than the date as of which the Restricted Share Units vest and become nonforfeitable and which conditions and dates shall be subject to compliance with Section 409A of the Code, to the extent applicable to the Holder. Restricted Share Units may be paid in cash, Shares or both, as Determined by the Administrator. On the distribution dates, the Company shall issue to the Holder one unrestricted, fully transferable Shares (or the Fair Market Value of one such Share in cash) for each vested and nonforfeitable Restricted Share Unit.

7.5 Exercise or Purchase Price. The Administrator may establish the exercise or purchase price of shares of Deferred Shares, shares distributed as a Share Payment award or shares distributed pursuant to a Restricted Share Unit award; *provided, however*, that value of the consideration shall not be less than the par value of a share of Shares, unless otherwise permitted by Applicable Laws.

7.6 Exercise upon Termination of Service. A Dividend Equivalent award, Deferred Share award, Share Payment award and/or Restricted Share Unit award is exercisable or distributable only while the Holder is an Employee, Director [or Consultant], as applicable. The Administrator, however, in its sole discretion may provide that the Dividend Equivalent award, Deferred Share award, Share Payment award and/or Restricted Share Unit award may be exercised or distributed subsequent to a Termination of Service in certain events.

ARTICLE 8
AWARD OF SHARE APPRECIATION RIGHTS

8.1 Grant of Share Appreciation Rights.

(a) The Administrator is authorized to grant Share Appreciation Rights to Eligible Individuals from time to time, in its sole discretion, on such terms and conditions as it may determine consistent with the Plan. The term of any Share Appreciation Right granted under the Plan shall not exceed ten years. Except as limited by the requirements of Section 409A or Section 422 of the Code and regulations and rulings thereunder, the Administrator may extend the term of any outstanding Share Appreciation Right, and may extend the time period during which vested Share Appreciation Rights may be exercised, in connection with any Termination of Service of the Holder, and may amend any other term or condition of such Share Appreciation Right relating to such a Termination of Service.

(b) A Share Appreciation Right shall entitle the Holder (or other person entitled to exercise the Share Appreciation Right pursuant to the Plan) to exercise all or a specified portion of the Share Appreciation Right (to the extent then exercisable pursuant to its terms) and to receive from the Company an amount determined by multiplying the difference obtained by subtracting the exercise price per share of the Share Appreciation Right from the Share Value on the date of exercise of the Share Appreciation Right by the number of Shares with respect to which the Share Appreciation Right shall have been exercised, subject to any limitations the Administrator may impose.

(c) The exercise price per Share subject to a Share Appreciation Right shall be determined by the Administrator and set forth in the Award Agreement which may be a fixed or variable price related to the Fair Market Value of the Shares; *provided, however,* that no Share Appreciation Right may be granted to an individual subject to taxation in the United States at less than the Fair Market Value on the date of grant, without compliance with Section 409A of the Code, or the Holder's consent. The exercise price per Share subject to a Share Appreciation Right may be amended or adjusted in the absolute discretion of the Administrator, the determination of which shall be final, binding and conclusive. For the avoidance of doubt, to the extent not prohibited by Applicable Laws (including any applicable securities exchange rule), a downward adjustment of the exercise prices of Share Appreciation Rights mentioned in the preceding sentence shall be effective without the approval of the Company's shareholders or the approval of the affected Holders.

(d) In the case of an Share Appreciation Right that is a Substitute Award, the price per share of the Shares subject to such Share Appreciation Right may be less than the Fair Market Value per share on the date of grant, *provided*, that the excess of: (a) the aggregate Fair Market Value (as of the date such Substitute Award is granted) of the Shares subject to the Substitute Award, over (b) the aggregate exercise price thereof does not exceed the excess of: (x) the aggregate fair market value (as of the time immediately preceding the transaction giving rise to the Substitute Award, such fair market value to be determined by the Administrator) of the shares of the predecessor entity that were subject to the grant assumed or substituted for by the Company, over (y) the aggregate exercise price of such shares.

8.2 Share Appreciation Right Vesting.

(a) The period during which the right to exercise, in whole or in part, a Share Appreciation Right vests in the Holder shall be set by the Administrator and the Administrator may determine that a Share Appreciation Right may not be exercised in whole or in part for a specified period after it is granted. Such vesting may be based on service with the Service Recipients, or any other criteria selected by the Administrator. At any time after grant of a Share Appreciation Right, the Administrator may, in its sole discretion and subject to whatever terms and conditions it selects, accelerate the period during which a Share Appreciation Right vests.

(b) No portion of a Share Appreciation Right which is unexercisable at Termination of Service shall thereafter become exercisable, except as may be otherwise provided by the Administrator either in the Award Agreement or by action of the Administrator following the grant of the Share Appreciation Right.

8.3 Manner of Exercise. All or a portion of an exercisable Share Appreciation Right shall be deemed exercised upon delivery of all of the following to the Administrator, or such other person or entity designated by the Administrator, or his, her or its office, as applicable:

(a) A written or electronic notice complying with the applicable rules established by the Administrator stating that the Share Appreciation Right, or a portion thereof, is exercised. The notice shall be signed by the Holder or other person then entitled to exercise the Share Appreciation Right or such portion of the Share Appreciation Right;

(b) Such representations and documents as the Administrator, in its sole discretion, deems necessary or advisable to effect compliance with all applicable provisions of the Securities Act and any other federal, state or foreign securities laws or regulations. The Administrator may, in its sole discretion, also take whatever additional actions it deems appropriate to effect such compliance; and

(c) In the event that the Share Appreciation Right shall be exercised pursuant to this Section 8.3 by any person or persons other than the Holder, appropriate proof of the right of such person or persons to exercise the Share Appreciation Right, in the sole discretion of the Administrator.

8.4 Payment. Amounts payable upon exercise of a Share Appreciation Right shall be in cash, Shares (based on its Fair Market Value as of the date the Share Appreciation Right is exercised), or a combination of both, as determined by the Administrator.

ARTICLE 9
ADDITIONAL TERMS OF AWARDS

9.1 Payment. The Administrator shall determine the methods by which payments by any Holder with respect to any Awards granted under the Plan shall be made, including, without limitation: (a) cash or check, (b) Shares (including, in the case of payment of the exercise price of an Award, Shares issuable pursuant to the exercise of the Award) or Shares held for such period of time as may be required by the Administrator in order to avoid adverse accounting consequences under Applicable Accounting Standards, in each case, having a Fair Market Value on the date of delivery equal to the aggregate payments required, (c) following the Trading Date, delivery of a notice that the Holder has placed a market sell order with a broker with respect to Shares then issuable upon exercise or vesting of an Award, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the aggregate payments required, *provided*, that payment of such proceeds is then made to the Company upon settlement of such sale, or (d) other form of legal consideration acceptable to the Administrator. The Administrator shall also determine the methods by which Shares shall be delivered or deemed to be delivered to Holders. Notwithstanding any other provision of the Plan to the contrary, no Holder shall be permitted to make payment with respect to any Awards granted under the Plan to the extent prohibited by Applicable Laws.

9.2 Tax Withholding. No Shares shall be delivered under the Plan to any Holder until such Holder has made arrangements acceptable to the Administrator for the satisfaction of any income, employment, social welfare or other tax withholding obligations under Applicable Laws. Each Service Recipient shall have the authority and the right to deduct or withhold, or require a Holder to remit to the applicable Service Recipient, an amount sufficient to satisfy federal, state, local and foreign taxes (including the Holder's employment, social welfare or other tax obligations) required by Applicable Laws to be withheld with respect to any taxable event concerning a Holder arising as a result of the Plan. The Administrator may in its sole discretion and in satisfaction of the foregoing requirement allow a Holder to elect to have the Company withhold Shares otherwise issuable under an Award (or allow the surrender of Shares). The number of Shares which may be so withheld or surrendered shall be limited to the number of Shares which have a Fair Market Value on the date of withholding or repurchase equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for tax purposes that are applicable to such taxable income. The Administrator shall determine the Fair Market Value of the Shares, consistent with Applicable Laws, for tax withholding obligations due in connection with a broker-assisted cashless Option or Share Appreciation Right exercise involving the sale of shares to pay the Option or Share Appreciation Right exercise price or any tax withholding obligation.

9.3 Transferability of Awards.

(a) Except as otherwise provided in Section 9.3(b):

(i) No Award under the Plan may be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution or, subject to the consent of the Administrator, as required under applicable domestic relations laws, unless and until such Award has been exercised, or the shares underlying such Award have been issued, and all restrictions applicable to such shares have lapsed;

(ii) No Award or interest or right therein shall be liable for the debts, contracts or engagements of the Holder or his successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, hypothecation, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence; and

(iii) During the lifetime of the Holder, only the Holder may exercise an Award (or any portion thereof) granted to him under the Plan, unless it has been disposed of pursuant to applicable domestic relations law; after the death of the Holder, any exercisable portion of an Award may, prior to the time when such portion becomes unexercisable under the Plan or the applicable Award Agreement, be exercised by his personal representative or by any person empowered to do so under the deceased Holder's will or under the then Applicable Laws of descent and distribution.

(b) Notwithstanding Section 9.3(a), the Administrator, in its sole discretion, may determine to permit a Holder to transfer an Award other than an Incentive Option to certain persons or entities related to the Holder, including but not limited to members of the Holder's family, charitable institutions, or trusts or other entities whose beneficiaries or beneficial owners are members of the Holder's family and/or charitable institutions, or to such other persons or entities as may be expressly approved by the Committee, pursuant to such conditions and procedures as the Administrator may establish, including the following conditions: (i) an Award transferred shall not be assignable or transferable other than by will or the laws of descent and distribution; (ii) an Award transferred shall continue to be subject to all the terms and conditions of the Award as applicable to the original Holder (other than the ability to further transfer the Award); and (iii) the Holder and the permitted transferee shall execute any and all documents requested by the Administrator, including, without limitation documents to (A) confirm the status of the transferee as a permitted transferee, (B) satisfy any requirements for an exemption for the transfer under Applicable Laws and (C) evidence the transfer.

(c) Notwithstanding Section 9.3(a), a Holder may, in the manner determined by the Administrator, designate a beneficiary to exercise the rights of the Holder and to receive any distribution with respect to any Award upon the Holder's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan and any Award Agreement applicable to the Holder, except to the extent the Plan and Award Agreement otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Administrator. If the Holder is married and resides in a community property jurisdiction, a designation of a person other than the Holder's spouse as his or her beneficiary with respect to more than 50% of the Holder's interest in the Award shall not be effective without the prior written or electronic consent of the Holder's spouse. If no beneficiary has been designated or survives the Holder, payment shall be made to the person entitled thereto pursuant to the Holder's will or the laws of descent and distribution. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Holder at any time provided the change or revocation is filed with the Administrator prior to the Holder's death.

9.4 Conditions to Issuance of Shares.

(a) Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates or make any book entries evidencing Shares pursuant to the exercise of any Award, unless and until the Board has determined, with advice of counsel, that the issuance of such Shares is in compliance with all Applicable Laws and the Shares are covered by an effective registration statement or applicable exemption from registration. In addition to the terms and conditions provided herein, the Board or Committee may require that a Holder make such reasonable covenants, agreements, and representations as the Board or Committee, in its discretion, deems advisable in order to comply with any such laws, regulations, or requirements.

(b) All Share certificates delivered pursuant to the Plan and all Shares issued pursuant to book entry procedures are subject to any stop-transfer orders and other restrictions as the Administrator deems necessary or advisable to comply with all Applicable Laws. The Administrator may place legends on any Shares certificate or book entry to reference restrictions applicable to the Shares.

(c) The Administrator shall have the right to require any Holder to comply with any timing or other restrictions with respect to the settlement, distribution or exercise of any Award, including a window-period limitation, as may be imposed in the sole discretion of the Administrator.

(d) No fractional Shares shall be issued and the Administrator shall determine, in its sole discretion, whether cash shall be given in lieu of fractional shares or whether such fractional shares shall be eliminated by rounding down.

(e) Notwithstanding any other provision of the Plan, unless otherwise determined by the Administrator or required by any Applicable Laws, the Company shall not deliver to any Holder certificates evidencing Shares issued in connection with any Award and instead such Shares shall be recorded in the books of the Company (or, as applicable, the Administrator or the transfer agent of the Company).

9.5 Forfeiture Provisions. Pursuant to its general authority to determine the terms and conditions applicable to Awards under the Plan, the Administrator shall have the right to provide, in the terms of Awards made under the Plan, or to require a Holder to agree by separate written instrument, that: (a)(i) any proceeds, gains or other economic benefit actually or constructively received by the Holder upon any receipt or exercise of the Award, or upon the receipt or resale of any Shares underlying the Award, must be paid to the Company, and (ii) the Award shall terminate and any unexercised portion of the Award (whether or not vested) shall be forfeited, if (b)(i) a Termination of Service occurs prior to a specified date, or within a specified time period following receipt or exercise of the Award, or (ii) the Holder at any time, or during a specified time period, engages in any activity in competition with the Company, or which is inimical, contrary or harmful to the interests of the Company, as further defined by the Administrator or (iii) the Holder incurs a Termination of Service for "cause" (as such term is defined in the sole discretion of the Administrator, or as set forth in a written agreement relating to such Award between the Company and the Holder).

9.6 Applicable Currency. Unless otherwise required by Applicable Laws, or as determined in the discretion of the Administrator, all Awards shall be designated in U.S. dollars. A Holder may be required to provide evidence that any currency used to pay the exercise price of any Award were acquired and taken out of the jurisdiction in which the Holder resides in accordance with Applicable Laws, including foreign exchange control laws and regulations. In the event the exercise price for an Award is paid in another foreign currency, as permitted by the Administrator, the amount payable will be determined by conversion from U.S. dollars at the exchange rate as selected by the Administrator on the date of exercise.

ARTICLE 10
ADMINISTRATION

10.1 Administrator. The Committee shall administer the Plan and shall consist of [one] or more members of the Board of Directors who have been appointed by the Board of Directors. Each Committee shall have such authority and be responsible for such functions as the Board of Directors has assigned to it in accordance with the Articles. If no Committee has been appointed, the entire Board of Directors shall administer the Plan. Any reference to the Board of Directors in the Plan shall be construed as a reference to the Committee (if any) to whom the Board of Directors has assigned a particular function. Notwithstanding the foregoing, (a) the full Board, acting by a majority of its members in office, shall conduct the general administration of the Plan with respect to Awards granted to Non-Employee Directors and (b) the Board or Committee may delegate its authority hereunder to the extent permitted by Section 10.6.

10.2 Duties and Powers of Committee. It shall be the duty of the Committee to conduct the general administration of the Plan in accordance with its provisions. The Committee shall have the power to interpret the Plan and the Award Agreement, and to adopt such rules for the administration, interpretation and application of the Plan as are not inconsistent therewith, to interpret, amend or revoke any such rules and to amend any Award Agreement provided that the rights or obligations of the Holder of the Award that is the subject of any such Award Agreement are not affected adversely by such amendment, unless the consent of the Holder is obtained or such amendment is otherwise permitted under Section 11.10. Any such grant or award under the Plan need not be the same with respect to each Holder. Any such interpretations and rules with respect to Incentive Options shall be consistent with the provisions of Section 422 of the Code. In its sole discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan except with respect to matters which under Applicable Laws are required to be determined in the sole discretion of the Committee.

10.3 Action by the Committee. Unless otherwise established by the Board or in any charter of the Committee, a majority of the Committee shall constitute a quorum and the acts of a majority of the members present at any meeting at which a quorum is present, and acts approved in writing by all members of the Committee in lieu of a meeting, shall be deemed the acts of the Committee. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of a Service Recipient, the Company's independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan.

10.4 Authority of Administrator. Subject to any specific designation in the Plan, the Administrator has the exclusive power, authority and sole discretion to:

(a) Designate Eligible Individuals to receive Awards;

(b) Determine the type or types of Awards to be granted to each Eligible Individual;

(c) Determine the number of Awards to be granted and the number of Shares to which an Award will relate;

(d) Determine the terms and conditions of any Award granted pursuant to the Plan, including, but not limited to, the exercise price, grant price, or purchase price, any reload provision, any restrictions or limitations on the Award, any schedule for vesting, lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, and any provisions related to non-competition and recapture of gain on an Award, based in each case on such considerations as the Administrator in its sole discretion determines;

(e) Determine whether, to what extent, and pursuant to what circumstances an Award may be settled in, or the exercise price of an Award may be paid in cash, Shares, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;

(f) Prescribe the form of each Award Agreement, which need not be identical for each Holder;

(g) Decide all other matters that must be determined in connection with an Award, including without limitation, cancel or redeem an outstanding Award (including but not limited to an outstanding Option with an exercise price exceeding the Fair Market Value of the underlying Shares), in exchange for cash, another Award or a combination of Awards, on terms and conditions the Administrator determines and communicates to the holder of such outstanding Award;;

(h) Establish, adopt, or revise any rules and regulations as it may deem necessary or advisable to administer the Plan;

(i) Interpret the terms of, and any matter arising pursuant to, the Plan or any Award Agreement;

(j) Adjust the exercise price per Share subject to an Option; and

(k) Make all other decisions and determinations that may be required pursuant to the Plan or as the Administrator deems necessary or advisable to administer the Plan.

10.5 Decisions Binding. The Administrator's interpretation of the Plan, any Awards granted pursuant to the Plan, any Award Agreement and all decisions and determinations by the Administrator with respect to the Plan are final, binding, and conclusive on all parties.

10.6 Delegation of Authority. To the extent permitted by Applicable Laws, the Board or Committee may from time to time delegate to a committee of one or more members of the Board or one or more officers of the Company the authority to grant or amend Awards or to take other administrative actions pursuant to Article 10; *provided, however*, that in no event shall an officer be delegated the authority to grant awards to, or amend awards held by officers of the Company (or Directors) to whom authority to grant or amend Awards has been delegated hereunder. Any delegation hereunder shall be subject to the restrictions and limits that the Board or Committee specifies at the time of such delegation, and the Board may at any time rescind the authority so delegated or appoint a new delegatee. At all times, the delegatee appointed under this Section 10.6 shall serve in such capacity at the pleasure of the Board and the Committee.

ARTICLE 11
MISCELLANEOUS PROVISIONS

11.1 Effective Date. The Plan has been adopted and approved by the Board, subject to shareholder approval. The Plan will be effective as of the date it is approved by the Company's shareholders (the "Effective Date"). The Plan will be deemed to be approved by the shareholders if it receives the affirmative vote of a majority (in excess of 50%) of the votes of the Shares entitled to vote and present at a meeting duly held in accordance with the applicable provisions of the Company's Articles. Awards may be granted or awarded prior to such shareholder approval, *provided*, that such Awards shall not be exercisable, shall not vest and the restrictions thereon shall not lapse and no Shares shall be issued pursuant thereto prior to the Effective Date, and *provided further*, that if such approval has not been obtained within twelve (12) months after adoption of the Plan by the Board, all Awards previously granted or awarded under the Plan shall thereupon be canceled and become null and void.

11.2 Expiration Date. The Plan will expire on, and no Award may be granted pursuant to the Plan after, the tenth anniversary of the Effective Date. Any Awards that are outstanding on the tenth anniversary of the Effective Date shall remain in force according to the terms of the Plan and the applicable Award Agreement.

11.3 Amendment, Suspension or Termination of the Plan. Except as otherwise provided in this Section 11.3, at any time and from time to time, the Administrator may terminate, amend or modify the Plan; *provided, however*, that (a) to the extent necessary and desirable to comply with Applicable Laws the Company shall obtain shareholder approval of any Plan amendment in such a manner and to such a degree as required, and (b) shareholder approval is required for any amendment to the Plan that (i) increases the number of Shares available under the Plan (other than any adjustment as provided by Article 12), (ii) permits the Administrator to extend the term of the Plan or the exercise period for an Option or Share Appreciation Right beyond ten years from the date of grant, or (iii) results in a material increase in benefits or a change in eligibility requirements. Except as provided in the Plan or any Award Agreement, no amendment, suspension or termination of the Plan shall, without the consent of the Holder, impair any rights or obligations under any Award theretofore granted or awarded.

11.4 No Shareholders Rights. Except as otherwise provided herein, a Holder shall have none of the rights of a shareholder with respect to Shares covered by any Award until the Holder becomes the record owner of such Shares.

11.5 Paperless Administration. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the documentation, granting or exercise of Awards, such as a system using an internet website or interactive voice response, then the paperless documentation, granting or exercise of Awards by a Holder may be permitted through the use of such an automated system.

11.6 Effect of Plan upon Other Compensation Plans. The adoption of the Plan shall not affect any other compensation or incentive plans in effect for a Service Recipient. Nothing in the Plan shall be construed to limit the right of a Service Recipient: (a) to establish any other forms of incentives or compensation for Eligible Individuals, or (b) to grant or assume options or other rights or awards otherwise than under the Plan in connection with any proper corporate purpose including without limitation, the grant or assumption of options in connection with the acquisition by purchase, lease, merger, consolidation or otherwise, of the business, securities or assets of any corporation, partnership, limited liability company, firm or association.

11.7 Compliance with Laws. The Plan, the granting and vesting of Awards under the Plan and the issuance and delivery of Shares and the payment of money under the Plan or under Awards granted or awarded hereunder are subject to compliance with all Applicable Laws (including but not limited to securities law and margin requirements), and to such approvals by any listing, regulatory or governmental authority as may, in the opinion of counsel for the Company, be necessary or advisable in connection therewith. Any securities delivered under the Plan shall be subject to such restrictions, and the person acquiring such securities shall, if requested by the Company, provide such assurances and representations to the Company as the Company may deem necessary or desirable to assure compliance with all applicable legal requirements. To the extent permitted by Applicable Laws, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to such Applicable Laws.

11.8 Titles and Headings, References to Sections of the Code or Exchange Act. The titles and headings of the Sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control. References to sections of the Code or the Exchange Act shall include any amendment or successor thereto.

11.9 Governing Law. The Plan and any agreements hereunder shall be administered, interpreted and enforced under the internal laws of the Cayman Islands without regard to conflicts of laws thereof.

11.10 Section 409A. To the extent that the Administrator determines that any Award granted under the Plan is subject to Section 409A of the Code, the Award Agreement evidencing such Award shall incorporate the terms and conditions required by Section 409A of the Code. To the extent applicable, the Plan and Award Agreements shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date. Notwithstanding any provision of the Plan to the contrary, in the event that following the Effective Date the Administrator determines that any Award may be subject to Section 409A of the Code and related Department of Treasury guidance (including such Department of Treasury guidance as may be issued after the Effective Date), the Administrator may adopt such amendments to the Plan and the applicable Award Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Administrator determines are necessary or appropriate to (a) exempt the Award from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (b) comply with the requirements of Section 409A of the Code and related Department of Treasury guidance and thereby avoid the application of any penalty taxes under such Section.

11.11 No Rights to Awards. No Eligible Individual or other person shall have any claim to be granted any Award pursuant to the Plan, and neither the Company nor the Administrator is obligated to treat Eligible Individuals, Holders or any other persons uniformly.

11.12 No Right to Employment or Services. Nothing in the Plan or any Award Agreement shall interfere with or limit in any way the right of the Service Recipient to terminate any Holder's employment or services at any time, nor confer upon any Holder any right to continue in the employ or service of any Service Recipient.

11.13 Unfunded Status of Awards. The Plan is intended to be an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Holder pursuant to an Award, nothing contained in the Plan or any Award Agreement shall give the Holder any rights that are greater than those of a general creditor of the Company, any Subsidiary or any Related Entity.

11.14 Indemnification. To the extent allowable pursuant to Applicable Laws, each member of the Committee or of the Board shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act pursuant to the Plan and against and from any and all amounts paid by him or her in satisfaction of judgment in such action, suit, or proceeding against him or her; *provided* he or she gives the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled pursuant to the Company's Amended and Restated Memorandum of Association and Articles of Association, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

11.15 Relationship to other Benefits. No payment pursuant to the Plan shall be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of any Service Recipient except to the extent otherwise expressly provided in writing in such other plan or an agreement thereunder.

11.16 Expenses. The expenses of administering the Plan shall be borne by the Service Recipients.

ARTICLE 12
CHANGES IN CAPITAL STRUCTURE

12.1 Adjustments. In the event of any distribution, share split, combination or exchange of Shares, amalgamation, arrangement or consolidation, reorganization of the Company, including the Company becoming a subsidiary in a transaction not involving a Corporate Transaction, spin-off, recapitalization or other distribution (other than normal cash dividends) of Company assets to its shareholders, or any other change affecting the Shares or the share price of a Share, the Administrator shall make such proportionate and equitable adjustments, if any, to reflect such change with respect to (a) the aggregate number and type of shares that may be issued under the Plan (including, but not limited to, adjustments of the limitations in Section 3.1 and substitutions of shares in a parent or surviving company); (b) the terms and conditions of any outstanding Awards (including, without limitation, any applicable performance targets or criteria with respect thereto); and (c) the grant or exercise price per share for any outstanding Awards under the Plan. The form and manner of any such adjustments shall be determined by the Administrator in its sole discretion.

12.2 Corporate Transactions. Except as may otherwise be provided in any Award Agreement or any other written agreement entered into by and between the Company and a Holder, if a Corporate Transaction occurs and a Holder's Awards are not converted, assumed, or replaced by a successor as provided in Section 12.3, such Awards shall vest and become fully exercisable and all forfeiture restrictions on such Awards shall lapse. Upon, or in anticipation of, a Corporate Transaction, the Administrator may in its sole discretion provide for (a) any and all Awards outstanding hereunder to terminate at a specific time in the future and shall give each Holder the right to exercise such Awards during a period of time as the Administrator shall determine, (b) either the purchase of any Award for an amount of cash equal to the amount that could have been attained upon the exercise of such Award or realization of the Holder's rights had such Award been currently exercisable or payable or fully vested (and, for the avoidance of doubt, if as of such date the Committee determines in good faith that no amount would have been attained upon the exercise of such Award or realization of the Holder's rights, then such Award may be terminated by the Company without payment), or (c) the replacement of such Award with other rights or property selected by the Administrator in its sole discretion or the assumption of or substitution of such Award by the successor or surviving corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of Shares and prices.

12.3 Assumption of Awards — Corporate Transactions. In the event of a Corporate Transaction, each Award may be assumed by the successor entity or Parent thereof in connection with the Corporate Transaction. Except as provided otherwise in an individual Award Agreement, an Award will be considered assumed if the Award either is (a) assumed by the successor entity or Parent thereof or replaced with a comparable award (as determined by the Administrator) with respect to capital shares (or equivalent) of the successor entity or Parent thereof or (b) replaced with a cash incentive program of the successor entity which preserves the compensation element of such Award existing at the time of the Corporate Transaction and provides for subsequent payout in accordance with the same vesting schedule applicable to such Award. If an Award is assumed in a Corporate Transaction, then such Award, the replacement award or the cash incentive program automatically shall become fully vested, exercisable and payable and be released from any restrictions on transfer (other than transfer restrictions applicable to Options) and repurchase or forfeiture rights, immediately upon termination of the Holder's employment or service with all Service Recipients within twelve (12) months of the Corporate Transaction without cause.

12.4 Outstanding Awards — Other Changes. In the event of any other change in the capitalization of the Company or corporate change other than those specifically referred to in this Article 12, the Committee may, in its absolute discretion, make such adjustments in the number and class of shares subject to Awards outstanding on the date on which such change occurs and in the per share grant or exercise price of each Award as the Administrator may consider appropriate to prevent dilution or enlargement of rights.

12.5 No Other Rights. Except as expressly provided in the Plan, no Holder shall have any rights by reason of any subdivision or consolidation of shares of any class, the payment of any dividend, any increase or decrease in the number of shares of any class or any dissolution, liquidation, merger, or consolidation of the Company or any other corporation. Except as expressly provided in the Plan or pursuant to action of the Administrator under the Plan, no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of shares subject to an Award or the grant or exercise price of any Award.

Exhibit 10.3

FORM OF INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this "***Agreement***") is entered into as of by and between RISE Education Cayman Ltd, a Cayman Islands company (the "***Company***"), and the undersigned, a director and/or an officer of the Company ("***Indemnitee***"), as applicable.

RECITALS

The Board of Directors of the Company (the "***Board of Directors***") has determined that the inability to attract and retain highly competent persons to serve the Company is detrimental to the best interests of the Company and its shareholders and that it is reasonable and necessary for the Company to provide adequate protection to such persons against risks of claims and actions against them arising out of their services to the corporation.

AGREEMENT

In consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

A. DEFINITIONS

The following terms shall have the meanings defined below:

"***Expenses***" shall include, without limitation, damages, judgments, fines, penalties, settlements and costs, attorneys' fees and disbursements and costs of attachment or similar bond, investigations, and any other expenses paid or incurred in connection with investigating, defending, being a witness in, participating in (including on appeal), or preparing for any of the foregoing in, any Proceeding.

"***Indemnifiable Event***" means any event or occurrence that takes place either before or after the execution of this Agreement, related to the fact that Indemnitee is or was a director or an officer of the Company, or is or was serving at the request of the Company as a director or officer of another corporation, partnership, joint venture or other entity, or related to anything done or not done by Indemnitee in any such capacity, including, but not limited to neglect, breach of duty, error, misstatement, misleading statement or omission.

"***Participant***" means a person who is a party to, or witness or participant (including on appeal) in, a Proceeding.

"***Proceeding***" means any threatened, pending, or completed action, suit, arbitration or proceeding, or any inquiry, hearing or investigation, whether civil, criminal, administrative, investigative or other, including appeal, in which Indemnitee may be or may have been involved as a party or otherwise by reason of an Indemnifiable Event.

B. AGREEMENT TO INDEMNIFY

1. General Agreement. In the event Indemnitee was, is, or becomes a Participant in, or is threatened to be made a Participant in, a Proceeding, the Company shall indemnify the Indemnitee from and against any and all Expenses which Indemnitee incurs or becomes obligated to incur in connection with such Proceeding, to the fullest extent permitted by applicable law.

2. Indemnification of Expenses of Successful Party. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits in defense of any Proceeding or in defense of any claim, issue or matter in such Proceeding, the Company shall indemnify Indemnitee against all Expenses incurred in connection with such Proceeding or such claim, issue or matter, as the case may be.

3. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for a portion of Expenses, but not for the total amount of Expenses, the Company shall indemnify the Indemnitee for the portion of such Expenses to which Indemnitee is entitled.

4. Exclusions. Notwithstanding anything in this Agreement to the contrary, Indemnitee shall not be entitled to indemnification under this Agreement:

(a) to the extent that payment is actually made to Indemnitee under a valid, enforceable and collectible insurance policy;

(b) to the extent that Indemnitee is indemnified and actually paid other than pursuant to this Agreement;

(c) subject to Section C.2(a), in connection with a judicial action by or in the right of the Company, in respect of any claim, issue or matter as to which the Indemnitee shall have been adjudicated by a court of competent jurisdiction, in a decision from which there is no further right of appeal, to be liable for gross negligence or knowing or willful misconduct in the performance of his/her duty to the Company unless and only to the extent that any court in which such action was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, the Indemnitee is fairly and reasonably entitled to indemnity for such Expenses as such court shall deem proper;

(d) in connection with any Proceeding initiated by Indemnitee against the Company, any director or officer of the Company or any other party, and not by way of defense, unless (i) the Company has joined in or the Board of Directors has consented to the initiation of such Proceeding; or (ii) the Proceeding is one to enforce indemnification rights under this Agreement or any applicable law;

(e) brought about by the dishonesty or fraud of the Indemnitee seeking payment hereunder; provided, however, that the Company shall indemnify Indemnitee under this Agreement as to any claims upon which suit may be brought against him by reason of any alleged dishonesty on his/her part, unless a judgment or other final adjudication thereof adverse to the Indemnitee establishes that he/she committed (i) acts of active and deliberate dishonesty, (ii) with actual dishonest purpose and intent, and (iii) which acts were material to the cause of action so adjudicated;

(f) for any judgment, fine or penalty which the Company is prohibited by applicable law from paying as indemnity;

(g) arising out of Indemnitee's breach of an employment agreement with the Company (if any) or any other agreement with the Company or any of its subsidiaries, or

(h) arising out of Indemnitee's personal income tax payable on any salaries, bonuses, director's fees, including fees for attending meetings, or gain on disposition of shares, options or restricted shares of the Company.

5. No Employment Rights. Nothing in this Agreement is intended to create in Indemnitee any right to continued employment with the Company.

6. Contribution. If the indemnification provided in this Agreement is unavailable and may not be paid to Indemnitee for any reason other than those set forth in Section B.3, then the Company shall contribute to the amount of Expenses paid in settlement actually and reasonably incurred and paid or payable by Indemnitee in such proportion as is appropriate to reflect (i) the relative benefits received by the Company on the one hand and by the Indemnitee on the other hand from the transaction or events from which such Proceeding arose, and (ii) the relative fault of the Company on the one hand and of the Indemnitee on the other hand in connection with the events which resulted in such Expenses, as well as any other relevant equitable considerations. The relative fault of the Company on the one hand and of the Indemnitee on the other hand shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such Expenses, judgments, fines or settlement amounts. The Company agrees that it would not be just and equitable if contribution pursuant to this Section B.6 were determined by pro rata allocation or any other method of allocation which does not take account of the foregoing equitable considerations.

C. INDEMNIFICATION PROCESS

1. Notice and Cooperation By Indemnitee. Indemnitee shall, as a condition precedent to his/her right to be indemnified under this Agreement, give the Company notice in writing as soon as practicable of any claim made against Indemnitee for which indemnification will or could be sought under this Agreement, provided that the delay of Indemnitee to give notice hereunder shall not prejudice any of Indemnitee's rights hereunder, unless such delay results in the Company's forfeiture of substantive rights or defenses. Notice to the Company shall be given in accordance with Section F.7 below. If, at the time of receipt of such notice, the Company has directors' and officers' liability insurance policies in effect, the Company shall give prompt notice to its insurers of the Proceeding relating to the notice. The Company shall thereafter take all necessary and desirable action to cause such insurers to pay, on behalf of Indemnitee, all Expenses payable as a result of such Proceeding. In addition, Indemnitee shall give the Company such information and cooperation as the Company may reasonably request.

2. Indemnification Payment.

(a) *Advancement of Expenses*. Indemnitee may submit a written request with reasonable particulars to the Company requesting that the Company advance to Indemnitee all Expenses that may be reasonably incurred in advance by Indemnitee in connection with a Proceeding. The Company shall, within ten (10) business days of receiving such a written request by Indemnitee, advance all requested Expenses to Indemnitee, subject to Section C.2(c) below. Any excess of the advanced Expenses over the actual Expenses will be repaid to the Company.

(b) *Reimbursement of Expenses*. To the extent Indemnitee has not requested any advanced payment of Expenses from the Company, Indemnitee shall be entitled to receive reimbursement for the Expenses incurred in connection with a Proceeding from the Company immediately after Indemnitee makes a written request to the Company for reimbursement unless the Company refers the indemnification request to the Reviewing Party in compliance with Section C.2(c) below.

(c) *Determination by the Reviewing Party*. If the Company reasonably believes that it is not obligated under this Agreement to indemnify the Indemnitee, the Company shall, within ten (10) days after the Indemnitee's written request for an advancement or reimbursement of Expenses, notify the Indemnitee that the request for advancement of Expenses or reimbursement of Expenses will be submitted to the Reviewing Party (as defined below). The Reviewing Party shall make a determination on the request within 30 days after the Indemnitee's written request for an advancement or reimbursement of Expenses. Notwithstanding anything foregoing to the contrary, in the event the Reviewing Party informs the Company that Indemnitee is not entitled to indemnification in connection with a Proceeding under this Agreement or applicable law, the Company shall be entitled to be reimbursed by Indemnitee for all the Expenses previously advanced or otherwise paid to Indemnitee in connection with such Proceeding; provided, however, that Indemnitee may bring a suit to enforce his/her indemnification right in accordance with Section C.3 below.

3. Suit to Enforce Rights. Regardless of any action by the Reviewing Party, if Indemnitee has not received full indemnification within 30 days after making a written demand in accordance with Section C.2 above or 50 days if the Company submits a request for advancement or reimbursement to the Reviewing Party under Section C.2(c), Indemnitee shall have the right to enforce its indemnification rights under this Agreement by commencing litigation in any court of competent jurisdiction seeking a determination by the court or challenging any determination by the Reviewing Party or any aspect of this Agreement. Any determination by the Reviewing Party not challenged by Indemnitee and any judgment entered by the court shall be binding on the Company and Indemnitee.

4. Assumption of Defense. In the event the Company is obligated under this Agreement to advance or bear any Expenses for any Proceeding against Indemnitee, the Company shall be entitled to assume the defense of such Proceeding, with counsel approved by Indemnitee, upon delivery to Indemnitee of written notice of its election to do so. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees of counsel subsequently incurred by Indemnitee with respect to the same Proceeding, unless (i) the employment of counsel by Indemnitee has been previously authorized by the Company, (ii) Indemnitee shall have reasonably concluded, based on written advice of counsel, that there may be a conflict of interest of such counsel retained by the Company between the Company and Indemnitee in the conduct of any such defense, or (iii) the Company ceases or terminates the employment of such counsel with respect to the defense of such Proceeding, in any of which events the fees and expenses of Indemnitee's counsel shall be at the expense of the Company. At all times, Indemnitee shall have the right to employ counsel in any Proceeding at Indemnitee's expense.

5. Defense to Indemnification, Burden of Proof and Presumptions. It shall be a defense to any action brought by Indemnitee against the Company to enforce this Agreement that it is not permissible under this Agreement or applicable law for the Company to indemnify the Indemnitee for the amount claimed. In connection with any such action or any determination by the Reviewing Party or otherwise as to whether Indemnitee is entitled to be indemnified under this Agreement, the burden of proving such a defense or determination shall be on the Company.

6. No Settlement Without Consent. Neither party to this Agreement shall settle any Proceeding in any manner that would impose any damage, loss, penalty or limitation on Indemnitee without the other party's written consent. Neither the Company nor Indemnitee shall unreasonably withhold its consent to any proposed settlement.

7. Company Participation. Subject to Section B.6, the Company shall not be liable to indemnify the Indemnitee under this Agreement with regard to any judicial action if the Company was not given a reasonable and timely opportunity, at its expense, to participate in the defense, conduct and/or settlement of such action.

8. Reviewing Party.

(a) For purposes of this Agreement, the ***Reviewing Party*** with respect to each indemnification request of Indemnitee that is referred by the Company pursuant to Section C.2(c) above shall be (A) the Board of Directors by a majority vote of a quorum consisting of Disinterested Directors (as defined below), or (B) if a quorum of the Board of Directors consisting of Disinterested Directors is not obtainable or, even if obtainable, said Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnitee. If the Reviewing Party determines that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such determination. Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any Independent Counsel or member of the Board of Directors shall act reasonably and in good faith in making a determination under this Agreement of the Indemnitee's entitlement to indemnification. Any reasonable costs or expenses (including reasonable attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom. "***Disinterested Director***" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(b) If the determination of entitlement to indemnification is to be made by Independent Counsel, the Independent Counsel shall be selected as provided in this Section C.8(b). The Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board of Directors, in which event the proceeding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within 10 days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; *provided*, *however*, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section C.8(d) of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If a written objection is made and substantiated, the Independent Counsel selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within 20 days after submission by Indemnitee of a written request for indemnification, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition a court of competent jurisdiction for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel. The Company shall pay any and all reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with acting under this Agreement, and the Company shall pay all reasonable fees and expenses incident to the procedures of this Section C.8(b), regardless of the manner in which such Independent Counsel was selected or appointed.

(c) In making a determination with respect to entitlement to indemnification hereunder, the Reviewing Party shall presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with this Agreement, and the Company shall have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement (with or without court approval), conviction, or upon a plea of *nolocontendere* or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he/she reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his/her conduct was unlawful. For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Company and any other corporation, partnership, joint venture or other entity of which Indemnitee is or was serving at the written request of the Company as a director, officer, employee, agent or fiduciary, including financial statements, or on information supplied to Indemnitee by the officers and directors of the Company or such other corporation, partnership, joint venture or other entity in the course of their duties, or on the advice of legal counsel for the Company or such other corporation, partnership, joint venture or other entity or on information or records given or reports made to the Company or such other corporation, partnership, joint venture or other entity by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Company or such other corporation, partnership, joint venture or other entity. In addition, the knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Company or such other corporation, partnership, joint venture or other entity shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement. The provisions of this Section C.8(c) shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

(d) "***Independent Counsel***" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five (5) years has been, retained to represent (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning the Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

D. DIRECTOR AND OFFICER LIABILITY INSURANCE

1. Good Faith Determination. The Company shall from time to time make the good faith determination whether or not it is practicable for the Company to obtain and maintain a policy or policies of insurance with reputable insurance companies providing the officers and directors of the Company with coverage for losses incurred in connection with their services to the Company or to ensure the Company's performance of its indemnification obligations under this Agreement.

2. Coverage of Indemnitee. To the extent the Company maintains an insurance policy or policies providing directors' and officers' liability insurance, Indemnitee shall be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any of the Company's directors or officers.

3. No Obligation. Notwithstanding the foregoing, the Company shall have no obligation to obtain or maintain any director and officer insurance policy if the Company determines in good faith that such insurance is not reasonably available in the case that (i) premium costs for such insurance are disproportionate to the amount of coverage provided, or (ii) the coverage provided by such insurance is limited by exclusions so as to provide an insufficient benefit.

E. NON-EXCLUSIVITY; U.S. FEDERAL PREEMPTION; TERM

1. Non-Exclusivity. The indemnification provided by this Agreement shall not be deemed exclusive of any rights to which Indemnitee may be entitled under the Company's current memorandum and articles of association, as may be amended from time to time, applicable law or any written agreement between Indemnitee and the Company (including its subsidiaries and affiliates). The indemnification provided under this Agreement shall continue to be available to Indemnitee for any action taken or not taken while serving in an indemnified capacity even though he/she may have ceased to serve in any such capacity at the time of any Proceeding.

2. U.S. Federal Preemption. Notwithstanding the foregoing, both the Company and Indemnitee acknowledge that in certain instances, U.S. federal law or public policy may override applicable law and prohibit the Company from indemnifying its directors and officers under this Agreement or otherwise. Such instances include, but are not limited to, the U.S. Securities and Exchange Commission's (the "***SEC***") prohibition on indemnification for liabilities arising under certain U.S. federal securities laws. Indemnitee understands and acknowledges that the Company has undertaken or may be required in the future to undertake with the SEC to submit the question of indemnification to a court in certain circumstances for a determination of the Company's right under public policy to indemnify Indemnitee.

3. Duration of Agreement. All agreements and obligations of the Company contained herein shall continue during the period Indemnitee is an officer and/or a director of the Company (or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and shall continue thereafter so long as Indemnitee shall be subject to any Proceeding by reason of his/her former or current capacity at the Company, whether or not he/she is acting or serving in any such capacity at the time any Expense is incurred for which indemnification can be provided under this Agreement. This Agreement shall continue in effect regardless of whether Indemnitee continues to serve as an officer and/or a director of the Company or any other enterprise at the Company's request.

F. MISCELLANEOUS

1. Amendment of this Agreement. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by the parties hereto. No waiver of any of the provisions of this Agreement shall operate as a waiver of any other provisions (whether or not similar), nor shall such waiver constitute a continuing waiver. Except as specifically provided in this Agreement, no failure to exercise or any delay in exercising any right or remedy shall constitute a waiver.

2. Subrogation. In the event of payment to Indemnitee by the Company under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company to bring suit to enforce such rights.

3. Assignment; Binding Effect. Neither this Agreement nor any of the rights or obligations hereunder may be assigned by either party hereto without the prior written consent of the other party; except that the Company may, without such consent, assign all such rights and obligations to a successor in interest to the Company which assumes all obligations of the Company under this Agreement. Notwithstanding the foregoing, this Agreement shall be binding upon and inure to the benefit of and be enforceable by and against the parties hereto and the Company's successors (including any direct or indirect successor by purchase, merger, consolidation, or otherwise to all or substantially all of the business and/or assets of the Company) and assigns, as well as Indemnitee's spouses, heirs, and personal and legal representatives.

4. Severability and Construction. Nothing in this Agreement is intended to require or shall be construed as requiring the Company to do or fail to do any act in violation of applicable law. The Company's inability, pursuant to a court order, to perform its obligations under this Agreement shall not constitute a breach of this Agreement. In addition, if any portion of this Agreement shall be held by a court of competent jurisdiction to be invalid, void, or otherwise unenforceable, the remaining provisions shall remain enforceable to the fullest extent permitted by applicable law. The parties hereto acknowledge that they each have opportunities to have their respective counsels review this Agreement. Accordingly, this Agreement shall be deemed to be the product of both of the parties hereto, and no ambiguity shall be construed in favor of or against either of the parties hereto.

5. Counterparts. This Agreement may be executed in two counterparts, both of which taken together shall constitute one instrument.

6. Governing Law. This agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of New York, without giving effect to conflicts of law provisions thereof.

7. Notices. All notices, demands, and other communications required or permitted under this Agreement shall be made in writing and shall be deemed to have been duly given if delivered by hand, against receipt, or mailed via postage prepaid, certified or registered mail, return receipt requested, and addressed to the Company at:

RISE Education Cayman Ltd
Room 101, Jia He Guo Xin Mansion
No. 15 Baiqiao Street
Guangqumennei, Dongcheng District
Beijing 100062
People's Republic of China

and to Indemnitee at his/her address last known to the Company.

8. Entire Agreement. This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

(Signature page follows)

IN WITNESS WHEREOF, the parties hereto execute this Agreement as of the date first written above.

RISE Education Cayman Ltd

By: _____
Name:
Title:

Indemnitee

Signature: _____
Name:

Exhibit 10.4

FORM OF EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the "Agreement"), is entered into as of by and between RISE Education Cayman Ltd, a company incorporated and existing under the laws of the Cayman Islands (the "Company"), and , an individual (the "Executive"). The term "Company" as used herein with respect to all obligations of the Executive hereunder shall be deemed to include the Company and all of its direct or indirect parent companies, subsidiaries, affiliates, or subsidiaries or affiliates of its parent companies (collectively, the "Group").

RECITALS

The Company desires to employ the Executive and to assure itself of the services of the Executive during the term of Employment (as defined below).

The Executive desires to be employed by the Company during the term of Employment and upon the terms and conditions of this Agreement.

AGREEMENT

The parties hereto agree as follows:

1. POSITION

The Executive hereby accepts a position of of the Company (the "Employment").

2. TERM

Subject to the terms and conditions of this Agreement, the initial term of the Employment shall be [three] years, commencing on (the "Effective Date"), unless terminated earlier pursuant to the terms of this Agreement. Upon expiration of the initial-year term, the Employment shall be automatically extended for successive -year terms unless either party gives the other party hereto a [three]-month prior written notice to terminate the Employment prior to the expiration of such -year term or unless terminated earlier pursuant to the terms of this Agreement.

3. PROBATION

No probationary period.

4. DUTIES AND RESPONSIBILITIES

The Executive's duties at the Company will include all jobs assigned by the Company's Board of Directors (the "Board") and/or the Chief Executive Officer of the Company.

The Executive shall devote all of his/her working time, attention and skills to the performance of his/her duties at the Company and shall faithfully and diligently serve the Company in accordance with this Agreement, the Memorandum and Articles of Association of the Company (the "Articles of Association"), and the guidelines, policies and procedures of the Company approved from time to time by the Board.

The Executive shall use his/her best efforts to perform his/her duties hereunder. The Executive shall not, without prior consent of the Board, become an employee of any entity other than the Company and any subsidiary or affiliate of the Company, and shall not be concerned or interested in any business or entity that directly or indirectly competes with the Group (any such business or entity, a "Competitor"), provided that nothing in this clause shall preclude the Executive from holding up to % of shares or other securities of any Competitor that is listed on any securities exchange or recognized securities market anywhere, provided however, that the Executive shall notify the Company in writing prior to his/her obtaining a proposed interest in such shares or securities in a timely manner and with such details and particulars as the Company may reasonably require. The Company shall have the right to require the Executive to resign from any board or similar body which he/she may then serve if the Board reasonably determines in writing that the Executive's service on such board or body interferes with the effective discharge of the Executive's duties and responsibilities to the Company or that any business related to such service is then in competition with any business of the Company or any of its subsidiaries or affiliates.

5. NO BREACH OF CONTRACT

The Executive hereby represents to the Company that: (i) the execution and delivery of this Agreement by the Executive and the performance by the Executive of the Executive's duties hereunder shall not constitute a breach of, or otherwise contravene, the terms of any other agreement or policy to which the Executive is a party or otherwise bound, except for agreements that are required to be entered into by and between the Executive and any member of the Group pursuant to applicable law of the jurisdiction where the Executive is based, if any; (ii) that the Executive has no information (including, without limitation, confidential information and trade secrets) relating to any other person or entity which would prevent, or be violated by, the Executive entering into this Agreement or carrying out his/her duties hereunder; (iii) that the Executive is not bound by any confidentiality, trade secret or similar agreement (other than this) with any other person or entity except for other member(s) of the Group, as the case may be.

6. LOCATION

The Executive will be based in [Beijing, the People's Republic of China], until both parties hereto agree to change otherwise. The Executive acknowledges that he/she may be required to travel from time to time in the course of performing his/her duties for the Company.

7. COMPENSATION AND BENEFITS

(a) Compensation. The Executive's cash compensation (inclusive of the statutory welfare reserves that the Company is required to set aside for the Executive under applicable law) shall be provided by the Company pursuant to Schedule A hereto or as specified in a separate agreement between the executive and the company's designated subsidiary or affiliated entity, subject to annual review and adjustment by the Company or the compensation committee of the Board. The cash compensation may be paid by the Company, a subsidiary or affiliated entity or a combination thereof, as designated by the Company from time to time.

(b) Equity Incentives. To the extent the Company adopts and maintains a share incentive plan, the Executive will be eligible to participate in such plan pursuant to the terms thereof.

(c) Benefits. The Executive is eligible for participation in any standard employee benefit plan of the Company that currently exists or may be adopted by the Company in the future, including, but not limited to, any retirement plan, life insurance plan, health insurance plan and travel/holiday plan.

(d) Annual Leave. Upon the Effective Date, the Executive is entitled to days per annum of paid leave, which shall accrue on a pro rata basis each year.

8. TERMINATION OF THE AGREEMENT

(a) By the Company. The Company may terminate the Employment for cause, at any time, without notice or remuneration, if the Executive (1) commits any serious or persistent breach or non-observance of the terms and conditions of your employment; (2) is convicted of a criminal offence other than one which in the opinion of the Board does not affect the executive's position as an employee of the Company, bearing in mind the nature of your duties and the capacity in which the executive is employed; (3) willfully disobeys a lawful and reasonable order; (4) misconducts himself/herself and such conduct being inconsistent with the due and faithful discharge of the Executive's material duties; (5) is guilty of fraud or dishonesty; or (6) is habitually neglectful in his/her duties. The Company may terminate the Employment without cause at any time with a three-month prior written notice to the Executive or by payment of three months' salary in lieu of notice.

(b) By the Executive. The Executive may terminate the Employment at any time with a three-month prior written notice to the Company or by payment of three months' salary in lieu of notice. In addition, the Executive may resign prior to the expiration of the Agreement if such resignation or an alternative arrangement with respect to the Employment is approved by the Board.

(c) Notice of Termination. Any termination of the Executive's employment under this Agreement shall be communicated by written notice of termination from the terminating party to the other party. The notice of termination shall indicate the specific provision(s) of this Agreement relied upon in effecting the termination.

9. CONFIDENTIALITY AND NONDISCLOSURE

(a) Confidentiality and Non-disclosure. The Executive hereby agrees at all times during the term of his/her employment and after termination, to hold in the strictest confidence, and not to use, except for the benefit of the Group, or to disclose to any person, corporation or other entity without written consent of the Company, any Confidential Information. The Executive understands that "Confidential Information" means any proprietary or confidential information of the Group, its affiliates, their clients, customers or partners, and the Group's licensors, including, without limitation, technical data, trade secrets, research and development information, product plans, services, customer lists and customers (including, but not limited to, customers of the Group on whom the Executive called or with whom the Executive became acquainted during the term of his/her employment), supplier lists and suppliers, software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, personnel information, marketing, finances, information about the suppliers, joint ventures, licensors, licensees, distributors and other persons with whom the Group does business, information regarding the skills and compensation of other employees of the Group or other business information disclosed to the Executive by or obtained by the Executive from the Group, its affiliates, or their clients, customers or partners either directly or indirectly in writing, orally or by drawings or observation of parts or equipment, if specifically indicated to be confidential or reasonably expected to be confidential. Notwithstanding the foregoing, Confidential Information shall not include information that is generally available and known to the public through no fault of the Executive.

(b) Company Property. The Executive understands that all documents (including computer records, facsimile and e-mail) and materials created, received or transmitted in connection with his/her work or using the facilities of the Group are property of the Group and subject to inspection by the Group, at any time. Upon termination of the Executive's employment with the Company (or at any other time when requested by the Company), the Executive will promptly deliver to the Company all documents and materials of any nature pertaining to his/her work with the Company and will provide written certification of his compliance with this Agreement. Under no circumstances will the Executive have, following his/her termination, in his/her possession any property of the Group, or any documents or materials or copies thereof containing any Confidential Information.

(c) Former Employer Information. The Executive agrees that he has not and will not, during the term of his/her employment, (i) improperly use or disclose any proprietary information or trade secrets of any former employer or other person or entity with which the Executive has an agreement or duty to keep in confidence information acquired by Executive, if any, or (ii) bring into the premises of the Group any document or confidential or proprietary information belonging to such former employer, person or entity unless consented to in writing by such former employer, person or entity. The Executive will indemnify the Group and hold it harmless from and against all claims, liabilities, damages and expenses, including reasonable attorneys' fees and costs of suit, arising out of or in connection with any violation of the foregoing.

(d) Third Party Information. The Executive recognizes that the Group may have received, and in the future may receive, from third parties their confidential or proprietary information subject to a duty on the Group's part to maintain the confidentiality of such information and to use it only for certain limited purposes. The Executive agrees that the Executive owes the Group and such third parties, during the Executive's employment by the Company and thereafter, a duty to hold all such confidential or proprietary information in the strictest confidence and not to disclose it to any person or firm and to use it in a manner consistent with, and for the limited purposes permitted by, the Group's agreement with such third party.

This Section 9 shall survive the termination of this Agreement for any reason. In the event the Executive breaches this Section 9, the Company shall have right to seek remedies permissible under applicable law.

10. INVENTIONS

(a) Inventions Retained and Licensed. The Executive has attached hereto, as Schedule B, a list describing all inventions, ideas, improvements, designs and discoveries, whether or not patentable and whether or not reduced to practice, original works of authorship and trade secrets made or conceived by or belonging to the Executive (whether made solely by the Executive or jointly with others) that (i) were developed by Executive prior to the Executive's employment by the Company (collectively, "Prior Inventions"), (ii) relate to the Group's actual or proposed business, products or research and development, and (iii) are not assigned to the Group hereunder; or, if no such list is attached, the Executive represents that there are no such Prior Inventions. Except to the extent set forth in Schedule B, the Executive hereby acknowledges and represents that, if in the course of his/her service for the Group, the Executive incorporates into a Group product, process or machine a Prior Invention owned by the Executive or in which he/she has an interest, (a) the Group is hereby granted and shall have a nonexclusive, royalty-free, irrevocable, perpetual, worldwide right and license (which may be freely transferred by the Group to any other person or entity) to make, have made, modify, use, sell, sublicense and otherwise distribute such Prior Invention as part of or in connection with such product, process or machine, and (b) he/she has all necessary rights, powers and authorization to use such Prior Invention in the manner it is used and such use will not infringe any right of any company, entity or person. The Executive hereby agrees to indemnify the Group and hold it harmless from all claims, liabilities, damages and expenses, including reasonable legal fees and costs for resolving disputes arising out of or in connection with any violation or claimed violation of a third party's rights resulting from any use, sub-licensing, modification, transfer or sale by the Group of such Prior Invention.

(b) Disclosure and Assignment of Inventions. The Executive understands that the Company engages in research and development and other activities in connection with its business and that, as an essential part of the Employment, the Executive is expected to make new contributions to and create inventions of value for the Company.

From and after the Effective Date, the Executive shall make full written disclosure in confidence to the Company all inventions, improvements, designs, original works of authorship, formulas, processes, compositions of matter, computer software programs, databases, mask works, concepts and trade secrets, whether or not patentable or registrable under patent, copyright, circuit layout design or similar laws in China or anywhere else in the world, which the Executive may solely or jointly conceive or develop or reduce to practice, or cause to be conceived or developed or reduced to practice, during the period of the Executive's Employment at the Company (whether or not during business hours) that are either related to the scope of his/her Employment at the Company or make use, in any manner, of the resources of the Group (collectively, the "Inventions"). The Executive hereby acknowledges that the Company or the Group shall be the sole owner of all rights, title and interest in the Inventions created hereunder. In the event the foregoing assignment of Inventions to the Company or the Group is ineffective for any reason, each member of the Group is hereby granted and shall have a royalty-free, sub-licensable, transferable, irrevocable, perpetual, worldwide license to make, have made, modify, use, and sell such Inventions as part of or in connection with any product, process or machine. Such exclusive license shall continue in effect for the maximum term as may now or hereafter be permissible under applicable law. Upon expiration, such license, without further consent or action on the Executive's part, shall automatically be renewed for the maximum term as is then permissible under applicable law, unless, within the six-month period prior to such expiration, the Company and the Executive have agreed that such license will not be renewed. The Executive also hereby forever waives and agrees never to assert any and all rights he may have in or with respect to any Inventions even after termination of his/her employment with the Company. The Executive hereby further acknowledges that all Inventions created by him/her (solely or jointly with others) are, to the extent permitted by applicable law, "works made for hire" or "inventions made for hire," as those terms are defined in the People's Republic of China ("PRC") Copyright Law, the PRC Patent Law and the Regulations on Computer Software Protection, respectively, and all titles, rights and interests in or to such Inventions are or shall be vested in the Company.

(c) Patent and Copyright Registration. The Executive agrees to assist the Company or its designees in every proper way to obtain for the Company and enforce patents, copyrights, mask work rights, trade secret rights, and other legal protection for the Inventions in any and all countries. The Executive will execute any documents that the Company may reasonably request for use in obtaining or enforcing such patents, copyrights, mask work rights, trade secrets and other legal protections. The Executive's obligations under this paragraph will continue beyond the termination of the Employment with the Company, provided that the Company will reasonably compensate the Executive after such termination for time or expenses actually spent by the Executive at the Company's request on such assistance. The Executive appoints the Company and its duly authorized officers and agents as the Executive's attorney-in-fact to execute documents on the Executive's behalf for this purpose.

(d) Remuneration. The Executive hereby agrees that the remuneration received by the Executive pursuant to this Agreement with the Company includes any remuneration which the Executive may be entitled to under applicable PRC law for any "works made for hire," "inventions made for hire" or other Inventions assigned to the Company pursuant to this Agreement.

(e) Return of Confidential Material. In the event of the Executive's termination of employment with the Company for any reason whatsoever, Executive agrees promptly to surrender and deliver to the Company all records, materials, equipment, drawings, documents and data of any nature pertaining to any confidential information or to his/her employment, and Executive will not retain or take with him/her any tangible materials or electronically-stored data, containing or pertaining to any confidential information that Executive may produce, acquire or obtain access to during the course of his/her employment.

This Section 10 shall survive the termination of this Agreement for any reason. In the event the Executive breaches this Section 10, the Company shall have right to seek remedies permissible under applicable law.

11. CONFLICTING EMPLOYMENT

The Executive hereby agrees that, during the term of his/her employment with the Company, he/she will not engage in any other employment, occupation, consulting or other business activity related to the business in which the Group is now involved or becomes involved during the term of the Executive's employment, nor will the Executive engage in any other activities that conflict with his/her obligations to the Company without the prior written consent of the Company.

12. NON-COMPETITION AND NON-SOLICITATION

In consideration of the salary paid to the Executive by the Company, the Executive undertakes that for a period of one (1) year after he/she ceases to be employed by the Company, he/she will not, without the prior written consent of the Company:

(a) in the territory of the PRC (for the purpose of this Section 12, the PRC shall include Hong Kong, Macau and Taiwan) (the "Territory"), either on his/her own account or through any of his/her affiliates, or in conjunction with or on behalf of any other person, carry on or be engaged, concerned or interested directly or indirectly whether as shareholder, director, employee, partner, agent or otherwise carry on any business in direct competition with the business of the Group;

(b) either on his/her own account or through any of his/her affiliates or in conjunction with or on behalf of any other person, solicit or entice away or attempt to solicit or entice away from the Group, any person, firm, company or organization who is or shall at any time within two (2) years prior to such cessation have been a customer, client, representative or agent of the Group or in the habit of dealing with the Group;

(c) either on his/her own account or through any of his/her affiliates or in conjunction with or on behalf of any other person, employ, solicit or entice away or attempt to employ, solicit or entice away from the Group any person who is or shall have been at the date of or within twelve (12) months prior to such cessation of employment an officer, manager, consultant or employee of any such the Group whether or not such person would commit a breach of contract by reason of leaving such employment; or

(d) either on his/her own account or through any of his/her affiliates or in conjunction with or on behalf of any other person, in relation to any trade, business or company use a name including the words of "RISE," "RISE Subject English," "瑞思," "瑞思学科英语" or any other words hereafter used by the Group in its name or in the name of any of its products, services or their derivative terms, or the Chinese or English equivalent or any similar word in such a way as to be capable of or likely to be confused with the name of the Group or the product or services or any other products or services of the Group, and shall use all reasonable endeavors to procure that no such name shall be used by any of his/her affiliates or otherwise by any person with which he/she is connected.

Each and every obligation under Section 12 shall be treated as a separate obligation and shall be severally enforceable as such and in the event of any obligation or obligations being or becoming unenforceable in whole or in part, such part or parts which are unenforceable shall be deleted from such section and any such deletion shall not affect the enforceability of the remainder parts of such section.

The Executive agrees that in light of the circumstances, the restrictive covenants contained in Section 12 are reasonable and necessary for the protection of the Group, and further agrees that the said covenants are not excessive or unduly onerous upon the Executive. However, it is recognized that restrictions of the nature in question may fail for technical reasons currently unforeseen and accordingly it is hereby agreed and declared that if any of such restrictions shall be adjudged to be void as going beyond what is reasonable, in light of the circumstances, for the protection of the Group, but would be valid if part of the wording thereof were deleted or the periods thereof reduced or the range of activities or area dealt with thereby reduced in scope, the said restriction shall apply with such modification as may be necessary to make it valid and effective.

This Section 12 shall survive the termination of this Agreement for any reason. In the event the Executive breaches this Section 12, the Executive acknowledges that there will be no adequate remedy at law, and the Company shall be entitled to injunctive relief and/or a decree for specific performance, and such other relief as may be proper (including monetary damages if appropriate). In any event, the Company shall have right to seek all remedies permissible under applicable law.

13. WITHHOLDING TAXES

Notwithstanding anything else herein to the contrary, the Company may withhold (or cause there to be withheld, as the case may be) from any amounts otherwise due or payable under or pursuant to this Agreement such national, provincial, local or any other income, employment, or other taxes as may be required to be withheld pursuant to any applicable law or regulation.

14. NOTIFICATION OF NEW EMPLOYER

In the event that the Executive leaves the employ of the Company, the Executive hereby grants consent to notification by the Company to his/her new employer about his/her rights and obligations under this Agreement.

15. ASSIGNMENT

This Agreement is personal in its nature and neither of the parties hereto shall, without the consent of the other, assign or transfer this Agreement or any rights or obligations hereunder; provided, however, that (i) the Company may assign or transfer this Agreement or any rights or obligations hereunder to any member of the Group without such consent, and (ii) in the event of a merger, consolidation, or transfer or sale of all or substantially all of the assets of the Company with or to any other individual(s) or entity, this Agreement shall, subject to the provisions hereof, be binding upon and inure to the benefit of such successor and such successor shall discharge and perform all the promises, covenants, duties, and obligations of the Company hereunder.

16. SEVERABILITY

If any provision of this Agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provisions or applications and to this end the provisions of this Agreement are declared to be severable.

17. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement and understanding between the Executive and the Company regarding the terms of the Employment and supersedes all prior or contemporaneous oral or written agreements concerning such subject matter, other than any such agreement under any employment agreement entered into with a subsidiary of the Company at the request of the Company to the extent such agreement does not conflict with any of the provisions herein. The Executive acknowledges that he/she has not entered into this Agreement in reliance upon any representation, warranty or undertaking which is not set forth in this Agreement. Any amendment to this Agreement must be in writing and signed by the Executive and the Company.

18. REPRESENTATIONS

The Executive hereby agrees to execute any proper oath or verify any proper document required to carry out the terms of this Agreement. The Executive hereby represents that the Executive's performance of all the terms of this Agreement will not breach any agreement to keep in confidence proprietary information acquired by the Executive in confidence or in trust prior to his/her employment by the Company. The Executive has not entered into, and hereby agrees that he/she will not enter into, any oral or written agreement in conflict with this Section 18. The Executive represents that the Executive will consult his/her own consultants for tax advice and is not relying on the Company for any tax advice with respect to this Agreement or any provisions hereunder.

19. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

20. ARBITRATION

Any dispute arising out of, in connection with or relating to, this Agreement shall be resolved through arbitration pursuant to this Section 20. The arbitration shall be conducted in Hong Kong under the auspices of the Hong Kong International Arbitration Centre (the "Centre") in accordance with the rules of the United Nations Commission of International Trade Law ("UNCITRAL Rules") in effect at the time of the arbitration. There shall be one arbitrator. The award of the arbitration tribunal shall be final and binding upon the disputing parties, and any party may apply to a court of competent jurisdiction for enforcement of such award.

21. AMENDMENT

This Agreement may not be amended, modified or changed (in whole or in part), except by a formal, definitive written agreement expressly referring to this Agreement, which agreement is executed by both of the parties hereto.

22. WAIVER

Neither the failure nor any delay on the part of a party to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

23. NOTICES

All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given and made if (i) delivered by hand, (ii) otherwise delivered against receipt therefor, or (iii) sent by a recognized courier with next-day or second-day delivery to the last known address of the other party.

24. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which together shall constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories. Photographic copies of such signed counterparts may be used in lieu of the originals for any purpose.

25. NO INTERPRETATION AGAINST DRAFTER

Each party recognizes that this Agreement is a legally binding contract and acknowledges that such party has had the opportunity to consult with legal counsel of choice. In any construction of the terms of this Agreement, the same shall not be construed against either party on the basis of that party being the drafter of such terms. The Executive agrees and acknowledges that he/she has read and understands this Agreement, is entering into it freely and voluntarily, and has been advised to seek counsel prior to entering into this Agreement and has ample opportunity to do so.

[Remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF, this Agreement has been executed as of the date first written above.

RISE Education Cayman Ltd

By: _____
Name:
Title:

Executive

Signature: _____
Name:

[Signature Page to Employment Agreement]

Schedule A

Cash Compensation

	Amount	Pay Period
Salary	annually	to be paid monthly

Schedule B

List of Prior Inventions

Title	Date	Identifying Number or Brief Description
No inventions or improvements		
Additional Sheets Attached		

Signature of Executive: _____

Print Name of Executive: _____

Date: _____

Exhibit 10.5

AMENDED & RESTATED LICENSE AGREEMENT

This License Agreement (including all exhibits and other attachments referenced in this License Agreement, this "Agreement") is dated as of September 28, 2013 (the "Effective Date") and is by and between Daplon Limited, a company incorporated in the Cayman Islands ("Daplon" or "Licensor"), and RISE Education Hong Kong Ltd., a company incorporated in Hong Kong ("RISE Hong Kong" or "Licensee"). Except as provided herein, each of Licensor and Licensee is referred to individually as a "Party" and Licensor and Licensee are collectively referred to as the "Parties".

WHEREAS, by virtue of an agreement between Houghton Mifflin Harcourt Publishing Company ("HMH"), EMPG International Limited and EMPGI International (Ireland) Limited (together, "EMPGI"), effective October 5, 2011, as amended from time to time (the "Master License Agreement"), and by virtue of an assignment agreement between EMPGI and Daplon, effective February 27, 2013, Daplon has been licensed certain rights by HMH, some of which are sublicensed to Licensee;

WHEREAS, Daplon and Licensee (as assignee of Beijing Riverdeep International Educational Technology Development Co., Ltd.) have previously entered into an International Partnership and License Agreement, dated as of October 5, 2011 (the "October 2011 Rise HK Agreement"), under which certain rights licensed from HMH to Daplon are sublicensed to Licensee;

WHEREAS, Daplon has succeeded to the licensor's obligations and interests in an International Partnership and License Agreement dated as of December 18, 2012, between Rise China Limited and Rise Hong Kong (the "December 2012 Rise HK Agreement"), under which certain other rights licensed from HMH to Daplon are sublicensed to Licensee;

WHEREAS, the rights under each of the October 2011 Rise HK Agreement and the December 2012 Rise HK Agreement remain in full effect as set forth herein;

WHEREAS, the Parties desire to amend and restate the terms and conditions of the October 2011 Rise HK Agreement and December 2012 Rise HK Agreement in a single document;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and intending to be bound hereby, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto, enjoying their legal capacity to contract, hereby amend and restate the October 2011 Risk HK Agreement and the December 2012 Rise HK Agreement, and otherwise agree as follows:

1. Definitions. All capitalized terms used in this Agreement will have the meanings specified in this Section 1 or elsewhere in this Agreement, as applicable. The following terms will have the meanings set forth below for the purposes of this Agreement:

1.1 "Affiliate" means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such Person, and the term "control" (including the terms "controlled by" and "under common control with") means (i) the possession, directly or indirectly, of the power to direct the management or policies of a Person, whether through the ownership of voting securities, by contract relating to voting rights or corporate governance, or otherwise, or (ii) the ownership, directly or indirectly, of at least fifty percent (50%) of the voting securities or other ownership interest of a Person (or, with respect to a limited partnership or other similar entity, its general partner or controlling entity). Further, a Person will only be deemed an Affiliate hereunder for so long as such person or entity satisfies the above requirements for qualifying as an Affiliate.

1.2 “Agreement” is defined in the preamble.

1.3 “Asserted Liability” is defined in Section 11.4(a) below.

1.4 “Assigning Party” is defined in Section 17.4 below.

1.5 “Auditing Party” is defined in Section 7.3(a) below.

1.6 “Bankruptcy Laws” is defined in Section 15 below.

1.7 “Breaching Party” is defined in Section 9.2(a) below.

1.8 “Breaching HMH Licensee” is defined in Section 4.2(c) below.

1.9 “Breaching Sublicensee” is defined in Section 2.3(c)(ii) below.

1.10 “Change of Control” means any of the following transactions: (a) a merger, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving an entity pursuant to which the stockholders of such entity immediately preceding such transaction hold less than a majority of the equity interests in the surviving or resulting entity of such transaction; (b) any “person” (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended) becomes a “beneficial owner” (as such term is defined in Rule 13d-3 promulgated under such Act) (other than the applicable entity), directly or indirectly, of securities of such entity representing fifty percent (50%) or more of the combined voting power of such entity’s then outstanding securities; or (c) a sale or other disposition by an entity of assets or earning power aggregating a majority of the assets or earning power of such entity or those assets relating primarily to the subject matter of this Agreement.

1.11 “China” means the People’s Republic of China, excluding Hong Kong, Macau, and Taiwan.

1.12 “Claims” means any and all actions, causes of action, claims, demands, lawsuits, rights or liabilities, costs and expenses, including reasonable attorneys’ fees, of every kind and nature whatsoever, in law, in equity, or otherwise under all laws domestic, foreign, and international.

1.13 "Confidential Information" means any information disclosed by any Party (the "Disclosing Party") that the Disclosing Party has either marked as confidential or proprietary, or has identified in writing as confidential or proprietary within thirty (30) days of disclosure to any other Party (the "Receiving Party") or that would be apparent to a reasonable person, familiar with Disclosing Party's business and the industry in which each operates, to be of a confidential or proprietary nature the maintenance of which is important to the Disclosing Party; provided, however, that information related to or regarding a Disclosing Party's business plans, strategies, technology, research and development, current and prospective customers, billing records, and products or services will be deemed Confidential Information of the Disclosing Party even if not so marked or identified, unless such information is the subject of any of the exceptions set forth in the following sentence. Information will not be deemed Confidential Information hereunder if such information: (a) is known to the Receiving Party prior to receipt from the Disclosing Party directly or indirectly from a source other than one having an obligation of confidentiality to the Disclosing Party; (b) becomes known (independently of disclosure by the Disclosing Party) to the Receiving Party directly or indirectly from a source other than one having an obligation of confidentiality to the Disclosing Party; (c) becomes publicly known or otherwise ceases to be secret or confidential, except through a breach of this Agreement by the Receiving Party; or (d) is independently developed by the Receiving Party without reference to the Disclosing Party's Confidential Information. Unless such information is the subject of any of the exceptions set forth in the immediately preceding sentence, (e) Licensee's Confidential Information includes information received or reviewed by Licensor in exercising its audit rights (described in Section 7.3 below) and (f) HMH's Confidential Information includes information received or reviewed by Licensee in exercising its audit rights (described in Section 7.3 below) and the source code and associated technical documentation of any software included in any HMH Product; provided, however, that nothing in this Agreement will prevent any Party from using and disclosing information received or reviewed by it in exercising its audit rights or for purposes of enforcing its rights under this Agreement.

1.14 "Damages" is defined in Section 11.1 below.

1.15 "Designated Basal Program" means an HMH Product comprised of a complete textbook offering and identified on Exhibit A attached hereto as a "Designated Basal Program", including the student and teacher editions and ancillary/consumables, in both print and electronic formats.

1.16 "Destination Marks" means any and all of the trademarks and registrations thereof listed on Exhibit B, attached hereto, and any other trademarks consisting of or including the word DESTINATION.

1.17 "Disclosing Party" is defined in Section 1.13 above.

1.18 "Effective Date" is defined in the preamble.

1.19 "ELL" or "English Language Learning" means studies (*i.e.*, teaching and learning) in the English language for the primary purpose of teaching the English language to non-native English speaking students.

1.20 "ELL Field" means English Language Learning where (a) part of the instruction is received by each student while physically present in a Learning Center, (b) the instruction is in addition to a regular academic program or other traditional schooling and (c) tuition for the instruction is the responsibility of the student or the student's parent/guardian. The ELL Field will not include the provision of ELL as part of a school curriculum.

1.21 "Excluded Third Party" means any Third Party listed on Exhibit E attached hereto.

1.22 "Existing Third Party Licenses" means the agreements listed on Exhibit C attached hereto, with such terms and conditions as are in effect on the MLA Effective Date, and shall not include any amendment, supplement, or renewal thereof that is not permitted under this Agreement.

1.23 "Existing Third Party Rights" means those rights and licenses in existence on the MLA Effective Date granted by HMH or an Affiliate under the Existing Third Party Licenses that conflict with any rights or licenses granted to Licensee under this Agreement without any amendment, supplement, or renewal thereof other than a renewal thereof by the counterparty to an Existing Third Party License in accordance with the terms thereof in existence on the MLA Effective Date (e.g., in the case of a right of such counterparty to renew if such counterparty has paid a required minimum royalty or otherwise met the conditions for a renewal).

1.24 "Fields" means, collectively, the ELL Field and the Pre-K/K Curriculum Offering.

1.25 "Framework Agreement" means, the Framework Agreement, dated as of August 10, 2013 by and among Bain Capital Rise Education Cayman Limited and Sellers identified on Annex 1 to the Framework Agreement.

1.26 "Governmental Body" means any government or governmental or regulatory body thereof, or political subdivision thereof, whether federal, state, local or foreign, or any agency, instrumentality or authority thereof, or any court or arbitrator (public or private).

1.27 "Harcourt Mark" means the trademark HARCOURT.

1.28 "HMH" is defined in the preamble.

1.29 "HMH ELL Destination Products" means only the products identified by HMH by copyright date and ISBN and listed on Exhibit A attached hereto under the heading "HMH ELL Destination Products" and the pictorial works listed on Exhibit A attached hereto under the heading "HMH ELL Destination Products Pictorial Works".

1.30 "HMH ELL Other Products" means, collectively, the HMH ELL Other Backlist Products and HMH ELL Other Frontlist Products.

1.31 "HMH ELL Other Backlist Products" means only the products that are identified by copyright date and ISBN and listed on Exhibit A under the heading "HMH ELL Other Backlist Products".

1.32 "HMH ELL Other Frontlist Products" means only the products that are identified by copyright date and ISBN and listed on Exhibit A under the heading "HMH ELL Other Frontlist Products".

1.33 "HMH ELL Other Products Derivative Work" means any derivative work of any HMH ELL Other Products that is adapted for use in an ELL program and based on portions, but not all, of the applicable HMH ELL Other Products such that the applicable derivative work would not be a reasonable substitute for the original HMH ELL Other Products.

1.34 "HMH ELL Products" means, collectively, HMH ELL Destination Products and HMH ELL Other Products.

1.35 "HMH ELL Software" means any HMH ELL Product identified as a software product on Exhibit A.

1.36 "HMH Finished Goods" means only the products identified by HMH by name, copyright date and ISBN and listed on Exhibit A attached hereto under the heading "HMH Finished Goods" that are manufactured by HMH and are ready for distribution by HMH or an approved sales agent of HMH.

1.37 "HMH Licensee" means any Third Party with which HMH has entered into a written agreement, after the MLA Effective Date, licensing any HMH Products, the Destination Marks or any Intellectual Property Rights in and to any HMH Products or the Destination Marks, including, without limitation, any amendment to, supplement of, or renewal of any Existing Third Party Licenses with respect to any HMH Products, the Destination Marks or any Intellectual Property Rights in and to any HMH Products or the Destination Marks.

1.38 "HMH Products" means, collectively, HMH ELL Products and HMH Professional Development Products.

1.39 "HMH Professional Development Products" means only the products that are identified by copyright date and ISBN and listed on Exhibit A under the heading "HMH Professional Development Products".

1.40 "Indemnified Persons" is defined in Section 11.2 below.

1.41 "Indemnifying Person" is defined in Section 11.4(a) below.

1.42 "Intellectual Property Rights" means intellectual and industrial property rights arising under the Laws of any jurisdiction from or in respect of the following; (i) patents and applications therefor, including continuations, divisionals, continuations-in-part, or reissues of patent applications and patents issuing thereon (collectively, "Patents"), (ii) trademarks, service marks, trade names and internet domain names, together with the goodwill associated with any of the foregoing, and applications, registrations and renewals thereof (collectively, "Marks"), (iii) copyrights and copyright registrations and applications therefor and rights of renewal thereof (collectively, "Copyrights"), (iv) discoveries, concepts, ideas, research and development, know- how, inventions, procedures, designs, drawings, specifications, and other proprietary or confidential information, including pricing and cost information, and business and marketing plans and proposals, in each case excluding any rights in respect of any of the foregoing that comprise or are protected by Copyrights or Patents (collectively, "Trade Secrets"), and (v) software and other Technology.

1.43 "ISBN" means International Standard Book Number.

1.44 "Law" means any foreign, federal, state or local law (including common law), statute, code, ordinance, rule, regulation, order or other requirement.

1.45 "Learning Center" means a facility at which students are provided with academic enrichment opportunities other than a regular academic program or other traditional schooling, and/or additional activities designed to complement their regular academic program, in consideration for a fee for the services offered in these centers that is the responsibility of a student or parent, guardian or other representative of the applicable student.

1.46 "Licensed Material" means the HMH ELL Products, HMH ELL Software, Destination Marks, and HMH Professional Development Products licensed in Sections 2.1 and 2.2 of this Agreement.

1.47 "Licensee" is defined in the preamble.

1.48 "Licensee Breaching Party" is defined in Section 9.2(b) below.

1.49 "Licensee Indemnified Persons" is defined in Section 11.1 below.

1.50 "Licensee Notice" is defined in Section 4.2(c) below.

1.51 "Licensor Indemnified Persons" is defined in Section 11.2 below.

1.52 "MLA Effective Date" means October 5, 2011, the effective date of the Master License Agreement.

1.53 "New York Courts" is defined in Section 17.7 below.

1.54 "Non-Assigning Party" is defined in Section 17.4 below.

1.55 "Non-Defending Person" is defined in Section 11.4(b) below.

1.56 "Parties" and "Party" are defined in the preamble.

1.57 "Person" means any individual, corporation, limited liability company, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Body or other entity.

1.58 "Pre-K/K Curriculum Offering" means the study (*i.e.,* teaching and learning) of a curriculum for the pre-kindergarten grade and kindergarten grade levels where (a) part of the instruction is received by each student while physically present in a Learning Center and (b) tuition for the instruction is the responsibility of the student or the student's parent/guardian.

1.59 "Recordkeeping Party" is defined in Section 7.3(a) below.

1.60 "Receiving Party" is defined in Section 1.13 above.

1.61 "RISE Marks" means the trademarks RISE (for clarity, the word Mark "RISE" by itself), RISEKIDS, RISMART, RISE UP, and RISE SAT.

1.62 "Sell-Off Rights" is defined in Section 9.3(a) below.

1.63 "Sublicensee" is defined in Section 2.3(a) below.

1.64 "Sublicense Agreement" is defined in Section 2.3(b) below.

1.65 "Technology" means, collectively, designs, formulae, algorithms, procedures, methods, techniques, ideas, know-how, results of research and development, software, tools, data, inventions, apparatus, creations, improvements, works of authorship and other similar materials, and all recordings, graphs, drawings, reports, analyses, and other writings, and any other embodiments of the above, in any form whether or not specifically listed herein, and all related technology, that are used, incorporated or embodied in or displayed by any of the foregoing or used in the design, development, reproduction, sale, marketing, maintenance or modification of any of the foregoing.

1.66 "Territory" means China, Hong Kong, Macau, and Taiwan.

1.67 "Third Party" means any Person other than Licensor, Licensee or an Affiliate of any Party.

1.68 "Third Party Infringement" is defined in Section 13.1 below.

1.69 "Third Party Intellectual Property" is defined in Section 2.4(a) below.

1.70 "U.S. Schools Market" means schools located in the United States and all U.S. dependencies, territories and possessions, Department of Defense Dependent Schools in any language and American international, bilingual and other foreign schools in any country where U.S. English or U.S. Spanish language editions or U.S. and international curricula comprise a substantial part of the curriculum.

2. Licenses.

2.1 ELL Licenses.

(a) HMH ELL Products.

(i) Product Licenses. Subject to the terms and conditions of this Agreement and to the Existing Third Party Rights, other than in the case of HMH ELL Software (which is contemplated by Section 2.1(b) below), Licensor hereby grants Licensee:

(A) an exclusive (even as to Licensor), royalty-free license in the ELL Field in China to use, copy, display, perform, make derivative works of, publish, distribute, sell and otherwise exploit the HMH ELL Destination Products, as part of an ELL service;

(B) a nonexclusive, royalty-free license in the ELL Field outside China but limited to the Territory to use, copy, display, perform, make derivative works of, publish, distribute, sell and otherwise exploit the HMH ELL Destination Products, as part of an ELL service;

(C) a nonexclusive, royalty-free license to prepare HMH ELL Other Products Derivative Works; and

(D) a nonexclusive, royalty-free license in the ELL Field in the Territory to use, copy, display, perform, make derivative works of, publish, distribute, sell and otherwise exploit the HMH ELL Other Products solely to the extent included in any HMH ELL Other Products Derivative Works, as part of an ELL service; provided, however, that in the case of the license granted in this clause (D), after the MLA Effective Date, HMH has agreed in the Master License Agreement that it will not license to any Third Party any HMH ELL Other Backlist Product that is part of the Designated Basal Program for use in the ELL Field in the Territory;

except that Licensee may also exercise each of the above licenses to offer a Pre-K/K Curriculum Offering in a Learning Center as part of an ELL offering made available in such Learning Center, which Pre-K/K Curriculum Offering may use or otherwise incorporate an unlimited amount of the applicable HMH Product identified in the applicable license grant in unaltered shelf form (*i.e.*, without a requirement to create a derivative work before using such HMH Product); provided that the instruction for such Pre-K/K Curriculum Offering is in English.

(ii) Limitation. Licensee may access, use and/or otherwise exploit no more than one-third (1/3) of any HMH ELL Other Frontlist Product, measured by titles, lesson count, grade level and type of lesson for purposes of enhancing or creating any ELL course offered by Licensee.

(b) HMH ELL Software.

(i) Source License Grant. Subject to the terms and conditions of this Agreement and to the Existing Third Party Rights, Licensor hereby grants Licensee a nonexclusive, royalty-free license, solely in the ELL Field in the Territory, to reproduce, use, modify and create derivative works of any HMH ELL Software, in any form in Licensor's or Licensee's possession or control (including source code and object code form), and any associated source code documentation and other technical documentation, solely for the purpose of developing or maintaining software that makes the HMH ELL Products available in accordance with the license in Section 2.1(a) above.

(ii) Object License Grant. Subject to the terms and conditions of this Agreement and to the Existing Third Party Rights, Licensor hereby grants Licensee a nonexclusive, royalty-free license, solely in the ELL Field in the Territory, to display, perform and distribute any HMH ELL Software, in object code form only, and associated end-user documentation, alone or as part of other software products (including without limitation any derivative work developed under Section 2.1(b)(i) above), solely for the purpose of making the HMH ELL Products available in accordance with the license in Section 2.1(a) above.

(c) Trademarks; Brands.

(i) Destination License. Subject to the terms and conditions of this Agreement and to the Existing Third Party Rights, Licensor hereby grants Licensee an exclusive (even as to Licensor), royalty-free license to use the Destination Marks to advertise and promote any products or services (A) in China and (B) in the ELL Field outside of China but limited to the Territory, in either case, including those products and services that include elements of HMH ELL Products. For clarity, HMH retains the right, for itself and its Affiliates, to use and license the use of the Destination Marks (1) in the ELL Field but outside of the Territory, other than China, and (2) in the Territory, other than China, but outside the ELL Field. For clarity, Licensor retains the right, for itself and its Affiliates, to use and license the use of the Destination Marks in the ELL Field but outside of the Territory.

(ii) Product Attribution License. Subject to the terms and conditions of this Agreement and to the Existing Third Party Rights, Licensor hereby grants Licensee the nonexclusive, royalty-free right during the ten (10) year period following the MLA Effective Date to use the following, or a reasonably similar, attribution statement to advertise and promote in the Territory and the ELL Field any products or services which, when measured on an individual title basis and measured by lesson or page count, are comprised of more than 50% content from HMH ELL Products: "Foundational Content provided by Houghton Mifflin Harcourt".

(iii) Covenants; Other Marks. Except for the trademarks licensed or permitted to be used as described in this Section 2.1(c), Licensee or its Sublicensees will remove all trademarks, service marks and other brands owned by HMH or any affiliate of HMH, capable of being so removed by Licensee using commercially reasonable efforts, from HMH ELL Products before displaying, performing, publishing, distributing or otherwise making commercially available any such HMH ELL Products or any derivative work developed under this Section 2.1. Nothing in this Agreement will prevent Licensee or its Sublicensees from affixing to any derivative work developed under this Section 2.1 any trademarks, service marks or other brands controlled by Licensee, its Sublicensees or their respective Affiliates. Notwithstanding anything to the contrary in this Agreement, except for the trademarks licensed or permitted to be used as described in this Section 2.1(c), Licensee will not affix any trademarks, service marks or other brands controlled by Licensee to, or use such trademarks, service marks or other brands with, HMH ELL Products.

(d) ELL Field Restriction. The ELL Field and Pre-K/K Curriculum Offering restrictions set forth in this Section 2.1 only apply to the subject matter licensed by Licensor to Licensee pursuant to this Section 2.1 and derivatives thereof (*e.g.*, not other content owned or controlled by Licensee).

(e) Territory Restriction. The Territory rights and limitations set forth in this Section 2.1 require that the products and services made commercially available by Licensee under the license in this Section 2.1 will only be made available from the Territory to students residing or physically located in the Territory.

2.2 HMH Professional Development Products.

(a) ELL Field. Subject to the terms and conditions of this Agreement and to the Existing Third Party Rights, Licensor hereby grants Licensee a nonexclusive, royalty-free license in the ELL Field in the Territory to (i) use, copy, display, perform, and make derivative works of the HMH Professional Development Products for the sole purpose of training employees and contractors who teach ELL courses in Learning Centers under the licenses in Section 2.1 above and (ii) publish, distribute and sell HMH Professional Development Products to Sublicensees (including Sublicensees that are franchisees) of the license rights in Section 2.1 above for the sole purpose of training employees and contractors who teach ELL courses in Learning Centers under the licenses in Section 2.1 above.

2.3 Sublicensing.

(a) General. Subject to the terms and conditions of this Agreement and to the Existing Third Party Rights, Licensee may sublicense the license rights granted by Licensor to Licensee in Section 2.1 above and Section 2.2 above to any Affiliate of Licensee or Third Party (each, a "Sublicensee"); provided, however, that Licensee may not grant any sublicense hereunder: (i) to any Excluded Third Party, (ii) to any Third Party that has been finally adjudged by a court of competent jurisdiction in the last five (5) years to be liable for willful copyright infringement or its substantial equivalent under foreign law, or (iii) where the grant or exploitation of the sublicensed rights would, to Licensee's actual knowledge after reasonable inquiry, cause HMH to be in violation of applicable export Laws.

(b) Requirements.

(i) In order to be valid and effective, each such agreement under which Licensee sublicenses the license rights granted by Licensor to Licensee in Section 2.1 above and Section 2.2 above (each, a "Sublicense Agreement") must: (A) be in writing and entered into prior to the exploitation by the applicable proposed Third Party sublicensee of any license right granted by Licensor to Licensee in Section 2.1 above and Section 2.2 above, (B) be at least as restrictive and protective of the HMH Products, Destination Marks and Houghton Mifflin Harcourt brand as the provisions of this Agreement, and (C) subject to the immediately following sentence, provide that the Sublicense Agreement is governed by New York Law and that the parties thereto consent to the jurisdiction of the state and federal courts in the state of New York in the event that HMH asserts its rights under the Sublicense Agreement, including without limitation the enforcement of any judgment in favor of HMH. Licensee will use commercially reasonable best efforts to require that each Sublicense Agreement is governed by New York Law and requires exclusive jurisdiction in the state and/or federal courts located in the State of New York for purposes of the enforcement by HMH of its rights under the Sublicense Agreement, including without limitation the enforcement of any judgment in favor of HMH; provided, however, that Licensee will not be obligated to require that a Sublicense Agreement is governed by New York Law and be subject to exclusive jurisdiction in the state and/or federal courts located in the State of New York to the extent that the applicable proposed Sublicensee is precluded by applicable Law from executing an agreement governed by New York Law and/or that is subject to such venue requirements.

(ii) In the event of early termination of this Agreement, (A) each Sublicense Agreement shall remain in full force and effect, subject to the terms and conditions contained therein, (B) each Sublicense Agreement will be deemed a direct license of the relevant Intellectual Property Rights, on the same terms, by HMH (replacing Licensor) to the Sublicensee, and (C) each Sublicensee will be permitted to exercise Licensee's rights under Section 5 below in accordance with the terms and conditions of such Section 5. Licensor hereby consents to such arrangement and agrees that the Sublicensees are third party beneficiaries of this provision with full power and authority to enforce it. Each Sublicense Agreement will include a provision to such effect. Notwithstanding anything herein to the contrary, HMH will, in such event, have no greater obligations to the Sublicensee than it does to Licensee under this Agreement.

(c) Third Party Beneficiary of Sublicense Agreements; Enforcement; Liability.

(i) In addition to the provisions of Section 2.3(b) above, Licensor will be a named third party beneficiary in each Sublicense Agreement with full power and authority to enforce the terms and conditions (including limitations and restrictions) of the applicable agreement against the applicable Sublicensee only in connection with the protection of the HMH Products, the Harcourt Mark and related Intellectual Property Rights sublicensed to the applicable Sublicensee.

(ii) In the event that any Party learns of or suspects any material breach or violation by a Sublicensee of any terms or conditions of this Agreement or a Sublicense Agreement with respect to any HMH Products, the Destination Marks, the Harcourt Mark or the Houghton Mifflin Harcourt brand (a "Breaching Sublicensee"), such Party will promptly inform the other Party in writing. Licensee will use commercially reasonable best efforts to enforce the applicable terms and conditions against the applicable Sublicensee. If Licensor notifies Licensee in writing of any Sublicensee conducting any such prohibited activities, Licensee will thereafter use commercially reasonable best efforts to enforce the applicable terms and conditions against the Breaching Sublicensee within thirty (30) days after its receipt of such notice and confirm in writing to Licensor that Licensee has commenced such efforts. If Licensee does not commence efforts to enforce the applicable terms and conditions against the Breaching Sublicensee within 30 days after receipt of written notice from Licensor, then Licensor will have the right at Licensee's reasonable expense to enforce the applicable terms and conditions against the Breaching Sublicensee. If Licensor may not enforce the terms and conditions of any Sublicense Agreement against the applicable Sublicensee because the applicable jurisdiction does not recognize the rights of Third Party beneficiaries, then, at the request of Licensor, Licensee will, if permissible by applicable Law, transfer, as may be necessary, the applicable terms and conditions to Licensor so that Licensor may enforce the applicable terms and conditions against the applicable Sublicensee.

(iii) Licensee shall indemnify Licensor for any damages it incurs (and that are not otherwise reimbursed) as a result of a material breach of this Agreement by any Sublicensee up to a maximum amount equal to the greater of (A) the sum of all amounts for royalties, fees and other payments (1) actually received by Licensee from the applicable Sublicensee prior to the period of such breach and (2) attributable to the period of such breach and received at any time or (B) US$1,000,000, plus, in either case, the amount of Licensor's reasonable legal fees and expenses for the enforcement of the applicable terms and conditions against the applicable Breaching Sublicensee.

(d) Other. Licensee will provide a copy of each such Sublicense Agreement within 15 days after the execution of such Sublicense Agreement; provided, however, that competitively sensitive data, including, but not limited to, the economics of the Sublicense Agreement may be redacted. Notwithstanding the foregoing, none of the following may be redacted: the name of the Sublicensee, the applicable HMH Products sublicensed, the applicable territory or territories, the applicable Field and the provisions of the Sublicense Agreement that evidence compliance with this Agreement.

2.4 Third Party Rights.

(a) Third Party Assets Included in HMH Products. This Agreement will not operate to license any rights (including any Intellectual Property Rights) in or to any materials, works or other subject matter (whether comprised within any HMH Product or otherwise), or to utilize in any way, any Intellectual Property Rights or subject matter thereof that is owned or controlled by any Third Party (collectively, "Third Party Intellectual Property") unless Licensor has the right to grant to Licensee a license, sublicense or distribution right in, to or under such Third Party Intellectual Property without requiring the payment of any royalty or any other fee to the applicable Third Party.

(b) Existing Third Party Licenses. None of the restrictions or exclusive licenses included in this Agreement will apply to the Existing Third Party Licenses. In addition, if any of the Existing Third Party Licenses are exclusive or otherwise restrictive in Licensee's Field and/or territory, Licensee's license rights will be subject to such Existing Third Party Licenses.

2.5 Reservation of Rights.

(a) HMH's Reservation. Licensee hereby acknowledges and agrees that: (i) as between the Parties, on the one hand, and HMH, on the other hand, HMH has all right, title and interest in and to all Intellectual Property Rights in and to the HMH Products, Destination Marks, Harcourt Mark and Houghton Mifflin Harcourt brand, (ii) Licensee will not acquire any right, title or interest in or to any Intellectual Property Rights in and to the HMH Products, Destination Marks, Harcourt Mark and Houghton Mifflin Harcourt brand, by implication, estoppel or otherwise, other than the express license rights granted to Licensee set forth in Sections 2.1 above and Section 2.2 above and (iii) no Third Party will acquire any right, title or interest in or to any Intellectual Property Rights in or to the HMH Products, Destination Marks, Harcourt Mark and Houghton Mifflin Harcourt brand, by implication, estoppel or otherwise, other than pursuant to a valid Sublicense Agreement entered into in accordance with Section 2.3 above.

(b) Licensee's Reservation. Licensor hereby acknowledges and agrees that, as between the Parties, Licensee has all right, title and interest in and to all Intellectual Property Rights in and to Licensee's products and services, other than any portion of any HMH Product included therein or used therewith, or any Destination Mark, Harcourt Mark or the Houghton Mifflin Harcourt brand affixed thereto or used in connection therewith.

2.6 U.S. Schools Market. Notwithstanding anything to the contrary in this Agreement, Licensee acknowledges that HMH retains the right, for itself and its Affiliates, to use and license the use of the Destination Marks to advertise and promote any products or services in the U.S. Schools Market, including in China.

3. [Intentionally omitted.]

4. Certain Covenants.

4.1 Licensee Covenants. Licensee hereby covenants as follows.

(a) School Product Advertising or Marketing. Neither Licensee nor any of its Sublicensees will advertise or market any products or services offered by Licensee or the applicable Sublicensee in the exercise of any of the license rights described in Section 2.1 above as part of any school product or service. For clarity, this Section 4.1(a) does not preclude advertising or marketing any ELL products or services offered by Licensee or the applicable Sublicensee in the exercise of any of the license rights described in Section 2.1 above if (i) the tuition for the applicable instruction is the responsibility of the student or the student's parent/guardian and (ii) the applicable product or service is not part of a school curriculum.

(b) Use of HMH Intellectual Property. Licensee will not use or otherwise exploit any HMH Product, any Destination Mark, or the Harcourt Mark in any manner that exceeds the scope of the license grants in Section 2 above.

(c) Online Exploitation; Protection of HMH Products. If Licensee makes any portion of any HMH Product available over the Internet or other electronic network Licensee will, to the extent commercially reasonable, use reasonable technology to block access to such HMH Product to individuals not present in, or a resident of, the Territory. Licensee will use reasonable efforts to prevent unauthorized access to or use of the HMH Products and, in any event, will not afford the HMH Products with any less protection than Licensee affords its own content, Technology and Intellectual Property Rights. Such technology may include, without limitation, password protection, right-click copy deactivation, and other such measures adequate to properly secure the applicable HMH Product.

4.2 HMH MLA Covenants. As of the Effective Date, HMH has retained rights in the Licensed Material and has, in the Master License Agreement, made certain covenants set forth below, which covenants will be directly between HMH and Licensee upon HMH's assumption of this Agreement under Section 2.5(b)(ii) of the Master License Agreement and under which Daplon has no obligations. For purposes of Section 4.2, "Parties" and "Party" refer to HMH and Licensee and do not include Daplon.

(a) ELL Field Covenants.

(i) Subject to the rights granted in Section 2.1(a)(i)(A) above (which Licensee understands HMH has agreed in the Master License Agreement are exclusive as to HMH too), HMH may access, use and/or otherwise exploit no more than one-third (1/3) of any HMH ELL Destination Products, measured by titles, lesson count, grade level and type of lesson for purposes of enhancing, creating or otherwise delivering any ELL course delivered in the applicable Learning Center by HMH in the ELL Field in the Territory, other than China. HMH will impose the foregoing restriction on any Third Party licensee that takes a license from HMH after the MLA Effective Date with respect to any HMH ELL Destination Products to offer any ELL course in the Territory and the ELL Field.

(ii) The foregoing restrictions will not apply to the Existing Third Party Licenses, but will apply to any amendment, supplement, or renewal thereof after the MLA Effective Date.

(b) Restriction on ELL Learning Centers. HMH will not open any Learning Centers in the ELL Field in China for a period of two years following the MLA Effective Date. For the avoidance of doubt, during such two-year period, HMH may (i) engage or participate in any business activity in preparation to open any Learning Centers in the ELL Field in China, with the exception of advertising, as long as it does not open such a Learning Center or solicit any customers for same, and (ii) execute investment or acquisition agreements with respect to any business that operates any Learning Centers in the ELL Field in China, as long as the closing of the acquisition does not occur during such two-year period. Notwithstanding the foregoing to the contrary, HMH shall not be deemed to be in breach as a consequence of its ownership interest in Reader China as of the MLA Effective Date, though any further or additional investment in Reader China by HMH after the MLA Effective Date is subject to this restriction.

(c) HMH Licensees. Licenses granted by HMH to HMH Licensees (i) will be in writing and (ii) will not violate or otherwise conflict with this Agreement. In the event that any Party learns of or suspects any material breach or violation by an HMH Licensee of any terms or conditions of this Agreement with respect to any HMH Products or the Destination Marks (a "Breaching HMH Licensee"), such Party will promptly inform the other Party in writing. HMH will use commercially reasonable best efforts to enforce the applicable terms and conditions against the applicable Breaching HMH Licensee. If Licensee notifies HMH in writing of any HMH Licensee conducting any such prohibited activities (a "Licensee Notice"), HMH will thereafter use commercially reasonable best efforts to enforce the applicable terms and conditions against the Breaching HMH Licensee within thirty (30) days after its receipt of such Licensee Notice and confirm in writing that HMH has commenced such efforts. If HMH commenced using commercially reasonable best efforts to enforce the applicable terms and conditions against the Breaching HMH Licensee within thirty (30) days after its receipt of such Licensee Notice but is unable to cause the Breaching HMH Licensee to cure the applicable breach or violation within ninety (90) days after its receipt of such Licensee Notice, then HMH will, upon request of Licensee, cooperate in good faith with Licensee in the joint enforcement of the applicable terms and conditions against the applicable Sublicensee. Each party will bear its own costs in connection with such enforcement.

(d) Limited Exception for Reader China. Notwithstanding anything to the contrary in this Agreement (including without limitation Section 2.1 above or this Section 4.2), with the prior approval of Licensee (such approval not to unreasonably withheld, conditioned or delayed), in exchange for the relinquishment of rights by Reader China in the Kid Pix and/or Reader Rabbit product lines, HMH may license some or all HMH Products to Reader China, including in China, in the ELL Field and/or without imposing the limitations of Section 4.2(a) above.

(e) HMH Licensees; Indemnification Obligation. HMH shall indemnify Licensee for any damages it incurs (and that are not otherwise reimbursed) as a result of a material breach of this Agreement by any HMH Licensee up to a maximum amount equal to the greater of (A) the sum of all amounts for royalties, fees and other payments (1) actually received by HMH from the applicable HMH Licensee prior to the period of such breach and (2) attributable to the period of such breach and received at any time or (B) US$1,000,000, plus, in either case, the amount of Licensee's reasonable legal fees and expenses for the enforcement of the applicable terms and conditions against the applicable breaching HMH Licensee.

(f) RISE Marks.

(i) From the MLA Effective Date through the tenth anniversary of the MLA Effective Date, except as expressly described in Section 4.2(f)(ii) below, HMH will not use any RISE Mark, or any mark reasonably confusingly similar to any RISE Mark, to advertise or promote any products or services in the Territory. After the tenth anniversary of the MLA Effective Date, (i) if Licensee or any Sublicensee has not yet commenced using any RISE Mark to advertise or promote any products or services in a country in the Territory, this Section 4.2(f) will not preclude HMH from using any RISE Mark to advertise or promote any products or services in such country and (ii) if Licensee or any Sublicensee has commenced using any RISE Mark to advertise or promote any products or services in the Field in a country in the Territory, except as expressly described in Section 4.2(f)(ii) below, HMH will not use any RISE Mark to advertise or promote any products or services in any Field in such country until the date on which Licensee or any Sublicensee ceases using any RISE Mark to advertise or promote any products or services in the Fields in such country.

(ii) Notwithstanding the foregoing to the contrary,

(A) HMH may use any Mark that contains the word RISE but that is not one of the RISE Marks in the Territory to advertise and promote programs of classroom-based instructional materials;

(B) in the event that all or substantially all of the assets and business of HMH are acquired, in a Change of Control or otherwise, this Section 4.2(f) will only apply to the business or business units of HMH that existed immediately preceding the applicable acquisition transaction; and

(C) in the event that HMH acquires, in a Change of Control or otherwise, all or substantially all of the assets and business of a Third Party that includes any RISE Mark(s), or any Mark(s) reasonably confusingly similar to any RISE Mark, this Section 4.2(f) will not preclude HMH from using any and all such acquired Marks to advertise or promote worldwide (including in the Territory) the same products and/or services that had been advertised or promoted using such Marks prior to the applicable acquisition transaction; provided, however that HMH may not use any such acquired Marks to advertise or promote any product or service in the ELL Field.

(iii) If necessary in connection with the prosecution or maintenance of any RISE Mark, the Parties agree to enter into mutually acceptable consents or co-existence agreements that acknowledge and establish peaceful co-existence based on the above-described division of markets and which the Parties will negotiate in good faith, and for which each Party shall bear its own costs and expenses.

(g) Existing Third Party Licenses.

(i) HMH represents and warrants that the terms of the Existing Third Party Licenses that expire on or before January 31, 2013, as reflected in Exhibit C attached hereto, do not grant the applicable counterparty a right to an amendment, supplement, or renewal of the applicable Existing Third Party License. HMH will not amend, supplement, or renew such Existing Third Party Licenses in any way that will violate or otherwise conflict with the rights granted to Licensee under this Agreement.

(ii) Nothing in this Section 4.2(g) will alter, amend or otherwise expand the licenses granted to Licensee in Section 2 above.

4.3 Destination Marks. Each of Licensor and Licensee covenant as follows.

(a) Filing, Prosecution and Maintenance of Existing Destination Registrations.

(i) Licensor's Rights. Licensee acknowledges and agrees that Daplon until the date on which Licensee becomes a direct licensee of HMH under Section 2.5(b)(ii) of the Master License Agreement and HMH thereafter, by counsel Daplon or HMH so chooses, has the first right, but not the obligation, to prosecute and maintain with the patent and trademark governmental offices or agencies of any and all countries in the Territory, in its own name and at its sole expense, any trademark or service mark registrations and applications for trademark or service mark registrations, in each case for the Destination Marks, that have been filed with such offices or agencies as of the MLA Effective Date (the "Existing Destination Registrations").

(ii) Licensee's Rights. If Daplon until the date on which Licensee becomes a direct licensee of HMH under Section 2.5(b)(ii) of the Master License Agreement and HMH thereafter decides not to exercise its rights in Section 4.3(a)(i) above, then Licensor shall give notice to Licensee of such determination to cease prosecution and/or maintenance of the Existing Destination Registrations on a country by country basis in the Territory and Licensee shall have the right, in its sole discretion, to continue prosecution and/or maintenance of such Existing Destination Registrations at its own expense and in the name of HMH ("Licensee Prosecution Controlled Destination Marks"). If Licensee elects to continue prosecution and/or maintenance of any such Licensee Prosecution Controlled Destination Marks, Licensor shall cooperate, and will use commercially reasonable efforts to seek HMH's cooperation, with Licensee at Licensee's expense as may be reasonably necessary in a timely manner for Licensee to perform any prosecution or maintenance of any Licensee Prosecution Controlled Destination Marks.

(b) Filing, Prosecution and Maintenance of New Destination Registrations.

(i) Subject to the terms and conditions of this Section 4.3(b), Licensee, by counsel it so chooses, has the first right, but not the obligation, to file, prosecute and maintain with the patent and trademark governmental offices or agencies of any and all countries in the Territory, in the name of HMH and at Licensee's sole expense, any trademark or service mark registrations and applications for trademark or service mark registrations, in each case for all Destination Marks other than the Existing Destination Registrations that are the subject of Section 4.3(a) above (all such Destination Marks other than the Marks that are the subject of the Existing Destination Registrations, the "New Destination Marks" and all such trademark or service mark registrations and applications for trademark or service mark registrations, the "New Destination Registrations").

(ii) If permitted by applicable Law, (A) Licensee hereby assigns and will assign to HMH any and all New Destination Marks and New Destination Registrations and (B) in the case of any assignment contemplated by the foregoing clause (A) that is not permitted by applicable Law, Licensee hereby exclusively licenses and will exclusively license to HMH on a world-wide, paid-up, royalty-free basis, any and all New Destination Marks and New Destination Registrations. Licensor, will use commercially reasonable efforts to seek HMH's acknowledgment that any New Destination Marks and New Destination Registrations are licensed to Licensee pursuant to Section 2.1(c) above.

(iii) Cooperation. In connection with the prosecution and/or maintenance of Existing Destination Registrations and New Destination Registrations in accordance with Sections 4.3(a) and 4.3(b) above, the party controlling such prosecution or maintenance will keep the other Party and HMH informed of developments in any such prosecution or maintenance. In the case of Licensee's prosecution and maintenance of each New Destination Registration, Licensee will use commercially reasonable efforts to provide HMH with copies of any and all substantive documents that it proposes to file with the applicable patent and trademark governmental offices or agencies of any and all countries in the Territory no later than 3 days before the date on which Licensee files such document.

5. HMHFinished Goods.

5.1 Purchase of HMH Finished Goods. Commencing on the MLA Effective Date through the earlier of the date (a) that is seven (7) years after the MLA Effective Date or (b) on which the applicable HMH Finished Good is no longer in print, Licensee may purchase from Licensor, or one or more distributors designated in writing by Licensor, in accordance with the terms and conditions set forth on Exhibit F attached hereto, HMH Finished Goods for the Territory at a 55% discount off of HMH's then-published list price, only for use (a) with the services offered by Licensee or Sublicensees in the exercise of rights described in Section 2.1 above and (b) in the case of any Heinemann Books (as defined in Paragraph 5(b) of Exhibit F attached hereto), as described in Paragraph 5(b) of Exhibit F attached hereto. For clarity, neither Licensee nor any Sublicensee may resell or otherwise distribute HMH Finished Goods on a standalone basis separate from services offered by Licensee or Sublicensees in the exercise of rights described in Section 2.1 above.

5.2 Quantity Limitation. Quantities of each title of HMH Finished Goods resold or otherwise distributed by Licensee and each Sublicensee may not exceed in any period the number of students enrolled in the corresponding period in the schools and/or Learning Centers operated by Licensee or the applicable Sublicensee under the licenses in Section 2.1 above. At the time of the submission of any order for HMH Finished Goods, Licensee will submit a written inventory report to Licensor regarding the inventory of HMH Finished Goods held at such time by Licensee and each Sublicensee.

5.3 "Out-of-Print" Procedure. In Licensor's sole discretion, HMH Finished Goods will be periodically evaluated based on many criteria as to whether an HMH Finished Good will classified as "out of print". Licensor will use commercially reasonable efforts to communicate relevant known pending HMH Finished Goods that will be classified "out of print" as part of a March 31 sales forecasting and demand planning meeting. Any and all actions including determination of future need and printing of HMH Finished Goods, where relevant, must be taken prior to June 30 of that year. After such date, Licensee may not be able to acquire "out of print" HMH Finished Goods from Licensor. If HMH Finished Goods are classified as "out of print" as a result of legal or contractual limitations, Licensee will not be provided advanced notice or an ability to secure additional HMH Finished Goods.

6. QualityControl.

6.1 For Licensee's Benefit. Upon Licensee becoming a direct licensee of HMH under Section 2.5(b)(ii) of the Master License Agreement, HMH represents and warrants to Licensee that the HMH Products are of commercially reasonable quality.

6.2 For HMH's Benefit.

(a) Quality Standard. Licensee hereby acknowledges the importance to HMH of its reputation and goodwill and the concomitant importance of maintaining high standards of quality in the Destination Marks, the Houghton Mifflin Harcourt brand and producing, distributing and selling the HMH Products. Licensee will have any and all products and services manufactured, developed, offered and otherwise commercially exploited under the licenses in Sections 2.1 above and 2.2 above (i) at the highest level of quality reasonably marketable in each country within the Territory, but in any event will not be required to exercise levels of quality in excess of those used by HMH in connection with similar works and (ii) in a manner that is reasonably expected to maintain or enhance the value and reputation of the applicable trademark or brand of HMH.

(b) Approval. In connection with Licensee's and its Sublicensees' exercise of rights under Sections 2.1(c) above, Licensee will provide samples to Licensor of each category of proposed use by Licensee and each Sublicensee (including without limitation any material deviation from a previously approved category of use) of any Destination Mark and the Houghton Mifflin Harcourt brand no later than 30 days prior to the proposed use thereof. Licensor will have the right to reject the proposed category of use if (i) the proposed use violates any term of this Agreement (*e.g.*, the requirement in Sections 2.1(c)(ii) above) or (ii) the products or services on or in connection with which Licensee or the applicable Sublicensee proposes to use the applicable trademarks or brands or the proposed use of the applicable trademarks or brands do not meet the above-described quality requirement; however, Licensor's approval will not be unreasonably withheld, delayed, or conditioned, and in any event, Licensor will notify Licensee of its approval, or if applicable its basis for non-approval, within 30 days after receipt of the samples described above or such sample will be deemed approved if no notice of non-approval is received by Licensee within such 30-day period. Upon approval of a proposed category of use, Licensee and the applicable Sublicensee may continue to use the applicable trademarks or brands in such manner unless and until the applicable products or services on or in connection with which Licensee and the applicable Sublicensee uses the applicable trademarks or brands or the proposed use of the applicable trademarks or brands does not continue to meet the above-described quality requirement.

(c) Quality Control Covenants. Licensee undertakes not to commit, or omit, any act or pursue any course of conduct (and will use reasonable efforts to procure that each Sublicensee does not undertake any of the foregoing) which is reasonably likely to:

(i) bring any of the Destination Marks, the Houghton Mifflin Harcourt brand, the HMH Products or HMH into disrepute;

(ii) damage the goodwill or reputation attaching to any of the Destination Marks, the Houghton Mifflin Harcourt brand, the HMH Products or HMH;

(iii) prejudice the validity or enforceability of any of the Destination Marks, the Houghton Mifflin Harcourt brand, or the HMH Products; or

(iv) dilute or reduce the value of any of the Destination Marks, Houghton Mifflin Harcourt brand, HMH Products or any registrations thereof.

6.3 Copyright Covenants. Licensee will comply with applicable copyrights Laws in the Territory, and with the Universal Copyright Convention where applicable, in relation to any and all derivative works of any HMH Products created by Licensee or any permitted Sublicensee in accordance with the license right in Section 2.1 above or Section 2.2 above, including the inclusion of any required notices, and will take whatever steps are reasonably necessary to protect each such derivative work including any action required under the applicable Laws in the Territory.

6.4 Trademark Covenants. All use of the Destination Marks, the Harcourt Mark, and the Houghton Mifflin Harcourt brand by Licensee and any and all Sublicensees will inure to the benefit of HMH. Licensee will not, and it will use commercially reasonable best efforts to cause its Sublicensees not to, (a) use any of the Destination Marks, the Harcourt Mark, or the Houghton Mifflin Harcourt brand outside of the Fields (other than in China with respect to the Destination Marks) or the Territory, (b) register any confusingly similar trademarks or service marks to any of the Destination Marks, the Harcourt Mark, or the Houghton Mifflin Harcourt brand, (c) take any action intended to interfere with HMH's use or registration of any of the Destination Marks, the Harcourt Mark, or the Houghton Mifflin Harcourt brand, or (d) take any action that would be the proximate cause of devaluing, disparaging, or otherwise harming the value or goodwill of any of the Destination Marks, the Harcourt Mark, or the Houghton Mifflin Harcourt brand. In the event that Licensee grants to any Third Party any rights in and to any of the Destination Marks or the Houghton Mifflin Harcourt brand, such grant of rights will include a requirement that such Party abide by the terms of this Agreement relating to the Destination Marks or the Houghton Mifflin Harcourt brand, including this Section 6.4.

7. Recordkeeping;Reporting; Audit Rights.

7.1 Recordkeeping.

(a) Licensee will keep, and will require its Sublicensees to keep, accurate and complete records necessary to substantiate compliance by Licensee or the applicable Sublicensee with the terms and conditions of this Agreement.

(b) Upon Licensee becoming a direct licensee of HMH under Section 2.5(b)(ii) of the Master License Agreement, HMH will keep accurate and complete records necessary to substantiate compliance by HMH with Section 4.2(a) above.

7.2 Reporting.

(a) Licensee will report on an annual basis to Licensor the following: (i) the HMH Products that have been used in any products or services sold by Licensee and each of its Sublicensees, including detail regarding which entity used each such HMH Product, and (ii) the Field in which such products or services were sold. Licensee will also notify Licensor in writing when it and each of its Sublicensees commences using any HMH Product that has not been previously used by the applicable entity; such notice to be delivered within 30 days after the applicable use.

(b) Licensor will report to Licensee on an annual basis whether it is aware that any HMH ELL Destination Products or the HMH Products that are part of the Designated Basal Program have been used by HMH in any course offered by HMH in the ELL Field in the Territory, including detail regarding which entity used each such HMH Product.

7.3 Audit.

(a) All records required to be kept by a Party or HMH and, in the case of Licensee, its Sublicensees, and in the case of HMH after the date on which Licensee becomes a direct licensee of HMH under Section 2.5(b)(ii) of the Master License Agreement, licensees of HMH Products that are the subject of the covenants in Section 4.2(a) above, (each such entity and such licensees and sublicensees respectively, the "Recordkeeping Party") pursuant to Section 7.1 above will be available for inspection, copying and audit by, in the case of HMH after the date on which Licensee becomes a direct licensee of HMH under Section 2.5(b)(ii) of the Master License Agreement, Licensee and, in the case of Licensee, Daplon until the date on which Licensee becomes a direct licensee of HMH under Section 2.5(b)(ii) of the Master License Agreement and HMH thereafter (such auditing party, the "Auditing Party"), its representatives or, if the records to be audited include information regarding products or services with which the Auditing Party competes in the applicable Field and territory, an independent auditor no more than once per calendar year for each of the Recordkeeping Parties during normal business hours for a period of five (5) years following the period being audited; provided that (i) the Auditing Party will give the Recordkeeping Party to be audited reasonable written notice, not less than thirty (30) days in advance; (ii) such audit will not unreasonably interfere with the day-to-day operations of such Recordkeeping Party; (iii) such audit will be at the Auditing Party's sole expense; and (iv) any audit will take place at the headquarters of such Recordkeeping Party or any location of such Recordkeeping Party at which material records are located. In the case of any audit performed by an independent auditor, such auditor may issue a written report to the Auditing Party that reports whether such Recordkeeping Party is in compliance with the applicable terms and conditions of this Agreement, including a summary of and sufficient detail regarding the extent of such compliance or lack thereof.

(b) Notwithstanding the foregoing, in the event that the Auditing Party wishes an audit to be performed on the applicable records of a licensee or Sublicensee of HMH or Licensee, as applicable, the Auditing Party will provide written notice of such audit request to in the case of Daplon until the date on which Licensee becomes a direct licensee of HMH under Section 2.5(b)(ii) of the Master License Agreement and HMH thereafter as the Auditing Party, Licensee and, in the case of Licensee as the Auditing Party, HMH. During the thirty (30) day period following such written notice, the entity that received such notice will have the first right at its sole cost and expense, but not the obligation, to perform such audit using an independent auditor that is reasonably acceptable to the Auditing Party. If the entity that received such notice does not commence such audit during such thirty (30) day period, then the Auditing Party, at the Auditing Party's expense, may perform the audit as provided herein. If the entity that received such notice elects to audit the applicable licensee or Sublicensee, then it will use commercially reasonable efforts to have the independent auditor complete the audit and deliver a written report to the Auditing Party that reports whether the applicable licensee or Sublicensee is in compliance with the applicable terms and conditions of this Agreement, including a summary of and sufficient detail regarding the extent of such compliance or lack thereof, within ninety (90) days following the Auditing Party's above-described notice.

(c) Notwithstanding the foregoing, in the event that a material breach of this Agreement is found in the applicable audit, in addition to any and all other rights and remedies that the Auditing Party may have, (A) the Auditing Party will be entitled to an additional audit in the applicable calendar year and (B) the cost of such audit will be borne by the Recordkeeping Party or the applicable licensee or Sublicensee.

8. Ownership.

8.1 HMH Products. Licensee hereby acknowledges that HMH will, at all times, retain all right, title and interest in, to and under the HMH Products and all related Intellectual Property Rights, and this Agreement will not be read or understood to convey to Licensee any title to any HMH Product or any related Intellectual Property Rights.

8.2 Derivative Works.

(a) All right, title and interest in and under all derivative works of any HMH Products created prior to or on the Initial Transfer Date (as such term is defined in the Framework Agreement) by Licensee or any permitted Sublicensee in accordance with the license right in Section 2.1 above or Section 2.2 above, will vest in and be retained at all times by Licensor, and Licensee hereby assigns, for itself and on behalf of its permitted Sublicensees, all such right, title and interest therein and thereunder to Licensor. All right, title and interest in and under all derivative works of any HMH Products created after the Initial Transfer Date (as such term is defined in the Framework Agreement) by Licensee or any permitted Sublicensee in accordance with the license right in Section 2.1 above or Section 2.2 above, will vest in and be retained at all times by Licensee or the applicable Sublicensee. Notwithstanding anything to the contrary in this Agreement, Licensee's ownership of any derivative work under this Agreement will not vest in Licensee any right, title or interest in or to any HMH Product from which such derivative work was derived.

(b) Licensee will, and will require its Sublicensees in writing to, provide written notice to all of its employees and other Persons engaged to create derivative works of any HMH Product that HMH owns the HMH Products and that such HMH Products are subject to the terms and conditions, including the Field and Territory restrictions, of this Agreement.

8.3 Registration of Intellectual Property Rights. Licensee will not (and will not permit or authorize any Third Party to) apply to register any Intellectual Property Rights in or to any subject matter that is the same or similar to any HMH Product anywhere in the world, without the prior written consent of Licensor, which consent shall not be unreasonable withheld, delayed, or conditioned.

9. Term and Termination.

9.1 Term. Unless earlier terminated in accordance with this Section 9, the term of this Agreement will commence on the Effective Date and continue until the date of expiration of the last to expire copyrights in the HMH Products.

9.2 Termination. Notwithstanding the provisions of Section 9.1 above, this Agreement may be terminated at any time in accordance with the following provisions:

(a) Termination for Breach. Licensor or Licensee may terminate this Agreement if any other Party (the "Breaching Party") materially breaches this Agreement, other than Section 6.2(c) above (which is contemplated by Section 9.2(b) below). The following provisions will apply in connection therewith.

(i) The non-breaching Party must give no less than sixty (60) days prior written notice of the proposed termination to the Breaching Party.

(ii) The Breaching Party will be entitled to materially remedy such breach within a further sixty (60)-day period, and if the breach is so remedied, the proposed termination will not occur.

(b) Termination for Breach of Section 6.2(c). Licensor may terminate either (i) the ability of Licensee or a Sublicensee to access, use or otherwise exploit certain of the HMH Product(s) or (ii) this Agreement if Licensee or a Sublicensee (the "Licensee Breaching Party") materially breaches Section 6.2(c) above. The following provisions will apply in connection therewith.

(i) Licensor must give no less than sixty (60) days prior written notice of the applicable breach of Section 6.2(c) above;

(ii) The Licensee Breaching Party will be entitled to materially remedy such breach within such sixty (60)-day period, and if the breach is so remedied, the proposed termination will not occur; and

(iii) If Licensor exercises its rights under this Section 9.2(b), the resulting termination will be limited to the applicable Licensee Breaching Party's access, use or other exploitation of the HMH Product(s) that is (or are) the subject of the applicable Licensee Breaching Party's breach of Section 6.2(c) above;

provided, however, that, (A) in the case of breaches of Section 6.2(c) above by a Sublicensee, Licensee will terminate the applicable Sublicense Agreement if such Sublicensee breaches Section 6.2(c) above with respect to three (3) separate circumstances during any rolling twelve (12) month period and (B) in the case of breaches of Section 6.2(c) above by Licensee, Licensor will be entitled to terminate the entire Agreement if Licensee breaches Section 6.2(c) above with respect to five (5) separate circumstances during any rolling twelve (12) month period. For clarity, breaches that are cured in accordance with Section 9.2(b)(ii) above will not count toward the number of breaches specified in the foregoing clauses (A) and (B).

(c) Bankruptcy.

(i) If either Party is subject to a petition for relief under any bankruptcy legislation, or makes an assignment for the benefit of creditors, or is subject to the appointment of a receiver for all or a substantial part of such Party's assets, and such petition, assignment or appointment is not dismissed or vacated within sixty (60) days, the other Party will have the right to terminate this Agreement in full upon written notice to such affected Party.

(ii) Licensor may terminate this Agreement on written notice if Licensee initiates a court-administered bankruptcy process or commences a legal proceeding seeking liquidation, reorganization or other similar relief under applicable bankruptcy Laws.

(d) Termination for Cessation of Business. Upon not less than thirty (30) days prior written notice, Licensor may terminate this Agreement if Licensee ceases to carry on its business or substantially the whole of its business and the rights granted to Licensee hereunder cease to be utilized, unless a successor or assign of Licensee has succeeded to and is conducting Licensee's business or substantially the whole of its business. Licensee will be entitled to recommence its business or substantially the whole of its business within such thirty (30)-day period, and if Licensee so recommences its business, the proposed termination will not occur. For clarity, in the event that this Agreement is terminated in accordance with this Section 9.2(d), the provisions of Section 2.3(b)(ii) above shall apply.

(e) Cumulative Rights. The termination rights set forth in this Section 9.2 are in addition and without prejudice to any other rights or remedies of a Party.

9.3 Effect of Termination.

(a) Upon the expiration or termination of this Agreement for any reason, each Party will return or destroy the other Parties' Confidential Information provided hereunder and Licensee will return to Licensor all of the HMH Products. Licensee and any Sublicensee will have the right for a period of five (5) years following any such termination to sell its remaining inventory of print publications produced under the license rights set forth in Section 2.1(a) above prior to the date of termination (the "Sell-Off Rights"); provided that Licensee any and all applicable Sublicensees will discontinue all sales of all such products and any derivative works thereof immediately upon the expiration of the Sell-Off Rights.

(b) Upon expiration or termination of this Agreement for any reason, the following provisions will survive: Sections 1, 2.3(b)(ii), 2.3(c), 2.5, 2.6, 4.2(e), 7.3 (for the period specified therein), 8, 9.3, 10, 11, 12, 14, and 17, and, with respect to Sublicensees, Section 5. Notwithstanding the foregoing to the contrary, a Party will not have any obligation under Sections 2.3(c)(iii) above, Section 4.2(e) above or Section 11 below with respect to any events, facts, or circumstances that occur after the expiration or termination of this Agreement, other than with respect to any Claim, regardless of when asserted, if such Claim arises from events, facts, or circumstances that occurred prior to the expiration or termination of this Agreement.

10. Representations and Warranties.

10.1 Licensor's Representations and Warranties. Licensor represents and warrants to Licensee that:

(a) it has the requisite power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby (including, for the avoidance of doubt, granting all the licenses under Section 2.1 above and Section 2.2 above);

(b) the execution, delivery and performance by Licensor of this Agreement and the consummation by Licensor of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Licensor and no other corporate proceeding is necessary for the execution and delivery of this Agreement by Licensor, the performance by Licensor of its obligations hereunder and the consummation by Licensor of the transactions contemplated hereby;

(c) other than the Existing Third Party Licenses, the execution, delivery and performance by Licensor of this Agreement does not and will not violate or conflict with, result in a breach of, constitute a default (or an event which, with or without notice or lapse of time or both, would constitute a default) under, or permit cancellation of any agreement to which Licensor or any applicable Affiliate of Licensor is a party or by which any of them is bound; and

(d) Licensor has not assigned, sold or transferred to any Person any Claim, whether known, unknown, or unknowable, that Licensor has or previously had against Licensee.

10.2 Licensee's Representations and Warranties. Licensee represents and warrants to Licensor that:

(a) it has the requisite power and authority to execute and deliver this Agreement and the ancillary agreements delivered herewith and to consummate the transactions contemplated hereby; and

(b) the execution, delivery and performance by Licensee and, as applicable, its Affiliates, of this Agreement and the consummation by Licensee and, as applicable, its Affiliates, of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Licensee and, as applicable, its Affiliates, and no other corporate proceeding is necessary for the execution and delivery of this Agreement by Licensee and, as applicable, its Affiliates, the performance by Licensee and, as applicable, its Affiliates, of their obligations hereunder and the consummation by Licensee and, as applicable, its Affiliates, of the transactions contemplated hereby.

11. Indemnification.

11.1 Licensor Indemnity. Licensor hereby agrees to indemnify and hold harmless Licensee and Licensee's Affiliates and Sublicensees, and its and their respective directors, officers, employees and agents ("Licensee Indemnified Persons") from and against any loss, liability, claim, damage or expense ("Damages"), which are suffered or incurred by any Licensee Indemnified Person and which arise from or as a result of or a direct consequence of a Third Party claim arising out of or relating to:

(a) the gross negligence or willful misconduct of Licensor in the performance of Licensor's obligations under this Agreement, or

(b) a breach by Licensor of this Agreement, provided, however, that Licensor will not be obligated to indemnify a Licensee Indemnified Person for any Damages incurred by such Licensee Indemnified Person (i) to the extent attributable to any breach of this Agreement by Licensee, a Licensee Indemnified Person or Licensee's contractors/licensees, or to any act or omission constituting gross negligence or willful misconduct on the part of Licensee, a Licensee Indemnified Person or Licensee's contractors/licensees, or any action taken by Licensor or its Affiliates or its or their employees, agents, officers and directors upon the direction of Licensee or a Licensee Indemnified Person or (ii) arising from or as a result of or a direct consequence of a Third Party claim for infringement of Intellectual Property Rights arising from the use of the Destination Mark by a Licensee Indemnified Person.

11.2 Licensee Indemnity. Licensee hereby agrees to indemnify and hold harmless Licensor and Licensor's Affiliates, and its and their directors, officers, employees and agents ("Licensor Indemnified Persons" and, together with Licensee Indemnified Persons, the "Indemnified Persons", and each an "Indemnified Person") from and against any Damages which are suffered or incurred by any Licensor Indemnified Person and which arise from or as a result or a direct consequence of a Third Party claim arising out of or relating to:

(a) any translation, adaptation, publication, printing, licensing or sale of any derivative work created by Licensee or a Sublicensee pursuant to an exercise of rights under Section 2 above or any service in which any such derivative work is used, distributed or made available, including, without limitation any claim by a Third Party that any of the foregoing activities infringes, misappropriates or otherwise violates the Intellectual Property Rights of such Third Party,

(b) the gross negligence or willful misconduct of Licensee or a Sublicensee in the performance of Licensee's or a Sublicensee's obligations under this Agreement, or

(c) a breach by Licensee or any Sublicensee of this Agreement;

provided, however, that Licensee will not be obligated to indemnify a Licensor Indemnified Person for any Damages incurred by such Licensor Indemnified Person to the extent attributable to any breach of this Agreement by Licensor, a Licensor Indemnified Person or Licensor's contractors/licensees, or to any act or omission constituting gross negligence or willful misconduct on the part of Licensor, a Licensor Indemnified Person or Licensor's contractors/licensees, or any action taken by Licensee or its employees, agents, officers and directors upon the direction of Licensor or a Licensor Indemnified Person or that would otherwise constitute an indemnifiable claim pursuant to Section 11.1 above.

11.3 HMH Indemnity. Upon Licensee becoming a direct licensee of HMH under Section 2.5(b)(ii) of the Master License Agreement, in addition to HMH stepping into the place of Licensor for purposes of Section 11.1, HMH hereby agrees to indemnify and hold harmless the Licensee Indemnified Persons from and against any Damages which are suffered or incurred by any Licensee Indemnified Person and which arise from or as a result or a direct consequence of a Third Party claim arising out of or relating to, subject to the provisions of Section 2.4 above, a claim by a Third Party that the use of any HMH Product licensed hereunder infringes, misappropriates or otherwise violates its Intellectual Property Rights or contractual rights. Notwithstanding anything to the contrary herein, as per Section 2.5(b)(ii) of the Master License Agreement, HMH shall have no greater indemnification obligations to Licensee than it does to Daplon under the Master License Agreement.

11.4 Indemnification Procedure. The obligations and liabilities of a Party (and HMH upon Licensee becoming a direct licensee of HMH under Section 2.5(b)(ii) of the Master License Agreement) against which indemnification is sought hereunder with respect to claims resulting from the assertion of liability by Third Parties will be subject to this Section 11.3.

(a) Promptly after receipt by any Indemnified Person of notice of any demand or claim or the commencement of any action, proceeding or investigation (an "Asserted Liability") that could reasonably be expected to result in Damages with respect to which such Indemnified Person may be entitled to seek indemnification under this Agreement, the Indemnified Person will give notice thereof (a "Claim Notice") to the Party obligated to provide indemnification pursuant to Section 11.1 above or 11.2 above (the "Indemnifying Person"). Each Claim Notice will describe the Asserted Liability in reasonable detail, and will indicate the amount (estimated, if necessary) of the Damages that have been or may be suffered by the Indemnified Person. The rights of any Indemnified Person to be indemnified hereunder will not be adversely affected by its failure to give, or its failure to timely give, a Claim Notice with respect thereto unless, and if so, only to the extent that, the Indemnifying Person is prejudiced thereby.

(b) The Indemnifying Person will have the right, exercisable by written notice to the Indemnified Person within sixty (60) days after receipt of a Claim Notice from the Indemnified Person, to assume the defense of such Asserted Liability, using counsel selected by the Indemnifying Person and reasonably acceptable to the Indemnified Person, provided, that the Indemnifying Person has confirmed its indemnification obligation to such Indemnified Person under Section 11.1 above or 11.2 above, as applicable, with respect to such Asserted Liability. If the Indemnifying Person elects to assume the defense of the Asserted Liability, the Indemnifying Person will not be liable to the Indemnified Person for legal expenses incurred by the Indemnified Person in connection with the defense thereof. Subject to the foregoing, if the Indemnifying Person elects to defend such Asserted Liability, the Indemnified Person will reasonably cooperate in the defense against such Asserted Liability. If the Indemnifying Person elects not to defend the Asserted Liability or fails to notify the Indemnified Person of its election as herein provided (the "Non-Defending Person"), the Indemnified Person may pay, compromise or defend such Asserted Liability. The Non-Defending Person may participate, at its own expense, in the defense of such Asserted Liability. If the Indemnifying Person chooses to defend any claim, the Indemnified Person will make available to the Indemnifying Person any books, records or other documents applicable to such claims within its control, and the reasonable assistance of its employees.

(c) If any Indemnifying Person has assumed the defense of an Asserted Liability in accordance with the terms hereof, it may not consent to the entry of judgment with respect to, or otherwise settle or compromise such Asserted Liability without the consent of the Indemnified Person if such judgment, settlement or compromise would (i) require payment by any Indemnified Person, (ii) materially adversely affect the rights granted to any Indemnified Person, (iii) constitute an admission of wrongdoing or fault of any Indemnified Person, or (iv) materially conflict with the terms of this Agreement. In the case of Licensee as the Indemnifying Person, Licensee will not make any admission or agree to any settlement or compromise that would have a material and adverse impact on any HMH Product without obtaining Licensor's prior written consent. Regardless of whether the Indemnifying Person elects to assume the defense of the Asserted Liability in accordance with the terms hereof, the Indemnified Persons will not admit any liability with respect to, consent to the entry of judgment with respect to, or otherwise settle such Asserted Liability without the prior written consent of the Indemnifying Person, which consent will not be unreasonably withheld, delayed or conditioned. For clarity, in connection with any such settlement or compromise, Licensee will not have the right to sublicense any HMH Product other than as expressly set forth in Section 2.3 above.

12. **LIMITATION ON LIABILITY**. EXCEPT FOR BREACH OF SECTION 14 BELOW (CONFIDENTIALITY), OR TO THE EXTENT ARISING FROM THE PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION, ANY LOST PROFITS OR LOSS OF BUSINESS STEMMING FROM OR ARISING OUT OF THIS AGREEMENT, WHETHER THE BASIS OF THE LIABILITY IS BREACH OF CONTRACT, TORT, STATUTE, OR ANY OTHER LEGAL THEORY, AND WHETHER SUCH FIRST PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR NOT. THE FOREGOING EXCLUSIONS OF DAMAGES ARE NOT INTENDED TO LIMIT THE INDEMNIFICATION OBLIGATIONS HEREUNDER TO THE EXTENT THAT THE THIRD PARTY CLAIMS COVERED BY SUCH OBLIGATIONS INCLUDE THE TYPE OF DAMAGES THAT ARE EXCLUDED HEREUNDER. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, IN NO EVENT SHALL EACH PARTY OR ANY OF ITS AFFILIATES' AGGREGATE LIABILITY UNDER THIS AGREEMENT TOGETHER WITH ALL OTHER LIABILITY FOR INDEMNIFICATION OBLIGATIONS OR OTHERWISE UNDER THE FRAMEWORK AGREEMENT OR ANY OTHER AGREEMENT OR DOCUMENT ENTERED INTO OR DELIVERED IN CONNECTION WITH THE TRANSACTIONS AND RESTRUCTURING (AS DEFINED IN THE FRAMEWORK AGREEMENT) EXCEED THE MONETARY LIMITATIONS SET FORTH IN SECTION 9.2(D) OR 9.3(B), AS APPLICABLE, OF THE FRAMEWORK AGREEMENT. FOR THE AVOIDANCE OF DOUBT, UPON LICENSEE BECOMING A DIRECT LICENSEE OF HMH UNDER SECTION 2.5(B)(II) OF THE MASTER LICENSE AGREEMENT, THE PRECEDING SENTENCE SHALL NOT APPLY TO HMH.

13. Third Party Infringement.

13.1 Notice. Each Party will promptly notify the other Party in writing of any actual or suspected infringement or misappropriation in the Territory of any HMH Product or related Intellectual Property Rights (any such infringement or misappropriation in the Territory, a "Third Party Infringement"). Such notification will include details of the identity of the infringing Third Party and the infringing act in the Territory.

13.2 Enforcement.

(a) Licensor's Rights. In the case of any Third Party Infringement, as between the Parties, Licensor shall have the sole right, but not the obligation, under its own control and at its own expense, to enforce the Intellectual Property Rights in the applicable HMH Products against the applicable Third Party. Licensor may enter into any settlement, consent judgment, or other voluntary final disposition of any infringement action hereunder, but shall not grant any license for said Intellectual Property Rights that would conflict with the Intellectual Property Rights granted by Licensor to Licensee under this Agreement, without the prior written consent of Licensee. At the cost and expense of Licensor, Licensee shall reasonably assist Licensor in any action or proceeding being prosecuted by Licensor if so requested, and shall join such action or proceeding if reasonably requested by Licensee or required by applicable Law.

(b) Licensee's Rights. If, within three (3) months after written notice of any Third Party Infringement, Licensor has not exercised its rights in Section 13.2(a) above with respect to such Third Party Infringement, then Licensor shall give notice to Licensee reasonably in advance of any deadline for such enforcement and, Licensee shall have the right in its sole discretion to bring suit on its own behalf, at its own expense, solely with respect to such specific claim of infringement. At the cost and expense of Licensee, Licensor shall reasonably assist Licensee in any action or proceeding being prosecuted by Licensee if so requested, and shall join such action or proceeding if reasonably requested by Licensee or required by applicable Law.

(c) Settlements. Notwithstanding the foregoing to the contrary, (i) neither Licensor nor Licensee will make any admission or agree to any settlement or compromise that would have a material and adverse impact on such other Party, or otherwise obligate such other Party to pay financial consideration, without obtaining such other Party's prior written consent and (ii) Licensee will not make any admission or agree to any settlement or compromise that would have a material and adverse impact on any HMH Product without obtaining Licensor's prior written consent. For clarity, in connection with any such settlement or compromise, Licensee will not have the right to sublicense any HMH Product other than as expressly set forth in Section 2.3 above.

(d) Recovery. Any recovery obtained from such proceedings will accrue to the Party that brought the applicable action or proceeding.

14. Confidentiality.

14.1 Use and Disclosure of Confidential Information. Each Party acknowledges that, in connection with the negotiation of and the transactions contemplated by this Agreement, it will obtain access to the Confidential Information of the other Party. From and after the date hereof, all Confidential Information conveyed by Disclosing Party will be used by Receiving Party solely as required or otherwise reasonably necessary to perform its obligations, exercise or enforce its rights under this Agreement or comply with applicable Law, and for no other purpose. The Receiving Party will not disclose, or permit the disclosure of, any of the Disclosing Party's Confidential Information to any Person except those Persons to whom such disclosure is reasonably necessary to permit the Receiving Party to perform its obligations, exercise or enforce its rights under this Agreement or comply with applicable Law. The Receiving Party will treat, and will cause its Affiliates and its and their Representatives and to treat, the Disclosing Party's Confidential Information as confidential, using the same degree of care as the Receiving Party normally employs to safeguard its own confidential information from unauthorized use or disclosure, but in no event less than a reasonable degree of care. Notwithstanding the foregoing, nothing contained herein will limit or restrict Licensee's or its Affiliates' right to use the HMH Products for any purpose that is consistent with the licenses granted pursuant to Section 2 above of this Agreement.

14.2 Disclosure Required by Law. In the event that the Receiving Party is requested pursuant to, or required by, applicable Law to disclose any of the Confidential Information, it will use all reasonable efforts to notify the Disclosing Party (if permitted by Law) in a timely manner so that the Disclosing Party may seek a protective order or other appropriate remedy. Each Party will reasonably cooperate in connection with any reasonable actions to be taken for the foregoing purpose. In any event, the Receiving Party may furnish the Confidential Information as requested or required pursuant to applicable Law (subject to any such protective order or other appropriate remedy) without liability under this Agreement, provided that the Receiving Party furnishes only that portion of the Confidential Information which the Receiving Party is advised by of its counsel is legally required, and the Receiving Party exercises reasonable efforts to obtain reliable assurances that confidential treatment will be accorded such Confidential Information.

14.3 Terms of this Agreement.

(a) Neither of the Parties will disclose any of the terms of this Agreement or the other agreements referred to herein to any Third Party without the prior written consent of the other Parties. Notwithstanding the foregoing, any Party may disclose such terms as are required to be disclosed to (i) its accountants and advisors who have a "need-to-know" solely for the purpose of providing services to such Party, including without limitation the preparation of such Party's periodic financial statements and reports and tax returns, (ii) any bona fide potential licensee or Sublicensee and its advisors, or (iii) existing and potential investors, lenders and acquirers and the accountants and advisors of any of the foregoing; provided, however, that any such recipient is bound by a written agreement (or in the case of attorneys or other professional advisors, formal ethical duties) requiring such recipients to treat, hold and maintain the terms of this Agreement as confidential information and only use the terms of this Agreement to (A) in the case of the foregoing clause (i), provide services to the applicable Party, (B), in the case of the foregoing clause (ii), consider taking the applicable license or sublicense and, if so taken, exercise the permitted license or sublicense rights, and (C) in the case of the foregoing clause (iii), consider or advise on a potential investment, loan or acquisition.

(b) In addition, this Agreement and the other agreements referred to herein and terms hereof and thereof may be disclosed by any Party in connection with its periodic financial statements and reports and tax returns, to enforce its rights under this Agreement or such other agreements or as otherwise required pursuant to applicable Law, rule or regulation of any governmental or regulatory organization; provided that, before making such a disclosure as required by Law, rule or regulation, such Party will inform the other Party in writing a reasonable time prior to such required disclosure, will provide such other Party with a copy of the text of such proposed disclosure sufficiently in advance of the proposed disclosure to afford such other Party a reasonable opportunity to review and comment upon the proposed disclosure (including, if applicable, the redacted version of this Agreement or other agreement referred to herein) and will reasonably consider, consistent with applicable Law, rule and regulation (including interpretations thereof), the requests of such other Party regarding confidential treatment for such disclosure.

15. **Bankruptcy Treatment**. Licensor hereby waives any rights or remedies it may have (or any of its Affiliates may have on its behalf) under any local, state, federal or foreign insolvency, bankruptcy or other laws ("Bankruptcy Laws"), including but not limited to 11 U.S.C. Section 365 or any provision of any Bankruptcy Laws similar thereto, to reject, cancel, suspend, modify or terminate this Agreement or any rights granted hereunder to Licensee or any of its Sublicensees. Licensor agrees that 11 U.S.C. Section 365(n) and any provision of any other Bankruptcy Law similar thereto shall apply to this Agreement.

16. **[Intentionally omitted.]**

17. **Miscellaneous.**

17.1 Entire Agreement; Modification.

(a) The following are collectively intended to be the entire and complete statement of the terms of the agreement between the Parties with respect to the subject matter hereof:

(i) this Agreement; and

(ii) all Exhibits attached to this Agreement,

which supersede any prior written or oral agreement or understandings between the Parties, including but not limited to the October 2011 Rise HK Agreement and the December 2012 Rise HK Agreement, which are hereby amended, replaced, and restated by this Agreement.

(b) This Agreement may be amended, modified, or supplemented only in a writing signed by the Parties.

(c) Registration/Recordation and Submission of Agreement. Subject to the provisions herein and notwithstanding anything to the contrary in Section 14, in the event that a Party or its Sublicensee is required to disclose this Agreement (or any portion of this Agreement) to a Governmental Body under applicable Law or as reasonably necessary for enabling payments under applicable Law between the Parties or a Party and its Sublicensee, such Party shall, and shall cause the applicable Sublicensee to, provide prior written notice to the other Party of such disclosure requirement and the Parties shall cooperate in good faith to prepare and execute an abbreviated license agreement in form and substance reasonably acceptable to both Parties, solely for purposes of such disclosure, and any other documents in connection with such disclosure required by such Governmental Body, and submit to such Governmental Body such abbreviated license agreement along with such documents required by such Governmental Body. Notwithstanding the existence of any such executed abbreviated license agreement or other document, the terms and conditions of this Agreement shall control in all respects in the event of any conflicting terms and conditions or dispute regarding the interpretation, applicability or enforcement of such abbreviated license agreement or other document. Licensee covenants that any Sublicense Agreement executed or amended and restated in its entirety on or after the date hereof shall contain a provision requiring that, notwithstanding the existence of any executed abbreviated license agreement or other document concerning the license rights contemplated under this Agreement, the terms and conditions of the applicable Sublicense Agreement shall control in all respects in the event of any conflicting terms and conditions or dispute regarding the interpretation, applicability or enforcement of such abbreviated license agreement or other document.

17.2 Expenses. Except as specifically provided herein, Licensor and Licensee will each pay its own expenses (including the fees and expenses of their respective agents, representatives, counsel and accountants) incidental to the preparation, negotiation, and consummation of this Agreement and the transactions contemplated hereby.

17.3 Notices. Any notice, request, demand or other communication given by any Party under this Agreement (each a "notice") will be in writing, may be given by a Party or its legal counsel, and will be deemed to be duly given (i) when personally delivered, or (ii) upon delivery by an internationally recognized express courier service which provides evidence of delivery, or (iii) when three business days have elapsed after its transmittal by registered or certified mail, postage prepaid, return receipt requested, addressed to the Party to whom directed at that Party's address as it appears below or another address of which that Party has given notice, or (iv) one business day after transmittal when delivered by facsimile transmission if a copy thereof is also delivered in person or by overnight courier. Notices of address change will be effective only upon receipt notwithstanding the provisions of the foregoing sentence.

If to Daplon, to:

Daplon Limited
75 St. Stephen's Green
4th Floor
Dublin 2
Ireland
Attention: Garrett Power
Facsimile: +353-1-511-0105

With a copy to:

Debevoise & Plimpton LLP
919 Third Avenue
New York, New York 10022
Attention: Sarah A.W. Fitts
Telephone: +1-212-909-6251
Facsimile: +1-212-521-7051

If to Licensee, to:

RISE Education Hong Kong Limited
Room 1505, 15th Floor,
World-Wide House, 19 Des Voeux Road
Central, Hong Kong
Attention: Mr. Paul Wang

provided, however, that if any Party will have designated a different address by notice to the others, then to the last address so designated.

17.4 Successors and Assigns; Assignment. This Agreement or any part thereof, may not be assigned or transferred by any Party, by operation of law or otherwise, without the prior written consent of the other Party, such consent not to be unreasonably withheld, except that either Licensee or Licensor (the "Assigning Party") may assign or transfer this Agreement in whole, by operation of law or otherwise, without the consent of any other Party (the "Non- Assigning Party") in connection with the transfer and sale of all or substantially all of the assets, equity or business of the Assigning Party to which this Agreement relates, provided that the Person acquiring the Assigning Party or applicable assets, equity or business expressly assumes, in a writing delivered to the Non-Assigning Party, all of the terms and conditions of this Agreement. Notwithstanding the foregoing to the contrary, without the prior written consent of Licensor, the Licensee may not assign or transfer this Agreement to any Excluded Third Party or to any Third Party that has been finally adjudged by a court of competent jurisdiction in the last five (5) years to be liable for willful copyright infringement or its substantial equivalent under foreign law. A Change of Control results in an assignment for purposes of this Section 17.4, provided that (i) an underwritten initial public offering of the equity securities of any Party or (ii) the acquisition of securities by any party that holds any equity interest in the Assigning Party on the Effective Date of this Agreement shall not be deemed a Change of Control or an assignment under this Section 17.4. Subject to the forgoing, this Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

17.5 Waivers. The failure of a Party hereto at any time or times to require performance of any provision hereof will in no manner affect its right at a later time to enforce the same. No waiver by a Party of any condition or of any breach of any term, covenant, representation or warranty contained in this Agreement will be effective unless in writing, and no waiver in any one or more instances will be deemed to be a further or continuing waiver of any such condition or breach in other instances or a waiver of any other condition or breach of any other term, covenant, representation or warranty.

17.6 Captions, Section Headings. As used in this Agreement, “including” means “including but not limited to”, and “herein”, “hereof” and “hereunder” refer to this Agreement as a whole. The Section headings used herein are for reference and convenience only, and shall not enter into the interpretation of this Agreement. Unless otherwise expressly provided herein, any reference to a number of “days” hereunder shall refer to calendar days. References to Sections include subsections, which are part of the related Section (*e.g.*, a section numbered “Section 3.1(a)(i)” would be part of “Section 3”, and references to “Section 3” would also refer to material contained in the section described as “Section 3.1(a)(i)”).

17.7 Governing Law; Consent to Jurisdiction. All disputes, claims or controversies arising out of or related to this Agreement, or the negotiation, validity or performance of this Agreement, or the transactions contemplated hereby will be governed by and construed in accordance with the Laws of the state of New York without regard to its rules of conflict of Laws that would result in the application of the law of another jurisdiction. Each of the Parties hereto hereby irrevocably and unconditionally consents to submit to the sole and exclusive jurisdiction of the courts of the state of New York and of the federal district court situated in the Southern District of New York located in Manhattan, New York (the “New York Courts”) for any litigation between the Parties hereto arising out of or relating to this Agreement, or the negotiation, validity or performance of this Agreement. Each of the Parties hereto also irrevocably and unconditionally waives any objection to the laying of venue of any such litigation in the New York Courts and agrees not to plead or claim in any court or other forum anywhere in the world that such litigation brought in the New York Courts has been brought in an inconvenient forum or that there are indispensable parties to such litigation that are not subject to the jurisdiction of the New York Courts, or any other claim that would result in the Party avoiding adjudication of the litigation in the New York Courts.

17.8 Cooperation; Severability. Each Party will cooperate fully with the other in order to give full effect to the rights granted hereunder, including the execution of further documents and taking such actions as reasonable necessary in connection therewith. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition and unenforceability in any jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction, and the parties will use their best efforts to amend this agreement, consistent with applicable legal obligations, to achieve the original intent of the parties hereunder.

17.9 No Third Party Beneficiaries. Except for (a) any Sublicensee for purposes of enforcing rights under Section 2.3(b)(ii) above and as provided in Section 17.12 below, and (b) the potential non-Party indemnities identified in Section 11 above, there shall be no third-party beneficiaries, either express or implied, to this Agreement.

17.10 Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Unless expressly indicated otherwise, illustrations or examples are not meant to be interpreted by means of limitation.

17.11 Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed to be an original, and such counterparts will together constitute one and the same instrument. A facsimile or electronic transmission in portable data format of an executed counterpart signature page will be deemed an original.

17.12 Third-Party Beneficiary. Until Licensee becomes a direct licensee of HMH under Section 2.5(b)(ii) of the Master License Agreement, HMH is a third-party beneficiary to this Agreement, with full power and authority to enforce its terms and conditions against the Licensee, but only in connection with the protection of its interest in the HMH Products and related Intellectual Property Rights licensed to Licensee under this Agreement.

17.13 Reversal. Notwithstanding anything to the contrary contained herein, in the event the Final Transfer Date (as defined in the Framework Agreement) does not occur in accordance with the terms and conditions of the Framework Agreement, this Agreement shall be null and void *ab initio* and the Parties agree that and each Party shall, and shall cause its Affiliates to, take any and all actions to the extent necessary to reverse the transactions that have occurred and to return any payments made prior to the termination of this Agreement so that the Parties will be in a position as if the transactions covered by this Agreement had not occurred. The cost for such reversal shall be borne in accordance with the terms of the Framework Agreement. For the avoidance of doubt, upon Licensee becoming a direct licensee of HMH under Section 2.5(b)(ii) of the Master License Agreement, the preceding sentence shall not apply to HMH.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives as of the date first above written.

DAPLON LIMITED

By: /s/ Barry O'Callaghan
Name
Title

RISE EDUCATION HONG KONG LTD.

By: /s/ Paul Wang
Name
Title

[Signature Page to Amended and Restated License Agreement - Rise Education Hong Kong Ltd.]

EXHIBIT A

HMH PRODUCTS.

Attached is Exhibit A as included within the Master License Agreement, but excluding (i) the HMH Indian/IB Schools Other Backlist Products and (ii) the HMH Indian/IB Schools Other Frontlist Products. The page numbers refer to Exhibit A as included within the Master License Agreement and should be disregarded for purposes of this Exhibit A of this Agreement.

EXHIBIT A

HMH ELL Destination Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Destination Success LMS 4	N/A	N/A	Source	Yes	No
Math	N/A	N/A		Yes	No
Edmark House Series: Millie's Math House	N/A	N/A	Source	Yes	No
Destination Math (MSCI)	N/A	N/A	Source	No	No
Destination Math (MSCII)	N/A	N/A	Source	No	No
Destination Math (MSCIII)	N/A	N/A	Source	No	No
Destination Math (MSCIV)	N/A	N/A	Source	No	No
Destination Math (MSCV)	N/A	N/A	Source	No	No
Destination Math (MA1_1)	N/A	N/A	Source	No	No
Destination Math (MA1_2)	N/A	N/A	Source	No	No
Edmark Mighty Math	N/A	N/A		Yes	No
Astro Algebra	N/A	N/A	Source	Yes	No
Calculating Crew	N/A	N/A	Source	Yes	No
Carnival Countdown	N/A	N/A	Source	Yes	No
Cosmic Geometry	N/A	N/A	Source	Yes	No
Number Heroes	N/A	N/A	Source	Yes	No
Zoo Zillions	N/A	N/A	Source	Yes	No
English	N/A	N/A		Yes	No
Edmark House Series: Bailey's Book House	N/A	N/A	Source	Yes	No
Destination Reading 1	N/A	N/A	Source	No	No
Destination Reading 2	N/A	N/A	Source	No	No
Destination Reading 3	N/A	N/A	Source	No	No
Destination Reading 4	N/A	N/A	Source	No	No
Science	N/A	N/A		Yes	No
Edmark House Series: Sammy's Science House	N/A	N/A	Source	Yes	No
Edmark Thinkin' Things	N/A	N/A		Yes	No
Collection 1	N/A	N/A	Source	Yes	No

EXHIBIT A

HMH ELL Destination Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Collection 2	N/A	N/A	Source	Yes	No
Collection 3	N/A	N/A	Source	Yes	No
Logal	N/A	N/A		Yes	No
High School Science Explorer Series	N/A	N/A	**Goldmaster**	Yes	No
High School Science Gateways Series	N/A	N/A	**Goldmaster**	Yes	No
Middle School Science Gateways Series	N/A	N/A	**Goldmaster**	Yes	No
Social Studies	N/A	N/A		Yes	No
Edmark House Series: Trudy's Time and Place	N/A	N/A	Source	Yes	No
Educational Games	N/A	N/A		Yes	No
Cluefinders	N/A	N/A		Yes	No
3rd Grade Adventures: The Mystery of Mathra	N/A	N/A	Source	Yes	No
4th Grade Adventures: Puzzle of the Pyramid	N/A	N/A	Source	Yes	No
5th Grade Adventures: The Secret of the Living Volcano	N/A	N/A	Source	Yes	No
6th Grade Adventures: The Empire of the plant People	N/A	N/A	Source	Yes	No
Math Adventures	N/A	N/A	Source	Yes	No
Reading Adventures	N/A	N/A	**Goldmaster**	Yes	No
Search and Solve Adventures	N/A	N/A	Source	Yes	No
The Incredible Toy Story Adventure	N/A	N/A	**Goldmaster**	Yes	No
Mystery Mansion Arcade	N/A	N/A	**Goldmaster**	Yes	No
Starflyers	N/A	N/A		Yes	No
Alien Space Chase	N/A	N/A	**Goldmaster**	Yes	No
Royal Jewel Rescue	N/A	N/A	Source	Yes	No
Mavis Beacon Teaches Typing	N/A	N/A	Source	Yes	No
Oregon Trail	N/A	N/A	Source	Yes	No

EXHIBIT A

HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
HM Reading 08					
Grade 5	2008				Yes
Anthology Audio CD	2008	9780618385386	GM	No	Yes
Practice Book Volume 1	2008	9780618384785	PDF	No	Yes
Practice Book Volume 2	2008	9780618384792	PDF	No	Yes
Theme 1 Teacher's Edition	2008	9780618851720	PDF	No	Yes
Theme 2 Teacher's Edition	2008	9780618851737	PDF	No	Yes
Theme 3 Teacher's Edition	2008	9780618851744	PDF	No	Yes
Theme 4 Teacher's Edition	2008	9780618851751	PDF	No	Yes
Theme 5 Teacher's Edition	2008	9780618851768	PDF	No	Yes
Theme 6 Teacher's Edition	2008	9780618851775	PDF	No	Yes
Teacher's Resource Blackline Masters	2008	9780618385164	PDF	No	Yes
Practice Book (TAE) Volume 1	2008	9780618384907	PDF	No	Yes
Practice Book (TAE) Volume 2	2008	9780618384914	PDF	No	Yes
Instruction Masters/Transparencies & Strategy Posters	2008	9780618385010	PDF	No	Yes
Integrated Theme Tests (pkg 35 & TAE)	2008	9780618385959	PDF	No	Yes
Weekly Skills Test BLMs/TAE	2008	9780618618958	PDF	No	Yes
Benchmark Progress Tests (pkg of 35 & TAE)	2008	9780395750186	PDF	No	Yes
Baseline Group Test (BLMs & TM)	2008	9780395763759	PDF	No	Yes
Grade 6	2008				Yes
Anthology Audio CD	2008	9780618385393	GM	No	Yes
Practice Book Volume 1	2008	9780618384808	PDF	No	Yes
Practice Book Volume 2	2008	9780618384815	PDF	No	Yes
Theme 1 Teacher's Edition	2008	9780618851799	PDF	No	Yes
Theme 2 Teacher's Edition	2008	9780618851805	PDF	No	Yes
Theme 3 Teacher's Edition	2008	9780618851812	PDF	No	Yes
Theme 4 Teacher's Edition	2008	9780618851829	PDF	No	Yes

EXHIBIT A

HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Theme 5 Teacher's Edition	2008	9780618851836	PDF	No	Yes
Theme 6 Teacher's Edition	2008	9780618851843	PDF	No	Yes
Teacher's Resource Blackline Masters	2008	9780618385171	PDF	No	Yes
Practice Book (TAE) Volume 1	2008	9780618384921	PDF	No	Yes
Practice Book (TAE) Volume 2	2008	9780618384938	PDF	No	Yes
Instruction Masters/Transparencies & Strategy Posters	2008	9780618385027	PDF	No	Yes
Integrated Theme Tests (pkg of 35 & TAE)	2008	9780618385966	PDF	No	Yes
Weekly Skills Test BLMs/TAE	2008	9780618618965	PDF	No	Yes
Benchmark Progress Tests (pkg of 35 & TAE)	2008	9780395750193	PDF	No	Yes
Baseline Group Test (BLMs & TM)	2008	9780395763766	PDF	No	Yes
EO Lang 07					
Introductory Course	2007				
Annotated Teacher's Edition	2007	9780618601493	PDF	No	Yes
•Diagnostic Screening Tests for Grammar, Usage, and Mechanics	2007	9780030535345	PDF	No	Yes
Grammar, Usage, and Mechanics: Language Skills Practice Answer Key	2007	9780030563584	PDF	No	Yes
Grammar, Usage, and Mechanics: Languages Skills Practice	2007	9780030563492	PDF	No	Yes
Sentences and Paragraphs	2007	9780030563140	PDF	No	Yes
Spelling Lessons and Activities	2007	9780030563263	PDF	No	Yes
Spelling Teacher's Guide	2007	9780030575815	PDF	No	Yes
Vocabulary Workshop Answer Keys Grade 6-12	2007	9780030574160	PDF	No	Yes
Vocabulary Workshop	2007	9780030560231	PDF	No	Yes
Vocabulary Workshop Tests	2007	9780030562976	PDF	No	Yes
Alternative Readings Book	2007	9780030572913	PDF	No	Yes
Assessment Alternatives Book	2007	9780030575662	PDF	No	Yes

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HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Chapter Tests Book	2007	9780030563775	PDF	No	Yes
Chapter Tests in Standardized Test Formats	2007	9780030563867	PDF	No	Yes
Combining Sentences Book	2007	9780030563065	PDF	No	Yes
Communications Book	2007	9780030564031	PDF	No	Yes
Designing Your Writing: Strategies for Middle School Students	2007	9780030563294	PDF	No	Yes
Developmental Language Skills Book	2007	9780030700583	PDF	No	Yes
Developmental Language Skills Teacher's Notes and Answer Key	2007	9780030700675	PDF	No	Yes
Media Literacy and Communication Skills	2007	9780030573989	PDF	No	Yes
Teaching Strategies for English-Language Learners	2007	9780030647383	PDF	No	Yes
Holt Interactive Spelling CD-ROM	2007	9780030676499	GM	No	Yes
First Course	2007				Yes
Annotated Teacher's Edition	2007	9780030796876	PDF	No	Yes
•Diagnostic Screening Tests for Grammar, Usage, and Mechanics	2007	9780030535376	PDF	No	Yes
Grammar, Usage, and Mechanics: Language Skills Practice Answer Key	2007	9780030563591	PDF	No	Yes
Grammar, Usage, and Mechanics: Languages Skills Practice	2007	9780030563515	PDF	No	Yes
Sentences and Paragraphs	2007	9780030563164	PDF	No	Yes
Spelling Lessons and Activities	2007	9780030563270	PDF	No	Yes
Spelling Teacher's Guide	2007	9780030639982	PDF	No	Yes
Vocabulary Workshop Answer Keys Grade 6-12	2007	9780030574160	PDF	No	Yes
Vocabulary Workshop First Course	2007	9780030560248	PDF	No	Yes
Vocabulary Workshop Tests	2007	9780030562983	PDF	No	Yes
Alternative Readings Book	2007	9780030572920	PDF	No	Yes

EXHIBIT A

HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Assessment Alternatives Book	2007	9780030575730	PDF	No	Yes
Chapter Tests Book	2007	9780030563782	PDF	No	Yes
Chapter Tests in Standardized Test Formats	2007	9780030563874	PDF	No	Yes
Combining Sentences Book	2007	9780030563072	PDF	No	Yes
Communications Book	2007	9780030564048	PDF	No	Yes
Designing Your Writing: Strategies for Middle School Students	2007	9780030563294	PDF	No	Yes
Developmental Language Skills	2007	9780030700590	PDF	No	Yes
Developmental Language Skills Teacher's Notes and Answer Key	2007	9780030700682	PDF	No	Yes
Media Literacy and Communication Skills Book	2007	9780030573996	PDF	No	Yes
Teaching Strategies for English-Language Learners	2007	9780030647390	PDF	No	Yes
Holt Interactive Spelling CD-ROM	2007	9780030676512	GM	No	Yes
Second Course	2007				Yes
Annotated Teacher's Edition	2007	9780030796883	PDF	No	Yes
Diagnostic Screening Tests for Grammar, Usage, and Mechanics Book	2007	9780030535383	PDF	No	Yes
Grammar, Usage, and Mechanics: Language Skills Practice Answer Key	2007	9780030563614	PDF	No	Yes
Grammar, Usage, and Mechanics: Languages Skills Practice	2007	9780030563522	PDF	No	Yes
Sentences and Paragraphs	2007	9780030563171	PDF	No	Yes
Spelling Lessons and Activities Book	2007	9780030563287	PDF	No	Yes
Spelling Teacher's Guide	2007	9780030640346	PDF	No	Yes
Vocabulary Workshop Answer Keys Grade 6-12	2007	9780030574160	PDF	No	Yes
Vocabulary Workshop Second Course	2007	9780030560279	PDF	No	Yes
Vocabulary Workshop Tests	2007	9780030562990	PDF	No	Yes

EXHIBIT A

HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Alternative Readings Book	2007	9780030572937	PDF	No	Yes
Assessment Alternatives Book	2007	9780030572937	PDF	No	Yes
Chapter Tests Book	2007	9780030563799	PDF	No	Yes
Chapter Tests in Standardized Test Formats	2007	9780030563881	PDF	No	Yes
Combining Sentences Book	2007	9780030563089	PDF	No	Yes
Communications Book	2007	9780030564062	PDF	No	Yes
Designing Your Writing: Strategies for Middle School Students	2007	9780030563294	PDF	No	Yes
Developmental Language Skills Book	2007	9780030700613	PDF	No	Yes
Developmental Language Skills Teacher's Notes and Answer Key	2007	9780030700699	PDF	No	Yes
Media Literacy and Communication Skills Book	2007	9780030574016	PDF	No	Yes
Teaching Strategies for English-Language Learners	2007	9780030647413	PDF	No	Yes
Holt Interactive Spelling CD-ROM	2007	9780030676529	GM	No	Yes
EO Lit 07					
Introductory Course					
Annotated Teacher's Edition	2007	9780030424229	PDF	No	Yes
The Holt Reader	2007	9780030790188	PDF	No	Yes
The Holt Reader Teacher's Manual	2007	9780030790270	PDF	No	Yes
Holt Adapted Reader	2007	9780030798016	PDF	No	Yes
Holt Adapted Reader Answer Key	2007	9780030359095	PDF	No	Yes
Holt Assessment: Literature, Reading, and Vocabulary	2007	9780030789922	PDF	No	Yes
Holt Assessment: Writing, Listening, and Speaking	2007	9780030790010	PDF	No	Yes
Language Handbook Worksheets Answer Key	2007	9780030739279	PDF	No	Yes
Language Handbook Worksheets	2007	9780030739170	PDF	No	Yes
Vocabulary Development	2007	9780030790638	PDF	No	Yes
Audio CD Library	2007	9780030789670	GM	No	Yes

EXHIBIT A

HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
PowerNotes Lesson Presentations with Video CD-ROM	2007	9780030424335	GM	No	Yes
Holt Multicultural Reader	2007	9780030785917	PDF	No	Yes
Holt Multicultural Reader Teacher's Guide	2007	9780030785979	PDF	No	Yes
Holt Reading Solutions	2007	9780030790362	PDF	No	Yes
Visual Connections VHS Program	2007	9780030738623	GM	No	Yes
First Course	2007				Yes
Annotated Teacher's Edition	2007	9780030424236	PDF	No	Yes
Holt Adapted Reader	2007	9780030798023	PDF	No	Yes
Holt Adapted Reader Answer Key	2007	9780030359095	PDF	No	Yes
Holt Assessment: Literature, Reading, and Vocabulary	2007	9780030789939	PDF	No	Yes
Holt Assessment: Writing, Listening, and Speaking	2007	9780030790027	PDF	No	Yes
Language Handbook Worksheets Answer Key	2007	9780030739286	PDF	No	Yes
Language Handbook Worksheets	2007	9780030739187	PDF	No	Yes
The Holt Reader	2007	9780030790195	PDF	No	Yes
The Holt Reader Teacher's Manual	2007	9780030790287	PDF	No	Yes
Vocabulary Development	2007	9780030790645	PDF	No	Yes
Audio CD Library	2007	9780030789687	GM	No	Yes
PowerNotes Lesson Presentations with Video CD-ROM	2007	9780030424342	GM	No	Yes
Holt Multicultural Reader	2007	9780030785924	PDF	No	Yes
Holt Multicultural Reader Teacher's Guide	2007	9780030785986	PDF	No	Yes
Holt Reading Solutions	2007	9780030790379	PDF	No	Yes
Visual Connections VHS Program	2007	9780030738630	GM	No	Yes
Second Course	2007				Yes
Annotated Teacher's Edition	2007	9780030424243	PDF	No	Yes
The Holt Reader	2007	9780030790218	PDF	No	Yes
The Holt Reader Teacher's Manual	2007	9780030790294	PDF	No	Yes
Holt Adapted Reader	2007	9780030798030	PDF	No	Yes

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HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Holt Adapted Reader Answer Key	2007	9780030359095	PDF	No	Yes
Holt Assessment: Literature, Reading, and Vocabulary	2007	9780030789946	PDF	No	Yes
Holt Assessment: Writing, Listening, and Speaking	2007	9780030790034	PDF	No	Yes
Language Handbook Worksheets Answer Key	2007	9780030739293	PDF	No	Yes
Language Handbook Worksheets	2007	9780030739194	PDF	No	Yes
Vocabulary Development	2007	9780030790669	PDF	No	Yes
Audio CD Library	2007	9780030789694	GM	No	Yes
PowerNotes Lessons Presentations with Video CD-ROM	2007	9780030424373	GM	No	Yes
Holt Multicultural Reader	2007	9780030785931	PDF	No	Yes
Holt Multicultural Reader Teacher's Guide	2007	9780030785993	PDF	No	Yes
Holt Reading Solutions	2007	9780030790386	PDF	No	Yes
Visual Connections VHS Program	2007	9780030738647	GM	No	Yes
Holt Science and Technology Short Course Series					
Life Science Visual Concepts CD-ROM	2005	9780030369322	GM	No	Yes
Earth Science Visual Concepts CD-ROM	2005	9780030369339	GM	No	Yes
Physical Science Visual Concepts CD-ROM	2005	9780030369346	GM	No	Yes
HM Reading 08					
Grade K					
Practice Book Volume 1	2008	9780618384686	PDF	No	Yes
Practice Book Volume 2	2008	9780618384693	PDF	No	Yes
Welcome To School Big Books (includes first 2 titles below)	2008	9780618088898	PDF	No	Yes
From Apples to Zebras: A Book of ABC's	2008	9780618034314	PDF	No	Yes
Higglety Pigglety: A Book of Rhymes	2008	9780618034307	PDF	No	Yes
In The Big Blue Sea	2008	9780618034123	PDF	No	Yes
My Dad and 1	2008	9780618034178	PDF	No	Yes

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HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Ten Little Puppies	2008	9780618034192	PDF	No	Yes
All to Build a Snowman	2008	9780618034215	PDF	No	Yes
In the Big Blue Sea	2008	9780618036387	PDF	No	Yes
My Dad and 1	2008	9780618036424	PDF	No	Yes
Ten Little Puppies	2008	9780618036448	PDF	No	Yes
All to Build a Snowman	2008	9780618036462	PDF	No	Yes
The Half Chicken	2008	9780618034468	PDF	No	Yes
Run Away!	2008	9780618034505	PDF	No	Yes
Theme 1 Book (3 stories)	2008	9780618161874	PDF	No	Yes
Theme 2 Book (3 stories)	2008	9780618161881	PDF	No	Yes
Theme 3 Book (3 stories)	2008	9780618161898	PDF	No	Yes
Theme 4 Book (3 stories)	2008	9780618161904	PDF	No	Yes
Theme 5 Book (3 stories)	2008	9780618161911	PDF	No	Yes
Theme 6 Book (3 stories)	2008	9780618161928	PDF	No	Yes
Theme 7 Book (3 stories)	2008	9780618161935	PDF	No	Yes
Theme 8 Book (3 stories)	2008	9780618161942	PDF	No	Yes
Theme 9 Book (3 stories)	2008	9780618161959	PDF	No	Yes
Theme 10 Book (3 stories)	2008	9780618161966	PDF	No	Yes
On My Way Practice Readers (10 titles, 1 copy of each)	2008	9780618089536	PDF	No	Yes
Word and Picture Books Blackline Masters	2008	9780618162796	PDF	No	Yes
Theme 1 Teacher’s Edition	2008	9780618850952	PDF	No	Yes
Theme 2 Teacher’s Edition	2008	9780618850969	PDF	No	Yes
Theme 3 Teacher’s Edition	2008	9780618850976	PDF	No	Yes
Theme 4 Teacher’s Edition	2008	9780618850990	PDF	No	Yes
Theme 5 Teacher’s Edition	2008	9780618851010	PDF	No	Yes
Theme 6 Teacher’s Edition	2008	9780618851034	PDF	No	Yes
Theme 7 Teacher’s Edition	2008	9780618851058	PDF	No	Yes

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HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Theme 8 Teacher's Edition	2008	9780618851072	PDF	No	Yes
Theme 9 Teacher's Edition	2008	9780618851096	PDF	No	Yes
Theme 10 Teacher's Edition	2008	9780618851119	PDF	No	Yes
Teacher's Resource Blackline Masters	2008	9780618385119	PDF	No	Yes
Phonics Center	2008	9780618075232	PDF	No	Yes
Letter, Word and Picture Cards	2008	9780618075218	PDF	No	Yes
Theme Posters	2008	9780618075331	PDF	No	Yes
Integrated Theme Tests TAE	2008	9780618422241	PDF	No	Yes
Theme Skills Test BLMs and TAE	2008	9780618387465	PDF	No	Yes
Theme Skills Test TAE	2008	9780618387397	PDF	No	Yes
Weekly Skills Test BLMs and TAE	2008	9780618713745	PDF	No	Yes
Grade 1	2008				
Grade 1.1 Anthology Here We Go	2008	9780618848102	PDF	No	Yes
Grade 1.2 Anthology Let's Be Friends	2008	9780618848119	PDF	No	Yes
Grade 1.3 Anthology Surprises	2008	9780618848126	PDF	No	Yes
Grade 1.4 Anthology Treasures	2008	9780618848133	PDF	No	Yes
Grade 1.5 Anthology Wonders	2008	9780618848140	PDF	No	Yes
Grades 1.1-1.2 Anthology Audio CD	2008	9780618385263	GM	No	Yes
Grades 1.3-1.5 Anthology Audio CD	2008	9780618385270	GM	No	Yes
Grade 1.1 Anthology Audio CD	2008	9780618385287	GM	No	Yes
Grade 1.2 Anthology Audio CD	2008	9780618385294	GM	No	Yes
Grade 1.3 Anthology Audio CD	2008	9780618385300	GM	No	Yes
Grade 1.4 Anthology Audio CD	2008	9780618385317	GM	No	Yes
Grade 1.5 Anthology Audio CD	2008	9780618385324	GM	No	Yes
Practice Book Volume 1	2008	9780618384709	PDF	No	Yes
Practice Book Volume 2	2008	9780618384716	PDF	No	Yes
Grades 1.1-1.5 Big Book ABC's in Rhyme, Chant and Song	2008	9780395916728	PDF	No	Yes

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HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Theme 1 Book (9 stories)	2008	9780618387090	PDF	No	Yes
Theme 2 Book (9 stories)	2008	9780618387106	PDF	No	Yes
Theme 3 Book (9 stories)	2008	9780618387113	PDF	No	Yes
Theme 4 Book (9 stories)	2008	9780618387120	PDF	No	Yes
Theme 5 Book (9 stories)	2008	9780618162017	PDF	No	Yes
Theme 6 Book (9 stories)	2008	9780618162024	PDF	No	Yes
Theme 7 Book (9 stories)	2008	9780618162031	PDF	No	Yes
Theme 8 Book (9 stories)	2008	9780618162048	PDF	No	Yes
Theme 9 Book (9 stories)	2008	9780618162055	PDF	No	Yes
Theme 10 Book (9 stories)	2008	9780618162062	PDF	No	Yes
On My Way Practice Readers (30 titles, 1 copy of each)	2008	9780618088904	PDF	No	Yes
Grade 1.1 Take-Homes (40 stories, 5 copies each)	2008	9780618201365	PDF	No	Yes
Grade 1.2 Take-Homes (33 stories, 5 copies each)	2008	9780618201372	PDF	No	Yes
Grade 1.3 Take-Homes (51 stories, 5 copies each)	2008	9780618201389	PDF	No	Yes
Grade 1.4 Take-Homes (32 stories, 5 copies each)	2008	9780618201396	PDF	No	Yes
Grade 1.5 Take-Homes (34 stories, 5 copies each)	2008	9780618201402	PDF	No	Yes
Grades 1.1-1.2 Blackline Masters	2008	9780618162802	PDF	No	Yes
Grades 1.3-1.5 Blackline Masters	2008	9780618162819	PDF	No	Yes
Theme 1 Teacher’s Edition	2008	9780618851348	PDF	No	Yes
Theme 2 Teacher’s Edition	2008	9780618851355	PDF	No	Yes
Theme 3 Teacher’s Edition	2008	9780618851362	PDF	No	Yes
Theme 4 Teacher’s Edition	2008	9780618851379	PDF	No	Yes
Theme 5 Teacher’s Edition	2008	9780618851386	PDF	No	Yes
Theme 6 Teacher’s Edition	2008	9780618851393	PDF	No	Yes
Theme 7 Teacher’s Edition	2008	9780618851409	PDF	No	Yes
Theme 8 Teacher’s Edition	2008	9780618851416	PDF	No	Yes

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HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Theme 9 Teacher's Edition	2008	9780618851423	PDF	No	Yes
Theme 10 Teacher's Edition	2008	9780618851430	PDF	No	Yes
Teacher's Resource Blackline Masters	2008	9780618385126	PDF	No	Yes
Letter, Word and Picture Cards	2008	9780618075225	PDF	No	Yes
Practice Book (TAE) Volume 1	2008	9780618384822	PDF	No	Yes
Practice Book (TAE) Volume 2	2008	9780618384839	PDF	No	Yes
Instruction Masters/Transparencies and Strategy Posters	2008	9780618384976	PDF	No	Yes
Grades 1.1-1.2 Integrated Theme Tests (pkg of 35 & TAE)	2008	9780618385881	PDF	No	Yes
Grades 1.1-1.2 Integrated Theme Tests TAE	2008	9780618422258	PDF	No	Yes
Grades 1.3-1.5 Integrated Theme Tests (pkg of 35 & TAE)	2008	9780618385898	PDF	No	Yes
Grades 1.3-1.5 Integrated Theme Tests TAE	2008	9780618422265	PDF	No	Yes
Theme Skills Test (pkg of 35 & TAE)	2008	9780618387809	PDF	No	Yes
Theme Skills Test BLMs and TAE	2008	9780618387472	PDF	No	Yes
Theme Skills Test TAE	2008	9780618387403	PDF	No	Yes
Grades 1.4-1.5 Benchmark Progress Tests (pkg of 35 & TAE)	2008	9780395750148	PDF	No	Yes
Grades 1.4-1.5 Benchmark Progress Tests TAE	2008	9780395750209	PDF	No	Yes
Weekly Skills Tests BLMs/TAE	2008	9780618618910	PDF	No	Yes
Grades 1.4-1.5 Baseline Group Test, (BLMs & TM)	2008	9780618084340	PDF	No	Yes
Grades 1.4-1.5 Baseline Group Test TM	2008	9780618133062	PDF	No	Yes
Grade 2	2008				
Grade 2.1 Student Anthology Adventures	2008	9780618848157	PDF	No	Yes
Grade 2.2 Student Anthology Delights	2008	9780618848171	PDF	No	Yes
Grade 2.1 Anthology Audio CD	2008	9780618385331	GM	No	Yes
Grade 2.2 Anthology Audio CD	2008	9780618385348	GM	No	Yes

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HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Practice Book Volume 1	2008	9780618384723	PDF	No	Yes
Practice Book Volume 2	2008	9780618384730	PDF	No	Yes
Theme 1 Book (6 stories)	2008	9780618387199	PDF	No	Yes
Theme 2 Book (6 stories)	2008	9780618387205	PDF	No	Yes
Theme 3 Book (8 stories)	2008	9780618387212	PDF	No	Yes
Theme 4 Book (8 stories)	2008	9780618387229	PDF	No	Yes
Theme 5 Book (6 stories)	2008	9780618387236	PDF	No	Yes
Theme 6 Book (6 stories)	2008	9780618387243	PDF	No	Yes
On My Way Practice Readers Library (6 titles, 5 copies each)	2008	9780618095698	PDF	No	Yes
Theme 1 Teacher’s Edition	2008	9780618851454	PDF	No	Yes
Theme 2 Teacher’s Edition	2008	9780618851461	PDF	No	Yes
Theme 3 Teacher’s Edition	2008	9780618851478	PDF	No	Yes
Theme 4 Teacher’s Edition	2008	9780618851485	PDF	No	Yes
Theme 5 Teacher’s Edition	2008	9780618851492	PDF	No	Yes
Theme 6 Teacher’s Edition	2008	9780618851515	PDF	No	Yes
Grades 2.1-2.2 Teacher’s Resource Blackline Masters	2008	9780618385133	PDF	No	Yes
Practice Book (TAE) Volume 1	2008	9780618384846	PDF	No	Yes
Practice Book (TAE) Volume 2	2008	9780618384853	PDF	No	Yes
Instruction Masters/Transparencies & Strategy Posters	2008	9780618384983	PDF	No	Yes
Grade 2.1 Integrated Theme Tests (pkg 35 & TAE)	2008	9780618385904	PDF	No	Yes
Grade 2.1 Integrated Theme Tests TAE	2008	9780618422272	PDF	No	Yes
Grade 2.2 Integrated Theme Tests (pkg 35 & TAE)	2008	9780618385911	PDF	No	Yes
Grade 2.2 Integrated Theme Tests TAE	2008	9780618422289	PDF	No	Yes
Grades 2.1-2.2 Theme Skills Test (pkg of 35 & TAE)	2008	9780618387816	PDF	No	Yes
Theme Skills Test BLMs and TAE	2008	9780618387489	PDF	No	Yes
Grades 2.1-2.2 Theme Skills Test TAEs	2008	9780618387410	PDF	No	Yes

EXHIBIT A

HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Weekly Skills Test BLMs/TAE	2008	9780618618927	PDF	No	Yes
Benchmark Progress Tests (pkg of 35 & TAE)	2008	9780395750155	PDF	No	Yes
Benchmark Progress Tests TAE	2008	9780395750216	PDF	No	Yes
Baseline Group Test (BLMs & TM)	2008	9780395763728	PDF	No	Yes
Baseline Group Test TM	2008	9780395763667	PDF	No	Yes
Grade 3	2008				
Grade 3.1 Anthology: Rewards	2008	9780618848195	PDF	No	Yes
Grade 3.2 Anthology: Horizons	2008	9780618848232	PDF	No	Yes
Grade 3.1 Anthology Audio CD	2008	9780618385355	GM	No	Yes
Grade 3.2 Anthology Audio CD	2008	9780618385362	GM	No	Yes
Practice Book Volume 1	2008	9780618384747	PDF	No	Yes
Practice Book Volume 2	2008	9780618384754	PDF	No	Yes
Theme 1 Teacher’s Edition	2008	9780618851577	PDF	No	Yes
Theme 2 Teacher’s Edition	2008	9780618851584	PDF	No	Yes
Theme 3 Teacher’s Edition	2008	9780618851591	PDF	No	Yes
Theme 4 Teacher’s Edition	2008	9780618851607	PDF	No	Yes
Theme 5 Teacher’s Edition	2008	9780618851614	PDF	No	Yes
Theme 6 Teacher’s Edition	2008	9780618851621	PDF	No	Yes
Grades 3.1-3.2 Teacher’s Resource Blackline Masters	2008	9780618385140	PDF	No	Yes
Practice Book (TAE) Volume 1	2008	9780618384860	PDF	No	Yes
Practice Book (TAE) Volume 2	2008	9780618384877	PDF	No	Yes
Instruction Masters/Transparencies & Strategy Posters	2008	9780618384990	PDF	No	Yes
Grade 3.1 Integrated Theme Tests (pkg of 35 & TAE)	2008	9780618385928	PDF	No	Yes
Grade 3.1 Integrated Theme Tests TAE	2008	9780618422296	PDF	No	Yes
Grade 3.2 Integrated Theme Tests (pkg of 35 & TAE)	2008	9780618385935	PDF	No	Yes
Grade 3.2 Integrated Theme Tests TAE	2008	9780618422302	PDF	No	Yes
Theme Skills Test (pkg of 35 & TAE)	2008	9780618387823	PDF	No	Yes

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HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Theme Skills Test BLMs and TAE	2008	9780618387496	PDF	No	Yes
Theme Skills Test TAE	2008	9780618387427	PDF	No	Yes
Weekly Skills Test BLMs/TAE	2008	9780618618934	PDF	No	Yes
Benchmark Progress Tests (pkg of 35 & TAE)	2008	9780395750162	PDF	No	Yes
Benchmark Progress Tests TAE	2008	9780395750223	PDF	No	Yes
Baseline Group Test (BLMs & TM)	2008	9780395763735	PDF	No	Yes
Baseline Group Test TM	2008	9780395763674	PDF	No	Yes
Grade 4	2008				
Anthology: Traditions	2008	9780618848270	PDF	No	Yes
Anthology Audio CD	2008	9780618385379	GM	No	Yes
Practice Book Volume 1	2008	9780618384761	PDF	No	Yes
Practice Book Volume 2	2008	9780618384778	PDF	No	Yes
Theme 1 Teacher’s Edition	2008	9780618851652	PDF	No	Yes
Theme 2 Teacher’s Edition	2008	9780618851669	PDF	No	Yes
Theme 3 Teacher’s Edition	2008	9780618851676	PDF	No	Yes
Theme 4 Teacher’s Edition	2008	9780618851683	PDF	No	Yes
Theme 5 Teacher’s Edition	2008	9780618851690	PDF	No	Yes
Theme 6 Teacher’s Edition	2008	9780618851706	PDF	No	Yes
Teacher’s Resource Backline Masters	2008	9780618385157	PDF	No	Yes
Practice Book (TAE) Volume 1	2008	9780618384884	PDF	No	Yes
Practice Book (TAE) Volume 2	2008	9780618384891	PDF	No	Yes
Instruction Masters/Transparencies & Strategy Posters	2008	9780618385003	PDF	No	Yes
Integrated Theme Test (pkg of 35 & TAE)	2008	9780618385942	PDF	No	Yes
Integrated Theme Test TAE	2008	9780618422319	PDF	No	Yes
Theme Skills Test (pkg of 35 & TAE)	2008	9780618387830	PDF	No	Yes
Theme Skills Test BLM and TAE	2008	9780618387502	PDF	No	Yes
Theme Skills Test TAE	2008	9780618387434	PDF	No	Yes

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HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Weekly Skills Test BLM/TAE	2008	9780618618941	PDF	No	Yes
Benchmark Progress Tests (pkg of 35 & TAE)	2008	9780395750179	PDF	No	Yes
Benchmark Progress Tests TAE	2008	9780395750230	PDF	No	Yes
Baseline Group Test (BLM & TM)	2008	9780395763742	PDF	No	Yes
Baseline Group Test TM	2008	9780395763681	PDF	No	Yes
Grade 5	2008				
Anthology: Expeditions	2008	9780618848300	PDF	No	Yes
Integrated Theme Tests TAE	2008	9780618422326	PDF	No.	Yes
Theme Skills Test (pkg of 35 & TAE)	2008	9780618387847	PDF	No	Yes
Theme Skills Test BLMs and TAE	2008	9780618387519	PDF	No	Yes
Theme Skills Test TAE	2008	9780618387441	PDF	No	Yes
Benchmark Progress Tests TAE	2008	9780395750247	PDF	No	Yes
Baseline Group Test TM	2008	9780395763698	PDF	No	Yes
Grade 6	2008				
Anthology: Triumphs	2008	9780618848324	PDF	No	Yes
Integrated Theme Tests TAE	2008	9780618422333	PDF	No	Yes
Theme Skills Test (pkg of 35 & TAE)	2008	9780618387854	PDF	No	Yes
Theme Skills Test BLMs and TAE	2008	9780618387526	PDF	No	Yes
Theme Skills Test TAE	2008	9780618387458	PDF	No	Yes
Benchmark Progress Tests TAE	2008	9780395750254	PDF	No	Yes
Baseline Group Test TM	2008	9780395763704	PDF	No	Yes
Grades K-1	2008				
Large Alphafriends Cards	2008	9780618068982	PDF	No	Yes
Small Alphafriends Cards	2008	9780618068999	PDF	No	Yes
Alphafriends Folders	2008	9780618069002	PDF	No	Yes
Alphafriends Audio CD	2008	9780618205288	GM	No	Yes
Grades K-2	2008				

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HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Emerging Literacy Survey	2008	9780618084463	PDF	No	Yes
Grades 1-2	2008				
Sound/Spelling Cards	2008	9780618162789	PDF	No	Yes
Grades 1.3-6	2008				
Phonics/Decoding Screening Test	2008	9780618090464	PDF	No	Yes
Holt MS Math 07 Courses 1-3					
Student Edition	2007	9780030385070	PDF	No	Yes
Teacher's Edition	2007	9780030385438	PDF	No	Yes
Premier Online Edition (1-year subscription)	2007	9780030782626	PDF	No	Yes
Manipulatives	2007		PDF	No	Yes
Classroom Manipulatives Kit	2007	9780030662737	PDF	No	Yes
Teacher's Manipulatives Kit	2007	9780030686283	PDF	No	Yes
Resources	2007		PDF	No	Yes
Alternate Openers: Explorations Transparencies with Answer Key	2007	9780030781490	PDF	No	Yes
Are You Ready? Intervention and Enrichment with Answer Key	2007	9780030781513	PDF	No	Yes
Assessment Resources with Answer Key	2007	9780030781520	PDF	No	Yes
Chapter Resources	2007	9780030782312	PDF	No	Yes
Countdown to Testing Transparencies with Answer Key	2007	9780030782336	PDF	No	Yes
Family Involvement Activities with Answer Key	2007	9780030782398	PDF	No	Yes
Hands-On Lab Activities with Answer Key	2007	9780030782411	PDF	No	Yes
Homework and Practice Workbook Teacher's Edition	2007	9780030782435	PDF	No	Yes
Interdisciplinary Posters and Worksheets with Answer Key	2007	9780030782473	PDF	No	Yes
Know-It Notebook Teacher's Guide with Transparencies	2007	9780030782497	PDF	No	Yes

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HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Lesson Plans	2007	9780030782510	PDF	No	Yes
Problem Solving Workbook Teacher's Edition	2007	9780030797521	PDF	No	Yes
Questioning Strategies: A Resource for Teachers	2007	9780030796722	PDF	No	Yes
•Ready to Go On? Intervention and Enrichment with Answer Key	2007	9780030782664	PDF	No	Yes
Solution Key	2007	9780030782718	PDF	No	Yes
State Test Prep Workbook Teacher's Guide for Middle School and High School	2007	9780030779510	PDF	No	Yes
Success for English Language Learners with Answer Key	2007	9780030781414	PDF	No	Yes
Technology Lab Activities with Answer Key	2007	9780030781438	PDF	No	Yes
Technology	2007				
Are You Ready? Intervention CD-ROM	2007	9780030781469	GM	No	Yes
IDEA Works! Special Education CD-ROM	2007	9780030782442	GM	No	Yes
Interactive Answers and Solutions CD-ROM	2007	9780030782466	GM	No	Yes
Lesson Tutorial Videos CD-ROM	2007	9780030782596	GM	No	Yes
Power Presentations CD-ROM	2007	9780030782640	GM	No	Yes
Quiz Game CD-ROM	2007	9780030934001	GM	No	Yes
Ready to Go On? Intervention CD-ROM	2007	9780030782671	GM	No	Yes
State Test Prep for Middle School and High School CD-ROM	2007	9780030779497	GM .	No	Yes
Workbooks	2007				
Homework and Practice Workbook	2007	9780030782428	PDF	No	Yes
Know-It Notebook	2007	9780030782480	PDF	No	Yes
Problem Solving Workbook	2007	9780030797460	PDF	No	Yes
State Test Prep Workbook, Grade 6	2007	9780030782732	PDF	No	Yes
Holt Mathematics Course 2 © 2007	2007				

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HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Student Edition	2007	9780030385124	PDF	No	Yes
Teacher's Edition	2007	9780030385445	PDF	No	Yes
Premier Online Edition (1-year subscription)	2007	9780030783395	PDF	No	Yes
Resources	2007				
Alternate Openers: Explorations Transparencies with Answer Key	2007	9780030782770	PDF	No	Yes
•Are You Ready? Intervention and Enrichment with Answer Key	2007	9780030782787	PDF	No	Yes
Assessment Resources with Answer Key	2007	9780030782794	PDF	No	Yes
Chapter Resources	2007	9780030783111	PDF	No	Yes
Countdown to Testing Transparencies with Answer Key	2007	9780030783135	PDF	No	Yes
Family Involvement Activities with Answer Key	2007	9780030783180	PDF	No	Yes
Hands-On Lab Activities with Answer Key	2007	9780030783197	PDF	No	Yes
Homework and Practice Workbook Teacher's Edition	2007	9780030783227	PDF	No	Yes
Interdisciplinary Posters and Worksheets with Answer Key	2007	9780030783265	PDF	No	Yes
Know-It Notebook Teacher's Guide with Transparencies	2007	9780030783289	PDF	No	Yes
Lesson Plans	2007	9780030783296	PDF	No	Yes
Problem Solving Workbook Teacher's Edition	2007	9780030797538	PDF	No	Yes
Questioning Strategies: A Resource for Teachers	2007	9780030796739	PDF	No	Yes
Ready to Go On? Intervention and Enrichment with Answers	2007	9780030783432	PDF	No	Yes
Solution Key	2007	9780030783470	PDF	No	Yes
Success for English Language Learners with Answer Key	2007	9780030783548	PDF	No	Yes
Technology Lab Activities with Answer Key	2007	9780030783579	PDF	No	Yes

EXHIBIT A

HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Technology	2007				
IDEA Works! Special Education CD-ROM	2007	9780030783234	GM	No	Yes
Interactive Answers and Solutions CD-ROM	2007	9780030783241	GM	No	Yes
Lesson Tutorial Videos CD-ROM	2007	9780030783388	GM	No	Yes
Power Presentations CD-ROM	2007	9780030783425	GM	No	Yes
Ready to Go On? Intervention CD-ROM	2007	9780030783449	GM	No	Yes
Workbooks	2007				
Homework and Practice Workbook	2007	9780030783210	PDF	No	Yes
Know-It Notebook	2007	9780030783272	PDF	No	Yes
Problem Solving Workbook	2007	9780030797477	PDF	No	Yes
State Test Prep Workbook, Grade 7	2007	9780030790874	PDF	No	Yes
Holt Mathematics Course 3 © 2007	2007				
Student Edition	2007	9780030385421	PDF	No	Yes
Teacher's Edition	2007	9780030385469	PDF	No	Yes
Premier Online Edition (1 -year subscription)	2007	9780030784842	PDF	No	Yes
Resources	2007				
Alternate Openers: Explorations Transparencies with Answer Key	2007	9780030783616	PDF	No	Yes
•Are You Ready? Intervention and Enrichment with Answer Key	2007	9780030783623	PDF	No	Yes
Assessment Resources with Answer Key	2007	9780030783630	PDF	No	Yes
Chapter Resources	2007	9780030784071	PDF	No	Yes
Countdown to Testing Transparencies with Answer Key	2007	9780030784095	PDF	No	Yes
Family Involvement Activities with Answer Key	2007	9780030784620	PDF	No	Yes
Hands-On Lab Activities with Answer Key	2007	9780030784637	PDF	No	Yes
Homework and Practice Workbook Teacher's Edition	2007	9780030784668	PDF	No	Yes

EXHIBIT A

HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Interdisciplinary Posters and Worksheets with Answer Key	2007	9780030784699	PDF	No	Yes
Know-It Notebook Teacher's Guide with Transparencies	2007	9780030784729	PDF	No	Yes
Lesson Plans	2007	9780030784736	PDF	No	Yes
Problem Solving Workbook Teacher's Edition	2007	9780030797545	PDF	No	Yes
Questioning Strategies: A Resource for Teachers	2007	9780030796746	PDF	No	Yes
Ready to Go On? Intervention and Enrichment with Answer Key	2007	9780030784880	PDF	No	Yes
Solution Key	2007	9780030784934	PDF	No	Yes
Success for English Language Learners with Answer Key	2007	9780030785023	PDF	No	Yes
Technology Lab Activities with Answer Key	2007	9780030785047	PDF	No	Yes
Technology	2007				
IDEA Works! Special Education CD-ROM	2007	9780030784675	GM	No	Yes
Interactive Answers and Solutions CD-ROM	2007	9780030784682	GM	No	Yes
Lesson Tutorial Videos CD-ROM	2007	9780030784828	GM	No	Yes
Power Presentations CD-ROM	2007	9780030784873	GM	No	Yes
Ready to Go On? Intervention CD-ROM	2007	9780030784897	GM	No	Yes
Workbooks	2007				
Homework and Practice Workbook	2007	9780030784644	PDF	No	Yes
Know-It Notebook	2007	9780030784712	PDF	No	Yes
State Test Prep Workbook, Grade 8	2007	9780030784965	PDF	No	Yes
EO Lana 07					
Introductory Course	2007				Yes
Student Edition	2007	9780618601417	PDF	No	Yes
First Course	2007				Yes
Student Edition	2007	9780030796784	PDF	No	Yes

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HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Second Course	2007				Yes
Student Edition	2007	9780030796791	PDF	No	Yes
Third Course	2007				Yes
Student Edition	2007	9780030796814	PDF	No	Yes
Fourth Course	2007				Yes
Student Edition	2007	9780030796821	PDF	No	Yes
Fifth Course	2007				Yes
Student Edition	2007	9780030796838	PDF	No	Yes
Annotated Teacher’s Edition	2007	9780030796920	PDF	No	Yes
•Diagnostic Screening Tests for Grammar, Usage, and Mechanics Book	2007	9780030535437	PDF	No	Yes
Grammar, Usage, and Mechanics: Language Skills Practice Answer Key	2007	9780030563645	PDF	No	Yes
Grammar, Usage, and Mechanics: Languages Skills Practice Book	2007	9780030563560	PDF	No	Yes
Sentences, Paragraphs, and Composition Book	2007	9780030563218	PDF	No	Yes
Vocabulary Workshop Answer Keys Grade 6–12	2007	9780030574160	PDF	No	Yes
Vocabulary Workshop Fifth Course	2007	9780030562143	PDF	No	Yes
Vocabulary Workshop Tests Fifth Course	2007	9780030563034	PDF	No	Yes
Alternative Readings Book	2007	9780030572999	PDF	No	Yes
Assessment Alternatives Book	2007	9780030575785	PDF	No	Yes
Chapter Tests Book	2007	9780030563836	PDF	No	Yes
Chapter Tests in Standardized Test Formats	2007	9780030563928	PDF	No	Yes
Combining Sentences Book	2007	9780030563126	PDF	No	Yes
Communications Book	2007	9780030564093	PDF	No	Yes
•Designing Your Writing: Strategies for High School Students	2007	9780030563317	PDF	No	Yes

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HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Developmental Language Skills Book	2007	9780030700644	PDF	No	Yes
•Developmental Language Skills Teacher's Notes and Answer Key	2007	9780030700736	PDF	No	Yes
Media Literacy and Communication Skills Book	2007	9780030574047	PDF	No	Yes
Teaching Strategies for EnglishLanguage Learners Book	2007	9780030647444	PDF	No	Yes
Sixth Course	2007				Yes
Student Edition	2007	9780030796845	PDF	No	Yes
Annotated Teacher's Edition	2007	9780030796937	PDF	No	Yes
•Diagnostic Screening Tests for Grammar, Usage, and Mechanics Book	2007	9780030535444	PDF	No	Yes
Grammar, Usage, and Mechanics: Language Skills Practice Answer Key	2007	9780030563669	PDF	No	Yes
Grammar, Usage, and Mechanics: Languages Skills Practice	2007	9780030563577	PDF	No	Yes
Sentences, Paragraphs, and Composition Book	2007	9780030563225	PDF	No	Yes
Vocabulary Workshop Answer Keys Grade 6–12	2007	9780030574160	PDF	No	Yes
Vocabulary Workshop Sixth Course	2007	9780030562969	PDF	No	Yes
Vocabulary Workshop Tests Sixth Course	2007	9780030563041	PDF	No	Yes
Alternative Readings Book	2007	9780030573019	PDF	No	Yes
Assessment Alternatives Book	2007	9780030575792	PDF	No	Yes
Chapter Tests Book	2007	9780030563843	PDF	No	Yes
Chapter Tests in Standardized Test Formats	2007	9780030563935	PDF	No	Yes
Combining Sentences Book	2007	9780030563133	PDF	No	Yes
Communications Book	2007	9780030564116	PDF	No	Yes
•Designing Your Writing: Strategies for High School Students	2007	9780030563317	PDF	No	Yes

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HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Developmental Language Skills Book	2007	9780030700668	PDF	No	Yes
•Developmental Language Skills Teacher's Notes and Answer Key	2007	9780030700743	PDF	No	Yes
Media Literacy and Communication Skills	2007	9780030574061	PDF	No	Yes
Teaching Strategies for EnglishLanguage Learners Book	2007	9780030647468	PDF	No	Yes
Third Course	2007				Yes
Annotated Teacher's Edition	2007	9780030796890	PDF	No	Yes
•Diagnostic Screening Tests for Grammar, Usage, and Mechanics Book	2007	9780030535390	PDF	No	Yes
Grammar, Usage, and Mechanics: Language Skills Practice Answer Key	2007	9780030563621	PDF	No	Yes
Grammar, Usage, and Mechanics: Languages Skills Practice Book	2007	9780030563539	PDF	No	Yes
Sentences and Paragraphs Book	2007	9780030563188	PDF	No	Yes
Vocabulary Workshop Answer Keys Grade 6–12	2007	9780030574160	PDF	No	Yes
Vocabulary Workshop Tests Third Course	2007	9780030563010	PDF	No	Yes
Vocabulary Workshop Third Course	2007	9780030560286	PDF	No	Yes
Alternative Readings Book	2007	9780030572975	PDF	No	Yes
Assessment Alternatives Book	2007	9780030575761	PDF	No	Yes
Chapter Tests Book	2007	9780030563812	PDF	No	Yes
Chapter Tests in Standardized Test Formats	2007	9780030563898	PDF	No	Yes
Combining Sentences Book	2007	9780030563096	PDF	No	Yes
Communications Book	2007	9780030564079	PDF	No	Yes
Designing Your Writing: Strategies for High School Students	2007	9780030563317	PDF	No	Yes
Developmental Language Skills Book	2007	9780030700620	PDF	No	Yes

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	Copyright	ISBN	Format	Software	Designated Basal Program
•Developmental Language Skills Teacher's Notes and Answer Key	2007	9780030700712	PDF	No	Yes
Media Literacy and Communication Skills Book	2007	9780030574023	PDF	No	Yes
Teaching Strategies for English-Language Learners	2007	9780030647420	PDF	No	Yes
Fourth Course	2007				Yes
Annotated Teacher's Edition	2007	9780030796913	PDF	No	Yes
•Diagnostic Screening Tests for Grammar, Usage, and Mechanics	2007	9780030535420	PDF	No	Yes
Grammar, Usage, and Mechanics: Language Skills Practice Answer Key	2007	9780030563638	PDF	No	Yes
Grammar, Usage, and Mechanics: Languages Skills Practice	2007	9780030563546	PDF	No	Yes
Sentences, Paragraphs, and Composition	2007	9780030563195	PDF	No	Yes
Vocabulary Workshop Answer Keys Grade 6–12	2007	9780030574160	PDF	No	Yes
Vocabulary Workshop Fourth Course	2007	9780030560293	PDF	No	Yes
Vocabulary Workshop Tests Fourth Course	2007	9780030563027	PDF	No	Yes
Alternative Readings Book	2007	9780030572982	PDF	No	Yes
Assessment Alternatives Book	2007	9780030575778	PDF	No	Yes
Chapter Tests Book	2007	9780030563829	PDF	No	Yes
Chapter Tests in Standardized Test Formats	2007	9780030563911	PDF	No	Yes
Combining Sentences Book	2007	9780030563119	PDF	No	Yes
Communications Book	2007	9780030564086	PDF	No	Yes
•Designing Your Writing: Strategies for High School Students	2007	9780030563317	PDF	No	Yes
Developmental Language Skills	2007	9780030700637	PDF	No	Yes
Developmental Language Skills Teacher's Notes and Answer Key	2007	9780030700729	PDF	No	Yes

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HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Media Literacy and Communication Skills	2007	9780030574030	PDF	No	Yes
Teaching Strategies for English-Language Learners	2007	9780030647437	PDF	No	Yes
EO Lit 07					
Introductory Course	2007				Yes
Student Edition	2007	9780030424090	PDF	No	Yes
MindPoint Quiz Show CDROM	2007	9780030995149	GM	No	Yes
First Course	2007				Yes
Student Edition	2007	9780030424120	PDF	No	Yes
MindPoint Quiz Show CDROM	2007	9780030995149	GM	No	Yes
Second Course	2007				Yes
Student Edition	2007	9780030424137	PDF	No	Yes
MindPoint Quiz Show CDROM	2007	9780030995149	GM	No	Yes
Third Course	2007				Yes
Student Edition	2007	9780030424144	PDF	No	Yes
MindPoint Quiz Show CDROM	2007	9780030995149	GM	No	Yes
Fourth Course	2007				Yes
Student Edition	2007	9780030424175	PDF	No	Yes
MindPoint Quiz Show CDROM	2007	9780030995156	GM	No	Yes
Fifth Course	2007				Yes
Student Edition	2007	9780030424182	PDF	No	Yes
Annotated Teacher’s Edition	2007	9780030424298	PDF	No	Yes
The Holt Reader	2007	9780030790249	PDF	No	Yes
The Holt Reader Teacher’s Manual	2007	9780030790331	PDF	No	Yes
Holt Adapted Reader	2007	9780030798078	PDF	No	Yes
Holt Adapted Reader Answer Key	2007	9780030359118	PDF	No	Yes
Holt Assessment: Literature, Reading, and Vocabulary	2007	9780030789984	PDF	No	Yes
Holt Assessment: Writing, Listening, and Speaking	2007	9780030790072	PDF	No	Yes

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HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Language Handbook Worksheets Answer Key	2007	9780030739330	PDF	No	Yes
Language Handbook Worksheets	2007	9780030739248	PDF	No	Yes
Vocabulary Development	2007	9780030790690	PDF	No	Yes
Audio CD Library	2007	9780030789731	GM	No	Yes
PowerNotes Lesson Presentations with Video CDROM	2007	9780030424427	GM	No	Yes
Holt Reading Solutions	2007	9780030790423	PDF	No	Yes
MindPoint Quiz Show CDROM	2007	9780030995149	GM	No	Yes
Visual Connections VHS Program	2007	9780030738685	GM	No	Yes
Sixth Course	2007				Yes
Student Edition	2007	9780030424199	PDF	No	Yes
Annotated Teacher's Edition	2007	9780030424328	PDF	No	Yes
The Holt Reader	2007	9780030790263	PDF	No	Yes
The Holt Reader Teacher's Manual	2007	9780030790348	PDF	No	Yes
Holt Adapted Reader	2007	9780030798085	PDF	No	Yes
Holt Adapted Reader Answer Key	2007	9780030359118	PDF	No	Yes
Holt Assessment: Literature, Reading, and Vocabulary	2007	9780030789991	PDF	No	Yes
Holt Assessment: Writing, Listening, and Speaking	2007	9780030790089	PDF	No	Yes
Language Handbook Worksheets Answer Key	2007	9780030739378	PDF	No	Yes
Language Handbook Worksheets	2007	9780030739262	PDF	No	Yes
Vocabulary Development	2007	9780030790713	PDF	No	Yes
Audio CD Library	2007	9780030789748	GM	No	Yes
PowerNotes Lesson Presentations with Video CDROM	2007	9780030424434	GM	No	Yes
Holt Reading Solutions	2007	9780030790430	PDF	No	Yes
MindPoint Quiz Show CDROM	2007	9780030995156	GM	No	Yes
Visual Connections VHS Program	2007	9780030738692	GM	No	Yes
Third Course	2007				Yes
Annotated Teacher's Edition	2007	9780030424274	PDF	No	Yes

EXHIBIT A

HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
The Holt Reader	2007	9780030790225	PDF	No	Yes
The Holt Reader Teacher's Manual	2007	9780030790317	PDF	No	Yes
Holt Adapted Reader	2007	9780030798047	PDF	No	Yes
Holt Adapted Reader Answer Key	2007	9780030359118	PDF	No	Yes
Holt Assessment: Literature, Reading, and Vocabulary	2007	9780030789960	PDF	No	Yes
Holt Assessment: Writing, Listening, and Speaking	2007	9780030790041	PDF	No	Yes
Language Handbook Worksheets Answer Key	2007	9780030739316	PDF	No	Yes
Language Handbook Worksheets	2007	9780030739217	PDF	No	Yes
Vocabulary Development	2007	9780030790676	PDF	No	Yes
Audio CD Library	2007	9780030789717	GM	No	Yes
PowerNotes Lesson Presentations with Video CD-ROM	2007	9780030424380	GM	No	Yes
Holt Multicultural Reader	2007	9780030785948	PDF	No	Yes
Holt Multicultural Reader Teacher's Guide	2007	9780030786013	PDF	No	Yes
Holt Reading Solutions	2007	9780030790393	PDF	No	Yes
Visual Connections Videocassette Program	2007	9780030738661	GM	No	Yes
Fourth Course	2007				Yes
Annotated Teacher's Edition	2007	9780030424281	PDF	No	Yes
The Holt Reader	2007	9780030790232	PDF	No	Yes
The Holt Reader Teacher's Manual	2007	9780030790324	PDF	No	Yes
Holt Adapted Reader	2007	9780030798061	PDF	No	Yes
Holt Adapted Reader Answer Key	2007	9780030359118	PDF	No	Yes
Holt Assessment: Literature, Reading, and Vocabulary	2007	9780030789977	PDF	No	Yes
Holt Assessment: Writing, Listening, and Speaking	2007	9780030790065	PDF	No	Yes
Language Handbook Worksheets Answer Key	2007	9780030739323	PDF	No	Yes
Language Handbook Worksheets	2007	9780030739231	PDF	No	Yes
Vocabulary Development	2007	9780030790683	PDF	No	Yes
Audio CD Library	2007	9780030789724	GM	No	Yes

EXHIBIT A

HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
PowerNotes Lesson Presentations with Video CD-ROM	2007	9780030424397	GM	No	Yes
Holt Multicultural Reader	2007	9780030785962	PDF	No	Yes
Holt Multicultural Reader Teacher's Guide	2007	9780030786020	PDF	No	Yes
Holt Reading Solutions	2007	9780030790416	PDF	No	Yes
Visual Connections VHS Program	2007	9780030738678	GM	No	Yes
Holt Six Traits for Writing, High School	2007	9780030995736	PDF	No	Yes
Holt Six Traits for Writing, Middle School	2007	9780030992476	PDF	No	Yes
HM Math					
Unit Resources	2007	9780618688555	PDF	No	Yes
Student Book	2007		PDF	No	Yes
Student Book	2007	9780618590902	PDF	No	Yes
Student Materials	2007		PDF	No	Yes
Practice Workbook	2007	9780618698738	PDF	No	Yes
Teacher's Edition	2007		PDF	No	Yes
Teacher's Edition	2007	9780618591022	PDF	No	Yes
Grade 1	2007		PDF	No	Yes
Student Book	2007		PDF	No	Yes
Student Book	2007	9780618590919	PDF	No	Yes
Student Materials	2007		PDF	No	Yes
Practice Workbook	2007	9780618698745	PDF	No	Yes
Homework Book	2007	9780618698806	PDF	No	Yes
Teacher's Edition	2007		PDF	No	Yes
Teacher's Edition	2007	9780618591039	PDF	No	Yes
Teacher's Materials	2007		PDF	No	Yes
Unit Resources	2007	9780618688562	PDF	No	Yes
Grade 2	2007		PDF	No	Yes
Student Book	2007		PDF	No	Yes

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HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Student Book	2007	9780618590926	PDF	No	Yes
Student Materials	2007		PDF	No	Yes
Practice Workbook	2007	9780618698752	PDF	No	Yes
Homework Book	2007	9780618698813	PDF	No	Yes
Teacher's Edition	2007		PDF	No	Yes
Teacher's Edition	2007	9780618591046	PDF	No	Yes
Teacher's Materials	2007		PDF	No	Yes
Unit Resources	2007	9780618688579	PDF	No	Yes
Grade 3	2007		PDF	No	Yes
Student Book	2007		PDF	No	Yes
Student Book	2007	9780618590933	PDF	No	Yes
Student Materials	2007		PDF	No	Yes
Practice Workbook	2007	9780618698769	PDF	No	Yes
Homework Book	2007	9780618698820	PDF	No	Yes
Teacher's Edition	2007		PDF	No	Yes
Teacher's Edition	2007	9780618591053	PDF	No	Yes
Teacher's Materials	2007		PDF	No	Yes
Unit Resources	2007	9780618688586	PDF	No	Yes
Grade 4	2007		PDF	No	Yes
Student Book	2007		PDF	No	Yes
Student Book	2007	9780618590940	PDF	No	Yes
Student Materials	2007		PDF	No	Yes
Practice Workbook	2007	9780618698776	PDF	No	Yes
Homework Book	2007	9780618698837	PDF	No	Yes
Teacher's Edition	2007		PDF	No	Yes
Teacher's Edition	2007	9780618591060	PDF	No	Yes
Teacher's Materials	2007		PDF	No	Yes

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HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Unit Resources	2007	9780618688593	PDF	No	Yes
Grade 5	2007		PDF	No	Yes
Student Book	2007		PDF	No	Yes
Student Book	2007	9780618590957	PDF	No	Yes
Student Materials	2007		PDF	No	Yes
Practice Workbook	2007	9780618698783	PDF	No	Yes
Homework Book	2007	9780618698844	PDF	No	Yes
Teacher's Edition	2007		PDF	No	Yes
Teacher's Edition	2007	9780618591077	PDF	No	Yes
Teacher's Materials	2007		PDF	No	Yes
Unit Resources	2007	9780618688609	PDF	No	Yes
Grade 6	2007		PDF	No	Yes
Student Book	2007		PDF	No	Yes
Student Book	2007	9780618590964	PDF	No	Yes
Student Materials	2007		PDF	No	Yes
Practice Workbook	2007	9780618698790	PDF	No	Yes
Homework Book	2007	9780618698851	PDF	No	Yes
Teacher's Edition	2007		PDF	No	Yes
Teacher's Edition	2007	9780618591084	PDF	No	Yes
Teacher's Materials	2007		PDF	No	Yes
Unit Resources	2007	9780618688616	PDF	No	Yes
Houghton Mifflin Math © 2007 Ways to Assess CD-ROM	2007		GM	No	Yes
Grade 1	2007	9780618591237	GM	No	Yes
Grade 2	2007	9780618591244	GM	No	Yes
Grade 3	2007	9780618591251	GM	No	Yes
Grade 4	2007	9780618591268	GM	No	Yes

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HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Grade 5	2007	9780618591275	GM	No	Yes
Grade 6	2007	9780618591282	GM	No	Yes
Holt Algebra 1					
Texts	2007				Yes
Student Edition	2007	9780030358272	PDF	No	Yes
Teacher's Edition	2007	9780030385322	PDF	No	Yes
Resources	2007		PDF	No	Yes
Algebra Lab Activities with Answers	2007	9780030779015	PDF	No	Yes
Are You Ready? Intervention and Enrichment with Answers	2007	9780030779039	PDF	No	Yes
Assessment Resources with Answers	2007	9780030427473	PDF	No	Yes
Chapter Resources (includes 12 Chapter Resource Books)	2007	9780030779190	PDF	No	Yes
Chapter 1 Resource Book with Answers	2007	9780030427527	PDF	No	Yes
Chapter 2 Resource Book with Answers	2007	9780030427534	PDF	No	Yes
Chapter 3 Resource Book with Answers	2007	9780030427541	PDF	No	Yes
Chapter 4 Resource Book with Answers	2007	9780030427572	PDF	No	Yes
Chapter 5 Resource Book with Answers	2007	9780030427589	PDF	No	Yes
Chapter 6 Resource Book with Answers	2007	9780030427596	PDF	No	Yes
Chapter 7 Resource Book with Answers	2007	9780030427626	PDF	No	Yes
Chapter 8 Resource Book with Answers	2007	9780030427633	PDF	No	Yes
Chapter 9 Resource Book with Answers	2007	9780030427640	PDF	No	Yes
Chapter 10 Resource Book with Answers	2007	9780030427671	PDF	No	Yes
Chapter 11 Resource Book with Answers	2007	9780030427688	PDF	No	Yes
Chapter 12 Resource Book with Answers	2007	9780030427695	PDF	No	Yes
Ready to Go On? Intervention	2007	9780030779411	PDF	No	Yes
Solution Key	2007	9780030779466	PDF	No	Yes

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	Copyright	ISBN	Format	Software	Designated Basal Program
Technology Lab Activities	2007	9780030779565	PDF	No	Yes
Homework and Practice Workbook	2007	9780030466373	PDF	No	Yes
Problem Solving Workbook	2007	9780030797569	PDF	No	Yes
Are You Ready? Intervention CD-ROM	2007	9780030780776	PDF	No	Yes
I.D.E.A. Works! Special Education CD-ROM	2007	9780030779220	PDF	No	Yes
Interactive Answers and Solutions CD-ROM	2007	9780030779572	PDF	No	Yes
Lesson Tutorial Videos CD-ROM	2007	9780030779343	PDF	No	Yes
Power Presentations CD-ROM	2007	9780030779398	PDF	No	Yes
Quiz Game CD-ROM	2007	9780030933998	PDF	No	Yes
Ready to Go On? Intervention CD-ROM	2007	9780030779428	PDF	No	Yes
Holt Algebra 2					
Texts	2007			No	Yes
Student Edition	2007	9780030358296	PDF	No	Yes
Teacher's Edition	2007	9780030385315	PDF	No	Yes
Resources	2007		PDF	No	Yes
Algebra Lab Activities with Answers	2007	9780030784125	PDF	No	Yes
Are You Ready? Intervention and Enrichment with Answers	2007	9780030784149	PDF	No	Yes
Assessment Resources with Answers	2007	9780030427497	PDF	No	Yes
Chapter Resources (includes 14 Chapter Resource Books)	2007	9780030784163	PDF	No	Yes
Chapter 1 Resource Book with Answers	2007	9780030427923	PDF	No	Yes
Chapter 2 Resource Book with Answers	2007	9780030427930	PDF	No	Yes
Chapter 3 Resource Book with Answers	2007	9780030427947	PDF	No	Yes
Chapter 4 Resource Book with Answers	2007	9780030428081	PDF	No	Yes
Chapter 5 Resource Book with Answers	2007	9780030428098	PDF	No	Yes
Chapter 6 Resource Book with Answers	2007	9780030428128	PDF	No	Yes

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HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Chapter 7 Resource Book with Answers	2007	9780030428135	PDF	No	Yes
Chapter 8 Resource Book with Answers	2007	9780030428142	PDF	No	Yes
Chapter 9 Resource Book with Answers	2007	9780030428173	PDF	No	Yes
Chapter 10 Resource Book with Answers	2007	9780030428180	PDF	No	Yes
Chapter 11 Resource Book with Answers	2007	9780030428197	PDF	No	Yes
Chapter 12 Resource Book with Answers	2007	9780030428227	PDF	No	Yes
Chapter 13 Resource Book with Answers	2007	9780030428234	PDF	No	Yes
Chapter 14 Resource Book with Answers	2007	9780030428241	PDF	No	Yes
Ready to Go On? Intervention and Enrichment with Answers	2007	9780030784439	PDF	No	Yes
Solution Key	2007	9780030784484	PDF	No	Yes
Technology Lab Activities with Answers	2007	9780030784569	PDF	No	Yes
Are You Ready? Intervention CD-ROM	2007	9780030780776	PDF	No	Yes
I.D.E.A. Works! Special Education CD-ROM	2007	9780030784224	PDF	No	Yes
Interactive Answers and Solutions CD-ROM	2007	9780030784231	PDF	No	Yes
Lesson Tutorial Videos CD-ROM	2007	9780030784378	PDF	No	Yes
Power Presentations CD-ROM	2007	9780030784422	PDF	No	Yes
Quiz Game CD-ROM	2007	9780030933998	PDF	No	Yes
Ready to Go On? Intervention CD-ROM	2007	9780030784446	PDF	No	Yes
Holt Geometry					
Texts	2007			No	Yes
Student Edition	2007	9780030358289	PDF	No	Yes
Teacher's Edition	2007	9780030385247	PDF	No	Yes
Resources	2007		PDF	No	Yes
Are You Ready? Intervention and Enrichment with Answers	2007	9780030780813	PDF	No	Yes
Assessment Resources with Answers	2007	9780030427480	PDF	No	Yes

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HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Chapter Resources (includes 12 Chapter Resource Books)	2007	9780030780820	PDF	No	Yes
Chapter 1 Resource Book with Answers	2007	9780030427725	PDF	No	Yes
Chapter 2 Resource Book with Answers	2007	9780030427732	PDF	No	Yes
Chapter 3 Resource Book with Answers	2007	9780030427749	PDF	No	Yes
Chapter 4 Resource Book with Answers	2007	9780030427770	PDF	No	Yes
Chapter 5 Resource Book with Answers	2007	9780030427787	PDF	No	Yes
Chapter 6 Resource Book with Answers	2007	9780030427794	PDF	No	Yes
Chapter 7 Resource Book with Answers	2007	9780030427824	PDF	No	Yes
Chapter 8 Resource Book with Answers	2007	9780030427831	PDF	No	Yes
Chapter 9 Resource Book with Answers	2007	9780030427848	PDF	No	Yes
Chapter 10 Resource Book with Answers	2007	9780030427879	PDF	No	Yes
Chapter 11 Resource Book with Answers	2007	9780030427886	PDF	No	Yes
Chapter 12 Resource Book with Answers	2007	9780030427893	PDF	No	Yes
Geometry Lab Activities with Answers	2007	9780030780868	PDF	No	Yes
Ready to Go On? Intervention and Enrichment with Answers	2007	9780030781094	PDF	No	Yes
Solution Key	2007	9780030781131	PDF	No	Yes
Technology Lab Activities with Answers	2007	9780030781193	PDF	No	Yes
Are You Ready? Intervention CD-ROM	2007	9780030780776	PDF	No	Yes
I.D.E.A. Works! Special Education CD-ROM	2007	9780030780899	PDF	No	Yes
Interactive Answers and Solutions CD-ROM	2007	9780030780912	PDF	No	Yes
Lesson Tutorial Videos CD-ROM	2007	9780030781025	PDF	No	Yes
Power Presentations CD-ROM	2007	9780030781087	PDF	No	Yes
Quiz Game CD-ROM	2007	9780030933998	PDF	No	Yes
Ready to Go On? Intervention CD-ROM	2007	9780030781117	PDF	No	Yes

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HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Chemistry					
Student Edition	2004	9780030664625	PDF	No	Yes
Student Edition CD-ROM	2004	9780030738111	GM	No	Yes
Teacher's Edition	2004	9780030664632	PDF	No	Yes
Chapter Resources	2004	9780030664649	PDF	No	Yes
Problem Solving Workbook	2004	9780030682698	PDF	No	Yes
Study Guide	2004	9780030667428	PDF	No	Yes
Teaching Transparencies	2004	9780030674495	PDF	No	Yes
Visual Concepts in Chemistry CD-ROM	2004	9780030742729	GM	No	Yes
Decisions Health					
Level Green					
Student Edition	2007	9780030674549	PDF	No	Yes
Student Edition CD-ROM	2007	9780030787997	GM	No	Yes
Teacher's Edition	2007	9780030779695	PDF	No	Yes
Chapter Resources	2007	9780030787591	PDF	No	Yes
Decision Making and Refusal Skills Workbook	2007	9780030683466	PDF	No	Yes
Study Guide	2007	9780030788291	PDF	No	Yes
Teaching Transparencies	2007	9780030788222	PDF	No	Yes
Brain Food Video Quizzes on DVD	2007	9780030380068	GM	No	Yes
Transparencies CD-ROM	2007	9780030788260	GM	No	Yes
Level Red					
Student Edition	2007	9780030675225	PDF	No	Yes
Student Edition CD-ROM	2007	9780030788024	GM	No	Yes
Teacher's Edition	2007	9780030779718	PDF	No	Yes
Chapter Resources	2007	9780030787614	PDF	No	Yes
Decision Making and Refusal Skills Workbook	2007	9780030683510	PDF	No	Yes
Study Guide	2007	9780030788314	PDF	No	Yes
Teaching Transparencies	2007	9780030788239	PDF	No	Yes

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	Copyright	ISBN	Format	Software	Designated Basal Program
Brain Food Video Quizzes on DVD	2007	9780030380075	GM	No	Yes
Transparencies CD-ROM	2007	9780030788277	GM	No	Yes
Level Blue					
Student Edition	2007	9780030677915	PDF	No	Yes
Student Edition CD-ROM	2007	9780030788048	GM	No	Yes
Teacher's Edition	2007	9780030779725	PDF	No	Yes
Chapter Resources	2007	9780030787621	PDF	No	Yes
Decision Making and Refusal Skills Workbook	2007	9780030683565	PDF	No	Yes
Study Guide	2007	9780030788321	PDF	No	Yes
Teaching Transparencies	2007	9780030788246	PDF	No	Yes
Brain Food Video Quizzes on DVD	2007	9780030380082	GM	No	Yes
Transparencies CD-ROM	2007	9780030788284	GM	No	Yes
Earth Science					
Student Edition	2006	9780030735431	PDF	No	Yes
Student Edition CD-ROM	2006	9780030363375	GM	No	Yes
Teacher's Edition	2006	9780030735448	PDF	No	Yes
Chapter Resources	2006	9780030363542	PDF	No	Yes
Directed Reading Workbook	2006	9780030363535	PDF	No	Yes
Long-Term Projects with Answer Key	2006	9780030363511	PDF	No	Yes
Study Guide	2006	9780030363467	PDF	No	Yes
Teaching Transparencies and Worksheets with Answer Key	2006	9780030363443	PDF	No	Yes
Brain Food Quizzes on DVD	2006	9780030399749	GM	No	Yes
Chapter Resources on CD-ROM	2006	9780030425578	GM	No	Yes
Lab Generator CD-ROM	2006	9780030941702	GM	No	Yes
Nova Videos	2006	9780030427442	GM	No	Yes
Transparencies on CD-ROM	2006	9780030425479	GM	No	Yes

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	Copyright	ISBN	Format	Software	Designated Basal Program
Visual Concepts CD-ROM	2006	9780030420672	GM	No	Yes
HRW Earth Science VHS	2006	9780030643170	GM	No	Yes
Holt Science Short Course					
A: Microorganisms, Fungi, and Plants					
Student Edition	2005	9780030255335	PDF	No	Yes
Teacher's Edition	2005	9780030255595	PDF	No	Yes
Chapter Resources	2005	9780030306297	PDF	No	Yes
B: Animals					
Student Edition	2005	9780030255342	PDF	No	Yes
Teacher's Edition	2005	9780030255632	PDF	No	Yes
Chapter Resources	2005	9780030306310	PDF	No	Yes
C: Cells, Heredity, and Classification					
Student Edition	2005	9780030255366	PDF	No	Yes
Teacher's Edition	2005	9780030255649	PDF	No	Yes
Chapter Resources	2005	9780030306327	PDF	No	Yes
Course D: Human Body Systems and Health					
Student Edition	2005	9780030255373	PDF	No	Yes
Teacher's Edition	2005	9780030255663	PDF	No	Yes
Chapter Resources	2005	9780030306365	PDF	No	Yes
E: Environmental Science					
Student Edition	2005	9780030255410	PDF	No	Yes
Teacher's Edition	2005	9780030255670	PDF	No	Yes
Chapter Resources	2005	9780030306419	PDF	No	Yes
Life Science Brain Food Quizzes on DVD	2005	9780030374364	GM	No	Yes
Life Science Lab Videos on DVD	2005	9780030373763	GM	No	Yes
F: Inside the Restless Earth					

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	Copyright	ISBN	Format	Software	Designated Basal Program
Student Edition	2005	9780030255427	PDF	No	Yes
Teacher's Edition	2005	9780030255717	PDF	No	Yes
Chapter Resources	2005	9780030306464	PDF	No	Yes
G: Earth's Changing Surface					
Student Edition	2005	9780030255434	PDF	No	Yes
Teacher's Edition	2005	9780030255724	PDF	No	Yes
Chapter Resources	2005	9780030306518	PDF	No	Yes
H: Water on Earth					
Student Edition	2005	9780030255441	PDF	No	Yes
Teacher's Edition	2005	9780030255731	PDF	No	Yes
Chapter Resources	2005	9780030306563	PDF	No	Yes
I: Weather and Climate					
Student Edition	2005	9780030255489	PDF	No	Yes
Teacher's Edition	2005	9780030255748	PDF	No	Yes
Chapter Resources	2005	9780030306570	PDF	No	Yes
J: Astronomy					
Student Edition	2005	9780030255496	PDF	No	Yes
Teacher's Edition	2005	9780030255786	PDF	No	Yes
Chapter Resources	2005	9780030306617	PDF	No	Yes
DVD sets for Courses F to J					
Earth Science Brain Food Quizzes on DVD	2005	9780030374371	GM	No	Yes
Earth Science Lab Videos on DVD	2005	9780030373770	GM	No	Yes
K: Introduction to Matter					
Student Edition	2005	9780030255519	PDF	No	Yes
Teacher's Edition	2005	9780030255793	PDF	No	Yes
Chapter Resources	2005	9780030306662	PDF	No	Yes
L: Interactions of Matter					

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	Copyright	ISBN	Format	Software	Designated Basal Program
Student Edition	2005	9780030255526	PDF	No	Yes
Teacher's Edition	2005	9780030255816	PDF	No	Yes
Chapter Resources	2005	9780030306716	PDF	No	Yes
M: Forces, Motion, and Energy					
Student Edition	2005	9780030255564	PDF	No	Yes
Teacher's Edition	2005	9780030255823	PDF	No	Yes
Chapter Resources	2005	9780030306761	PDF	No	Yes
N: Electricity and Magnetism					
Student Edition	2005	9780030255571	PDF	No	Yes
Teacher's Edition	2005	9780030255861	PDF	No	Yes
Chapter Resources	2005	9780030306778	PDF	No	Yes
O: Sound and Light					
Student Edition	2005	9780030255588	PDF	No	Yes
Teacher's Edition	2005	9780030255878	PDF	No	Yes
Chapter Resources	2005	9780030306815	PDF	No	Yes
DVD sets for Courses K to O					
Physical Science Brain Food Quizzes on DVD	2005	9780030374388	GM	No	Yes
Physical Science Lab Videos on DVD	2005	9780030373787	GM	No	Yes
Introduction to Science					
Student Edition	2005	9780030423987	PDF	No	Yes
Teacher's Edition	2005	9780030423994	PDF	No	Yes
Program Teaching Resources	2005	9780030368837	PDF	No	Yes
Lab Bank	2005	9780030368844	PDF	No	Yes
Holt Science Skills Workshop: Reading in the Content Area Student Edition	2005	9780030644245	PDF	No	Yes
Holt Science Skills Workshop: Reading in the Content Area Teacher's Edition	2005	9780030644238	PDF	No	Yes

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	Copyright	ISBN	Format	Software	Designated Basal Program
Professional Reference for Teachers	2005	9780030544224	PDF	No	Yes
Holt Biology					
Student Edition	2006	9780030740619	PDF	No	Yes
Teacher's Edition	2006	9780030740633	PDF	No	Yes
Student Edition on CD-ROM	2006	9780030385339	GM	No	Yes
Chapter Resource Package	2006	9780030413179	PDF	No	Yes
Holt Science Skills Workshop: Reading in the Content Area Student Edition	2006	9780030644245	PDF	No	Yes
Holt Science Skills Workshop: Reading in the Content Area Teacher's Edition	2006	9780030644238	PDF	No	Yes
Laboratory Manager's Professional Reference	2006	9780030649219	PDF	No	Yes
Holt Science: Forensics and Applied Science Experiments	2006	9780030367922	PDF	No	Yes
Holt Science: Forensics and Applied Science Experiments (TE)	2006	9780030367939	PDF	No	Yes
Lab Manual for Quick Labs, Data Labs and Math Labs	2006	9780030740794	PDF	No	Yes
Lab Manual for Skills Practice and Exploration Labs	2006	9780030740787	PDF	No	Yes
Special Needs Activities and Modified Tests with Answer Key	2006	9780030699832	PDF	No	Yes
Study Guide	2006	9780030699825	PDF	No	Yes
Teaching Transparencies	2006	9780030367298	PDF	No	Yes
Chapter Resources on CD-ROM	2006	9780030425592	GM	No	Yes
Holt Biology Brain Food Quizzes on DVD	2006	9780030374395	GM	No	Yes
Holt Biology Video Labs on DVD	2006	9780030360183	GM	No	Yes
Visual Concepts CD-ROM	2006	9780030742743	GM	No	Yes
Lab Generator CD-ROM	2006	9780030941689	GM	No	Yes
Transparencies on CD-ROM	2006	9780030426391	GM	No	Yes

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HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Lifetime Health					
Student Edition	2007	9780030672019	PDF	No	Yes
Student Edition CD-ROM	2007	9780030787461	GM	No	Yes
Teacher's Edition	2007	9780030779732	PDF	No	Yes
Chapter Resources	2007	9780030787317	PDF	No	Yes
Life Skills Workbook	2007	9780030787393	PDF	No	Yes
Study Guide	2007	9780030787485	PDF	No	Yes
Teaching Transparencies	2007	9780030798122	PDF	No	Yes
Brain Food Video Quizzes on DVD	2007	9780030379888	GM	No	Yes
Transparencies CD-ROM	2007	9780030787492	GM	No	Yes
Video Resources and Video Resources Viewing Guide and Worksheets with Answer Key	2007	9780030665264	PDF	No	Yes
Sexuality and Responsibility (Optional Module)	2007		PDF	No	Yes
Student Edition	2007	9780030779763	PDF	No	Yes
Teacher's Edition	2007	9780030779749	PDF	No	Yes
Teaching Resources	2007	9780030787294	PDF	No	Yes
Data Director					
Data Director	2011	N/A	white label	Yes	No
Assessments, Test Preparation, Adult Education					
Assess2Know	2008	N/A	white label	No	No
Rigby Reads: Reading Evaluation and Diagnostic System	2004	N/A	PDF	No	No
ELL Assessment Kit	2007	N/A	PDF and GM	No	No
State Specific: Mathematics Review	N/A		PDF	No	No
Test Achiever: Mastering Standardized Tests	N/A		PDF	No	No

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HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
TABE Fundamentals	2010	N/A	PDF	No	No
Transitions	2009	N/A	PDF	No	No
Language Exercises	2006	N/A	PDF	No	No
Top Line Math	2006	N/A	PDF	No	No
Classzone Science					
Classzone Science	N/A	N/A	extracted content for source files	No	No
Classzone Social Studies					
Classzone Social Studies	N/A	N/A	extracted content for source files	No	No
American Anthem: Full Survey					
Student Edition	2007	9780030685279	PDF	No	Yes
Teacher's Edition	2007	9780030420771	PDF	No	Yes
Student Edition CD-ROM	2007	9780030411687	GM	No	Yes
Alternative Assessment Handbook	2007	9780030665332	PDF	No	Yes
American History Outline Maps with Teaching Suggestions	2007	9780030536649	PDF	No	Yes
Chapter Resource Files with Answer Keys	2007	9780030420740	PDF	No	Yes
Civic Participation Activities Guide	2007	9780030419195	PDF	No	Yes
Constitution Study Guide	2007	9780030419225	PDF	No	Yes
Democracy and Civic Education Resources Answer Key	2007	9780030419232	PDF	No	Yes
Democracy and Civic Education Resources	2007	9780030419348	PDF	No	Yes
Differentiated Instruction Teacher Management System	2007	9780030403736	PDF	No	Yes
Document-Based Activities for American History	2007	9780030377112	PDF	No	Yes
Graphic Organizer Transparencies with Support for Reading and Writing	2007	9780030797774	PDF	No	Yes

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HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Interactive Reader and Study Guide	2007	9780030393938	PDF	No	Yes
Political Cartoons Activities for American History with Answer Key	2007	9780030377082	PDF	No	Yes
Progress Assessment Support System with Answer Key	2007	9780030396236	PDF	No	Yes
Quick Facts Transparencies for Review	2007	9780030373879	PDF	No	Yes
Reading Like a Historian Toolkit for American History	2007	9780030930744	PDF	No	Yes
Reading Social Studies	2007	9780030797767	PDF	No	Yes
Test Preparation Workbook	2007	9780030377075	PDF	No	Yes
U.S. Supreme Court Case Studies	2007	9780030419249	PDF	No	Yes
Chapter Resource Files CD-ROM	2007	9780030797637	GM	No	Yes
Differentiated Instruction Modified Worksheet and Tests CD-ROM with Answer Key	2007	9780030373862	GM	No	Yes
Holt Social Studies: United States History Primary Source Library CD-ROM	2007	9780030419324	GM	No	Yes
Interactive Skills Tutor CD-ROM	2007	9780030419331	GM	No	Yes
Power Presentations with Video CD-ROM	2007	9780030373848	GM	No	Yes
History's Impact: American History Video Program (DVD)	2007	9780030373794	GM	No	Yes
American Anthem: Modern American History					
Student Edition	2007	9780030432972	PDF	No	Yes
Teacher's Edition	2007	9780030432989	PDF	No	Yes
Student Edition CD-ROM	2007	9780030778285	GM	No	Yes
Chapter Resource Files with Answer Keys	2007	9780030778476	PDF	No	Yes
Differentiated Instruction Teacher Management System	2007	9780030778377	PDF	No	Yes
Interactive Reader and Study Guide	2007	9780030778391	PDF	No	Yes
Progress Assessment Support System with Answer Key	2007	9780030778384	PDF	No	Yes

EXHIBIT A

HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Quick Facts Transparencies for Review	2007	9780030778612	PDF	No	Yes
Test Preparation Workbook	2007	9780030797668	PDF	No	Yes
Chapter Resource Files CD-ROM	2007	9780030797682	GM	No	Yes
Differentiated Instruction Modified Worksheet and Tests CD-ROM with Answer Key	2007	9780030778629	GM	No	Yes
Power Presentations with Video CD-ROM	2007	9780030778636	GM	No	Yes
Ancient World History: patterns of interaction					
Student Edition © 2007	2007	9780618690121	PDF	No	Yes
Teacher's Edition © 2007	2007	9780618690138	PDF	No	Yes
eEdition DVD-ROM	2007	9780547064413	GM	No	Yes
EasyPlanner DVD-ROM	2007	9780547064390	GM	No	Yes
ExamView Assessment Suite CD-ROM	2007	9780547000664	GM	No	Yes
Power Presentations DVD-ROM	2007	9780547064406	GM	No	Yes
McDougal Littell Assessment System (MLAS)	2007	9780618805617	GM	No	Yes
Economics					
Student Edition	2008	9780618594030	PDF	No	Yes
Teacher's Edition	2008	9780618815234	PDF	No	Yes
eEdition DVD-ROM	2008	9780618696123	GM	No	Yes
Economic Concepts Transparencies	2008	9780618887163	PDF	No	Yes
NCEE Student Activities Answer Key	2008	9780618912926	PDF	No	Yes
Test Practice and Review Workbook Answer Key	2008	9780618904716	PDF	No	Yes
Reading Study Guides Answer Key	2008	9780618815302	PDF	No	Yes
Daily Test Practice Transparencies	2008	9780618887156	PDF	No	Yes
Standards-Based Assessment Book	2008	9780618887149	PDF	No	Yes
Writing for Social Studies	2008	9780395869093	PDF	No	Yes
NCEE Student Activities	2008	9780618815265	PDF	No	Yes

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HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Reading Study Guide	2008	9780618815289	PDF	No	Yes
Test Practice and Review Workbook	2008	9780618815326	PDF	No	Yes
EasyPlanner DVD-ROM	2008	9780618776740	GM	No	Yes
ExamView Assessment Suite CD-ROM	2008	9780547000640	GM	No	Yes
Power Presentations DVD-ROM	2008	9780618776757	GM	No	Yes
Video Series on DVD	2008	9780618776726	GM	No	Yes
Psychology					
Student Edition	2007	9780030777899	PDF	No	Yes
Teacher's Edition	2007	9780030777912	PDF	No	Yes
Teaching Resources Package	2007	9780030646560	PDF	No	Yes
Graphic Organizer Transparencies with Support for Reading and Writing	2007	9780030797774	PDF	No	Yes
Teaching Transparencies with Teachers Notes	2007	9780030646546	PDF	No	Yes
Quiz Game CD-ROM	2007	9780030781292	GM	No	Yes
Video Program	2007	9780030781346	GM	No	Yes
Sociology					
Student Edition	2008	9780030935619	PDF	No	Yes
Teacher's Edition	2008	9780030939594	PDF	No	Yes
Teaching Resources Package	2008	9780030939556	PDF	No	Yes
Teaching Transparencies with Teachers Notes	2008	9780030388934	PDF	No	Yes
Video Program (DVD)	2008	9780030939587	GM	No	Yes
World Geography					
Student Edition © 2007	2007	9780618689989	PDF	No	Yes
Teacher's Edition © 2007	2007	9780618689996	PDF	No	Yes
eEdition DVD-ROM	2007	9780547064550	GM	No	Yes
Teacher Resource Package	2007	9780618162666	PDF	No	Yes
World Geography Workbook	2007	9780618194971	PDF	No	Yes

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	Copyright	ISBN	Format	Software	Designated Basal Program
ExamView Assessment Suite CD-ROM	2007	9780547010809	GM	No	Yes
Power Presentations DVD-ROM	2007	9780547147123	GM	No	Yes
The Voyageur Experience in World Geography DVD Series Kit	2007	9780618663484	GM	No	Yes
EasyPlanner DVD-ROM	2007	9780547064482	GM	No	Yes
McDougal Littell Assessment System (MLAS)	2007	9780618805655	GM	No	Yes
World Cultures and Geography and Eastern and Western Hemisphere					
World Cultures and Geography © 2007					
Student Edition © 2007	2007	9780618689897	PDF	No	Yes
Teacher's Edition © 2007	2007	9780618689903	PDF	No	Yes
eEdition CD-ROM	2007	9780618428410	GM	No	Yes
Teacher Resource Package	2007	9780618462148	PDF	No	Yes
Workbook	2007	9780618199211	PDF	No	Yes
Workbook Answer Key	2007	9780618199228	PDF	No	Yes
Writing Research Reports	2007	9780618531530	PDF	No	Yes
EasyPlanner CD-ROM	2007	9780618458967	GM	No	Yes
Power Presentations CD-ROM	2007	9780618576463	GM	No	Yes
Test Generator CD-ROM	2007	9780618466115	GM	No	Yes
There's No Food Like My Food DVD Series	2007	9780618663491	GM	No	Yes
McDougal Littell Assessment System (MLAS)	2007	9780618805662	GM	No	Yes
World Cultures and Geography: Western Hemisphere and Europe					
Student Edition © 2007	2007	9780618689958	PDF	No	Yes
Teacher's Edition © 2007	2007	9780618689972	PDF	No	Yes
eEdition CD-ROM	2007	9780618428663	GM	No	Yes
Teacher Resource Package	2007	9780618217342	PDF	No	Yes

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HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Workbook	2007	9780618217267	PDF	No	Yes
EasyPlanner CD-ROM	2007	9780618458967	GM	No	Yes
Power Presentations CD-ROM	2007	9780618576463	GM	No	Yes
Test Generator CD-ROM	2007	9780618466115	GM	No	Yes
McDougal Littell Assessment System (MLAS)	2007	9780618805686	GM	No	Yes
World Cultures and Geography: Eastern Hemisphere © 2007					
Student Edition © 2007	2007	9780618689927	PDF	No	Yes
Teacher's Edition © 2007	2007	9780618689934	PDF	No	Yes
eEdition CD-ROM	2007	9780618428557	GM	No	Yes
Teacher Resource Package	2007	9780618462216	PDF	No	Yes
Workbook	2007	9780618217069	PDF	No	Yes
EasyPlanner CD-ROM	2007	9780618458974	GM	No	Yes
Power Presentations CD-ROM	2007	9780618576463	GM	No	Yes
Test Generator CD-ROM	2007	9780618466115	GM	No	Yes
McDougal Littell Assessment System (MLAS)	2007	9780618805679	GM	No	Yes
World History: patterns of interaction					
Student Edition © 2007	2007	9780618690084	PDF	No	Yes
Teacher's Edition © 2007	2007	9780618690091	PDF	No	Yes
eEdition DVD-ROM	2007	9780547064413	GM	No	Yes
Teacher Resource Package	2007	9780618422975	PDF	No	Yes
Reading Toolkit for Social Studies: World History	2007	9780618437429	PDF	No	Yes
World History: Patterns of Interaction Workbook	2007	9780618409389	PDF	No	Yes
EasyPlanner DVD-ROM	2007	9780547064390	GM	No	Yes
ExamView Assessment Suite CD-ROM	2007	9780547000664	GM	No	Yes
Power Presentations DVD-ROM	2007	9780547064406	GM	No	Yes
Voices from the Past Audio CD	2007	9780618428687	GM	No	Yes

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HMH ELL Other Backlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Patterns of Interaction Video Series (DVD)	2007	9780618663460	GM	No	Yes
World History Library of Primary Sources CD-ROM	2007	9780547232058	GM	No	Yes
McDougal Littell Assessment System (MLAS)	2007	9780618805778	GM	No	Yes

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HMH ELL Other Frontlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Write Source					
Parts of Speech and Sentences and Units Grade 5	2012	9780547509051	GM	No	No
Parts of Speech and Sentences and Units Grade 6	2012	9780547508979	GM	No	No
Parts of Speech and Sentences and Units Grade 7	2012	9780547508894	GM	No	No
Parts of Speech and Sentences and Units Grade 8	2012	9780547508917	GM	No	No
Parts of Speech and Sentences and Units Grade 9	2012	9780547508955	GM	No	No
Parts of Speech and Sentences and Units Grade 10	2012	9780547509013	GM	No	No
Parts of Speech and Sentences and Units Grade 11	2012	9780547509006	GM	No	No
Student Edition (Grade 6)	2012	9780547516332	GM	No	No
Student Edition (Grade 9)	2012	9780547516394	GM	No	No
Student Edition (Grade 11)	2012	9780547516431	GM	No	No
Skills Tutor					
Language Arts A	N/A	9780547220796	GM	No	No
Language Arts B	N/A	9780547220871	GM	No	No
Language Arts C	N/A	9780547220864	GM	No	No
Reading Comprehension LL	N/A	9780669022681	GM	No	No
Reading Comprehension A	N/A	9780669022698	GM	No	No
Reading Comprehension B	N/A	9780547220673	GM	No	No
Reading Comprehension C	N/A	9780669022728	GM	No	No
Reading Vocabulary A	N/A	9780669022759	GM	No	No
Reading Vocabulary B	N/A	9780669022766	GM	No	No
Reading Vocabulary C	N/A	9780669022773	GM	No	No
Reading	N/A	9780547220918	GM	No	No
Writing	N/A	9780547220932	GM	No	No
Language	N/A	9780547206561	GM	No	No
FL Science Fusion					
Activities and Corresponding Examview Assessment Items					Yes

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HMH ELL Other Frontlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Grade 1, Unit 6	2012	9780547338774	GM	No	Yes
Grade 2, Unit 2	2012	9780547365718	GM	No	Yes
Grade 2, Unit 2	2012	9780547365718	GM	No	Yes
Grade 2, Unit 2	2012	9780547365718	GM	No	Yes
Grade 2, Unit 4	2012	9780547365718	GM	No	Yes
Grade 2, Unit 4	2012	9780547365718	GM	No	Yes
Grade 2, Unit 5	2012	9780547365718	GM	No	Yes
Grade 2, Unit 6	2012	9780547365718	GM	No	Yes
Grade 2, Unit 7	2012	9780547365718	GM	No	Yes
Grade 2, Unit 7	2012	9780547365718	GM	No	Yes
Grade 2, Unit 8	2012	9780547365718	GM	No	Yes
Grade 2, Unit 8	2012	9780547365718	GM	No	Yes
Grade 2, Unit 9	2012	9780547365718	GM	No	Yes
Grade 2, Unit 9	2012	9780547365718	GM	No	Yes
Grade 2, Unit 10	2012	9780547365718	GM	No	Yes
Grade 2, Unit 10	2012	9780547365718	GM	No	Yes
Grade 3, Unit 2	2012	9780547365893	GM	No	Yes
Grade 3, Unit 3	2012	9780547365893	GM	No	Yes
Grade 3, Unit 4	2012	9780547365893	GM	No	Yes
Grade 3, Unit 4	2012	9780547365893	GM	No	Yes
Grade 3, Unit 5	2012	9780547365893	GM	No	Yes
Grade 3, Unit 5	2012	9780547365893	GM	No	Yes
Grade 3, Unit 6	2012	9780547365893	GM	No	Yes
Grade 3, Unit 6	2012	9780547365893	GM	No	Yes
Grade 3, Unit 6	2012	9780547365893	GM	No	Yes
Grade 3, Unit 7	2012	9780547365893	GM	No	Yes
Grade 3, Unit 7	2012	9780547365893	GM	No	Yes

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HMH ELL Other Frontlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Grade 3, Unit 7	2012	9780547365893	GM	No	Yes
Grade 3, Unit 8	2012	9780547365893	GM	No	Yes
Grade 3, Unit 8	2012	9780547365893	GM	No	Yes
Grade 4, Unit 2	2012	9780547365879	GM	No	Yes
Grade 4, Unit 3	2012	9780547365879	GM	No	Yes
Grade 4, Unit 3	2012	9780547365879	GM	No	Yes
Grade 4, Unit 4	2012	9780547365879	GM	No	Yes
Grade 4, Unit 4	2012	9780547365879	GM	No	Yes
Grade 4, Unit 5	2012	9780547365879	GM	No	Yes
Grade 4, Unit 5	2012	9780547365879	GM	No	Yes
Grade 4, Unit 6	2012	9780547365879	GM	No	Yes
Grade 4, Unit 6	2012	9780547365879	GM	No	Yes
Grade 4, Unit 6	2012	9780547365879	GM	No	Yes
Grade 4, Unit 7	2012	9780547365879	GM	No	Yes
Grade 4, Unit 7	2012	9780547365879	GM	No	Yes
Grade 4, Unit 7	2012	9780547365879	GM	No	Yes
Grade 4, Unit 7	2012	9780547365879	GM	No	Yes
Grade 4, Unit 8	2012	9780547365879	GM	No	Yes
Grade 4, Unit 8	2012	9780547365879	GM	No	Yes
Grade 4, Unit 9	2012	9780547365879	GM	No	Yes
Grade 4, Unit 9	2012	9780547365879	GM	No	Yes
Grade 4, Unit 9	2012	9780547365879	GM	No	Yes
Grade 4, Unit 10	2012	9780547365879	GM	No	Yes
Grade 5, Unit 3	2012	9780547365916	GM	No	Yes
Grade 5, Unit 3	2012	9780547365916	GM	No	Yes
Grade 5, Unit 4	2012	9780547365916	GM	No	Yes
Grade 5, Unit 4	2012	9780547365916	GM	No	Yes

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HMH ELL Other Frontlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Grade 5, Unit 4	2012	9780547365916	GM	No	Yes
Grade 5, Unit 4	2012	9780547365916	GM	No	Yes
Grade 5, Unit 4	2012	9780547365916	GM	No	Yes
Grade 5, Unit 5	2012	9780547365916	GM	No	Yes
Grade 5, Unit 6	2012	9780547365916	GM	No	Yes
Grade 5, Unit 6	2012	9780547365916	GM	No	Yes
Grade 5, Unit 7	2012	9780547365916	GM	No	Yes
Grade 5, Unit 7	2012	9780547365916	GM	No	Yes
Grade 5, Unit 7	2012	9780547365916	GM	No	Yes
Grade 5, Unit 8	2012	9780547365916	GM	No	Yes
Grade 5, Unit 8	2012	9780547365916	GM	No	Yes
Grade 5, Unit 8	2012	9780547365916	GM	No	Yes
Grade 5, Unit 9	2012	9780547365916	GM	No	Yes
Grade 5, Unit 10	2012	9780547365916	GM	No	Yes
Grade 5, Unit 10	2012	9780547365916	GM	No	Yes
Grade 5, Unit 10	2012	9780547365916	GM	No	Yes
Grade 5, Unit 10	2012	9780547365916	GM	No	Yes
Grade 6, Unit 3	2012	9780547365770	GM	No	Yes
Grade 6, Unit 4	2012	9780547365770	GM	No	Yes
Grade 6, Unit 4	2012	9780547365770	GM	No	Yes
Grade 6, Unit 4	2012	9780547365770	GM	No	Yes
Grade 6, Unit 4	2012	9780547365770	GM	No	Yes
Grade 6, Unit 4	2012	9780547365770	GM	No	Yes
Grade 6, Unit 5	2012	9780547365770	GM	No	Yes
Grade 6, Unit 5	2012	9780547365770	GM	No	Yes
Grade 6, Unit 5	2012	9780547365770	GM	No	Yes
Grade 6, Unit 5	2012	9780547365770	GM	No	Yes

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HMH ELL Other Frontlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Grade 6, Unit 5	2012	9780547365770	GM	No	Yes
Grade 6, Unit 6	2012	9780547365770	GM	No	Yes
Grade 6, Unit 7	2012	9780547365770	GM	No	Yes
Grade 6, Unit 7	2012	9780547365770	GM	No	Yes
Grade 6, Unit 7	2012	9780547365770	GM	No	Yes
Grade 6, Unit 7	2012	9780547365770	GM	No	Yes
Grade 6, Unit 7	2012	9780547365770	GM	No	Yes
Grade 6, Unit 8	2012	9780547365770	GM	No	Yes
Grade 6, Unit 8	2012	9780547365770	GM	No	Yes
Grade 7, Unit 2	2012	9780547365909	GM	No	Yes
Grade 7, Unit 2	2012	9780547365909	GM	No	Yes
Grade 7, Unit 2	2012	9780547365909	GM	No	Yes
Grade 7, Unit 2	2012	9780547365909	GM	No	Yes
Grade 7, Unit 2	2012	9780547365909	GM	No	Yes
Grade 7, Unit 2	2012	9780547365909	GM	No	Yes
Grade 7, Unit 2	2012	9780547365909	GM	No	Yes
Grade 7, Unit 4	2012	9780547365909	GM	No	Yes
Grade 7, Unit 4	2012	9780547365909	GM	No	Yes
Grade 7, Unit 4	2012	9780547365909	GM	No	Yes
Grade 7, Unit 4	2012	9780547365909	GM	No	Yes
Grade 7, Unit 4	2012	9780547365909	GM	No	Yes
Grade 7, Unit 5	2012	9780547365909	GM	No	Yes
Grade 7, Unit 5	2012	9780547365909	GM	No	Yes
Grade 7, Unit 5	2012	9780547365909	GM	No	Yes
Grade 7, Unit 5	2012	9780547365909	GM	No	Yes
Grade 7, Unit 6	2012	9780547365909	GM	No	Yes

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HMH ELL Other Frontlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Grade 7, Unit 6	2012	9780547365909	GM	No	Yes
Grade 7, Unit 6	2012	9780547365909	GM	No	Yes
Grade 7, Unit 8	2012	9780547365909	GM	No	Yes
Grade 7, Unit 8	2012	9780547365909	GM	No	Yes
Grade 7, Unit 8	2012	9780547365909	GM	No	Yes
Grade 7, Unit 8	2012	9780547365909	GM	No	Yes
Grade 7, Unit 8	2012	9780547365909	GM	No	Yes
Grade 7, Unit 9	2012	9780547365909	GM	No	Yes
Grade 7, Unit 9	2012	9780547365909	GM	No	Yes
Grade 7, Unit 10	2012	9780547365909	GM	No	Yes
Grade 7, Unit 10	2012	9780547365909	GM	No	Yes
Grade 7, Unit 10	2012	9780547365909	GM	No	Yes
Grade 8, Unit 2	2012	9780547365756	GM	No	Yes
Grade 8, Unit 2	2012	9780547365756	GM	No	Yes
Grade 8, Unit 3	2012	9780547365756	GM	No	Yes
Grade 8, Unit 3	2012	9780547365756	GM	No	Yes
Grade 8, Unit 3	2012	9780547365756	GM	No	Yes
Grade 8, Unit 3	2012	9780547365756	GM	No	Yes
Grade 8, Unit 3	2012	9780547365756	GM	No	Yes
Grade 8, Unit 4	2012	9780547365756	GM	No	Yes
Grade 8, Unit 4	2012	9780547365756	GM	No	Yes
Grade 8, Unit 4	2012	9780547365756	GM	No	Yes
Grade 8, Unit 6	2012	9780547365756	GM	No	Yes
Grade 8, Unit 6	2012	9780547365756	GM	No	Yes
Grade 8, Unit 6	2012	9780547365756	GM	No	Yes
Grade 8, Unit 6	2012	9780547365756	GM	No	Yes
Grade 8, Unit 6	2012	9780547365756	GM	No	Yes

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	Copyright	ISBN	Format	Software	Designated Basal Program
Grade 8, Unit 6	2012	9780547365756	GM	No	Yes
Grade 8, Unit 7	2012	9780547365756	GM	No	Yes
Grade 8, Unit 7	2012	9780547365756	GM	No	Yes
Virtual Labs- activity code	2012				
G1_EI_00208 What Can We Observe About Weather?	2012	9780547577722	GM	No	Yes
G1_EI_00211 How Does the Sun Seem to Move?	2012	9780547577722	GM	No	Yes
G1_LI_00200 How Can We Group Animals?	2012	9780547577722	GM	No	Yes
G1_LI_00204 What Is a Terrarium?	2012	9780547577722	GM	No	Yes
G1_PI_00102 How Can Materials Be Sorted?	2012	9780547577722	GM	No	Yes
G1_PI_00215 How Do We Make Sound?	2012	9780547577722	GM	No	Yes
G1_TI_00226 How Can We Solve a Problem?	2012	9780547577722	GM	No	Yes
G2_EI_00110 How Can We Measure Precipitation?	2012	9780547588711	GM	No	Yes
G2_EI_00213 How Can We Classify Plant Products?	2012	9780547588711	GM	No	Yes
G2_EI_00218 How Can We Model Day and Night?	2012	9780547588711	GM	No	Yes
G2_LI_00202 How Can We Model a Fossil?	2012	9780547588711	GM	No	Yes
G2_LI_00204 What Do Plants Need to Grow?	2012	9780547588711	GM	No	Yes
G2_TI_00237 How Can We Use the Design Process?	2012	9780547588711	GM	No	Yes
G2_TI_00222 How Can We Improve Technology?	2012	9780547588711	GM	No	Yes
G3_EI_00221 How Can We Model Erosion?	2012	9780547588742	GM	No	Yes
G3_EI_00226 How Can We Conserve Resources?	2012	9780547588742	GM	No	Yes
G3_EI_00229 How Can We Measure Weather?	2012	9780547588742	GM	No	Yes
G3_EI_00231 How Can We Model the Moon’s Phases?	2012	9780547588742	GM	No	Yes
G3_LI_00203 How Do Living Things Change?	2012	9780547588742	GM	No	Yes
G3_LI_00205 How Can We Model a Physical Adaptation?	2012	9780547588742	GM	No	Yes
G3_LI_00208 What’s in an Ecosystem?	2012	9780547588742	GM	No	Yes
G3_LI_00210 What Are Some Food Chains?	2012	9780547588742	GM	No	Yes
G3_PI_00214 What Changes Can We Observe?	2012	9780547588742	GM	No	Yes

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	Copyright	ISBN	Format	Software	Designated Basal Program
G3_PI_00216 How Do Simple Machines Affect Work?	2012	9780547588742	GM	No	Yes
G3_TI_00248 How Can You Design a Tree House?	2012	9780547588742	GM	No	Yes
G3_TI_00219 How Can We Improve a Design?	2012	9780547588742	GM	No	Yes
G4_EI_00215 How Can We Model the Sun and Planets?	2012	9780547588759	GM	No	Yes
G4_LI_00205 How Can We Observe a Plant's Life Cycle?	2012	9780547588759	GM	No	Yes
G4_PI_00110 What Is Speed?	2012	9780547588759	GM	No	Yes
G4_PI_00218 How Can We Make a Solution?	2012	9780547588759	GM	No	Yes
G4_TI_00112 How Can You Design a Solution to a Problem?	2012	9780547588759	GM	No	Yes
G4_TI_00202 How Do We Use Technology?	2012	9780547588759	GM	No	Yes
G5_EI_00218 How Can We Conserve Natural Resources?	2012	9780547719368	GM	No	Yes
G5_EI_00220 How Does Water Change Earth's Surface?	2012	9780547719375	GM	No	Yes
G5_LI_00112 What Makes Up a Land Ecosystem?	2012	9780547719368	GM	No	Yes
G5_LI_00114 What Role Do Decomposers Play?	2012	9780547719368	GM	No	Yes
G5_LI_00208 What Is a Dichotomous Key?	2012	9780547719368	GM	No	Yes
G5_NI_00100 How Can You Design a Solution to a Problem?	2012	9780547719368	GM	No	Yes
G5_PI_00235 How Are Different Sounds Made?	2012	9780547719375	GM	No	Yes
G5_PI_00238 What Happens When Light Is Reflected?	2012	9780547719375	GM	No	Yes
G5_TI_00201 How Can You Use Engineering to Solve a Problem?	2012	9780547719368	GM	No	Yes
G6_EI_71325L How Can We Study Earthquakes?	2012	9780547589398	GM	No	Yes
G6_EI_61210L How Does Water Move through the Water Cycle?	2012	9780547589350	GM	No	Yes
G6_EI_71155L How Do We Divide Earth's History?	2012	9780547589398	GM	No	Yes
G6_LI_63364L What Affects Photosynthesis Rate?	2012	9780547589312	GM	No	Yes
G6_LI_63436L Bird Migration	2012	9780547589312	GM	No	Yes
G6_LI_63261L How Do Body Systems Work Together?	2012	9780547589404	GM	No	Yes
G6_LI_93092L Classifying Biomes	2012	9780547589459	GM	No	Yes
G6_LI_93082L Investigating the Carbon Cycle	2012	9780547589459	GM	No	Yes
G6_LI_61724L How Can We Measure the Impact of Nonrenewable Energy?	2012	9780547589459	GM	No	Yes

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	Copyright	ISBN	Format	Software	Designated Basal Program
G6_LI_61734L How Can We Use Renewable Energy Resources?	2012	9780547589459	GM	No	Yes
G6_PI_75120L How Are Temperature and Kinetic Energy Related?	2012	9780547589510	GM	No	Yes
G6_PI_85264L How Are Atoms Structured?	2012	9780547589510	GM	No	Yes
G6_PI_85200L What Trends Can You See in the Periodic Table?	2012	9780547589510	GM	No	Yes
G6_PI_85992L What Factors Affect the Rate of a Chemical Reaction?	2012	9780547589510	GM	No	Yes
G6_PI_75345L How Can You Measure pH?	2012	9780547589510	GM	No	Yes
G6_PI_65212L What Factors Affect Gravitational Attraction?	2012	9780547589473	GM	No	Yes
G6_PI_95023L What Are Waves and How Do They Behave?	2012	9780547589435	GM	No	Yes
G6_TI_98834L Making Decisions in Technology	2012	9780547589343	GM	No	Yes
G6_TI_98816LHow Are Materials Selected for Use in Technological Applications?	2012	9780547589343	GM	No	Yes
EO Lit and Lang 09					
Grammar Notes: Effective Grammar for Writing DVDROM (Intro, First, Second Courses)	2009	9780030963162	GM	No	No
Grammar Notes: Effective Grammar for Writing DVDROM (Third and Fourth Courses)	2009	9780030963179	GM	No	No
Grammar Notes: Effective Grammar for Writing DVDROM (Fifth and Sixth Courses)	2009	9780030963186	GM	No	No
Writing Notes: Processes and Strategies for Effective Writing DVDROM (Intro, First, Second Courses)	2009	9780030963278	GM	No	No
Writing Notes: Processes and Strategies for Effective Writing DVDROM (Third and Fourth Courses)	2009	9780030963285	GM	No	No
Writing Notes: Processes and Strategies for Effective Writing DVDROM (Fifth and Sixth Courses)	2009	9780030963155	GM	No	No
Power Notes: Lesson Presentations with Motivational Videos (Intro Course)	2009	9780030963193	GM	No	No

EXHIBIT A

HMH ELL Other Frontlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Power Notes: Lesson Presentations with Motivational Videos (First Course)	2009	9780030963209	GM	No	No
Power Notes: Lesson Presentations with Motivational Videos (Second Course)	2009	9780030963216	GM	No	No
Power Notes: Lesson Presentations with Motivational Videos (Third Course)	2009	9780030963223	GM	No	No
Power Notes: Lesson Presentations with Motivational Videos (Fourth Course)	2009	9780030963230	GM	No	No
Power Notes: Lesson Presentations with Motivational Videos (Fifth Course)	2009	9780030963247	GM	No	No
Power Notes: Lesson Presentations with Motivational Videos (Sixth Course)	2009	9780030963254	GM	No	No
Word Sharp: An Interactive Vocabulary Tutor DVDROM (Intro Course)	2009	9780554001463	GM	No	No
Word Sharp: An Interactive Vocabulary Tutor DVDROM (First Course)	2009	9780554000664	GM	No	No
Word Sharp: An Interactive Vocabulary Tutor DVDROM (Second Course)	2009	9780554001869	GM	No	No
Word Sharp: An Interactive Vocabulary Tutor DVDROM (Third Course)	2009	9780554000275	GM	No	No
Word Sharp: An Interactive Vocabulary Tutor DVDROM (Fourth Course)	2009	9780554001067	GM	No	No
Word Sharp: An Interactive Vocabulary Tutor DVDROM (Fifth Course)	2009	9780554000268	GM	No	No
Word Sharp: An Interactive Vocabulary Tutor DVDROM (Sixth Course)	2009	9780554002262	GM	No	No
HSP Math 2009					

EXHIBIT A

HMH ELL Other Frontlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
The Harcourt Mega Math Series Gold Edition CD ROM Single Computer Version	2009	9780153664045	GM	No	No
The Harcourt Mega Math Series Gold Edition CD ROM LAN Version	2009	9780153664038	GM	No	No
iTools CD-ROM Primary	2009	9780153615955	GM	No	No
iTools CD-ROM Intermediate	2009	9780153616013	GM	No	No
HSP Intervention (Grades 1 to 6)	2009	9780547431505	GM	No	No
Instructional Models CD-ROM Grade 1	2009	9780153616044	GM	No	No
Instructional Models CD-ROM Grade 2	2009	9780153616051	GM	No	No
Instructional Models CD-ROM Grade 3	2009	9780153616068	GM	No	No
Instructional Models CD-ROM Grade 4	2009	9780153616075	GM	No	No
Instructional Models CD-ROM Grade 5	2009	9780153616082	GM	No	No
Instructional Models CD-ROM Grade 6	2009	9780153616099	GM	No	No
Math on Location DVDs and Movie Guide Grade 3	2009	9780153684364	GM	No	No
Math on Location DVDs and Movie Guide Grade 4	2009	9780153684371	GM	No	No
Math on Location DVDs and Movie Guide Grade 5	2009	9780153684388	GM	No	No
Math on Location DVDs and Movie Guide Grade 6	2009	9780153684395	GM	No	No
HSP Science 2009					
Science Up Close and Enrichment Activities CD-ROM (Single Computer Pack)	2009	9780153723513	GM	No	No
Science Up Close and Enrichment Activities CD-ROM (Single Computer Pack)	2009	9780153723520	GM	No	No
Science Up Close and Enrichment Activities CD-ROM (Single Computer Pack)	2009	9780153723537	GM	No	No
Science Up Close and Enrichment Activities CD-ROM (Single Computer Pack)	2009	9780153723544	GM	No	No
Science Up Close and Enrichment Activities CD-ROM (Single Computer Pack)	2009	9780153723551	GM	No	No

EXHIBIT A

HMH ELL Other Frontlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Science Up Close and Enrichment Activities CD-ROM (Single Computer Pack)	2009	9780153723568	GM	No	No
HSP Science Activity Videos DVD	2009	9780153723728	GM	No	No
HSP Science Activity Videos DVD	2009	9780153723735	GM	No	No
HSP Science Activity Videos DVD	2009	9780153723742	GM	No	No
HSP Science Activity Videos DVD	2009	9780153723759	GM	No	No
HSP Science Activity Videos DVD	2009	9780153723766	GM	No	No
Teacher Editions	2009	9780153609558	GM	No	No
Teacher Editions	2009	9780153609572	GM	No	No
Teacher Editions	2009	9780153609596	GM	No	No
Teacher Editions	2009	9780153609619	GM	No	No
Teacher Editions	2009	9780153609633	GM	No	No
Pre-K Math and Pre-K Reading 08					
Math Teacher's Book	2008	9780618514083	PDF	No	Yes
Early Growth Indicators Benchmark Assessment	2008	9780618513321	PDF	No	Yes
Professional Development Handbook	2008	9780618593620	PDF	No	Yes
Sing and Share Kit	2008	9780618593460	PDF	No	Yes
Individual Theme Package: Theme 1: Welcome to School	2008	9780618512256	PDF	No	Yes
Individual Theme Package: Theme 2: My Family, My Community	2008	9780618512263	PDF	No	Yes
Individual Theme Package: Theme 3: My Five Senses	2008	9780618512270	PDF	No	Yes
Individual Theme Package: Theme 4: Seasons All Around	2008	9780618512287	PDF	No	Yes
Literacy Extensions Jumbo Magnetic Letters	2008	9780618593613	PDF	No	Yes
exploded individual theme package (3 Big Books, 1 Teachers Book, 1 Teachers Resource CD-ROM, 4 Rhyme and Chant Posters, 1 Audio CD, 7 Oral Language Cards, 1 Read Aloud					

EXHIBIT A

HMH ELL Other Frontlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Theme 1					
Theme 1.3: The Great Shape Hunt	2008	9780618512379	PDF	No	Yes
Theme 1: Welcome to School Audio CD	2008	9780618512676	GM	No	Yes
Theme 1 (4 posters)	2008	9780618604524	PDF	No	Yes
Theme 1 (7 cards)	2008	9780618604654	PDF	No	Yes
Theme 2					
Theme 2.2: On Our Street	2008	9780618512393	PDF	No	Yes
Theme 2.3: All Around Town	2008	9780618512409	PDF	No	Yes
Theme 2: My Family, My Community Audio CD	2008	9780618512683	GM	No	Yes
Theme 2 (4 posters)	2008	9780618604548	PDF	No	Yes
Theme 2 (7 cards)	2008	9780618604678	PDF	No	Yes
Theme 3					
Theme 3: My Five Senses Audio CD	2008	9780618512690	GM	No	Yes
Theme 3 (4 posters)	2008	9780618604555	PDF	No	Yes
Theme 3 (7 cards)	2008	9780618604685	PDF	No	Yes
Theme 4					
Theme 4: Seasons All Around Audio CD	2008	9780618512706	GM	No	Yes
Theme 4 (4 posters)	2008	9780618604562	PDF	No	Yes
Theme 4 (7 cards)	2008	9780618604708	PDF	No	Yes
Teacher’s Resource Book Themes 1–10	2008	9780618513208	PDF	No	Yes
Teacher’s Resource CD-ROM	2008	9780618593637	PDF	No	Yes
Storytown 2011					
Splash into Phonics Grades K-3 Network Version	2011	9780153648601	GM	No	No
Splash into Phonics Grade K (Level A)	2011	9780153597534	GM	No	No
Splash into Phonics Grade 1 (Level B)	2011	9780153597541	GM	No	No
Splash into Phonics Grade 2 (Level C)	2011	9780153597558	GM	No	No
Splash into Phonics Grade 3 (Level D)	2011	9780153597565	GM	No	No

EXHIBIT A

HMH ELL Other Frontlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Comprehension Expedition Level A	2011	9780153597602	GM	No	No
Comprehension Expedition Level B	2011	9780153597619	GM	No	No
Comprehension Expedition Level C	2011	9780153597626	GM	No	No
Comprehension Expedition Level D	2011	9780153597633	GM	No	No
Grammar Practice Books Grade 1	2011	9780153499081	GM	No	No
Grammar Practice Books Grade 2	2011	9780153499098	GM	No	No
Grammar Practice Books Grade 3	2011	9780153499104	GM	No	No
Grammar Practice Books Grade 4	2011	9780153499111	GM	No	No
Grammar Practice Books Grade 5	2011	9780153499128	GM	No	No
Grammar Practice Books Grade 6	2011	9780153499135	GM	No	No
World History: Ancient through Early Modern Times (3 Units only)					
Student Edition	2009	9780547018546	App	No	Yes
Teacher Edition	2009	9780547020303	App	No	Yes
eEdition DVD ROM	2009	9780547013473	GM	No	Yes
Resource Manager	2009	9780547020426	App	No	Yes
Presentation Toolkit	2009	9780547020495	App	No	Yes
Best Practices Toolkit	2009	9780547013053	App	No	Yes
Document Based Questions Practice Workbook Answer Key	2009	9780547013367	App	No	Yes
Experiencing World History and Geography	2009	9780030992407	App	No	Yes
Reading Like a Historian World History Toolkit	2009	9780030938252	App	No	Yes
Writing Research Reports	2009	9780618531530	App	No	Yes
Standards Based Assessment Book	2009	9780547013060	App	No	Yes
Test Practice and Review Wrokbook Answer Key	2009	9780547020228	App	No	Yes
Thinking about Content Reading	2009	9780554023939	App	No	Yes
Primary Source Activity Kit	2009	9780554024615	App	No	Yes
Document Based Questions Practice Workbook	2009	9780547013152	App	No	Yes
Reading Study Guide English	2009	9780547021034	App	No	Yes

EXHIBIT A

HMH ELL Other Frontlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Reading Study Guide with Additional Support English	2009	9780547020396	App	No	Yes
Audio Book in English	2009	9780547013510	GM	No	Yes
Exam View Assessment Suite CD ROM	2009	9780547000695	GM	No	Yes
World History: Middle School (3 Units only)					
Student Edition	2009	9780618950355	App	No	Yes
Teacher Edition	2009	9780547013015	App	No	Yes
eEdition DVD ROM	2009	9780547013473	GM	No	Yes
Resource Manager	2009	9780547013039	App	No	Yes
Presentation Toolkit	2009	9780547013046	App	No	Yes
Best Practices Toolkit	2009	9780547013053	App	No	Yes
Document Based Questions Practice Workbook Answer Key	2009	9780547013367	App	No	Yes
Experiencing World History and Geography	2009	9780030992407	App	No	Yes
Reading Like a Historian World History Toolkit	2009	9780030938252	App	No	Yes
Writing Research Reports	2009	9780618531530	App	No	Yes
Standards Based Assessment Book	2009	9780547013060	App	No	Yes
Test Practice and Review Wrokbook Answer Key	2009	9780547013022	App	No	Yes
Thinking about Content Reading	2009	9780554023939	App	No	Yes
Primary Source Activity Kit	2009	9780554024615	App	No	Yes
Document Based Questions Practice Workbook	2009	9780547013152	App	No	Yes
Reading Study Guide English	2009	9780547013091	App	No	Yes
Reading Study Guide with Additional Support English	2009	9780547013138	App	No	Yes
Audio Book in English	2009	9780547013510	GM	No	Yes
Exam View Assessment Suite CD ROM	2009	9780547000695	GM	No	Yes
American Anthem: Reconstruction to Present (3 Units only)					
Student Edition	2009	9780030998133	App	No	Yes
Teacher Edition	2009	9780030998140	App	No	Yes
Alternative Assessment Handbook	2009	9780030665332	App	No	Yes

EXHIBIT A

HMH ELL Other Frontlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Chapter Resource Files with Answer Key	2009	9780554008905	App	No	Yes
Democracy and Civic Education Resources	2009	9780030419348	App	No	Yes
Democracy and Civic Education Resources Answer Key	2009	9780030419232	App	No	Yes
Document Based Activities for American History	2009	9780030377112	App	No	Yes
Document Based Activities for American History Answer Key	2009	9780030377099	App	No	Yes
Reading Like a Historian Toolkit for American History	2009	9780030930744	App	No	Yes
Experiencing American History	2009	9780030993190	App	No	Yes
Political Cartoons Activities for American History	2009	9780030377082	App	No	Yes
Amer History Outline Maps with Teaching Suggestions	2009	9780030536649	App	No	Yes
English Language Learner Strategies and Activities	2009	9780030992520	App	No	Yes
Reading Social Studies	2009	9780030797767	App	No	Yes
Holt World Atlas	2009	9780030797743	App	No	Yes
Holt Student World Atlas Activities w Answer Key	2009	9780030934209	App	No	Yes
Primary Source Activity Kit	2009	9780554024615	App	No	Yes
Constitution Study Guide	2009	9780030419225	App	No	Yes
Interactive Reader and Study Guide	2009	9780030393938	App	No	Yes
Test Preparation Workbook	2009	9780030377075	App	No	Yes
History’s Impact: Amer History Video Progam (DVD)	2009	9780030373794	GM	No	Yes
Chapter Resource Files CD ROM	2009	9780030797637	GM	No	Yes
Differentiated Instruction: Modified Worksheets and Tests CD ROM	2009	9780030373862	GM	No	Yes
Interactive Skills Tutor CD ROM	2009	9780030419331	GM	No	Yes
Primary Source Library CD ROM for US History	2009	9780030419324	GM	No	Yes
Power Presentations with video CD ROM	2009	9780030373848	GM	No	Yes
Quiz Game CD ROM	2009	9780030373824	GM	No	Yes
Student Edition audio CD program	2009	9780030373596	GM	No	Yes
The America History Simulations CD ROM and User’s Guide	2009	9780030536496	GM	No	Yes

EXHIBIT A

HMH ELL Other Frontlist Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Civics in Practice: Principles of Governt and Economics (2 Units only)					
Student Edition	2009	9780030995095	App	No	Yes
Teacher Edition	2009	9780030995101	App	No	Yes
Teaching Resources Package	2009	9780030779879	App	No	Yes
US Supreme Court Case Studies	2009	9780030419249	App	No	Yes
Civic Participation Activities Guide	2009	9780030419195	App	No	Yes
Standardised Test Practice Handbook	2009	9780030779916	App	No	Yes
Active Citizenship Video Program (DVD)	2009	9780030781223	GM	No	Yes
Differentiated Instruction: Modified Worksheets and Tests CD ROM	2009	9780554000794	GM	No	Yes
Quiz Game CD ROM	2009	9780030797729	GM	No	Yes
Student Edition audio CD program	2009	9780030780097	GM	No	Yes

EXHIBIT A

HMH Professional Development Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Leadership					
Professional Learning Communities	N/A	9780547380346	Product	No	No
Leadership for Literacy	N/A	9780547379821	Product	No	No
Leadership for Literacy for English Language Learners	N/A	9780547379807	Product	No	No
Effective Teaching	N/A		Product	No	No
Professional Learning Communities	N/A	9780547380346	Product	No	No
Advanced Learning	N/A	9780547379326	Product	No	No
Closing the Gender Gap: Engaging Boys	N/A	9780547595986	Product	No	No
Classroom Management	N/A	9780547568713	Product	No	No
Standards	N/A		Product	No	No
Introducing the Common Core Standards for Administrators	N/A	9780547611136	Product	No	No
Introduction the Common Core Standards for Teachers	N/A	9780547798042	Product	No	No
Understanding the Common Core Standards for English Language Arts	N/A	9780547611198	Product	No	No
Teaching College and Career Readiness Standards	N/A	9780547611235	Product	No	No
Teaching Common Core Literacy Standards in the Content Areas	N/A	9780547611297	Product	No	No
Assessment	N/A		Product	No	No
Introduction to Next Generation Assessments: Assessing the Common Core Standards	N/A	9780547611266	Product	No	No
Formative Assessment Seminar	N/A	9780547379777	Product	No	No
Literacy Assessment	N/A	9780547379982	Product	No	No
Intervention	N/A		Product	No	No
Focused Intervention	N/A	9780547379722	Product	No	No
Reaching Struggling Adolescent Readers	N/A	9780547380360	Product	No	No
Literacy	N/A		Product	No	No
Essentials of Literacy Instruction	N/A	9780547379692	Product	No	No
Vocabulary Instruction	N/A	9780547380148	Product	No	No

EXHIBIT A

HMH Professional Development Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Fluency and Oral Interpretation of Text	N/A	9780547379944	Product	No	No
Comprehension Instruction across the School Day	N/A	9780547379913	Product	No	No
Small Group Instruction	N/A	9780547380117	Product	No	No
Guided Reading	N/A	9780547379845	Product	No	No
Differentiating Instruction	N/A	9780547756363	Product	No	No
Reading for Understanding in the Content Areas	N/A	9780547380384	Product	No	No
Writing	N/A		Product	No	No
Primary Write Traits	N/A	9780547380292	Product	No	No
Write Traits	N/A	9780547380780	Product	No	No
The Writing Classroom	N/A	9780547380827	Product	No	No
Writing Instruction across the School Day	N/A	9780547380193	Product	No	No
Writing across the Curriculum	N/A	9780547380711	Product	No	No
Math	N/A		Product	No	No
Differentiated Math Instruction	N/A	9780547379630	Product	No	No
Teaching through Problem Solving	N/A	9780547568737	Product	No	No
Science	N/A		Product	No	No
Science Literacy: Preparing Students for the Future	N/A	9780547380520	Product	No	No
ELL	N/A		Product	No	No
STEEL: Strategic Teaching Essentials for English Learners	N/A	9780547380544	Product	No	No
Best Practices for English Language Learners Instruction: Developing Academic Language	N/A	9780547568751	Product	No	No
Best Practices for English Language Learners Instruction: Strategic Reading	N/A	9780547568669	Product	No	No
Best Practices for English Language Learners Instruction: Writing	N/A	9780547568850	Product	No	No
Math is its Own Language: Strategies for English Language Learners	N/A	9780547380247	Product	No	No
Other HMH PD Programs	N/A		Product	No	No
An Overview of Reading Instruction for Teachers, Administrators, and Parents	N/A	9780153383663	Product	No	No

EXHIBIT A

HMH Professional Development Products

	Copyright	ISBN	Format	Software	Designated Basal Program
Participant Guide	N/A	9780153383557	Product	No	No
Teaching Phonemic Awareness	N/A	9780153383670	Product	No	No
Participant Guide	N/A	9780153383564	Product	No	No
Teaching Phonics: Grade K	N/A	9780153383687	Product	No	No
Participant Guide	N/A	9780153383571	Product	No	No
Teaching Phonics: Grade 1	N/A	9780153383694	Product	No	No
Participant Guide	N/A	9780153383588	Product	No	No
Teaching Phonics: Grades 2-6	N/A	9780153383700	Product	No	No
Participant Guide	N/A	9780153383595	Product	No	No
Teaching Vocabulary: Grades K-2	N/A	9780153383724	Product	No	No
Participant Guide	N/A	9780153383618	Product	No	No
Teaching Vocabulary: Grades 3-6	N/A	9780153383731	Product	No	No
Participant Guide	N/A	9780153383625	Product	No	No
Teaching Fluency	N/A	9780153383717	Product	No	No
Participant Guide	N/A	9780153383601	Product	No	No
Teaching Text Comprehension: Grades K and 1	N/A	9780153383748	Product	No	No
Participant Guide	N/A	9780153383632	Product	No	No
Teaching Text Comprehension: Grades 2-6	N/A	9780153383755	Product	No	No
Participant Guide	N/A	9780153383649	Product	No	No
Assessment to Inform Instruction	N/A	9780153383762	Product	No	No
Participant Guide	N/A	9780153383656	Product	No	No
Holt Professional Learning for Language Arts DVD ROM	N/A	9780554001326	Product	No	No

EXHIBIT A

HMH Finished Goods

To be determined in accordance with Paragraph 5(e) of Exhibit F attached hereto.

EXHIBIT A

HMH ELL Destination Products Pictorial Works

No.	Work Name	Pictorial Work
1.	Bailey	
2.	Bailey	
3.	Millie	

4. Millie

Millie

5. Edmo

Edmo

6. Tiger

Tiger

7. Professor

Professor

Ex. A: Page 74

8. Trudy

Trudy

9. Monkey

Monkey

10. Sammy

Sammy

11. Amy

Amy

Ex. A: Page 75

EXHIBIT B

DESTINATION FAMILY OF MARKS

1. **DESTINATION Family of Marks.**

DESTINATION MATH
DESTINATION READING
DESTINATION SUCCESS
DESTINATION TEACH

The following trademark and trademark registrations shall be deemed Destination Marks:

SUMMER SUCCESS, including the following logo,

2. **Registrations of Destination Marks in China.**

No.	Name	Trademark Sample	Type	Registration Number	Registration Date	Expiration Date
1	DESTINATION MATH	DESTINATION MATH	9	8231185	2011-04-28	2021-04-27
2	DESTINATION READING	DESTINATION READING	9	8231184	2011-4-28	2021-4-27
			41	8231183	2011-6-14	2021-6-13

No.	Name	Trademark Sample	Type	Registration Number	Registration Date	Expiration Date
3	DESTINATION SUCCESS	DESTINATION SUCCESS	9	8231189	2011-4-28	2021-4-27
			16	8231188	2011-5-21	2021-5-20
			41	8231187	2011-9-7	2021-9-6
			42	8231186	2011-6-14	2021-6-13
4	DESTINATION TEACH	DESTINATION TEACH	9	8231182	2011-04-28	2021-04-27
			16	8231400	2011-04-28	2021-04-27
			41	8231248	2011-6-14	2021-6-13
			42	8231247	2011-6-14	2021-6-13
5	SUMMERSUCCESS 及图		9	8478362	2011-7-28	2021-7-27
			16	8478407	2011-7-28	2021-7-27
			28	8478436	2011-7-28	2021-7-27
			41	8478470	2011-9-14	2021-9-13
			42	8478487	2011-9-14	2021-9-13

EXHIBIT C

LIST OF EXISTING THIRD PARTY LICENSES

Existing Third Party Licenses

Party (Licensee)	HMH Party	Relevant EMPGI - Licensed Product	Territory	Channel	Term & Renewal	License Description/ Use	Date of Agreement
IBM, Inc.	Riverdeep, Inc.	Edmark House Series (Millie's Math House, Bailey's Book House, Sammy's Science House, Trudy's Time & Place House), in a unique, combined CD-ROM form	Worldwide	Unrestricted	Perpetual.	Nonexclusive right to use, reproduce, display, distribute and sublicense the products. No rights to create localizations or derivative work are granted	September 25, 2000
The Software MacKiev Company	Riverdeep Inc.	Engineered Products (technically updated or enhanced to run natively on the Mac OS X operating system); ClueFinders; Cluefinders 3rd through 5th Grade, Cluefinders Math Adventure Ages 9-12, Cluefinders Search & Solve Adventure; Mavis Beacon Teaches Typing, Edmark Thinkin' Things 1 and 2, Edmar Thinkin' Science	World (Mac only)	All Channels (Mac only) until December 31, 2011. From December 31, 2011- termination; ELL Learning Centers and IB Scheools are carved out.	December 31, 2014 (with a possible 3yr extension).	Manufacture, market, distribute Engineered Products (modified Products for use on Mac OS X operating system only); develop, reproduce, sell localized versions of Engineered Products. License specifically does not include rights to localize into Indian English.	September 30, 2002 (agmt), October 6, 2004 (amend 1), November 30, 2004 (amend 2), December 14, 2005 (amend 3), November 21 2007 (amend 4); September 30, 2011 (amend 5)

Party (Licensee)	HMH Party	Relevant EMPGI - Licensed Product	Territory	Channel	Term & Renewal	License Description/ Use	Date of Agreement
TV Textbook (Mr. Patrick McDonagh)	Houghton Mifflin Harcourt Publishing Company	Destination Series and Edmatk House Series	Worldwide	Platform: Interactive television market (TVT Amendment: Interactive television platforms: IPTV, satellite cable and terrestrial, as well as through set top boxes or Integrated Digital TVs)	Perpetual.	Rights are limited strictly to the Platforms, exclusive licenses to: upgrade the products to function on any of the Platforms; market, sell, distribute products or upgraded products through the Platform; make use any part of the products in the course of developing new products and sell, market and distribute such new products; Exclusive licenses to Destination trademark for the purpose of marketing, selling, distributing and licensing the products or upgraded products (TVT Amendment grants no trademark rights).	November 30, 2006; as amended and restated in an Amended and Restated License Agreement, dated [ ], 2010† ("TVT Amendment")

Expired Agreements: IBE, Inc. has a 90-day sell-off period in Japan and South Korea to sell remaining inventory into the education, retail and direct-to-consumer channels. The following products are implicated; Destination Success (including Destination Tech); Destination Reading and Math; Edmark; Mighty Math; Thinkin' Things; Cluefinders; Oregon Trail; and Skills Tutor. No further rights are remaining other than limited sell-off rights.

† HMH has been unable to confirm the status of the rights granted under this unexecuted TVT Amendment. By scheduling this TVT Amendment, HMH is not acknowledging that the terms of the TVT Amendment have been agreed by HMH.

EXHIBIT D

[Intentionally omitted.]

EXHIBIT E

EXCLUDED THIRD PARTY SUBLICENSEES

Pearson
McGraw Hill
Scholastic
K12 Inc.
Scantron/Global Scholar
MacMillan
Any affiliate of the foregoing

EXHIBIT F

TERMS AND CONDITIONS FOR PURCHASE OF HMH FINISHED GOODS

1. Introduction. Pursuant to Section 5 of this Agreement, HMH will make available for purchase by Licensee HMH Finished Goods in each country in the Territory for which HMH has secured Intellectual Property Rights. The purchase of the HMH Finished Goods will be governed by the terms and conditions of this Exhibit F.

2. Term of Finished Goods Product Availability.

(a) The term of this Exhibit F shall commence on the MLA Effective Date and shall expire with respect to each HMH Finished Goods on the earlier of the date (i) that is seven (7) years after the MLA Effective Date and (ii) on which the applicable HMH Finished Goods are no longer in print, as determined in the sole discretion of HMH. For clarity, irrespective of this Agreement (including this Exhibit F), the Parties are free to agree to arrange for the purchase of any HMH Finished Goods by Licensee from HMH or any HMH distributor on terms and conditions as are mutually agreed in writing.

(b) In HMH's sole discretion, HMH Finished Goods will be periodically evaluated based on many criteria as to whether an HMH Finished Good will classified as "out of print." HMH will use commercially reasonable efforts to communicate relevant known pending HMH Finished Goods that will be classified "out of print" as part of a March 31 sales forecasting and demand planning meeting. Any and all actions including determination of future need and printing of HMH Finished Goods, where relevant, must be taken prior to June 30 of that year. After such date, Licensee may not be able to acquire "out of print" HMH Finished Goods from HMH. If HMH Finished Goods are classified as "out of print" as a result of legal or contractual limitations, Licensee will not be provided advanced notice or an ability to secure additional HMH Finished Goods.

3. Prices. Subject to the terms and conditions of this Exhibit F, HMH will offer to sell the HMH Finished Goods to Licensee at a fifty-five percent (55%) discount off of the then- current published catalog list price, which is available at the HMH Online catalog at: http://customercare.hmhco.com and the Heinemann online catalog at http://www.heinemann.com/. HMH reserves the right to change the applicable published catalog list price for any HMH Finished Goods without prior notice.

4. Delivery of HMH Finished Goods. Licensee will be responsible for the payment of freight based upon the then-current shipping and handling costs, as may be amended from time to time, and as initially described in the table below.

	International Routing	
Standard Shipping & Handling		
Non-Delivered Order Value		Fees
$0 to $100	US$	10
$100 to $2k		10.5%
$2k to $10k		9.5%
$10k to $50k		9.0%
$50k to $100k		8.5%
$100k to $200k		8.0%
More than $200k		7.0%
Standard Shipping & Handling		
Expedited Shipping & Handling 2nd Day Air		16.0%
Next Day Air		21.0%
2nd Day Air Minimum Fee	US$	10.00
Next Day Air Minimum Fee	US$	20.00

5. Use of HMH Finished Goods.

(a) General. HMH Finished Goods are made available for purchase by Licensee on a nonexclusive basis and subject to HMH having secured rights to such HMH Finished Goods in each country in the Territory. Licensee understands that HMH is under no obligation to secure any additional rights (including without limitation any additional Intellectual Property Rights) over those existing as of the MLA Effective Date. Pursuant to Section 5 of this Agreement, such HMH Finished Goods are only for use with the services offered by Licensee or Sublicensees in the exercise of rights referenced in such Section 5.

(b) Heinemann Books. Subject to this Paragraph 5(b), HMH will make available a selection of individual titles within the Heinemann professional books that are directed to professional development ("Heinemann Books"). Heinemann Books to which Licensee will have access do not include those that are products created for the primary purpose of being teacher directed curriculum materials and assessments. Heinemann Books primarily directed to personal professional growth for instructors and teachers, that may include as a secondary component curriculum strategy examples or references, will be accessible. Licensee and its Sublicensees may use the Heinemann Books solely for its or their internal use for purposes of training its or their employees or contractors in the instruction of ELL in the ELL Field. For clarity, neither Licensee nor any Sublicensee may resell Heinemann Books on a standalone basis, including to teachers for consumer or school based institutional purchases, or distribute the Heinemann Books outside the scope of the immediately preceding sentence.

(c) HMH Leveled Readers. HMH will make available a selection of leveled readers, with appropriate grade and reading level coverage, within each discipline, from the following programs (such HMH Finished Goods, "HMH Leveled Readers"):

(i) HM Reading

(ii) StoryTown

(iii) HSP Math

(iv) HSP Science

(v) HM Math

(d) HMH Children's Trade Products. HMH will make available certain Children's trade titles that are presently in print ("HMH Children's Trade Products").

(e) List. Within ninety (90) days after the Effective Date, the Parties will mutually agree in writing on a list of each of such Heinemann Books, HMH Leveled Readers, and HMH Children's Trade Products, which list will include information required by Section 1.34 of this Agreement and may be supplemented or modified from time-to-time upon mutual written agreement of HMH and Licensee. Such list will be deemed part of the list of HMH Finished Goods on Exhibit A to this Agreement.

6. Personnel Interactions. Licensee will designate a single point of contact to manage interactions with HMH with respect to purchases of HMH Finished Goods. Unless otherwise provided in writing by HMH, (i) procedures for managing customer master account data and information for Licensee, (ii) sales forecasting requirements on a HMH Finished Good- by-HMH Finished Good basis, (iii) monitoring compliance with guidelines, and (iv) the establishment of terms and conditions for order processing through cash settlement and payment terms shall each be coordinated separately as follows:

(a) HMH Leveled Readers and HMH Children's Trade Products. All procedures will be established through HMH Senior Vice President, Global Supply Chain Services, or a designated program manager communicated in writing by the same.

(b) Heinemann Books. All procedures will be established through the President, Heinemann, or a designated program manager communicated in writing by the same.

7. Account and Product Management. Licensee will have a single point of contact through which it will comply with the following as it pertains to HMH Finished Goods:

(a) Customer Master Data. Upon written instruction of Licensee, HMH will deliver applicable HMH Finished Goods as necessary to Licensee or the applicable Sublicensee, and Licensee or such Sublicensee will fulfill delivery to its own customers. HMH is under no obligation to fulfill orders intended for shipment directly to end user customers.

(b) Master Account Data. Licensee will maintain, and cause its Sublicensees to maintain, complete and accurate ship to and bill to information as well as the specific geographic territories for which such entity has the rights to do business. This information will be provided to HMH in a format as reasonably requested by HMH at a minimum of thirty (30) days prior to processing of any order.

(c) Title Management. All HMH Products approved for access by Licensee will be identified as available to the individual Customer Master Data accounts in HMH's systems. If HMH substitutes any HMH Finished Goods pursuant to this Exhibit F due to "out of print" status, it will be necessary to have at a minimum of ninety (90) days notice to ensure Customer Master Data is updated and product orders are assured of being available for processing. Any product substitutions necessary shall be coordinated directly by the HMH SVP, Global Supply Chain Services and the HMH EVP, Content Development Services, or appropriate designees. HMH is under no direct obligation to (i) keep a title "in-print" or (ii) secure a substitute product if one is not available with the HMH existing product portfolio.

(d) Account and Title Management Guidelines. Licensee will, and will cause its Sublicensees to, comply with annual and recurring account and title management guidelines, including advanced planning guidelines, as directed by HMH Senior Vice President, Global Supply Chain Services. HMH makes no assurances as to HMH Finished Goods availability if Licensee or any Sublicensee fails to meet such obligations.

(e) Master Product Data. HMH will provide access in accordance with this Exhibit F to the approved HMH Finished Goods based upon HMH's then in effect product specification as to paper grades, trim sizes, binding styles and all other associated product specifications. HMH is under no obligation to maintain or alter product specifications of the HMH Finished Goods and makes no representation as to the sufficiency of the same for the individual business models or markets.

(f) HMH Finished Goods Manufacturing Sourcing. HMH maintains, in its sole discretion, the vendor and jurisdiction within which it procures for print the HMH Finished Goods. Licensee may submit to HMH a request for alternate sourcing based on upon future requirements, which HMH may accept or reject in its sole discretion.

8. Sales Forecasting, Demand and Inventory Planning.

(a) Sales Forecasting and Demand Planning. Licensee, on behalf of itself and its Sublicensees, will be required to comply with current HMH Demand Planning Procedures. Such procedures, as may be amended by HMH from time to time, will include sales forecasts by country in the Territory at a title level for a 9-month forward horizon with ranges of percentage probabilities of materializing into a sale for both quantity and timing. These forecasts must be reasonably supported by market model intelligence, including, but not limited to, market size, market share, and enrollments. Such underlying analyses will also be provided to HMH for consideration of converting into a Demand Plan. The process will be a monthly exchange of data between the Parties and a live dialogue and/or meeting about the analysis no less than quarterly. HMH Supply Chain personnel will meet with Licensee within ninety (90) days after the MLA Effective Date and notification of the establishment of a new operating location to provide and establish reporting templates to govern these procedures. HMH will use reasonable efforts to capture knowledge of business cycles and forecasting requirements within such templates. It is incumbent upon Licensee to notify all existing and future Sublicensees of these requirements for collecting and exchanging this data.

(b) Inventory Levels & Print Decisions. HMH makes no representation or warranty as to inventory availability other than it will use commercially reasonable efforts to make inventory available to Licensee in support of reasonably demonstrated sales forecasts. It is Licensee's responsibility to comply with demand planning procedures and to place orders with sufficient lead times to allow for HMH to fulfill such order. If an Licensee order is presented with a quantity of fewer than one hundred (100) units of the applicable HMH Finished Goods and HMH has not received other sufficient orders for such HMH Finished Goods, HMH will have the right to reject such order in writing.

(c) Minimum Lead Times. HMH will make commercially reasonable efforts to have inventory available, and if such inventory is out of stock to source the quantities necessary to fulfill orders placed. HMH, in all instances, will require a minimum of seventy five (75) days to source any out-of-stock items. Accommodations, if made, for deliveries on out-of stock items on a basis shorter than that described above may, at HMH's sole discretion, have a premium cost associated with it. HMH makes no representation that it can provide such accommodations.

9. Order Processing and Fulfillment. HMH or its suppliers will not be responsible for warehousing any Licensee purchases of HMH Finished Goods.

10. Reporting. Licensee is required on a semi-annual basis to report the following to HMH for itself and all of its Sublicensees:

(a) Inventory On-Hand Report. A “by title” inventory report of all HMH Finished Goods that are held by Licensee and each Sublicensee and a simple roll-forward of movements (aggregate receipts from HMH and shipment to customer) for the prior rolling 12- month period.

(b) Demand Forecast vs. Current Enrollment and Planned Growth Report. A summary report aligning the Demand Forecast against current/known business and expected growth. As the uses cases in support of Licensee and Sublicensee operations may vary, the definitive version of a summary report will be established as Licensee adds each new Sublicensee.

11. Fulfillment. HMH, at its sole discretion, will fulfill Licensee’s orders for HMH Finished Goods either directly from HMH warehouses, HMH vendors or through HMH wholesale distribution relationships within the various jurisdictions within the Territory. HMH will fulfill shipments, in bulk to the Licensee locations as designated in the Customer Account Maintenance process and not to individual consumers (e.g. not teachers or students).

12. Terms of Sale. All sales will be on net 45-day-payment terms and will be nonreturnable other than for reasons of damage or defect. Approval of all orders are subject to HMH credit checks, and HMH, in its sole discretion, reserves the right to discontinue/suspend or alter the terms of sale if its determination of credit risk is outside of the normal course or if an account becomes past due.

EXHIBIT G-1

[Intentionally omitted.]

EXHIBIT G-2

[Intentionally omitted.]

EXHIBIT H-1

[Intentionally omitted.]

EXHIBIT H-2

[Intentionally omitted.]

October 11, 2013

BY EMAIL FOLLOWED BY EXPRESS DELIVERY SERVICE

Rise IP (Cayman) Limited
P.O. Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands
Attn: Ms. Lihong Wang

Re: Notice to Daplon Sublicensees of Termination of Master License Agreement

Dear Ms. Wang,

Reference is made to the License Agreement (the "Agreement"), dated as of October 5, 2011, as amended from time to time, by and between Houghton Mifflin Harcourt Publishing Company ("we", "us" or "our") and Daplon Limited (as assignee of EMPG International (Ireland) Limited and EMPG International Limited) ("Daplon"), the Letter Agreement (the "Letter Agreement"), dated as of August 2, 2013, by and between us and Daplon, the Termination Request Letter (the "Termination Request Letter"), dated as of October 11, 2013, from Daplon to us, and the Termination Letter (the "Termination Letter"), dated as of October 11, 2013, from us to Daplon.

Pursuant to Section 9.2(c)(ii) of the Agreement, the Termination Request Letter, and the Termination Letter, we have terminated the Agreement effective as of the date of the Termination Request Letter. Pursuant to Section 2.5(b)(ii) of the Agreement and Section 2 of the Letter Agreement, the Amended and Restated License Agreement, dated as of September 28, 2013, by and between Daplon and Rise IP (Cayman) Limited remains in full force and effect, subject to the terms and conditions contained therein, and is deemed a direct license, on the same terms, by us (replacing Daplon) to Rise IP (Cayman) Limited.

We request that you acknowledge the same.

Please direct any questions to William Bayers, Houghton Mifflin Harcourt Publishing Company, 222 Berkeley Street, Boston, MA 02116-3764.

Very truly yours,

HOUGHTON MIFFLIN HARCOURT PUBLISHING COMPANY

By: /s/ William Bayers
Name: William Bayers
Title: Executive Vice President & General Counsel

Acknowledged:

/s/ Lihong Wang
for and on behalf of
Rise IP (Cayman) Limited

Dated: , 2013

Exhibit 10.6

LOAN AGREEMENT

This Loan Agreement (this "**Agreement**") is entered into by and between the following parties on November 11, 2016:

(1) **Rise Tianjin Education Information Consulting Co., Ltd.** (the "**Lender**")**,** a wholly foreign-owned limited liability company established in accordance with laws of the People's Republic of China (the "**PRC**") with its domicile at No. B206, B212, B213, B214, B217, B221, 2/F, Building (1), No. 8 Huanhe West Road, Tianjin Free Trade Zone (Airport Economic Area); and

(2) **Peng ZHANG** (ID Card No.:) (the "**Borrower**"), a PRC citizen with an address at 206, Building 6, Lane 88, Huichuan Road, Changning District, Shanghai.

The Lender and the Borrower are hereinafter collectively referred to as the "**Parties**" and, individually, as a "**Party**".

Whereas:

(A) The Borrower and Zhenyu Zhang (a PRC citizen, ID Card No.:) entered into an Equity Transfer Agreement on November 11, 2016, according to which Zhenyu ZHANG shall transfer 80% of the equity interests held by him in Beijing Step Ahead Education Technology Development Co., Ltd., a limited liability company registered in Beijing, the PRC, with its domicile at No. C01-1, 4/F, No. 42 Beiyuan Road, Chaoyang District, Beijing, (the "**Domestic Company**") to the Borrower (the "**Equity Transfer**") at the price of RMB1,600,000 (the "**Consideration of Equity Transfer**"), and the Borrower shall assume the tax payable in respect of the execution and performance of the Equity Transfer Agreement. The equity interests of the Domestic Company purchased by the Borrower under the Equity Transfer Agreement are hereinafter referred to as the "**Target Equity Interests**";

(B) The Lender hereby agrees to provide the Borrower with the loan in accordance with this Agreement for the purpose that the Borrower has sufficient funds to pay the Consideration of Equity Transfer and the tax payable in respect of the execution and performance of the Equity Transfer Agreement; and

(C) The Parties agree to enter into this Agreement to clarify and confirm the rights and obligations of the Parties.

Therefore, the Parties enter into this Agreement as follows upon friendly negotiation:

1. **Loan**

1.1 Upon and subject to the terms hereof, the Lender agrees to provide the Borrower with, and the Borrower agrees to borrow from the Lender, a loan in an aggregate amount of principal (the "**Loan**") equivalent to a sum of (1) RMB1,600,000 (in word: Renminbi one million six hundred thousand) and (2) the tax payable in respect of the execution and performance of the Equity Transfer Agreement.

1.2 Within twelve (12) months after the execution date of this Agreement, the Borrower may notify in writing or orally the Lender from time to time to withdraw the Loan (the "**Utilization Notice**"). The Borrower shall inform the Lender of the information on the RMB bank account for loan withdrawal when the Utilization Notice is sent to the Lender.

1.3 The Lender shall release the Loan to the Borrower within three (3) Working Days after the receipt of the Utilization Notice and remit the principal amount of the Loan to the RMB bank account as designated by the Borrower. The date on which the Lender releases the Loan to the Borrower is hereinafter referred to as the "**Utilization Date**".

1.4 The Borrower hereby undertakes to use the Loan only for the purpose of paying the Consideration of Equity Transfer to Zhenyu ZHANG and the tax payable in respect of the execution and performance of the Equity Transfer Agreement, and not to use the Loan for any other purpose.

1.5 The term of this Agreement (the "**Term**") shall be ten (10) years from the Utilization Date, unless as extended upon the Lender's consent or earlier terminated in accordance with the provisions hereof. Subject to Article 1.6, the Borrower shall repay all amounts outstanding in respect of the Loan (including any penalty or interest thereon) and any other compensation liability hereunder in accordance with Article 1.7 and Article 1.8 upon the expiry or early termination of the Term.

1.6 Without the Lender's prior written consent (which may be granted at the Lender's sole and absolute discretion on a case by case basis), the Borrower shall not make any prepayment of the Loan prior to the expiration of the Term, provided that in case of any one or more of the following circumstances, all amounts unpaid by the Borrower under the Loan shall become immediately due and payable and shall be repaid in accordance with Article 1.7 and Article 1.8:

(a) the Borrower becomes deceased, bankrupt or mentally incapacitated or otherwise loses, or has limitations in, capacity for civil acts;

(b) the Borrower, for any reason, ceases to be the holder of Target Equity Interests, or the proportion of Target Equity Interests held by it is less than that set forth in Recital (A) above, except that the transfer of Target Equity Interests is consented by the Lender;

(c) the Borrower violates its representations, warranties or undertakings under this Agreement in any material aspect;

(d) the Borrower engages in any criminal act or is involved in any criminal activities; or

(e) thirty (30) days have passed since the Lender gave a written notice to the Borrower requiring the repayment of the amount unpaid by the Borrower under the Loan (the Lender may give such notice in its sole and absolute discretion).

1.7 Unless as otherwise provided in Controlling Agreements, the Borrower shall repay the Loan under this Agreement by transferring all of the Target Equity Interests held by the Borrower to the Lender or a person as designated by the Lender in accordance with the Call Option Agreement (Restatement), the Proxy Agreement (Restatement), the Business Cooperation Agreement (Restatement) and the Equity Pledge Agreement (Restatement) entered into by the Borrower with the Lender, the Domestic Company and certain other parties at the Lender's reasonable request (collectively, the "**Controlling Agreements**").

1.8 The Borrower shall pay all interest of the Loan, together with the principal and penalty (if any), at the expiry or early termination of the Term or when each of such relevant amounts becomes due. If the Transfer Price (as defined in the Call Option Agreement) is higher than the amount of the repayable principal of the Loan hereunder, the excess amount shall be deemed as the interest payable in respect of the Loan, and the Borrower shall pay such interest in proportion to the percentage of the Target Equity Interests proposed to be transferred. If the aggregate amount of such interest is higher than the loan interest limit (if any) as prescribed by relevant laws, the Borrower shall pay the aforementioned excess amount to the Lender in a way as instructed by the Lender.

1.9 On the premise that the Borrower has repaid the Loan in accordance with Article 1.7 by transferring all Target Equity Interests held by it to the Lender or the person as designated by the Lender, the Borrower shall not have any further obligation to the Lender with regard to the principal, interest or penalty (if any), except that the Borrower is liable for the indemnification under Article 4.2.

1.10 Any part or whole of the Loan repaid by the Borrower under this Agreement may not be re-borrowed without the Lender's consent.

2. **Representations and Warranties**

2.1 During the Term from the date of this Agreement to the date of the termination or expiration of this Agreement, the Lender represents and warrants to the Borrower as follows:

(a) The Lender is a wholly foreign-owned enterprise duly established and existing under the PRC law.

(b) The Lender has the power to execute and perform its obligations under this Agreement. The execution and performance of this Agreement by the Lender is in compliance with the articles of association or other organizational documents of the Lender, and the Lender has obtained all necessary and appropriate approvals and authorizations to execute and perform this Agreement.

(c) The execution and performance of this Agreement by the Lender will neither violate any laws and regulations or government approvals, authorizations, notices or other governmental documents having binding effect on or affecting the Lender, nor violate any agreements between the Lender and any third party or any covenants made to any third party.

(d) This Agreement shall constitute lawful, valid and enforceable obligations of the Lender upon execution.

2.2 During the Term from the date of this Agreement to the date of the termination or expiration of this Agreement, the Borrower represents and warrants to the Lender as follows:

(a) The Domestic Company is a limited liability company duly established and existing under the PRC law and the Borrower is the lawful holder of the Target Equity Interests.

(b) The Borrower has full right and capacity to execute and perform its obligations under this Agreement.

(c) The execution and performance of this Agreement by the Borrower will neither violate any laws and regulations or government approvals, authorizations, notices or other governmental documents having binding effect on or affecting the Borrower, nor violate any agreements between the Borrower and any third party or any covenants made to any third party.

(d) This Agreement shall constitute lawful, valid and enforceable obligations on the Borrower upon execution.

(e) Unless otherwise required in the Controlling Agreements or agreed by the Parties, the Borrower shall not (i) create any mortgage, guarantee or other security interest on the whole or part of the Target Equity Interests, (ii) make any offer to any third party or accept any offer made by any third party for the transfer of the whole or part of the Target Equity Interests, or (iii) enter into any agreement with any third party for the transfer of the whole or part of the Target Equity Interests (unless as consented by the Lender). The Borrower’s spouse has no right to or interest in the Target Equity Interests, and the Target Equity Interests shall be the Borrower’s individual property instead of marital property.

(f) There are no pending disputes, litigations, arbitrations, administrative proceedings or any other legal proceedings involving or in connection with the Borrower and/or the Target Equity Interests, nor are there any potential disputes, litigations, arbitrations, administrative proceedings or any other legal proceedings involving or in connection with the Borrower and/or the Target Equity Interests.

3. **Borrower's Undertakings**

3.1 The Borrower undertakes that, in his capacity as the shareholder of the Domestic Company, the Borrower shall, and shall cause the Domestic Company and each subsidiary of the Domestic Company (including any private school sponsored by the Domestic Company or any of its subsidiaries as the sponsor, same below):

(a) at the Lender's reasonable request, to enter into the Controlling Agreements with the Lender in accordance with the instructions of the Lender;

(b) without the prior written consent of the Lender, not to supplement, amend or modify its business scope or service scope (if applicable) or articles of association, or increase or reduce its registered capital or operating capital (if applicable), or change its capital structure in any form;

(c) without the prior written consent of the Lender, not to sell, transfer, mortgage or otherwise dispose of the legal or beneficial rights and interests in any of its assets, businesses or revenues, or permit or create any other security interest on the assets, businesses or revenues;

(d) without the prior written consent of the Lender, not to incur, succeed to, guarantee or permit any debt, unless (i) the debt occurs in the ordinary course of business and (ii) the debt has been disclosed to the Lender and a prior written consent from the Lender has been obtained;

(e) without the prior written consent of the Lender, not to enter into any material contracts (for the purpose of this transaction, a contract with a value exceeding RMB200,000 shall be deemed a material contract) other than the contracts executed in the ordinary course of business;

(f) without the prior written consent of the Lender, not to provide any loan or facility to any person;

(g) upon the Lender's request, to provide the Lender with all information with respect to its operations and financial status;

(h) without the prior written consent of the Lender, not to merge with or form any alliance with any person, or acquire or invest in any person;

(i) to immediately notify the Lender of the occurrence or threat of any litigation, arbitration or administrative proceedings involving or in relation to its assets, businesses and revenues;

(j) to the extent necessary to maintain its ownership of all its assets, to execute all necessary or appropriate documents, take all necessary or appropriate actions and bring all necessary or appropriate lawsuits or raise necessary and appropriate defenses against all claims;

(k) without the prior written consent of the Lender, not to declare or distribute dividends or returns (if applicable) to its shareholders or sponsors (if applicable) in any form, but upon the request of the Lender, to immediately declare and distribute all the distributable profits or returns (if applicable) to its shareholders or sponsors (if applicable) respectively;

(l) at the request of the Lender, to appoint the person designated by the Lender as its director; and

(m) to strictly comply with the provisions of the Call Option Agreement and not to take any actions or omit to take any actions that may adversely affect the effectiveness and enforceability of the Call Option Agreement.

3.2 During the Term from the date of this Agreement to the date of the termination or expiration of this Agreement, the Borrower undertakes that:

(a) without the prior written consent of the Lender, it shall not sign, adopt, terminate, revise or renew any other agreement or arrangement in respect of all or part of the Target Equity Interests; provided that the Borrower will enter into the Controlling Agreements or other agreements at the Lender's reasonable request with the Lender according to the instructions of the Lender with regard to the Target Equity Interests;

(b) except in accordance with the Controlling Agreements, it shall not sell, transfer, mortgage or otherwise dispose of the legal or beneficial rights and interests in the Target Equity Interests or permit or create any other security interest on the Target Equity Interests without the prior written consent of the Lender;

(c) unless it is beneficial to the Lender or the Lender's designated person, it shall cause the shareholders' meeting of the Domestic Company not to approve the sale, transfer, mortgage or otherwise disposal of the legal or beneficial rights and interests in the Target Equity Interests or the permission or creation of any other security interest on the Target Equity Interests without the prior written consent of the Lender;

(d) it shall cause the shareholders' meeting of the Domestic Company not to approve the Domestic Company or any subsidiary of the Domestic Company to merge or create an alliance with any person, or acquire or invest in any person without the prior written consent of the Lender;

(e) it shall immediately notify the Lender of the occurrence or threat of any litigation, arbitration or administrative proceedings involving or in relation to the Target Equity Interests;

(f) to the extent necessary to maintain his ownership of the Target Equity Interests, it shall execute all necessary or appropriate documents, take all necessary or appropriate actions and bring all necessary or appropriate lawsuits or raise all necessary and appropriate defenses against all claims;

(g) it shall refrain from taking any action that may have a material adverse impact on the assets, businesses and liabilities of the Domestic Company or any of its subsidiaries;

(h) it shall, at the request of the Lender, appoint the person designated by the Lender as the director of the Domestic Company or any of its subsidiaries;

(i) to the extent permitted by the PRC laws, at the request of the Lender at any time, it shall promptly and unconditionally transfer the Target Equity Interests held by it to the Lender or the Lender's designated person(s);

(j) to the extent permitted by the PRC laws, at the request of the Lender at any time, it shall cause other shareholders of the Domestic Company to promptly and unconditionally transfer the Target Equity Interests held by them to the Lender or the Lender's designated person(s); and

(k) it shall strictly comply with the provisions of this Agreement and the Controlling Agreements, perform its obligations under this Agreement and the Controlling Agreements, and refrain from taking any action or omitting to take any action that may adversely affect the effectiveness and enforceability of this Agreement and the Controlling Agreements.

4. **Liability for Default**

4.1 In the event that the Borrower fails to repay the outstanding amount of the Loan when it becomes due and payable, the Borrower shall be liable to pay default interest on the overdue amount at a rate of 0.01% per day, until the date on which the Borrower repays the outstanding amount of the Loan in full, together with default interest thereon and any other amounts due and payable.

4.2 The Borrower undertakes to indemnify and hold harmless the Lender against and from any litigations, allegations, claims, costs, damages, demands, fees, liabilities, losses or procedures incurred by the Lender in connection with any breach by the Borrower of any of its obligations under this Agreement.

4.3 Notwithstanding any other provision of this Agreement, the Lender has the right to enforce its rights under this Agreement, and the Parties acknowledge and agree that monetary compensations may be insufficient to indemnify the Lender against the losses incurred by the Lender due to Borrower's breach of its obligations hereunder.

5. **Notices**

Any notice, claim, certificate, request, demand and other communication under this Agreement shall be made in writing and shall be delivered to the Parties hereto by hand, by facsimile or by a reputable overnight courier service with postage prepaid at the following addresses (or at such other address as notified by a Party), and shall be deemed to be given when it is delivered to the other Party if it is delivered by hand, or upon the receipt of a confirmed transmittal report if it is sent by facsimile, or three (3) days after the delivery to or pickup by the overnight courier service if it is sent by an overnight courier:

To the Lender: **Rise Tianjin Education Information Consulting Co., Ltd.**
Address: No. B206, B212, B213, B214, B217, B221, 2/F, Building (1), No. 8 Huanhe West Road, Tianjin Free Trade Zone (Airport Economic Area), PRC
Telephone: 13910985656
Attention: Yiding SUN

with a copy to: Bain Capital Asia, LLC
Address:51/F Cheung Kong Center, 2 Queen's Road Central, Hong Kong
Attention: Drew Chen
Telephone: +8 52 3656-6881

To the Borrower: **Peng ZHANG**
Address: 206, Building 6, Lane 88, Huichuan Road, Changning District, Shanghai
Telephone: 15921601703

6. **Confidentiality**

The Parties acknowledge and confirm that any oral or written information exchanged between them with respect to this Agreement shall be confidential information. The Parties shall maintain the confidentiality of all such information. Without the prior written consent of the Party providing such information, either Party shall not disclose any confidential information to any third party, except in the following circumstances: (a) such information is or comes into the public domain (through no fault or disclosure by the receiving Party); (b) the information is required to be disclosed in accordance with applicable laws or rules or regulations of any stock exchange; or (c) the information regarding the transaction contemplated hereunder is disclosed by any Party to its legal or financial advisors, and such legal or financial advisors are also bound by duties of confidentiality similar to the duties set forth in this Article. Any disclosure of any confidential information made by the staff, employee or advisor of any Party shall be deemed as disclosure of such confidential information made by such Party, for which such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement if this Agreement is terminated for any reason.

7. **Applicable Law and Dispute Resolution**

7.1 The formation, effect, interpretation, performance, amendment, termination and dispute resolution of this Agreement shall be governed by the PRC laws.

7.2 Any dispute arising from the interpretation and performance of this Agreement shall first be resolved through friendly consultations by the Parties. If the dispute fails to be resolved within thirty (30) days after a Party gives a notice requesting consultations to the other Party, either Party may submit such dispute to China International Economic and Trade Arbitration Commission (the "**CIETAC**") for arbitration in Beijing in accordance with then effective arbitration rules of the CIETAC. The arbitration tribunal shall consist of three (3) arbitrators who may or may not be on the CIETAC's list of arbitrators. The Lender shall appoint one arbitrator and the Borrower shall appoint one arbitrator. The third arbitrator, who shall be the chairman of the arbitration tribunal, shall be jointly appointed by the Parties to the arbitration. The arbitration award shall be final and binding on both Parties.

7.3 During the existence of any dispute, the Parties shall continue to exercise their remaining respective rights and fulfill their remaining respective obligations under this Agreement, except insofar as the same may relate directly to the matters in dispute.

7.4 Notwithstanding the foregoing, the Parties agree that either of them may seek interim measures including seeking property preservation from any court of competent jurisdiction in relation to the provisions of this Agreement or the Parties' performance of this Agreement.

8. **Miscellaneous**

8.1 This Agreement shall become effective upon the execution date, and shall expire when the Parties have fully performed their respective obligations under this Agreement.

8.2 Any amendment or supplement to this Agreement shall be made in writing and the amendments and supplements to this Agreement shall become effective only upon duly signature by both Parties.

8.3 Each Party shall, within its powers, sign all necessary documents and take all necessary actions to make the provisions of this Agreement effective or grant all of its rights under this Agreement to another party.

8.4 No waiver of any provision of this Agreement shall be effective unless it is made in writing and signed by the Parties. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any preceding or succeeding breach, and no failure by either Party to exercise any right or privilege hereunder shall be deemed as a waiver by such Party of any of its rights or privileges hereunder or shall be deemed as a waiver by such Party to exercise its rights or privileges at any time after the execution of this Agreement.

8.5 If any provision of this Agreement is held to be invalid or unenforceable, such provision shall, to the extent of its invalidity or unenforceability, become invalid and deemed to have not been included in this Agreement, however, the validity of any other provision of this Agreement shall not be affected thereby. The Parties shall then make all reasonable efforts to replace the invalid or unenforceable provision with a valid and enforceable alternative provision, the effect of which comes as close as possible to that of the invalid or unenforceable provision.

8.6 A “Working Day” referred to in this Agreement means any day other than a Saturday, Sunday or statutory holiday in the PRC.

8.7 If it is required under any applicable law, regulations or listing rules or required or deemed desirable by any stock exchange, government or other regulatory authority in connection with the initial public offering and listing of the shares in the Potential Listed Company (“**IPO**”) or the initial public offering and listing of the shares in any company which adopts a variable interest entity (VIE) structure (the “**IPO Requirements**”), the Borrower agrees and undertakes to (a) take all such actions (including the amendment of this Agreement and the Controlling Agreements, any authorizations, documents and notices entered into or delivered in connection with this Agreement and the execution of additional documents) to comply with or, as applicable, meet the IPO Requirements and (b) take all actions referred to in paragraph (a) above within 3 Working Days from demand by the Lender. For the purpose of this Article, a “**Potential Listed Company**” means such other company as identified by the Lender or its actual controller and notified by the Lender to other parties as a Potential Listed Company under this paragraph, which company beneficially owns, whether directly or indirectly, the equity interests of the Lender and operates its business in the PRC through the Lender and the Domestic Company.

8.8 In respect of various taxes arising from the execution and performance of this Agreement, the Borrower shall fulfill the tax declaration and tax payment obligations in accordance with law within the time limit prescribed by applicable law.

8.9 This Agreement shall be executed in Chinese and in four (4) originals. Each Party shall hold two (2) originals. Each original shall have equal legal validity.

8.10 This Agreement may be executed in several counterparts and all counterparts so executed shall constitute one and same legal document. A Party may execute this Agreement by signing any counterpart.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, this Agreement has been executed by the authorized representatives of the Parties as of the date first above written.

Lender: Rise Tianjin Education Information Consulting Co., Ltd. (seal)
[Company seal is affixed]

Legal Representative: /s/ Yiding SUN
Name: Yiding SUN

Borrower: Peng ZHANG

By: /s/ Peng ZHANG

Signature Page of Loan Agreement

Exhibit 10.7

LOAN AGREEMENT

This Loan Agreement (this "**Agreement**") is entered into by and between the following parties on June 8, 2017:

(1) **Rise Tianjin Education Information Consulting Co., Ltd.** (the **"Lender**"), a wholly foreign-owned limited liability company established in accordance with laws of the People's Republic of China (the **"PRC**") with its domicile at No. B206, B212, B213, B214, B217, B221, 2/F, Building (1), No. 8 Huanhe West Road, Tianjin Free Trade Zone (Airport Economic Area); and

(2) **Yiding SUN** (ID Card No.:) (the "**Borrower**"), a PRC citizen with an address at Room 103-105, Andrews Estate, No. 181 Gaobeidian Road, Chaoyang District, Beijing.

The Lender and the Borrower are hereinafter collectively referred to as the "**Parties**" and, individually, as a "**Party**".

Whereas:

(A) The Borrower and Zihong WANG (a PRC citizen, ID Card No.:) entered into an Equity Transfer Agreement on June 8, 2017, according to which Zihong WANG shall transfer 20% of the equity interests held by him in Beijing Step Ahead Education Technology Development Co., Ltd., a limited liability company registered in Beijing, the PRC, with its domicile at No. C01-1, 4/F, No. 42 Beiyuan Road, Chaoyang District, Beijing, (the "**Domestic Company**") to the Borrower (the "**Equity Transfer**") at the price of RMB400,000 (the "**Consideration of Equity Transfer**"), and the Borrower shall assume the tax payable in respect of the execution and performance of the Equity Transfer Agreement. The equity interests of the Domestic Company purchased by the Borrower under the Equity Transfer Agreement are hereinafter referred to as the "**Target Equity Interests**";

(B) The Lender hereby agrees to provide the Borrower with the loan in accordance with this Agreement for the purpose that the Borrower has sufficient funds to pay the Consideration of Equity Transfer and the tax payable in respect of the execution and performance of the Equity Transfer Agreement; and

(C) The Parties agree to enter into this Agreement to clarify and confirm the rights and obligations of the Parties.

Therefore, the Parties enter into this Agreement as follows upon friendly negotiation:

1. **Loan**

1.1 Upon and subject to the terms hereof, the Lender agrees to provide the Borrower with, and the Borrower agrees to borrow from the Lender, a loan in an aggregate amount of principal (the "**Loan**") equivalent to a sum of (1) RMB400,000 (in word: Renminbi four hundred thousand) and (2) the tax payable in respect of the execution and performance of the Equity Transfer Agreement.

1.2 Within twelve (12) months after the execution date of this Agreement, the Borrower may notify in writing or orally the Lender from time to time to withdraw the Loan (the "**Utilization Notice**"). The Borrower shall inform the Lender of the information on the RMB bank account for loan withdrawal when the Utilization Notice is sent to the Lender.

1.3 The Lender shall release the Loan to the Borrower within three (3) Working Days after the receipt of the Utilization Notice and remit the principal amount of the Loan to the RMB bank account as designated by the Borrower. The date on which the Lender releases the Loan to the Borrower is hereinafter referred to as the "**Utilization Date**".

1.4 The Borrower hereby undertakes to use the Loan only for the purpose of paying the Consideration of Equity Transfer to Zihong WANG and the tax payable in respect of the execution and performance of the Equity Transfer Agreement, and not to use the Loan for any other purpose.

1.5 The term of this Agreement (the "**Term**") shall be ten (10) years from the Utilization Date, unless as extended upon the Lender's consent or earlier terminated in accordance with the provisions hereof. Subject to Article 1.6, the Borrower shall repay all amounts outstanding in respect of the Loan (including any penalty or interest thereon) and any other compensation liability hereunder in accordance with Article 1.7 and Article 1.8 upon the expiry or early termination of the Term.

1.6 Without the Lender's prior written consent (which may be granted at the Lender's sole and absolute discretion on a case by case basis), the Borrower shall not make any prepayment of the Loan prior to the expiration of the Term, provided that in case of any one or more of the following circumstances, all amounts unpaid by the Borrower under the Loan shall become immediately due and payable and shall be repaid in accordance with Article 1.7 and Article 1.8:

(a) the Borrower becomes deceased, bankrupt or mentally incapacitated or otherwise loses, or has limitations in, capacity for civil acts;

(b) the Borrower, for any reason, ceases to be the holder of Target Equity Interests, or the proportion of Target Equity Interests held by it is less than that set forth in Recital (A) above, except that the transfer of Target Equity Interests is consented by the Lender;

(c) the Borrower violates its representations, warranties or undertakings under this Agreement in any material aspect;

(d) the Borrower engages in any criminal act or is involved in any criminal activities; or

(e) thirty (30) days have passed since the Lender gave a written notice to the Borrower requiring the repayment of the amount unpaid by the Borrower under the Loan (the Lender may give such notice in its sole and absolute discretion).

1.7 Unless as otherwise provided in Controlling Agreements, the Borrower shall repay the Loan under this Agreement by transferring all of the Target Equity Interests held by the Borrower to the Lender or a person as designated by the Lender in accordance with the Call Option Agreement (Second Restatement), the Proxy Agreement (Second Restatement), the Business Cooperation Agreement (Second Restatement) and the Equity Pledge Agreement (Second Restatement) entered into by the Borrower with the Lender, the Domestic Company and certain other parties at the Lender's reasonable request (collectively, the "**Controlling Agreements**").

1.8 The Borrower shall pay all interest of the Loan, together with the principal and penalty (if any), at the expiry or early termination of the Term or when each of such relevant amounts becomes due. If the Transfer Price (as defined in the Call Option Agreement) is higher than the amount of the repayable principal of the Loan hereunder, the excess amount shall be deemed as the interest payable in respect of the Loan, and the Borrower shall pay such interest in proportion to the percentage of the Target Equity Interests proposed to be transferred. If the aggregate amount of such interest is higher than the loan interest limit (if any) as prescribed by relevant laws, the Borrower shall pay the aforementioned excess amount to the Lender in a way as instructed by the Lender.

1.9 On the premise that the Borrower has repaid the Loan in accordance with Article 1.7 by transferring all Target Equity Interests held by it to the Lender or the person as designated by the Lender, the Borrower shall not have any further obligation to the Lender with regard to the principal, interest or penalty (if any), except that the Borrower is liable for the indemnification under Article 4.2.

1.10 Any part or whole of the Loan repaid by the Borrower under this Agreement may not be re-borrowed without the Lender's consent.

2. **Representations and Warranties**

2.1 During the Term from the date of this Agreement to the date of the termination or expiration of this Agreement, the Lender represents and warrants to the Borrower as follows:

(a) The Lender is a wholly foreign-owned enterprise duly established and existing under the PRC law.

(b) The Lender has the power to execute and perform its obligations under this Agreement. The execution and performance of this Agreement by the Lender is in compliance with the articles of association or other organizational documents of the Lender, and the Lender has obtained all necessary and appropriate approvals and authorizations to execute and perform this Agreement.

(c) The execution and performance of this Agreement by the Lender will neither violate any laws and regulations or government approvals, authorizations, notices or other governmental documents having binding effect on or affecting the Lender, nor violate any agreements between the Lender and any third party or any covenants made to any third party.

(d) This Agreement shall constitute lawful, valid and enforceable obligations of the Lender upon execution.

2.2 During the Term from the date of this Agreement to the date of the termination or expiration of this Agreement, the Borrower represents and warrants to the Lender as follows:

(a) The Domestic Company is a limited liability company duly established and existing under the PRC law and the Borrower is the lawful holder of the Target Equity Interests.

(b) The Borrower has full right and capacity to execute and perform its obligations under this Agreement.

(c) The execution and performance of this Agreement by the Borrower will neither violate any laws and regulations or government approvals, authorizations, notices or other governmental documents having binding effect on or affecting the Borrower, nor violate any agreements between the Borrower and any third party or any covenants made to any third party.

(d) This Agreement shall constitute lawful, valid and enforceable obligations on the Borrower upon execution.

(e) Unless otherwise required in the Controlling Agreements or agreed by the Parties, the Borrower shall not (i) create any mortgage, guarantee or other security interest on the whole or part of the Target Equity Interests, (ii) make any offer to any third party or accept any offer made by any third party for the transfer of the whole or part of the Target Equity Interests, or (iii) enter into any agreement with any third party for the transfer of the whole or part of the Target Equity Interests (unless as consented by the Lender). The Borrower’s spouse has no right to or interest in the Target Equity Interests, and the Target Equity Interests shall be the Borrower’s individual property instead of marital property.

(f) There are no pending disputes, litigations, arbitrations, administrative proceedings or any other legal proceedings involving or in connection with the Borrower and/or the Target Equity Interests, nor are there any potential disputes, litigations, arbitrations, administrative proceedings or any other legal proceedings involving or in connection with the Borrower and/or the Target Equity Interests.

3. **Borrower's Undertakings**

3.1 The Borrower undertakes that, in his capacity as the shareholder of the Domestic Company, the Borrower shall, and shall cause the Domestic Company and each subsidiary of the Domestic Company (including any private school sponsored by the Domestic Company or any of its subsidiaries as the sponsor, same below):

(a) at the Lender's reasonable request, to enter into the Controlling Agreements with the Lender in accordance with the instructions of the Lender;

(b) without the prior written consent of the Lender, not to supplement, amend or modify its business scope or service scope (if applicable) or articles of association, or increase or reduce its registered capital or operating capital (if applicable), or change its capital structure in any form;

(c) without the prior written consent of the Lender, not to sell, transfer, mortgage or otherwise dispose of the legal or beneficial rights and interests in any of its assets, businesses or revenues, or permit or create any other security interest on the assets, businesses or revenues;

(d) without the prior written consent of the Lender, not to incur, succeed to, guarantee or permit any debt, unless (i) the debt occurs in the ordinary course of business and (ii) the debt has been disclosed to the Lender and a prior written consent from the Lender has been obtained;

(e) without the prior written consent of the Lender, not to enter into any material contracts (for the purpose of this transaction, a contract with a value exceeding RMB200,000 shall be deemed a material contract) other than the contracts executed in the ordinary course of business;

(f) without the prior written consent of the Lender, not to provide any loan or facility to any person;

(g) upon the Lender's request, to provide the Lender with all information with respect to its operations and financial status;

(h) without the prior written consent of the Lender, not to merge with or form any alliance with any person, or acquire or invest in any person;

(i) to immediately notify the Lender of the occurrence or threat of any litigation, arbitration or administrative proceedings involving or in relation to its assets, businesses and revenues;

(j) to the extent necessary to maintain its ownership of all its assets, to execute all necessary or appropriate documents, take all necessary or appropriate actions and bring all necessary or appropriate lawsuits or raise necessary and appropriate defenses against all claims;

(k) without the prior written consent of the Lender, not to declare or distribute dividends or returns (if applicable) to its shareholders or sponsors (if applicable) in any form, but upon the request of the Lender, to immediately declare and distribute all the distributable profits or returns (if applicable) to its shareholders or sponsors (if applicable) respectively;

(l) at the request of the Lender, to appoint the person designated by the Lender as its director; and

(m) to strictly comply with the provisions of the Call Option Agreement and not to take any actions or omit to take any actions that may adversely affect the effectiveness and enforceability of the Call Option Agreement.

3.2 During the Term from the date of this Agreement to the date of the termination or expiration of this Agreement, the Borrower undertakes that:

(a) without the prior written consent of the Lender, it shall not sign, adopt, terminate, revise or renew any other agreement or arrangement in respect of all or part of the Target Equity Interests; provided that the Borrower will enter into the Controlling Agreements or other agreements at the Lender's reasonable request with the Lender according to the instructions of the Lender with regard to the Target Equity Interests;

(b) except in accordance with the Controlling Agreements, it shall not sell, transfer, mortgage or otherwise dispose of the legal or beneficial rights and interests in the Target Equity Interests or permit or create any other security interest on the Target Equity Interests without the prior written consent of the Lender;

(c) unless it is beneficial to the Lender or the Lender's designated person, it shall cause the shareholders' meeting of the Domestic Company not to approve the sale, transfer, mortgage or otherwise disposal of the legal or beneficial rights and interests in the Target Equity Interests or the permission or creation of any other security interest on the Target Equity Interests without the prior written consent of the Lender;

(d) it shall cause the shareholders' meeting of the Domestic Company not to approve the Domestic Company or any subsidiary of the Domestic Company to merge or create an alliance with any person, or acquire or invest in any person without the prior written consent of the Lender;

(e) it shall immediately notify the Lender of the occurrence or threat of any litigation, arbitration or administrative proceedings involving or in relation to the Target Equity Interests;

(f) to the extent necessary to maintain his ownership of the Target Equity Interests, it shall execute all necessary or appropriate documents, take all necessary or appropriate actions and bring all necessary or appropriate lawsuits or raise all necessary and appropriate defenses against all claims;

(g) it shall refrain from taking any action that may have a material adverse impact on the assets, businesses and liabilities of the Domestic Company or any of its subsidiaries;

(h) it shall, at the request of the Lender, appoint the person designated by the Lender as the director of the Domestic Company or any of its subsidiaries;

(i) to the extent permitted by the PRC laws, at the request of the Lender at any time, it shall promptly and unconditionally transfer the Target Equity Interests held by it to the Lender or the Lender's designated person(s);

(j) to the extent permitted by the PRC laws, at the request of the Lender at any time, it shall cause other shareholders of the Domestic Company to promptly and unconditionally transfer the Target Equity Interests held by them to the Lender or the Lender's designated person(s); and

(k) it shall strictly comply with the provisions of this Agreement and the Controlling Agreements, perform its obligations under this Agreement and the Controlling Agreements, and refrain from taking any action or omitting to take any action that may adversely affect the effectiveness and enforceability of this Agreement and the Controlling Agreements.

4. **Liability for Default**

4.1 In the event that the Borrower fails to repay the outstanding amount of the Loan when it becomes due and payable, the Borrower shall be liable to pay default interest on the overdue amount at a rate of 0.01% per day, until the date on which the Borrower repays the outstanding amount of the Loan in full, together with default interest thereon and any other amounts due and payable.

4.2 The Borrower undertakes to indemnify and hold harmless the Lender against and from any litigations, allegations, claims, costs, damages, demands, fees, liabilities, losses or procedures incurred by the Lender in connection with any breach by the Borrower of any of its obligations under this Agreement.

4.3 Notwithstanding any other provision of this Agreement, the Lender has the right to enforce its rights under this Agreement, and the Parties acknowledge and agree that monetary compensations may be insufficient to indemnify the Lender against the losses incurred by the Lender due to Borrower's breach of its obligations hereunder.

5. **Notices**

Any notice, claim, certificate, request, demand and other communication under this Agreement shall be made in writing and shall be delivered to the Parties hereto by hand, by facsimile or by a reputable overnight courier service with postage prepaid at the following addresses (or at such other address as notified by a Party), and shall be deemed to be given when it is delivered to the other Party if it is delivered by hand, or upon the receipt of a confirmed transmittal report if it is sent by facsimile, or three (3) days after the delivery to or pickup by the overnight courier service if it is sent by an overnight courier:

To the Lender: **Rise Tianjin Education Information Consulting Co., Ltd.**
Address: No. B206, B212, B213, B214, B217, B221, 2/F, Building (1), No. 8 Huanhe West Road, Tianjin Free Trade Zone (Airport Economic Area), the PRC
Telephone: 13910985656
Attention: Yiding SUN

with a copy to: Bain Capital Asia, LLC
Address: 51/F Cheung Kong Center, 2 Queen's Road Central, Hong Kong
Attention: Drew Chen
Telephone: +852 3656-6881

To the Borrower: **Yiding SUN**
Address: Room 103-105, Andrews Estate, No. 181 Gaobeidian Road, Chaoyang District, Beijing
Telephone: 13910985656

6. **Confidentiality**

The Parties acknowledge and confirm that any oral or written information exchanged between them with respect to this Agreement shall be confidential information. The Parties shall maintain the confidentiality of all such information. Without the prior written consent of the Party providing such information, either Party shall not disclose any confidential information to any third party, except in the following circumstances: (a) such information is or comes into the public domain (through no fault or disclosure by the receiving Party); (b) the information is required to be disclosed in accordance with applicable laws or rules or regulations of any stock exchange; or (c) the information regarding the transaction contemplated hereunder is disclosed by any Party to its legal or financial advisors, and such legal or financial advisors are also bound by duties of confidentiality similar to the duties set forth in this Article. Any disclosure of any confidential information made by the staff, employee or advisor of any Party shall be deemed as disclosure of such confidential information made by such Party, for which such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement if this Agreement is terminated for any reason.

7. **Applicable Law and Dispute Resolution**

7.1 The formation, effect, interpretation, performance, amendment, termination and dispute resolution of this Agreement shall be governed by the PRC laws.

7.2 Any dispute arising from the interpretation and performance of this Agreement shall first be resolved through friendly consultations by the Parties. If the dispute fails to be resolved within thirty (30) days after a Party gives a notice requesting consultations to the other Party, either Party may submit such dispute to China International Economic and Trade Arbitration Commission (the "**CIETAC**") for arbitration in Beijing in accordance with then effective arbitration rules of the CIETAC. The arbitration tribunal shall consist of three (3) arbitrators who may or may not be on the CIETAC's list of arbitrators. The Lender shall appoint one arbitrator and the Borrower shall appoint one arbitrator. The third arbitrator, who shall be the chairman of the arbitration tribunal, shall be jointly appointed by the Parties to the arbitration. The arbitration award shall be final and binding on both Parties.

7.3 During the existence of any dispute, the Parties shall continue to exercise their remaining respective rights and fulfill their remaining respective obligations under this Agreement, except insofar as the same may relate directly to the matters in dispute.

7.4 Notwithstanding the foregoing, the Parties agree that either of them may seek interim measures including seeking property preservation from any court of competent jurisdiction in relation to the provisions of this Agreement or the Parties' performance of this Agreement.

8. **Miscellaneous**

8.1 This Agreement shall become effective upon the execution date, and shall expire when the Parties have fully performed their respective obligations under this Agreement.

8.2 Any amendment or supplement to this Agreement shall be made in writing and the amendments and supplements to this Agreement shall become effective only upon duly signature by both Parties.

8.3 Each Party shall, within its powers, sign all necessary documents and take all necessary actions to make the provisions of this Agreement effective or grant all of its rights under this Agreement to another party.

8.4 No waiver of any provision of this Agreement shall be effective unless it is made in writing and signed by the Parties. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any preceding or succeeding breach, and no failure by either Party to exercise any right or privilege hereunder shall be deemed as a waiver by such Party of any of its rights or privileges hereunder or shall be deemed as a waiver by such Party to exercise its rights or privileges at any time after the execution of this Agreement.

8.5 If any provision of this Agreement is held to be invalid or unenforceable, such provision shall, to the extent of its invalidity or unenforceability, become invalid and deemed to have not been included in this Agreement, however, the validity of any other provision of this Agreement shall not be affected thereby. The Parties shall then make all reasonable efforts to replace the invalid or unenforceable provision with a valid and enforceable alternative provision, the effect of which comes as close as possible to that of the invalid or unenforceable provision.

8.6 A “Working Day” referred to in this Agreement means any day other than a Saturday, Sunday or statutory holiday in the PRC.

8.7 If it is required under any applicable law, regulations or listing rules or required or deemed desirable by any stock exchange, government or other regulatory authority in connection with the initial public offering and listing of the shares in the Potential Listed Company (“**IPO**”) or the initial public offering and listing of the shares in any company which adopts a variable interest entity (VIE) structure (the “**IPO Requirements**”), the Borrower agrees and undertakes to (a) take all such actions (including the amendment of this Agreement and the Controlling Agreements, any authorizations, documents and notices entered into or delivered in connection with this Agreement and the execution of additional documents) to comply with or, as applicable, meet the IPO Requirements and (b) take all actions referred to in paragraph (a) above within 3 Working Days from demand by the Lender. For the purpose of this Article, a “**Potential Listed Company**” means such other company as identified by the Lender or its actual controller and notified by the Lender to other parties as a Potential Listed Company under this paragraph, which company beneficially owns, whether directly or indirectly, the equity interests of the Lender and operates its business in the PRC through the Lender and the Domestic Company.

8.8 In respect of various taxes arising from the execution and performance of this Agreement, the Borrower shall fulfill the tax declaration and tax payment obligations in accordance with law within the time limit prescribed by applicable law.

8.9 This Agreement shall be executed in Chinese and in four (4) originals. Each Party shall hold two (2) originals. Each original shall have equal legal validity.

8.10 This Agreement may be executed in several counterparts and all counterparts so executed shall constitute one and same legal document. A Party may execute this Agreement by signing any counterpart.

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IN WITNESS WHEREOF, this Agreement has been executed by the authorized representatives of the Parties as of the date first above written.

Lender: Rise Tianjin Education Information Consulting Co., Ltd. (seal)
[Company seal is affixed]

Legal Representative: /s/ Yiding SUN
Name: Yiding SUN

Borrower: Yiding SUN

By: /s/ Yiding SUN

Signature Page of Loan Agreement

Exhibit 10.8

CALL OPTION AGREEMENT (SECOND RESTATEMENT)

This Call Option Agreement (this "**Agreement**") is entered into by and among the following parties on June 8, 2017:

(1) **Rise Tianjin Education Information Consulting Co., Ltd.** ("**WFOE**"), a wholly foreign owned enterprise registered in People's Republic of China ("**PRC**") with its address at No. B206, B212, B213, B214, B217, B221, 2/F, (1) Building, No. 8 Huanhe West Road, Tianjin Free Trade Zone (Airport Economic Zone), Tianjin, PRC;

(2) **Yiding SUN** (ID Card No.:) ("**Shareholder A**"), a PRC citizen with an address at Room 103-105, Andrews Estate, No. 181 Gaobeidian Road, Chaoyang District, Beijing, PRC;

(3) **Peng ZHANG** (ID Card No.:) ("**Shareholder B**"), a PRC citizen with an address at Room 206, No. 6 Building, 88 Lane, Huichuan Road, Changning District, Shanghai, PRC; (together with Shareholder A, the "**Shareholders**" and each, a "**Shareholder**"); and

(4) **Beijing Step Ahead Education Technology Development Co., Ltd. ("Domestic Company"),** a limited liability company registered in Beijing, PRC, with its address at No. C01-1, 4/F, No.42, Beiyuan Road, Chaoyang District, Beijing, PRC.

WFOE, the Shareholders and the Domestic Company are hereinafter collectively referred to as the "**Parties**" and individually, as a "**Party**".

Whereas:

(A) Zihong WANG transferred 20% of the equity interests in the Domestic Company to Shareholder A. Shareholder B holds 80% of the equity interests in the Domestic Company. The basic information of Domestic Company as of the date of execution of this Agreement is set forth in Appendix I.

(B) The Domestic Company has sponsored private training schools to provide after-class English training services to the children. Currently, the PRC Law sets forth quite a few restrictions on investment in the education and training area in the PRC by foreign investors. To the extent permitted by the PRC Law and by the relevant PRC regulators, the Shareholders are willing to transfer to WFOE, and WFOE is willing to accept, all their respective equity interests in the Domestic Company.

(C) Shareholder B, Zihong WANG, WFOE and Domestic Company entered into the Call Option Agreement (Restatement) on November 11, 2016, according to which Shareholder B and Zihong WANG agreed to jointly grant WFOE an irrevocable call option. Given that Zihong WANG transferred 20% of the equity interests in the Domestic Company to Shareholder A, he/she entered into the Termination Agreement on June 8, 2017 with WFOE, Domestic Company and Shareholder B, and therefore ceased to be a party to the Call Option Agreement (Restatement). All Parties desire to enter into this Agreement, under which the existing Shareholders of the Domestic Company shall jointly grant WFOE and WFOE shall accept from the Shareholders, an irrevocable call option (hereinafter the "**Call Option**" or "**Option**"), under which the Shareholders shall transfer the Option Equity (as defined below) to WFOE and/or its designated entity(ies) or individual(s) when such Call Option become exercisable and is exercised by WFOE.

Therefore, the Parties enter into this Agreement as follows upon friendly negotiation:

1. **Definitions**

1.1 Unless the context otherwise requires, the following terms in this Agreement shall have the following meanings:

"Business Permits" shall mean any approvals, permits, filings, or registrations, which are required for the Domestic Company and each of its subsidiaries (including all the private schools sponsored by the Domestic Company and its subsidiaries, same below) to legally and validly operate all of their businesses under the then applicable PRC Law, including, but not limited to, the Business License, Tax Registration Certificate.

"Domestic Company Assets" shall mean, in respect of the Domestic Company, all the tangible and intangible assets which the Domestic Company owns or has the right to use during the term of this Agreement, including but not limited to any immoveable and moveable assets, and intellectual property rights such as trademarks, copyrights, patents, proprietary know-how, domain names and software use rights.

"**Domestic Company Subsidiary Assets**" shall mean, in respect of any of the Domestic Company's subsidiaries, all the tangible and intangible assets which any of the Domestic Company's subsidiaries owns or has the right to use during the term of this Agreement, including but not limited to any immoveable and moveable assets, and intellectual property rights such as trademarks, copyrights, patents, proprietary know-how, domain names and software use rights.

"Loan Agreement" shall mean the Loan Agreement entered into by and between Shareholder A and WFOE on June 8, 2017 and the Loan Agreement entered into by and between Shareholder B and WFOE on November 11, 2016.

"Option Equity" shall mean the equity interests held by the Shareholders in the Domestic Company.

"**PRC Law**" shall mean the valid laws, administrative regulations, administrative rules, local regulations, judicial interpretations and other regulatory documents of the PRC.

"Transfer Price" shall mean the price to be paid by WFOE or its designated entity or individual to the Shareholders as consideration for the Option Equity when the Option is exercised. The price shall be equal to the the lowest price permitted by the PRC Law then in effect and, if required by the relevant government authorities, shall be based on the result of valuation by a qualified valuation firm (provided that such firm and the valuation method to be adopted are chosen solely by WFOE to the extent not violating the PRC Law).

1.2 The references to any PRC Law herein shall be deemed:

(1) to include references to the amendments, changes, supplements and reenactments of such law, irrespective of whether they take effect before or after the formation of this Agreement; and

(2) to include references to other decisions, notices or provisions that are made in accordance with or take effect as a result of the laws.

1.3 Unless otherwise stated in the context herein, all references to an article, clause, item or paragraph shall refer to the relevant article, clause, item or paragraph of this Agreement.

1.4 "Working day" referred to in this Agreement means any day, except for a Saturday, Sunday or China's statutory holiday.

2. **Grant of Call Option**

2.1 The Shareholders hereby irrevocably grant WFOE a Call Option pursuant to the terms set out in this Agreement, and pursuant to this Call Option, WFOE shall have the right to require the Shareholders to transfer all or part of the Option Equity to WFOE or its designated entity(ies) or individual(s) to the extent permitted by the PRC Law.

2.2 WFOE hereby accepts the Call Option granted by the Shareholders pursuant to Article 2.1 above.

2.3 Within nighty (90) Working Days from the date of the execution of this Agreement (or the extended term solely decided by WFOE with its notice to the Shareholders), WFOE shall pay RMB 10 to each Shareholder as the consideration for the Call Option granted to WFOE by the Shareholder according to Article 2.1. The Shareholders hereby confirm that the aforesaid consideration is sufficient.

3. **Exercise of Option**

3.1 To the extent permitted by the PRC Law and not specifically dealt with under this Agreement, WFOE shall have the sole discretion to determine the timing and method for exercising the Option.

3.2 To the extent that the PRC Law permits WFOE and/or its designated entity(ies) or individual(s) to hold all the equity interests in the Domestic Company, WFOE shall have the right to exercise the Call Option in respect of the entire amount of the Option Equity; to the extent that the PRC Law permits WFOE and/or its designated entity(ies) or individual(s) to hold only part of the equity interests in the Domestic Company, WFOE shall have the right to exercise the Call Option in respect of the equity interests in the Domestic Company up to the maximum amount permitted by the then applicable PRC Law (hereinafter the "**Shareholding Limit**"). In the latter case, WFOE shall have the right to exercise the Call Option at multiple times in line with the gradual deregulation of PRC Law on the Shareholding Limit, and ultimately exercise the Call Option in respect of all the remaining Option Equity when the Shareholding Limit is fully lifted.

3.3 WFOE may, on each occasion, exercise the Call Option by issuing to the Shareholders a notice for exercising the Call Option substantially in the form set forth in Appendix II hereto (hereinafter the "**Exercise Notice**").

Notwithstanding the preceding sentence, if and when a Shareholder becomes deceased, mentally incapacitated or is otherwise in lack of or has limitations in its civil capacity (each a "**Trigger Event**"), the Call Option shall be deemed automatically exercised upon the occurrence of a Trigger Event and no notice shall be required to be issued by WFOE to the Shareholders.

Each Shareholder hereby confirms and agrees that upon his death (or declared death), the Call Option shall be entirely granted to WFOE (or its designated entity or individual) and WFOE (or its designated entity or individual) is the sole owner of the Call Option. WFOE shall then have the right to dispose of such equity interests at its sole discretion.

3.4 The Shareholders hereby undertake that upon the issuance by WFOE of a Exercise Notice or upon the occurrence of a Trigger Event:

(1) if an appraisal is required by relevant government authorities, they shall engage a qualified valuation firm chosen by WFOE to evaluate the Option Equity specified in writing by WFOE and agree with WFOE on the amount of the Transfer Price of such Option Equity, within fourteen (14) days of the date of the Exercise Notice or the date of the occurrence of the Trigger Event;

(2) thereafter, and in any event no later than five (5) days following the completion of the matters described in paragraph (1) above, they shall convene a shareholders' meeting and adopt a shareholders' resolution at such shareholders' meeting approving the transfer of the Option Equity at the Transfer Price, and take all other necessary or desirable actions to effect the transfer to WFOE and/or its designated entity(ies) or individual(s) of such Option Equity;

(3) concurrently with the passing of the shareholders' resolution described in paragraph (2) above, they shall enter into an equity transfer agreement with WFOE or its designated entity(ies) or individual(s) for the transfer of the Option Equity to WFOE or its designated entity(ies) or individual(s) at the Transfer Price in the substantially same form and content as set forth in Appendix III (or in the form and content as then required by WFOE); and

(4) they shall at all times provide WFOE with full support and cooperation (including providing and executing all the relevant legal documents, processing all the procedures for government approvals and registrations and bearing all the relevant obligations) and use their best efforts to obtain necessary approvals from governmental authorities or consents from third parties (if any) in accordance with the requirements of WFOE and the applicable PRC Law in order to effect the transfer of the Option Equity in accordance with the terms of the equity transfer agreement.

3.5 WFOE or its designated entity(ies) or individual(s) shall pay the Shareholders the Transfer Price within the time specified in the relevant equity transfer agreement.

3.6 Upon the execution of this Agreement, each of the Shareholders shall respectively enter into a power of attorney (hereinafter the "**Power of Attorney**", the form of which is set forth in Appendix IV attached hereto) to authorize a person acceptable to WFOE to sign, on behalf of such Shareholder and according to this Agreement, any and all legal documents necessary for the transfer of the Option Equity to WFOE or its designated entity or individual upon WFOE's exercising of the Option. Such Power of Attorney shall be delivered to WFOE and WFOE may, at any time if necessary, require the Shareholders to respectively execute multiple copies of the Power of Attorney and deliver the same to the relevant government authority.

3.7 In the event that the transferee is a WFOE's designated entity or individual, it shall pay the transferors the Transfer Price in the following way: the transferee shall assume the transferors' repayment obligations of the loan principal and interest under the Loan Agreement and other payment obligations under the Loan Agreement (if any) in proportion to the percentage of Option Equity transferred to such transferee.

In the event that the transferee is the WFOE, the Transfer Price shall be set off against the corresponding amount of the Shareholders' payment obligations of the loan principal and interests and other payment obligations (if any) under the Loan Agreement.

All Parties confirm and agree that, subject to relevant provisions of the Loan Agreement, if the Transfer Price is higher than the registered capital of the Domestic Company, such exceeding amount shall be deemed as the interest accrued on the loan under the Loan Agreement.

To the fullest extent permitted by the PRC Law, WFOE or WFOE's designated entities or individuals are not obliged to bear any responsibility to the Shareholders regarding the value of the Option Equity beyond the portion of the Transfer Price or the value of the Option Equity or the Transfer Price exceeding the amount of the obligations of the Shareholders under the Loan Agreement (If applicable).

4. **Representations and Warranties**

4.1 Each of the Shareholders hereby represents and warrants as follows:

(a) Each of the Shareholders is a PRC citizen with power and capacity to execute and perform his obligations under this Agreement.

(b) The execution and performance of this Agreement by the Shareholders does not violate any laws and regulations or government approvals, authorizations, notices or other governmental documents having binding effect on or affecting the Shareholders, nor does it violate any agreements between Shareholders and any third party or any covenants made to any third party.

(c) This Agreement constitutes the lawful, valid and enforceable obligations of the Shareholders.

(d) The Shareholders are the only legal owners of the Option Equity, with no existing dispute concerning the ownership of the Option Equity. The Shareholders have the right to dispose of the Option Equity or any part thereof.

(e) Except for the encumbrance created over the WFOE's interests set forth hereunder and under the Equity Pledge Agreement (Second Amendment), the Proxy Agreement (Second Amendment) and the Business Cooperation Agreement (Second Amendment) entered into by the Shareholders, Domestic Company and WFOE, there is no other encumbrance or third party interest in respect of the Option Equity.

(f) There shall be no litigation, arbitration, legal process or claim of any pending or threatened nature that would affect the performance of the obligations of each Shareholder under this Agreement.

4.2 WFOE hereby represents and warrants as follows:

(a) WFOE is a wholly foreign owned enterprise duly registered and existing under the PRC Law.

(b) WFOE has the power to execute and perform its obligations under this Agreement. The execution and performance of this Agreement by WFOE is in compliance with the articles of association or other organizational documents of WFOE, and WFOE has obtained all necessary and appropriate approvals and authorizations for the execution and performance of this Agreement.

(c) The execution and performance of this Agreement by WFOE does not violate any laws and regulations or government approvals, authorizations, notices or other governmental documents having binding effect on or affecting WFOE, nor does it violate any agreements between WFOE and any third party or any covenants made to any third party.

(d) This Agreement constitutes lawful, valid and enforceable obligations of WFOE.

4.3 Domestic Company hereby represents and warrants to WFOE as follows:

(a) Domestic Company is a limited liability company duly registered and existing under the PRC Law.

(b) Domestic Company has the power to execute and perform its obligations under this Agreement. The execution and performance of this Agreement by Domestic Company is in compliance with the articles of association or other organizational documents of Domestic Company, and Domestic Company has obtained all necessary and appropriate approvals and authorizations for the execution and performance of this Agreement.

(c) The execution and performance of this Agreement by Domestic Company does not violate any laws and regulations or government approvals, authorizations, notices or other governmental documents having binding effect on or affecting Domestic Company, nor does it violate any agreements between Domestic Company and any third party or any covenants made to any third party.

(d) This Agreement constitutes lawful, valid and enforceable obligations of Domestic Company.

5. **Undertakings by the Shareholders and Domestic Company**

5.1 Each of the Shareholders hereby makes the following undertakings during the term of this Agreement, without the prior written consent of WFOE:

5.1.1 no Shareholders shall transfer, sell, pledge or otherwise dispose of any Option Equity or create any encumbrance or other third party right over any Option Equity (except for the encumbrance created over the WFOE's interests set forth hereunder and under the Equity Pledge Agreement (Second Amendment), the Proxy Agreement (Second Amendment) and the Business Cooperation Agreement (Second Amendment));

5.1.2 he/she shall not supplement, amend or change the business scope or service scope (if applicable) or articles of association of the Domestic Company or its subsidiaries (including all the private schools sponsored by the Domestic Company and its subsidiaries, same below), increase or decrease the registered capital or operating capital (if applicable) of the Domestic Company or its subsidiaries, or change the shareholding structure or the sponsor of the Domestic Company or any of the Domestic Company's subsidiaries (if applicable);

5.1.3 he/she shall not dispose of or cause the management of the Domestic Company or its subsidiaries to dispose of any of the Domestic Company Assets or the Domestic Company Subsidiary Assets (except in the ordinary course of business);

5.1.4 he/she shall not appoint or replace any executive directors or members of the board of directors (if any), supervisors or any other management personnel of the Domestic Company or its subsidiaries;

5.1.5 he/she shall not procure the Domestic Company or its subsidiaries to declare or distribute any profit or dividend;

5.1.6 he/she shall not exercise any residual right of the Option Equity (if any);

5.1.7 he/she shall not allow or procure the Domestic Company or its subsidiary to take any action under Article 5.3; and

5.1.8 he/she shall not take any action or conduct any negligence which may negatively affect the Domestic Company Assets, the Domestic Company Subsidiary Assets, the goodwill of the Domestic Company or its subsidiaries, the validity of the Business Permits of the Domestic Company or its subsidiaries.

5.2 Each of the Shareholders hereby makes the following undertakings during the Term of this Agreement:

5.2.1 Each Shareholder shall promptly notify WFOE of any litigation, arbitration, legal process or claim that has been filed, threatened or likely to be filed against or potentially affecting the Option Equity held by him, and to take all actions and all defenses to maintain his ownership of the Option Equity; and

5.2.2 To achieve the transfer of the Option Equity referred to in this Agreement to WFOE or its designated entities or individuals, each of the Shareholders shall pass the relevant resolutions of the shareholders' meeting or the resolutions of the board of directors and sign other documents or take other actions requested by WFOE (including but not limited to signing a written document to consent and waive its right of first refusal in respect of the transfer of the Option Equity by the other Shareholder to WFOE or its designated entities or individuals).

5.3 The Domestic Company hereby makes undertakings during the term of this Agreement that, without the prior written consent of WFOE, it shall not, and shall ensure that none of its subsidiaries shall take the following actions:

5.3.1 Supplement, amend or change the business scope or service scope (if applicable) or articles of association, increase or decrease the registered capital or operating capital (if applicable), or change the shareholding structure or the sponsors (if applicable) in any way;

5.3.2 Lend or borrow any money or credit;

5.3.3 Except in the ordinary course of business, sell, transfer, mortgage or in any other way dispose of the statutory or beneficial interests of any assets, business or income, or create any security interest upon such assets, business or income, or to create any guarantee for any third party's obligations;

5.3.4 Except in the ordinary course of business (excluding loans), create, succeed, guarantee or allow the existence of any debt or responsibility;

5.3.5 Sign any significant contract (for the purpose of this item, a contract with the value of more than RMB 200,000 shall be deemed significant), except for contracts entered into in the ordinary course of business;

5.3.6 Merger with, set up a joint venture with, acquire or invest in any third party;

5.3.7 Liquidate, dissolute or apply for bankrupt; and

5.3.8 Declare or distribute dividends or other distributions in any form to the Shareholders or the sponsors (if applicable), but once requested by the Lender, the Domestic Company or any of its subsidiaries shall immediately make such distributions to its Shareholders or the sponsors (if applicable) separately.

5.4 The Domestic Company hereby makes the following undertakings during the Term of this Agreement:

5.4.1 It shall take all necessary measures to obtain all Business Permits in a timely manner and always maintain the effectiveness of the Business Permits and make every effort to develop the business of the Domestic Company and any of its subsidiaries and ensure that the Domestic Company and its subsidiaries are legally qualified in its business and comply with the PRC Law;

5.4.2 It shall provide WFOE with all information and materials regarding the operating and financial status of the Domestic Company and any of its subsidiaries required by WFOE;

5.4.3 It shall, as WFOE requires, purchase and maintain insurance from well-known insurers recognized by WFOE and ensure that its subsidiaries purchase and maintain insurance. The insurance coverage and the insurance amount of the Domestic Company or any of its subsidiaries shall be the same as the insurance coverage and the insurance amount of a company which has similar property or assets and engages in a similar business at the same locality;

5.4.4 It shall execute all necessary or appropriate documents, take all necessary or appropriate actions, make all necessary or appropriate claims or make all necessary or appropriate defenses for all claims, to the extent required to maintain the ownership of all of its or its subsidiaries' assets;

5.4.5 It shall timely notify any litigation, arbitration or administrative procedure which has occurred or is threatened to be filed in connection with the Domestic Company or any of its subsidiaries regarding assets, business or income; and

5.4.6 It shall strictly abide by this Agreement and shall not engage in or be negligent in engaging in any behavior with negative impact on the validity and performance of this Agreement.

6. **Confidentiality**

The Parties acknowledge and confirm that any oral or written information exchanged among them with respect to this Agreement constitutes confidential information. The Parties shall maintain the confidentiality of all such information. Without the prior written consent of the Party providing such information, none of the Parties shall disclose any confidential information to any third party, except in the following circumstances: (a) such information is or comes into the public domain (through no fault or disclosure by the receiving party); (b) information required by applicable laws or regulations or rules of any stock exchange to be disclosed; or (c) information required to be disclosed by any Party to its legal counsel or financial advisor regarding the transactions contemplated hereunder, and such legal counsel or financial advisor is also bound by duties of confidentiality similar to the duties set forth in this Article. Disclosure of any confidential information by any staff, consultant or employee of any Party shall be deemed as disclosure of such confidential information by such Party, for which the Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement for any reason.

7. **Term of Agreement**

7.1 This Agreement shall become effective upon the execution of this Agreement by the Parties and shall terminate after the entire Option Equity is transferred to WFOE or its designated entity(ies) or individual(s) in accordance with the provisions contained herein.

7.2 The Parties hereby confirm and agree that in no event shall any Shareholder request or seek to terminate this Agreement in advance for any reason.

7.3 The Parties hereby confirm and agree that WFOE shall have the right to notify the Shareholders and the Domestic Company at any time thirty (30) days in advance to terminate this Agreement .

8. **Notices**

All notices, claims, certificates, requests, demands and other communications under this Agreement shall be made in writing and shall be delivered to any Party hereto by hand or, sent by facsimile, or sent, postage prepaid, by reputable overnight courier services at the following addresses (or at such other address for such Party as shall be specified by notice), and shall be deemed given when so delivered by hand, or if sent by facsimile, upon receipt of a confirmed transmittal receipt, or if sent by overnight courier, five (5) days after delivery to or pickup by the overnight courier service:

If to WFOE: **Rise Tianjin Education Information Consulting Co., Ltd.**

Address: No. B206, B212, B213, B214, B217, B221, 2/F, (1) Building, No. 8 Huanhe West Road, Tianjin Free Trade Zone (Airport Economic Zone), Tianjin, PRC

Telephone: 13910985656
Attention: Yiding SUN

with a copy to: Bain Capital Asia, LLC
Address: 51/F Cheung Kong Center, 2 Queen's Road Central, Hong Kong
Attention: Drew Chen
Telephone: +8 52 3656-6881

If to Shareholder A: **Yiding SUN**

Address: Room 103-105, Andrews Estate, No. 181 Gaobeidian Road, Chaoyang District, Beijing, PRC
Telephone: 13910985656

If to Shareholder B: **Peng ZHANG**

Address: Room 206, No. 6 Building, 88 Lane, Huichuan Road, Changning District, Shanghai, PRC
Telephone: 15921601703

If to Domestic Company: Beijing Step Ahead Education Technology Development Co., Ltd.

Address: No. C01-1, Floor 4, No.42 Beiyuan Road, Chaoyang District, Beijing, PRC
Telephone: 13910985656
Attention: Yiding SUN

9. **Liability for Default**

9.1 The Parties agree and confirm that, if any Party (hereinafter the "**Defaulting Party**") breaches substantially any of the provisions herein or fails substantially to perform any of the obligations under this Agreement, it shall constitute a default under this Agreement (hereinafter a "**Default**"), and any of the non-defaulting parties shall have the right to require the Defaulting Party to rectify such Default or take remedial measures within a reasonable period. If the Defaulting Party fails to rectify such Default or take remedial measures within such reasonable period or within ten (10) days of a non-defaulting party notifying the Defaulting Party in writing and requiring it to rectify the Default, a non-defaulting party shall have the right at its own discretion to select any of the following remedial measures:

(1) to terminate this Agreement and require the Defaulting Party to indemnify it for all damages suffered; or

(2) to seek mandatory performance of the obligations of the Defaulting Party hereunder and require the Defaulting Party to indemnify it for all damages suffered.

9.2 Notwithstanding the above Article 9.1, the Parties agree and confirm that in no circumstances shall any Shareholder request the termination of this Agreement for any reason.

9.3 The rights and remedies prescribed herein are cumulative, and other rights or remedies prescribed by the law are not precluded.

9.4 Notwithstanding any other provisions herein, the validity of this Article shall not be affected by the suspension or termination of this Agreement.

10. **Applicable Law and Dispute Resolution**

10.1 The formation, validity, interpretation, performance, amendment, termination and dispute resolution of this Agreement shall be governed by the PRC Law.

10.2 Any dispute arising from the interpretation and performance of this Agreement shall first be resolved through friendly consultations by the Parties. If the dispute fails to be resolved within thirty (30) days after one Party gives notice requesting consultations to the other Party, either Party may submit such dispute to China International Economic and Trade Arbitration Commission (hereinafter the "**CIETAC**") for arbitration in Beijing in accordance with the then effective arbitration rules of the CIETAC. The arbitration tribunal shall consist of three (3) arbitrators who may or may not be on the CIETAC's list of arbitrators, of which one arbitrator shall be selected by WFOE and one arbitrator shall be jointly selected by the Shareholders and the Domestic Company. The third arbitrator, who shall be the presiding arbitrator of the arbitration tribunal, and shall be jointly selected by the two arbitrators selected by the Parties. The arbitration award shall be final and binding on all Parties.

10.3 During the existence of any dispute, the Parties shall continue to exercise their remaining respective rights, and fulfill their remaining respective obligations under this Agreement, except insofar as the same may relate directly to the matters in dispute.

10.4 Notwithstanding the foregoing, the Parties agree that any of them may seek interim measures including property preservation in relation to the provisions of this Agreement or the Parties' performance hereof from any court of competent jurisdiction.

11. **Miscellaneous**

11.1 WFOE may, upon notice to the Shareholders and the Domestic Company but without consent from the Shareholders and the Domestic Company, assign WFOE's rights and/or obligations hereunder to any third party. The Shareholders or the Domestic Company may not, without WFOE's prior written consent, assign any rights, obligations and/or liabilities of the Shareholders or the Domestic Company hereunder to any third party. Successors or permitted assignees (if any) of the Shareholders and the Domestic Company shall be bound by, and continue to perform, the obligations of the Shareholders and the Domestic Company under this Agreement.

11.2 This Agreement is made in four (4) originals in Chinese. Each Party shall keep one (1) original version.

11.3 This Agreement may not be amended or modified in any manner except by an instrument in writing signed by the Parties hereto.

11.4 No waiver of any provision of this Agreement shall be effective unless made in writing and signed by the Parties. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any preceding or succeeding breach and no failure by either Party to exercise any right or privilege hereunder shall be deemed a waiver of such Party's rights or privileges hereunder or shall be deemed a waiver of such Party's rights to exercise the same at any time subsequent to the execution hereof.

11.5 If any provision of this Agreement is deemed or becomes invalid, illegal or unenforceable, such provision shall be construed or deemed amended to conform to applicable laws so as to be valid and enforceable; or, if it cannot be so construed or deemed amended without materially altering the intention of the Parties, it shall be stricken and the remainder of this Agreement shall remain in full force and effect.

11.6 Each Party shall use all reasonable efforts to take and do, or cause to take and do, all such further actions and things and shall execute and deliver all such other agreements, certificates, instruments and documents as may be necessary or desirable to give effect to the terms and intent of this Agreement and any ancillary documents. If required under any applicable laws, regulations or listing rules or required or deemed desirable by any stock exchange, government or other regulatory authority in connection with the initial public offering and listing of the shares in the Potential Listed Company ("**IPO**") or the initial public offering and listing of the shares in any company which adopts a variable interest entity (VIE) structure (the "**IPO Requirements**"), each Shareholder agrees and undertakes to (a) take all such actions (including amendment to this Agreement and its appendices, any authorizations, documents and notices entered into or delivered in connection with this Agreement and the execution of additional documents) to comply with or, as applicable, meet the IPO Requirements and (b) take all actions referred to in paragraph (a) above within 3 Working Days upon request by WFOE. For the purpose of this clause, "**Potential Listed Company**" means such other company which beneficially owns, whether directly or indirectly, the equity interest in the WFOE and operates its business in the PRC through the WFOE and the Domestic Company, as identified by WFOE or its actual controller and notified by the WFOE to the other parties as the Potential Listed Company under this paragraph.

11.7 The Shareholders shall fulfill the obligations of tax declaration and tax payment, in connection with taxes arising from the execution and performance of this Agreement, within the term prescribed by applicable laws.

11.8 This Agreement may be executed in several counterparts and all counterparts so executed shall together constitute one agreement. Any Party may execute this Agreement by executing any counterpart.

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IN WITNESS WHEREOF, this Agreement has been executed by the duly authorized representatives of the Parties as of the date first written above.

Rise Tianjin Education Information Consulting Co., Ltd.
(seal)
[Company seal is affixed]

By: /s/ Yiding SUN
Title:

Shareholders of the Domestic Company:

Yiding SUN: /s/ Yiding SUN

Peng ZHANG: /s/ Peng ZHANG

Signature Page of Call Option Agreement (Second Restatement)

IN WITNESS WHEREOF, this Agreement has been executed by the duly authorized representatives of the Parties as of the date first written above.

Beijing Step Ahead Education Technology Development Co., Ltd. (seal)
[Company seal is affixed]

By: /s/ Yiding SUN
Title:

Signature Page of Call Option Agreement (Second Restatement)

Appendix I

Basic Information of the Domestic Company

Company Name:	Beijing Step Ahead Education Technology Development Co., Ltd.
Registered Address:	No. C01-1, Floor 4, No.42, Beiyuan Road, Chaoyang District, Beijing, PRC
Registered Capital:	RMB 2,000,000
Equity Structure:	Peng ZHANG – 80% Yiding SUN – 20%

Appendix II

(Form of) Option Exercise Notice

To: [Peng ZHANG/Yiding SUN]

We hereby refer to the Call Option Agreement (Second Restatement) entered into between you and our company as of [], 2017 (hereinafter the "**Option Agreement**"), under which you had agreed to transfer the equity interests you hold in Beijing Step Ahead Education Technology Development Co., Ltd. (hereinafter the "**Domestic Company**") to our company or any third party designated by our company upon request by our company to the extent as permitted by the PRC Law and regulations.

Therefore, we hereby notify you as follows:

Our company hereby exercises the Call Option under the Option Agreement and requires you to transfer to [our company / name of entity / individual designated by our company] the equity interests you hold in the Domestic Company totaling [ ]% of the total equity interests of the Domestic Company in accordance with the provisions set forth in the Option Agreement.

Best regards,

Rise Tianjin Education Information Consulting Co., Ltd. (Seal)

By: _____
Title:
Date:

Appendix I

Appendix III

Form of Equity Transfer Agreement

Date:

Equity Transfer Agreement

by and between

[ ]

and

[ ]

Regarding

Beijing Step Ahead Education Technology

Development Co. Ltd.

Appendix I

This Equity Transfer Agreement (hereinafter this "**Agreement**") is entered into on by and between:

(1) , a citizen of the PRC with his ID number (hereinafter the "**Transferor")**; and

(2) (hereinafter the "**Transferee**").

The Transferor and the Transferee are individually referred to herein as a "**Party**", and collectively as the "**Parties**".

WHEREAS,

(A) The Transferor holds % of the equity interests in Beijing Step Ahead Education Technology Development Co. Ltd. (hereinafter the "**Company**").

(B) The Transferor desires to sell to the Transferee, and the Transferee desires to purchase from the Transferor, % of the equity interests in the Company and all the rights and obligations in relation thereto (collectively, the "**Target Equity Interests").**

(C) The Parties agree to sell and purchase the Target Equity Interests in accordance with the terms and conditions of this Agreement.

Therefore, the Parties agree as follows:

1. **DEFINITIONS AND INTERPRETATIONS**

Unless otherwise provided herein, the terms used herein (in bold) shall have the meaning set forth in Schedule 1.

2. **SALE AND PURCHASE OF TARGET EQUITY INTERESTS**

2.1 Subject to satisfaction or waiver of the conditions to Closing set forth in Article 3 (if applicable), the Transferor agrees to sell to the Transferee % of the equity interests held by it in the Company and all the rights attached thereto in the consideration of RMB (hereinafter "**Equity Purchase Price**"), and the Transferee agrees to purchase such equity interests in accordance with the terms and conditions of this Agreement (hereinafter this "**Equity Transfer**").

3. CONDITIONS TO CLOSING BY THE TRANSFEREE

3.1 Unless waived in writing by the Transferee, the performance of the obligations of the Transferee under Article 4 shall be subject to fulfilment of the following conditions on or prior to the Closing Date:

(a) the Transferor's Warranties shall be true and accurate when made, and shall be true and accurate at the time of Closing as if made at the time of Closing, unless the Warranties relate to a specific early date, in which circumstance such Warranties shall be true and accurate on such date;

(b) the Company shall have filed to the competent SAIC an application for registration of changes to the Equity Transfer, and the Company shall have obtained an acceptance notice from the competent SAIC with respect to such application;

(c) the Transferor shall have performed and complied with, in any material aspects, the undertakings and obligations provided herein that require the Transferor to perform and comply with on or prior to the Closing Date; and

(d) there is no judicial, regulatory or administrative action or other law that would render this Equity Transfer illegal, or limit the completion of this Equity Transfer in any material aspects.

3.2 The Transferee may notify the Transferor in writing of waiver of all or part of the above conditions at any time.

4. CLOSING

4.1 The Closing of this Equity Transfer shall take place on the 3rd Business Day upon satisfaction and waiver of the conditions set forth in Article 3 (or any other date or time specified by the Transferee, the "**Closing Date**").

4.2 At the time of Closing, the Transferor shall deliver to the Transferee a written certificate proving the fulfilment of the conditions set forth in Article 3.1.

4.3 The Transferor shall pay the Transferee the Equity Purchase Price at the time of Closing in the following method: the Transferee shall assume the obligation of repayment of the principal and interest of the loan of the Transferor under the Loan Agreement and other payment obligations set out in Article 1.7 (if the Transferor is Zihong Wang) or Article 1.8 of the Loan Agreement (if the Transferor is Zhenyu Zhang) (if any), according to the proportion of the equity interests in the Company to be transferred under this Agreement to the Target Equity Interests (as defined in the Loan Agreement).

5. **REPRESENTATIONS AND UNDERTAKINGS OF THE TRANSFEROR**

The Transferor represents and warrants to the Transferee that as of the date of this Agreement and the Closing Date, the Warranties contained in this Article 5 (hereinafter "**Transferor's Warranties**") are true, accurate and complete.

5.1 Establishment and Valid Existence. The Company is duly established and validly existing under the Laws of the PRC.

5.2 Capacity and Authority. The Transferor has the capacity and authority necessary to execute and deliver this Agreement and perform its obligations hereunder.

5.3 Target Equity Interests.

(a) Except for any Encumbrance created under the Original Control Agreement, the Transferor is the sole registered and beneficial owner of the Target Equity Interests, free and clear of any other Encumbrance. The Transferor has the exclusive right to dispose of the Target Equity Interests.

(b) The Target Equity Interests represents % of all the existing registered capital of the Company.

5.4 Legality and Validity. Upon execution and delivery of this Agreement, it shall constitute the legal and valid obligation of the Transferor, enforceable against the Transferor in accordance with the terms of this Agreement.

5.5 Registration and Consent. Except for those set forth in Article 3.1(b) and the consent required to be obtained from Rise Tianjin in accordance with the provisions of the Original Control Agreement, the Transferor or the Company shall not be required to obtain consents, approvals, authorizations, orders, registrations or filings from any third party or Governmental Authority for the purpose of completion of this Equity Transfer.

5.6 No Violation. The execution of this Agreement by the Transferor and the performance of its obligations hereunder shall not contradict with or result in violation of (a) any applicable Law, or any authorization or approval of any competent Governmental Authority; (b) any agreement, contract, obligation or undertaking to which the Transferor (or any of its Affiliates) is a party or by which the Transferor (or any of its Affiliates) is bound; or (c) any constitutional document of the Company.

6. REPRESENTATIONS AND WARRANTIES OF THE TRANSFEREE

The Transferee represents and warrants to the Transferor that as of the date of this Agreement and the Closing Date, the Warranties contained in this Article 6 are true, accurate and complete.

6.1 Capacity and Authority. The Transferee has the capacity and authority necessary to execute and deliver this Agreement and perform its obligations hereunder.

6.2 Legality and Validity. Upon execution and delivery of this Agreement, it shall constitute the legal and valid obligation of the Transferee, enforceable against the Transferee in accordance with the terms of this Agreement.

6.3 No Violation. The execution of this Agreement by the Transferee and the performance of its obligations hereunder shall not contradict with or result in violation of (a) any applicable Law, or any authorization or approval of any competent Governmental Authority; (b) any agreement, contract, obligation or undertaking to which the Transferor (or any of its Affiliates) is a party or by which the Transferor (or any of its Affiliates) is bound.

7. UNDERTAKINGS

7.1 Commercially Reasonable Effort. Subject to the terms and conditions of this Agreement, each Party shall use its commercially reasonable efforts to take or cause the Company to take all actions, submit or cause the Company to submit all documents, obtain or cause the Company to obtain all approvals or registrations of any competent Governmental Authority, and do or cause the Company to do other necessary, desirable or advisable things, in order to complete this Equity Transfer (including satisfaction other than waiver of the conditions to Closing set forth in Article 3) as soon as practicable upon the execution of this Agreement.

Without limiting the generality of the above paragraph of this Article 7.1, the Transferor shall timely execute all documents and take all actions reasonably requested by the Transferee to complete this Equity Transfer as soon as practicable, including but not limited to the following: the Transferor shall fully cooperate with the Company to file an application to the competent SAIC for registration of changes pertaining to this Equity Transfer, and the Transferor shall execute, in form and substance to the reasonable satisfaction of the Transferee, the resolutions of the shareholders' meeting of the Company pertaining to this Equity Transfer, the amendment to the articles of association of the Company reflecting this Equity Transfer, the Statement of Change in Individual Shareholders pertaining to this Equity Transfer and the power of attorney authorizing the Transferee or other person designated by it to handle the tax return pertaining to this Equity Transfer on its behalf.

8. INDEMNIFICATION

8.1 The Transferor shall indemnify and hold harmless the Transferee and its Affiliates, agents, successors and transferees from and against any losses arising out of or caused by:

(a) breach of the Transferor's Warranties by the Transferor;

(b) breach of any undertakings or obligations set forth herein by the Transferor.

8.2 The Transferee shall indemnify and hold harmless the Transferor and its Affiliates, agents, successors and transferees from and against any losses arising out of or caused by:

(a) breach of the Transferee's Warranties by the Transferee;

(b) breach of any undertakings or obligations set forth herein by the Transferee.

9. TERMINATION

9.1 Under the following circumstances, this Agreement may be terminated prior to the Closing Date:

(a) it is agreed to be terminated by the Transferee and the Transferor in writing;

(b) it is terminated by the Transferee or the Transferor, if any competent Governmental Authority has issued any final and non-appealable governmental order that prohibits this Equity Transfer permanently or otherwise; or

(c) it is terminated by the Transferee, if the Transferor's Warranties are not so true or accurate that results in the conditions to Closing set forth in Article 3.1(a) not being capable of being satisfied, and the above untrue or inaccurate circumstance cannot be cured, or though it can be cured, the Transferor fails to rectify it within 20 days after receipt of written notice of such untrue or inaccurate circumstance from the Transferee.

If any Party intends to terminate this Agreement, it shall send a written notice indicating termination of this Agreement to the other Party.

9.2 If this Agreement is terminated in accordance with Article 9.1, all obligations of the Parties hereunder shall be terminated and cease to be valid, provided that (a) the matters set forth in the Surviving Clauses shall not be affected by the termination and shall continue to be effective, and (b) the termination of this Agreement for any reason shall not release any Party from any liability that will have been incurred as of the effective date of the termination of this Agreement, or constitute any waiver of any right, compensation or claim that any Party has hereunder or will have as a result of the termination of this Agreement, or have other adverse effect on the above right, compensation or claim.

10. TAXATION

10.1 The Transferor and the Transferee shall assume their own stamp taxes and individual income taxes required to be paid by the provisions of the Laws of the PRC in connection with the execution and performance of this Agreement.

10.2 With respect to various taxes arising from the execution and performance of this Agreement, the Transferor shall perform its tax declaration and payment obligations in accordance with laws within the period provided by the applicable laws.

11. ANNOUNCEMENT

11.1 Without the prior written consent of the Parties, no Party may make any announcement or disclosure of the contents of this Agreement or this Equity Transfer (including any general disclosure to clients or suppliers); provided that the provisions of this Article 11.1 shall not prohibit: (a) any disclosure required by any applicable Legal Requirement (in which case, if it is permitted by Law and reasonable practicable, the disclosing Party shall give the other Party the opportunity to review and comment prior to such disclosure), or (b) any disclosure of implementation of any right or indemnification in respect of this Agreement or this Equity Transfer.

12. **NOTICE**

12.1 Any notice or other communication made in this Agreement or in relation hereto by one Party to the other Party shall be made in writing and signed by the sending party or its representative. Such notice or other communication shall be sent to the number set out in Article 12.2 below by facsimile, or delivered or sent to the addresses set out in the following paragraph by hand or by courier service, and in any case, shall be indicated with the recipient of the relevant party set out in Article 12.2 (or otherwise notified from time to time pursuant to this provision). Any notice delivered by hand, sent by facsimile or by post pursuant to this provision shall be deemed to have been effectively delivered:

(a) if delivered by hand, when delivered;

(b) if sent by facsimile, when dispatched;

(c) if sent by courier service, the fourth Business Day from the date on which it is posted,

provided that if it is delivered by hand or sent by facsimile at a time later than 6 pm of a Business Day or on a day that is not a Business Day, it shall be deemed to have been effectively delivered at 9 am of the following Business Day.

The time referred to in this paragraph shall be the local time of the country where the recipient is located.

12.2 The addresses and telephone numbers of the Parties are set out below:

Transferor

Address:
Telephone:
Attention:

Transferee

Address:
Telephone:
Attention:

13. TRANSFER

Unless expressly agreed by the Parties in writing, no Party may transfer, assign or otherwise dispose of any or all of the rights hereunder, nor shall it grant, declare, create or dispose of any of the rights or interests herein. Any transfer in violation of this Article 13 shall be null and void.

14. EXPENSES

Except as otherwise provided herein, the Transferor and the Transferee shall bear their own fees, charges and other expenses pertaining this Equity Transfer (including such fees, charges and other expenses of its Affiliates).

15. EFFECTIVENESS

This Agreement shall become effective as of the date of execution hereof.

16. GOVERNING LAW

The validity, interpretation, amendment, performance and termination of this Agreement shall be governed by and constructed in accordance with the Laws of the PRC.

17. DISPUTE RESOLUTION

17.1 Any dispute, controversy or Claim arising out of or in relation to this Agreement shall be resolved through friendly consultations. If no resolution is reached within 30 days after one Party has served notice of the matters in dispute on the other Party, the dispute, controversy or Claim shall be submitted to China International Economic and Trade Arbitration Commission (hereinafter the "**CIETAC**") for arbitration in accordance with its arbitration rules as are in force at the time of application for arbitration (hereinafter "**Arbitration Rules**").

17.2 The place of the arbitration shall be Beijing, the PRC.

17.3 The language of the arbitration shall be Chinese.

17.4 There shall be 3 arbitrators. One arbitrator shall be selected by the claimant, and one arbitrator shall be selected by the respondent. The third arbitrator, who shall serve as the presiding arbitrator, shall be jointly selected by the two arbitrators so chosen. If such two arbitrators fail to jointly select the third arbitrator within 30 days, upon the request of any Party, the chairman of the CIETAC shall be entitled to select the third arbitrator. The Parties agree that the two arbitrators selected by the Parties and the presiding arbitrator may be selected outside the CIETAC's panel of arbitrators.

17.5 The arbitration award shall be final and binding upon the Parties, and the Parties agree to be bound by and act in compliance with it. The arbitration fee and the fees pertaining to the implementation of the arbitration award (including the witness fees and reasonable legal fees) shall be assumed by the losing Party, unless otherwise provided in the arbitration award. After any dispute occurs and during the process of arbitration, other than the matters in dispute, the Parties shall continue to exercise their other rights and fulfil their other obligations under this Agreement.

18. MISCELLANEOUS

18.1 This Agreement may be amended only by agreement in writing executed by the Parties.

18.2 Any failure or delay by any Party to exercise any powers or rights under this Agreement shall not be deemed to be a waiver of such powers or rights, and any single or partial exercise of any such powers or rights shall not preclude other or further exercise thereof or the exercise of any other powers or rights. No waiver by a Party of any breach of any provision hereof shall be deemed or constructed to be a waiver of any other or subsequent breach hereunder. All existing rights and remedies under this Agreement are supplementary to and not exclusive of any other available rights or remedies.

18.3 The Parties acknowledge and agree that the non-breaching Party would be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms, and the damages alone would not be adequate indemnity for any breach of this Agreement by a Party. Accordingly, the non-breaching Party will be entitled to enforce any provisions of this Agreement pursuant to any specific performance ruling, and be entitled to interim and permanent injunctions to prevent breaches or threatened breaches of the provisions of this Agreement, in addition to any other rights or remedies to which it may be entitled according to law.

18.4 If any provision of this Agreement is held to be invalid or unenforceable, such provision shall be invalid (to the extent invalid or unenforceable) and deemed as not being incorporated into this Agreement, but shall not invalidate any other terms of this Agreement. Then the Parties shall use all reasonable efforts to replace such invalid or unenforceable provision with a valid and enforceable provision that achieves the purpose of such invalid or unenforceable provision as closely as possible.

18.5 All schedules hereto shall be deemed as part of this Agreement. This Agreement and its schedules shall be made in Chinese in five originals.

(Remainder of this page intentionally left blank)

IN WITNESS WHEREOF, this Agreement has been executed by the Parties on the date first written above.

[ ]	[ ]
By: _____	By: _____

SCHEDULE 1 DEFINITIONS AND INTERPRETATIONS

1.1 In this Agreement, the following terms shall have the meanings as set out below:

"**Warranties**" collectively mean the representations and warranties made by the Transferor as set out in Article 5 and the representations and warranties made by the Transferee as set out in Article 6.

"**Equity Transfer**" shall have the meaning set forth in Article 2.1.

"**Agreement**" shall have the meaning set forth in the preamble.

"**Loan Agreement**" means the Loan Agreement/Amended Loan Agreement executed by and between the Transferor and Rise Tianjin on .

"**Law**" means all applicable terms of (i) any constitution, treaty, statute, law, regulation, rule, ordinance or norm of any Governmental Authority, and (ii) any order, decision, injunction, judgment, arbitration award or ruling of any Governmental Authority.

"**Legal Requirement**" means any federal, state, territory, local, municipal, foreign or other law, statute, legislation, constitution, resolution, decree, norm, bulletin, ruling, announcement, treaty, convention, rule, regulation, permit, judgement, directive, verdict, requirement (permission or otherwise), instruction, award, decision, opinion or interpretation that has been published, promulgated, adopted, passed, approved, issued, enacted, implemented or otherwise validated by any Governmental Authority.

"**SAIC**" means the State Administration for Industry and Commerce or its local branches, as appropriate to the context.

"**Company**" shall have the meaning set forth in the preamble.

"**Equity Purchase Price**" shall have the meaning set forth in Article 2.1.

"**Affiliate**" means, with respect to any Person, any other Person that, through one or more intermediaries, controls, or is controlled by, or is under common control with the Person.

"**Closing**" means the closing of sale and purchase of the Target Equity Interests pursuant to this Agreement.

"**Closing Date**" shall have the meaning set forth in Article 4.1.

"**Control**" (including its related terms, such as "**controlled by**" and "**under common control with**"), means, with respect to any Person, (i) the possession by such Person, direct or indirect, of the Securities that entitle it to exercise an aggregate of more than 50% of the voting power of a relevant entity, or (ii) the possession by such Person, of the power to directly or indirectly, (a) select members of the board of a relevant entity (or other similar governing body) that hold more than 50% of the voting power, or (b) direct or cause the direction of a relevant entity or the management and policies in relation thereto, whether through the ownership of the Securities, through contractual arrangements or otherwise.

"**Target Equity Interests**" shall have the meaning set forth in the preamble.

"**Encumbrance**" means any lien, mortgage, hypothec, pledge, limitation on transferability, title flaw or other claim, allegation or encumbrance of any nature over any property or property rights and interests, including any limitation on use, voting, transfer, obtainment of proceeds or exercise of any right of ownership nature; provided that the following shall not constitute any Encumbrance: (i) any lien pertaining to taxes that are not due and payable, and (ii) any easement or other similar limitation that affects real property but does not affect the use thereof.

"**Person**" means any natural person, business trust, corporation, partnership, limited liability company, joint-stock company, solely-owned enterprise, association, trust, joint venture, unincorporated consortium or other legal entity, unincorporated organization or any Governmental Authority of any nature established pursuant to any applicable Laws.

"**RMB**" means the lawful currency of the PRC.

"**Rise Tianjin**" means Rise Tianjin Education Information Consulting Co., Ltd, a wholly-foreign owned limited liability company established under the Laws of the PRC with its address at Room 2-2049, Standard Plant, 88 Huanhe South Road, Airport Economic Zone, Tianjin, the PRC.

"**Transferee**" shall have the meaning set forth in the preamble.

"**Transferee's Warranties**" shall have the meaning set forth in Article 6.

"**Transferee's Obligations**" means any of the representations, Warranties, undertakings, agreements or indemnification undertakings made by the Transferee to the Transferor hereunder.

"**Parties**" shall have the meaning set forth in the preamble.

"**Loss**" or "**Losses**" means indebtedness, liabilities, losses, damages, fees (including reasonable legal fees and consulting fees) and expenses (including taxes), litigations, proceedings, claims and demands of any nature.

"**Claim**" means any claim made in connection with any Transferor's Obligations or Transferee's Obligations.

"**Surviving Clauses**" mean Article 8 (Indemnification), Article 9 (Termination), Article 10 (Taxation), Article 11 (Announcement), Article 12 (Notice), Article 13 (Transfer), Article 14 (Expenses), Article 16 (Governing Law), Article 17 (Dispute Resolution), Article 18.1 (Amendment), Article 18.2 (Waiver, Rights and Remedy), Article 18.4 (Specific Performance), Article 18.5 (Invalidity), Article 18.7 (Counterparts) and Schedule 1 (Definitions and Interpretations).

"**Hong Kong**" means the Hong Kong Special Administration of the People's Republic of China.

"**Party**" shall have the meaning set forth in the preamble.

"**Business Day**" means any day other than a Saturday, Sunday or other day on which commercial banks in Hong Kong or the PRC are not open for business.

"**Original Control Agreement**" means the Loan Agreement, Call Option Agreement, Proxy Agreement, Business Operation Agreement and Equity Pledge Agreement (as amended from time to time, if any) executed on by and among the Transferor, , Rise Tianjin and/or the Company.

"**Liabilities**" means direct or indirect liabilities, indebtedness, obligations, expenses, costs, claims, losses, damages, defects, warranties or endorsements that belong to or are raised by any Person, whether or not absolute or conditional, actual or contingent, due or imminent, discharged or not discharged, constituted or solely complained.

"**Governmental Authority**" means any federation, country, state, sovereignty or government, any branch of any federal, supranational, territorial, provincial, state, local or municipal government, any governmental or administrative authority, body, department or independent agency, or any court, governmental administration hearing agency, arbitrator, committee or other similar dispute resolution organization or entity and any other entity that exercises executive, legislative, judicial, regulatory or certain governmental administration functions, in each case having competent jurisdiction.

"**Securities**" means, with respect to any Person, the common shares and other equity securities of such Person, and any security that can be converted into, exchanged for or exercised to purchase such common shares and other equity securities of such Person.

"**PRC**" means the People's Republic of China, excluding, for purposes of this Agreement, Hong Kong, the Macau Special Administrative Region and Taiwan.

"**CIETAC**" shall have the meaning set forth in Article 17.1.

"**Arbitration Rules**" shall have the meaning set forth in Article 17.1.

"**Transferor**" shall have the meaning set forth in the preamble.

"**Transferor's Warranties**" shall have the meaning set forth in Article 5.

"**Transferor's Obligations**" means any of the representations, Warranties, undertakings, agreements or indemnification undertakings made hereunder by the Transferor to the Transferee.

1.2 Interpretation. In this Agreement, unless the context otherwise provided:

(a) headings shall not affect the interpretation of this Agreement;

(b) words denoting the singular shall, where applicable, include the plural and vice versa;

(c) reference to a certain gender shall, where applicable, include all genders;

(d) sentences introduced by "include," "including," "especially" or any similar expressions shall be construed as illustration and not limit the meaning of the words before such words; and

(e) unless the context otherwise states, the clauses and schedules referenced to herein shall mean the clauses and schedules of this Agreement.

Appendix IV

Form of Power of Attorney

Power of Attorney

I, **Peng ZHANG** (ID Card No.:), hereby irrevocably entrust (ID Card No.:) as my authorized representative, to sign the Equity Transfer Agreement and all legal documents necessary for the transfer of my equity interests in Beijing Step Ahead Education Technology Development Co., Ltd. to Rise Tianjin Education Information Consulting Co., Ltd. ("**WFOE**") or its designated entity(ies) or individual(s).

By: _____

Date:

Power of Attorney

I, **Yiding SUN** (ID Card No.:), hereby irrevocably entrust (ID Card No.:) as my authorized representative, to sign the Equity Transfer Agreement and all legal documents necessary for the transfer of my equity interests in Beijing Step Ahead Education Technology Development Co., Ltd. to Rise Tianjin Education Information Consulting Co., Ltd. or its designated entity(ies) or individual(s).

By: _____

Date:

Appendix IV

Exhibit 10.9

PROXY AGREEMENT (SECOND RESTATEMENT)

This Proxy Agreement (this "**Agreement**") is entered into by and among the following parties on June 8, 2017:

(1) **Rise Tianjin Education Information Consulting Co., Ltd.** ("**WFOE**"), a wholly foreign owned enterprise registered in the People's Republic of China ("**PRC**") with its address at No. B206, B212, B213, B214, B217, B221, 2nd Floor, No,1 Building, No.8 Huanhe West Road, Tianjin Free Trade Zone (Airport Economic Zone), PRC;

(2) **Yiding Sun** (ID Card No.:)("**Shareholder A**"), a PRC citizen with an address at No.103-105, Andrews Estate, No.181 Gaobeidian Road, Chaoyang District, Beijing, PRC;

(3) **Peng Zhang**, (ID Card No.:) ("**Shareholder B**", together with Shareholder A, the "**Shareholders**"), a PRC citizen with an address at Room 206, No.6 Building, No.88 Lane, Huichuan Road, Changning District, Shanghai, PRC; and

(4) **Beijing Step Ahead Education Technology Development Co., Ltd.** ("**Domestic Company**"), a limited liability company registered in Beijing, PRC with its address at No. C01-1 Room, 4th Floor, No. 42 Beiyuan Road, Chaoyang District, Beijing, PRC.

The WFOE, the Shareholders and the Domestic Company are hereinafter collectively referred to as the "**Parties**" and individually, as a "**Party**".

Whereas:

(A) Zihong Wang transferred 20% of the equity interests in the Domestic Company to Shareholder A; Shareholder B holds 80% of the equity interests in the Domestic Company; and

(B) Zihong Wang, Shareholder B, the WFOE and the Domestic Company entered into the Proxy Agreement (Restatement) on November 11, 2016, in which Zihong Wang and Shareholder B entrusted the WFOE to exercise their rights as the shareholders of the Domestic Company. Considering that Zihong Wang transferred 20% of the equity interests in the Domestic Company to Shareholder A, Zihong Wang, the WFOE, the Domestic Company and Shareholder B entered into the Termination Agreement to terminate Zihong Wang's contractual relationship with other parties in the Proxy Agreement (Restatement) on June 8, 2017. The Parties wish to further restate the Proxy Agreement (Second Restatement), in which the Shareholders entrust the WFOE to exercise their rights as the shareholders of the Domestic Company.

Therefore, the Parties enter into this Agreement as follows upon friendly negotiation:

1. <u>Irrevocable Proxy</u>

1.1 Each of the Shareholders hereby irrevocably appoints the WFOE, from the date of this Agreement until the termination of this Agreement in accordance with its terms, as his/her proxy and authorizes the WFOE to exercise at WFOE's absolute discretion the following rights enjoyed by him/her as a Shareholder of the Domestic Company in accordance with the articles of association of the Domestic Company then in effect (collectively, the "**Proxy Rights**"):

(1) attending shareholders' meetings as proxy of the Shareholders;

(2) exercising voting rights on behalf of the Shareholders on all matters to be resolved at shareholders' meetings and sign on behalf of the Shareholders the shareholders' resolutions;

(3) proposing to convene interim shareholders' meetings;

(4) making proposals on the matters to be discussed and voted on at shareholders' meetings;

(5) signing minutes of shareholders' meeting;

(6) filing documents with the relevant companies registry; and

(7) exercising such other shareholder's rights set forth under the articles of association of the Domestic Company (as amended from time to time).

1.2 The Shareholders hereby acknowledge that any and all actions taken by the WFOE in exercising the Proxy Rights in accordance with the provisions under this Agreement shall be binding upon them.

1.3 The Shareholders hereby acknowledge that the WFOE is not required to seek advice from the Shareholders prior to exercising the Proxy Rights. However, the WFOE shall inform the Shareholders to the extent possible of any exercise by it of the Proxy Rights.

1.4 The Shareholders shall not, in any manner or under any circumstance, exercise the rights which have been granted to the WFOE under Article 1.1 above, unless expressly permitted by the WFOE in writing.

2. Information Rights and Consent of the Domestic Company

2.1 The Domestic Company shall provide copies of any notices or other communications that it sends to the Shareholders for WFOE at the same time as such notices or other communications are provided for the Shareholders, and the WFOE shall have access to and may inspect and copy all information or documents to which the Shareholders have access.

2.2 The Domestic Company acknowledges the Proxy Rights granted herein and agrees to cooperate with the WFOE in its exercise of the Proxy Rights.

2.3 The Parties hereby confirm and agree that after the death (or declaration of death) of any Shareholder, (i) the equity interests of the Domestic Company held by such Shareholder shall be gifted to and owned by the WFOE (or its designated entity or individual), whereupon the WFOE has the disposition right of such equity interests on its own; (ii) the Domestic Company and other Shareholders shall not acknowledge that the legal heir of such Shareholder or other successor designated by such Shareholder has become the Shareholder(s) of the Domestic Company.

3. Exercise of Proxy Rights

3.1 The WFOE may from time to time and at any time designate any of its directors, management or shareholders to exercise any or all of the Proxy Rights without the prior consent of the Shareholders or the Domestic Company.

3.2 The Shareholders shall provide the WFOE with all assistance required by the WFOE in its exercise of the Proxy Rights, including signing the shareholders' resolutions or other legal documents when necessary or desirable to meet the requirement of the government authorities from time to time.

3.3 If at any time during the term of this Agreement, the Proxy Rights and the exercise of the Proxy Rights under this Agreement become illegal or unenforceable for any reason other than by reason of any Shareholder's or the Domestic Company's breach of this Agreement, the Parties shall immediately seek and make other arrangements and, if necessary or desirable, enter into one or more amendment or supplementary agreements to amend or supplement the provisions herein, in order to ultimately achieve the purpose of this Agreement.

4. Indemnification

4.1 The Domestic Company shall indemnify the WFOE for and hold it harmless against any loss or damage incurred or likely to be incurred by the WFOE due to the exercise of the Proxy Rights in accordance with this Agreement, including, without limitation, any loss or damage resulting from any litigation, action, arbitration or claim initiated or made by any third party, any administrative investigation or penalty or sanction imposed by any governmental authorities. However, the Domestic Company will not indemnify the WFOE for losses incurred or damages suffered due to WFOE's willful misconduct or gross negligence.

5. Representations and Warranties

5.1 Each of the Shareholders hereby represents and warrants as follows:

(a) Each of the Shareholders is a PRC citizen with power and capacity to execute and perform its obligations under this Agreement.

(b) The execution and performance of this Agreement by the Shareholders does not violate any laws and regulations or government approvals, authorizations, notices or other governmental documents having binding effect on or affecting the Shareholders, nor does it violate any agreements between the Shareholders and any third party or any covenants made to any third party.

(c) This Agreement constitutes the legal, valid and binding obligations of the Shareholders when it is duly executed by the Shareholders.

(d) The Shareholders constitute the only legal owners of the equity interests in the Domestic Company, with no existing dispute concerning the ownership of the equity interests in the Domestic Company. The WFOE may fully and sufficiently exercise the Proxy Rights under this Agreement in accordance with the articles of association of the Domestic Company.

(e) As of the date of this Agreement, there is no effectively existing proxy or power of attorney with respect to any of the Proxy Rights entrusted or granted by the Shareholders.

5.2 The WFOE hereby represents and warrants as follows:

(a) The WFOE is a wholly foreign owned enterprise duly registered and existing under the PRC law.

(b) The WFOE has the power to execute and perform its obligations under this Agreement. The execution and performance of this Agreement by the WFOE is in compliance with the articles of association or other organizational documents of the WFOE, and the WFOE has obtained all necessary and appropriate approvals and authorizations for the execution and performance of this Agreement.

(c) The execution and performance of this Agreement by the WFOE does not violate any laws and regulations or government approvals, authorizations, notices or other governmental documents having binding effect on or affecting the WFOE, nor does it violate any agreements between the WFOE and any third party or any covenants made to any third party.

(d) This Agreement constitutes the lawful, valid and enforceable obligations of the WFOE.

5.3 The Domestic Company hereby represents and warrants as follows:

(a) The Domestic Company is a limited liability company duly registered and existing under the PRC law.

(b) Each of the Shareholders and the Domestic Company has the power to execute and perform his/her or its obligations under this Agreement. The execution and performance of this Agreement by the Domestic Company is in compliance with the articles of association or other organizational documents of the Domestic Company, and the Domestic Company has obtained all necessary and appropriate approvals and authorizations for the execution and performance of this Agreement.

(c) The execution and performance of this Agreement by each of the Shareholders and the Domestic Company does not violate any laws and regulations or government approvals, authorizations, notices or other governmental documents having binding effect on or affecting any of the Shareholders or the Domestic Company, nor does it violate any agreements between any of the Shareholders or the Domestic Company and any third party or any covenants made to any third party.

(d) This Agreement constitutes the lawful, valid and enforceable obligations of the Domestic Company.

(e) The Shareholders constitute the only legal owners of the equity interests in the Domestic Company. The WFOE may fully and sufficiently exercise the Proxy Rights under this Agreement in accordance with the articles of association of the Domestic Company.

6. Confidentiality

The Parties undertake and acknowledge that any oral or written information exchanged among them with respect to this Agreement constitutes confidential information. The Parties shall maintain the confidentiality of all such information. Without the prior written consent of the Party who provides such information, none of the Parties shall disclose any confidential information to any third party, except in the following circumstances: (a) such information is or comes into the public domain (through no fault or disclosure by the receiving party); (b) information required to be disclosed by applicable laws or rules or regulations of any stock exchange; or (c) information required to be disclosed by the legal counsel or financial advisor of any Party regarding the transactions contemplated hereunder, and such legal counsel or financial advisor is also bound by duties of confidentiality similar to the duties set forth in this Article. Disclosure of any confidential information by any staff, employee or consultant of any Party shall be deemed as disclosure of such confidential information by such Party, for which the Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement for any reason.

7. Term of Agreement

7.1 This Agreement shall become effective upon the execution of this Agreement by the Parties, and, unless the Parties terminate the Agreement in writing, this Agreement will remain effective indefinitely as long as at least one of the Shareholders remain as a shareholder of the Domestic Company.

7.2 In the event that a Shareholder transfers all of his/her equity interests in the Domestic Company after securing prior consent from the WFOE, such Shareholder shall no longer be a Party to this Agreement, but the obligations and undertakings of the other Parties under this Agreement shall not be adversely affected thereby.

8. Notices

All notices, claims, certificates, requests, demands and other communications under this Agreement shall be made in writing and shall be delivered to any Party hereto by hand or sent by facsimile, or sent, postage prepaid, by reputable overnight courier services at the following addresses (or at such other address for such Party as shall be specified by notice), and shall be deemed given when so delivered by hand, or if sent by facsimile, upon receipt of a confirmed transmittal receipt, or if sent by overnight courier, five (5) days after delivery to or pickup by the overnight courier service:

If to WFOE: **Rise Tianjin Education Information Consulting Co., Ltd.**

Address: No. B206, B212, B213, B214, B217, B221, 2nd Floor, No,1 Building, No.8 Huanhe West Road, Tianjin Free Trade Zone (Airport Economic Zone), PRC
Telephone: 13910985656
Attention: Yiding SUN

with a copy to: Bain Capital Asia, LLC
Address: 51/F Cheung Kong Center, 2 Queen's Road Central, Hong Kong
Contact: Drew Chen
Telephone: +852 3656-6881

If to Shareholder A: **Yiding SUN**

Address: No.103-105, Andrews Estate, No.181 Gaobeidian Road, Chaoyang District, Beijing, PRC
Telephone: 13910985656

If to Shareholder B:	**Peng ZHANG**
Address:	Room 206, No. 6 Building, No. 88 Lane, Huichuan Road, Changning District, Shanghai, PRC
Telephone:	15921601703
If to Domestic Company:	**Beijing Step Ahead Education Technology Development Co., Ltd.**
Address:	No. C01-1 Room, 4th Floor, No. 42 Beiyuan Road, Chaoyang District, Beijing, PRC
Telephone:	13910985656
Attention:	Yiding SUN

9. <u>Liability for Default</u>

9.1 The Parties agree and confirm that, if any Party (hereinafter the "**Defaulting Party**") breaches substantially any of the provisions herein or fails substantially to perform any of the obligations under this Agreement, it shall constitute a default under this Agreement (hereinafter a "**Default**"), and any of the non-default Parties shall have the right to require the Defaulting Party to rectify such Default or take remedial measures within a reasonable period. If the Defaulting Party fails to rectify such Default or take remedial measures within such reasonable period or within ten (10) days of a non-defaulting Party notifying the Defaulting Party in writing and requiring it to rectify the Default, the non-defaulting Party shall have the right at its own discretion to select any of the following remedial measures:

(1) to terminate this Agreement and require the Defaulting Party to indemnify it for all damages suffered; or

(2) to seek mandatory performance of the obligations of the Defaulting Party hereunder and require the Defaulting Party to indemnify it for all damages suffered.

9.2 Notwithstanding the above Article 9.1, the Parties agree and confirm that in no circumstances shall any Shareholder request the termination of this Agreement for any reason.

9.3 The rights and remedies prescribed herein are cumulative, and other rights or remedies prescribed by the law are not precluded.

9.4 Notwithstanding any other provisions herein, the validity of this Article shall not be affected by the suspension or termination of this Agreement.

10. Applicable Law and Dispute Resolution

10.1 The formation, validity, interpretation, performance, amendment, termination and dispute resolution of this Agreement shall be governed by PRC laws.

10.2 Any dispute arising from the interpretation and performance of this Agreement shall first be resolved through friendly consultations by the Parties. If the dispute fails to be resolved within thirty (30) days after one Party gives notice requesting consultations to the other Parties, any Party may submit such dispute to China International Economic and Trade Arbitration Commission (hereinafter the "**CIETAC**") for arbitration in Beijing in accordance with then effective arbitration rules of the CIETAC. The arbitral tribunal shall consist of three (3) arbitrators who may or may not be on the CIETAC's list of arbitrators, of which one arbitrator shall be selected by the WFOE and one arbitrator shall be jointly selected by the Domestic Company and its Shareholders. The third arbitrator, who shall be the presiding arbitrator of the arbitral tribunal, and shall be jointly selected by the two arbitrators selected by the Parties. The arbitration award shall be final and binding on all Parties.

10.3 During the existence of any dispute, the Parties shall continue to exercise their remaining respective rights, and fulfill their remaining respective obligations under this Agreement, except insofar as the same may relate directly to the matters in dispute.

10.4 Notwithstanding the foregoing, the Parties agree that any of them may seek interim measures including property preservation in relation to the provisions of this Agreement or the Parties' performance of it from any court of competent jurisdiction.

11. Miscellaneous

11.1 The WFOE may, upon notice to the Shareholders and the Domestic Company but without Shareholders' and the Domestic Company's consent, assign its rights and/or obligations hereunder to any third party. The Shareholders or the Domestic Company may not, without WFOE's prior written consent, assign their rights, obligations and/or liabilities hereunder to any third party. Successors or permitted assignees (if any) of the Shareholders and the Domestic Company shall be bound by, and continue to perform, the obligations of the Shareholders and the Domestic Company under this Agreement.

11.2 This Agreement is made in four (4) originals in Chinese. Each Party shall keep one (1) original.

11.3 This Agreement may not be amended or modified in any manner except by an instrument in writing signed by the Parties hereto.

11.4 No waiver of any provision of this Agreement shall be effective unless made in writing and signed by the Parties. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any preceding or succeeding breach and no failure by any Party to exercise any right or privilege hereunder shall be deemed a waiver of such Party's rights or privileges hereunder or shall be deemed a waiver of such Party's rights to exercise the same at any subsequent time or times hereunder.

11.5 If any provision of this Agreement is deemed or becomes invalid, illegal or unenforceable, such provision shall be construed or deemed amended to conform to applicable laws so as to be valid and enforceable; or, if it cannot be so construed or deemed amended without materially altering the intention of the Parties, it shall be stricken and the remainder of this Agreement shall remain in full force and effect.

11.6 Each Party shall use all reasonable efforts to do and perform, or cause to be done and performed, all such acts and things and shall execute and deliver all such other agreements, certificates, instruments and documents as may be necessary or desirable to give effect to the terms and intent of this Agreement and any ancillary documents. If required under any applicable laws, regulations or listing rules or required or deemed desirable by any stock exchange, government or other regulatory authority in connection with the initial public offering and listing of the shares in the Potential Listed Company ("**IPO**") or the initial public offering and listing of the shares in any company which adopts a variable interest entity (VIE) structure (the "**IPO Requirements**"), each Shareholder agrees and undertakes to (a) take all such actions (including the amendment of this Agreement and its appendices, any authorizations, documents and notices entered into or delivered in connection with this Agreement and the execution of additional documents) to comply with or, as applicable, meet the IPO Requirements and (b) take all actions referred to in paragraph (a) above within 3 Business Days upon request by the WFOE. For the purpose of this clause, "**Potential Listed Company**" means such other company which beneficially owns, whether directly or indirectly, the equity interests in the WFOE and operates its business in the PRC through the WFOE and the Domestic Company, as identified by WFOE or its actual controller and notified by the WFOE to the other parties as the Potential Listed Company under this paragraph. The "Business Day" referred to in this Agreement means any day except for a Saturday, Sunday or China's statutory holiday.

11.7 This Agreement may be executed in any counterparts and all counterparts so executed shall constitute one agreement which shall be binding on all of the Parties hereto, notwithstanding that all of the Parties are not signatory to the original or the same counterpart.

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IN WITNESS WHEREOF, this Agreement has been executed by the duly authorized representatives of the Parties as of the date first above written.

Rise Tianjin Education Information Consulting Co., Ltd. (seal)
[Company seal is affixed]

By: /s/ Yiding SUN
Yiding SUN
Title: Legal Representative

Shareholders of the Domestic Company:

Yiding SUN: /s/ Yiding SUN

Peng ZHANG: /s/ Peng ZHANG

Beijing Step Ahead Education Technology Development Co., Ltd. (seal)
[Company seal is affixed]

By: /s/ Yiding SUN
Yiding SUN
Title: Legal Representative

Exhibit 10.10

EQUITY PLEDGE AGREEMENT (SECOND RESTATEMENT)

This Equity Pledge Agreement (Second Restatement) (this "**Agreement**") is entered into by and among the following parties on June 8, 2017:

(1) **Rise Tianjin Education Information Consulting Co., Ltd.** (the "**Pledgee**"), a wholly foreign-owned enterprise established in accordance with laws of the People's Republic of China (the "**PRC**") with its domicile at No. B206, B212, B213, B214, B217, B221, 2/F, Building (1), No. 8 Huanhe West Road, Tianjin Free Trade Zone (Airport Economic Area);

(2) **Yiding SUN** (ID Card No.:) (**"Pledgor A"**), a PRC citizen with an address at Room 103-105, Andrews Estate, No. 181 Gaobeidian Road, Chaoyang District, Beijing;

(3) **Peng ZHANG** (ID Card No.:) (**"Pledgor B**"), a PRC citizen with an address at 206, Building 6, Lane 88, Huichuan Road, Changning District, Shanghai (together with Pledgor A, the "Pledgors" and each, a "Pledgor"); and

(4) **Beijing Step Ahead Education Technology Development Co., Ltd.** (the **"Domestic Company**"), a limited liability company registered in Beijing, the PRC, with its domicile at No. C01-1, 4/F, No. 42 Beiyuan Road, Chaoyang District, Beijing.

The Pledgee, the Pledgors and the Domestic Company are hereinafter collectively referred to as the "**Parties**" and, individually, as a "**Party**".

Whereas:

(A) Pledgor A and Zihong WANG entered into the Equity Transfer Agreement on June 8, 2017, according to which Zihong WANG shall transfer 20% of the equity interests held by him in the Domestic Company to Pledgor A. In order to pay the consideration of equity transfer and the taxes in connection with such equity transfer, Pledgor A and the Pledgee entered into the Loan Agreement on June 8, 2017, according to which the Pledgee provided Pledgor A with a loan in an aggregate amount equivalent to the sum of RMB400,000 and the taxes payable in respect of the execution and performance of the Equity Transfer Agreement

(B) Pledgor B holds 80% of the equity interests in the Domestic Company. In accordance with the Loan Agreement entered into by and between the Pledgee and Pledgor B on November 11, 2016 (together with the aforementioned Loan Agreement, the "**Loan Agreements**"), the Pledgee provided Pledgor B with a loan in an aggregate amount equivalent to a sum of RMB1,600,000 and the taxes payable in respect of the execution and performance of the Equity Transfer Agreement executed by Pledgor B and Zhenyu ZHANG on November 11, 2016.

(C) The shareholding structure of the Domestic Company as of the date of execution of this Agreement is set forth in Appendix I.

(D) Pursuant to the Call Option Agreement (Second Restatement) entered into by and among the Pledgee, the Pledgors and the Domestic Company on June 8, 2017 (the "**Call Option Agreement**"), the Pledgors agreed, subject to the PRC law, to transfer the equity interests of the Domestic Company to the Pledgee and/or any individual or entity as designated by the Pledgee at the request of the Pledgee.

(E) Pursuant to the Proxy Agreement (Second Restatement) entered into by and among the Pledgee, the Pledgors and the Domestic Company on June 8, 2017 (the "**Proxy Agreement**"), the Pledgors irrevocably appointed the Pledgee as proxy and authorized the Pledgee with full power to exercise on their behalf all of their shareholders' voting rights in respect of the Domestic Company.

(F) Pursuant to the Business Cooperation Agreement (Second Restatement) entered into by and among the Pledgee, the Pledgors and the Domestic Company on June 8, 2017 (the "**Business Cooperation Agreement**"), the Pledgee and the Domestic Company agreed on specific arrangements regarding the business cooperation.

(G) Pursuant to the Equity Pledge Agreement (Restatement) entered into by and among Zihong WANG, the Pledgee, the Domestic Company and Pledgor B on November 11, 2016, Zihong WANG pledged 20% of the equity interests held by him in the Domestic Company to the Pledgee. Given Zihong WANG transferred 20% of the equity interests held by him in the Domestic Company to Pledgor A, Zihong WANG, the Pledgee, the Domestic Company and Pledgor B entered into the Termination Agreement on June 8, 2017, according to which Zihong WANG ceased to be a party to the Equity Pledge Agreement (Restatement). The Parties wish to further restate the Equity Pledge Agreement (Restatement) and enter into the Equity Pledge Agreement (Second Restatement). The Pledgors agree to pledge all of their equity interests in the Domestic Company to the Pledgee and grant the Pledgee the right to repayment in first priority as a guarantee for the Pledgors and the Domestic Company to perform their Contractual Obligations (as defined below) and discharge and repay the Secured Debts (as defined below).

Therefore, the Parties enter into this Agreement as follows upon friendly negotiation:

1. **Definitions**

1.1 Unless as otherwise defines in the context, the following terms in this Agreement shall have the following meanings:

"**Breaching Event**" shall mean any breach by any of the Pledgors or the Domestic Company of any of his/her/its Contractual Obligations (as defined below).

"**Contractual Obligations**" shall mean (A) the obligations of the Pledgors to repay the loan in the aggregate amount of RMB2,000,000 and the taxes payable in respect of the execution and performance of the Equity Transfer Agreement under the Loan Agreements, and all contractual obligations of the Pledgors under the Call Option Agreement, the Proxy Agreement and the Business Cooperation Agreement and this Agreement; and (B) all contractual obligations of the Domestic Company under the Business Cooperation Agreement and this Agreement.

"Pledged Equity" shall mean all of the equity interests in the Domestic Company which are owned by the Pledgors during the term of this Agreement and are pledged to the Pledgee pursuant to the provisions hereof as the security for the Secured Debts (as defined below).

"**PRC Law**" shall mean the effective laws, administrative regulations, administrative rules, local regulations, judicial interpretations and other binding regulatory documents of the PRC.

"Secured Debts" shall mean all direct, indirect and consequential losses and losses of foreseeable profits suffered by the Pledgee due to any Breaching Event of any of the Pledgors or the Domestic Company, and all fees incurred by the Pledgee for the enforcement of the Contractual Obligations of the Pledgors or the Domestic Company.

"Transaction Agreements" shall mean the Loan Agreements, the Call Option Agreement, the Proxy Agreement and the Business Cooperation Agreement.

1.2 The references to any PRC Law herein shall be deemed:

(1) to include the amendments, changes, supplements and reenactments of such law, irrespective of whether they take effect before or after the formation of this Agreement; and

(2) to include other decisions, notices or regulations enacted in accordance with such law or effective as a result thereof.

1.3 Unless as otherwise stated in the context herein, all references to an Article, clause, item or paragraph shall refer to the relevant article, clause, item or paragraph of this Agreement.

1.4 A "Working Day" referred to in this Agreement means any day other than a Saturday, Sunday or statutory holiday in the PRC.

2. Equity Pledge

2.1 The Pledgors hereby pledge all of their rights, ownership and interests upon the Pledged Equity (whatever currently owned or acquired in the future) to the Pledgee as security for the timely and full repayment or fulfillment by the Pledgors and the Domestic Company of the Contractual Obligations (the "**Equity Pledge**").

2.2 The Pledgors have been or will be registered at the local branch of the State Administration for Industry and Commerce (the "**AIC**") as the shareholders of the Domestic Company holding their respective proportions of equity interests in the Domestic Company as set forth in Recital (A) and (B) above and hold such equity interests free and clear of any security interests except for the Equity Pledge as provided in this Agreement.

2.3 The Pledgors hereby undertake that they will be responsible for recording the Equity Pledge under this Agreement on the register of shareholders of the Domestic Company on the date hereof. The Pledgors undertake to complete the registration of the Equity Pledge with the AIC within thirty (30) Working Days from the date hereof (or a longer term agreed by the Pledgee), and the Domestic Company and the Pledgee shall fully cooperate with the Pledgors to complete such registration.

2.4 During the term of this Agreement, the Pledgee shall not be liable in any way for impairment in value of the Pledged Equity, nor shall the Pledgors have any right to make any claims against the Pledgee for such impairment in value, except where such impairment in value is directly caused by the Pledgee's willful misconduct or gross negligence.

2.5 Upon the occurrence of any Breaching Event, the Pledgee shall have the right to dispose of the Pledged Equity in the manner set forth in Article 4 hereof.

2.6 Without the prior written consent of the Pledgee, the Pledgors shall not increase the registered capital of the Domestic Company by contributing additional capital, or allowing any third party to contribute additional capital, to the Domestic Company.

2.7 Without the prior written consent of the Pledgee, the Pledgors shall not adopt any shareholders' resolution or otherwise permit the Domestic Company to declare or distribute any dividends or profits.

2.8 Without the prior written consent of the Pledgee, the Pledgors shall not enter into any transactions with the Domestic Company or any of its subsidiaries (including any private school sponsored by the Domestic Company or any of its subsidiaries as the sponsor, same below).

2.9 Within 5 Working Daysfrom the date hereof (or a longer term agreed by the Pledgee), the Pledgors shall provide the original of the capital contribution certificates (if any) held by it in respect of the Pledged Equity and the original of the register of shareholders of the Domestic Company recording the Equity Pledge to the Pledgee to keep within the term of the Equity Pledge. In case of any change in the percentage of the equity interests held by the Pledgors in the Domestic Company, the Pledgors shall, within 5 Working Days from the date on which such change in the percentage of the equity interests is registered with the AIC, provide the original of the updated capital contribution certificates (if any) held by it in respect of the Pledged Equity and the original of the updated register of shareholders of the Domestic Company recording the Equity Pledge to the Pledgee to keep for the term of the Equity Pledge. During the term of this Agreement, the Pledgee shall be responsible for keeping the originals of such documents.

2.10 During the term of this Agreement, the Pledgee shall have the right to receive the dividends distributed and any other allocation paid in respect of the Pledged Equity.

3. Release of Pledge

Upon full and complete performance by relevant Pledgor and the Domestic Company of all of their Contractual Obligations (including the full discharge and satisfaction of the Secured Debts), the Pledgee shall, at the request of the Pledgor, release the pledge, and shall cooperate with relevant Pledgor to complete relevant formalities to deregister the the Equity Pledge recorded in the register of shareholders of the Domestic Company and registered with the AIC, and all expenses reasonably incurred in connection with such release shall be borne by the Domestic Company. The Parties shall cause the Domestic Company to bear such expenses.

4. Disposal of the Pledged Equity

4.1 The Pledgors and the Pledgee hereby agree that, upon the occurrence of any Breaching Event, the Pledgee shall have the right to exercise, after giving a written notice to the Pledgors, all of the rights and powers of the Pledgors under the PRC Law, the Transaction Agreements and the terms hereof, including but not limited to being repaid in priority with the proceeds from the sale of the Pledged Equity. If the Pledgee decides to dispose of the Pledged Equity in accordance with this Agreement, the Pledgors and the Domestic Company shall provide all necessary assistance to secure the Pledgee to enforce the Equity Pledge in accordance with this Agreement.

4.2 The Pledgee shall have the right to designate in writing its legal counsel or other agents to exercise on its behalf any and all rights and powers set forth above, and the Pledgors shall not raise any objection thereto.

4.3 The reasonable costs incurred by the Pledgee in connection with its exercise of any and all rights and powers set out above shall be borne by the Pledgors, and the Pledgee shall have the right to deduct the costs actually incurred from the proceeds that it acquires from the exercise of its rights and powers.

4.4 The proceeds that the Pledgee acquires from the exercise of its rights and powers shall be used in the following order of priority:

(1) first, to pay any cost incurred in connection with the disposal of the Pledged Equity and the exercise by the Pledgee of its rights and powers (including any remuneration paid to its legal counsels and agents);

(2) second, to pay any taxes and fees payable in connection with the disposal of the Pledged Equity (for the avoidance of doubt, such taxes shall not include any income tax); and

(3) third, to repay the Secured Debts to the Pledgee.

Any proceeds remaining after the payment of the above amounts shall be paid by the Pledgors to the Pledgee or its designated person in a way as instructed by the Pledgee. The Pledgee has no obligation to assume any liabilities to the Pledgors in connection with the proceeds from the disposal of the Pledged Equity, and the Pledgors hereby waive any right it may have to claim such proceeds from the Pledgee.

5. Continuity and No Waiver

The Equity Pledge hereunder shall be a continuous security and remain valid until the full performance of the Contractual Obligations or the full discharge and satisfaction of the Secured Debts. Neither exemption or grace period granted by the Pledgee to the Pledgors in respect of any breach, nor delay by the Pledgee in exercising any of its rights under the Transaction Agreements and this Agreement, shall affect the rights of the Pledgee under this Agreement, relevant PRC Law and the Transaction Agreements, the rights of the Pledgee to demand at any time thereafter the strict performance by the Pledgors of the Transaction Agreements and this Agreement, or the rights the Pledgee may be entitled to due to any subsequent breach by the Pledgors of the Transaction Agreements and/or this Agreement.

6. Representations and Warranties

6.1 During the term from the date of this Agreement to the date of the termination or expiration of this Agreement, the Pledgors represent and warrant to the Pledgee as follows:

(a) Each of the Pledgors is a PRC citizen with the power and capacity to execute this Agreement and perform his/her obligations under this Agreement.

(b) The execution and performance of this Agreement by the Pledgors will neither violate any laws and regulations or government approvals, authorizations, notices or other governmental documents having binding effect on or affecting the Pledgors, nor violate any agreements between the Pledgors and any third party or any covenants made to any third party.

(c) This Agreement shall constitute lawful, valid and enforceable obligations of the Pledgors.

(d) All reports, documents and information provided by the Pledgors to the Pledgee are true, correct and accurate in all material respects.

(e) The Pledgors are the sole legal owners of the Pledged Equity. There is no dispute concerning the ownership of the Pledged Equity. Except for the restrictions imposed by the Transaction Agreements and this Agreement, the Pledgors have the right to dispose of the Pledged Equity or any part thereof.

(f) Except for the security interests created over the Pledged Equity hereunder and otherwise agreed by the Parties and the rights set forth under the Transaction Agreements, there is no other security interest or third party right over the Pledged Equity.

(g) The Pledged Equity can be pledged or transferred according to the PRC Law, and the Pledgors have the full right and power to pledge the Pledged Equity to the Pledgee in accordance with this Agreement.

(h) Any consent, permission, waiver or authorization by any third party, or any approval, permission or exemption by any governmental authority, or any registration or filing formalities with any governmental authority as required to be completed or obtained in respect of the execution and performance hereof and the creation of the Equity Pledge hereunder have been or will be handled or obtained, and will be fully effective during the term of this Agreement.

(i) The pledge hereunder constitutes a first ranking pledge on the Pledged Equity.

(j) There is no pending or, to the knowledge of the Pledgors, threatened litigation, legal proceedings or claims brought by any court or arbitral tribunal or any governmental authority or administrative authority against each Pledgor or his/her property or the Pledged Equity, which may have a material adverse effect on the economic status of each Pledgor or his/her capability to perform the obligations under this Agreement and the Transaction Agreements or to discharge and satisfy the Secured Debts. There is no pending or, to the knowledge of the Pledgors, threatened litigation, legal proceedings or claims brought against each Pledgor or his/her property or the Pledged Equity.

6.2 During the term from the date of this Agreement to the date of the termination or expiration of this Agreement, the Pledgee represents and warrants to the Pledgors as follows:

(a) The Pledgee is a wholly foreign-owned enterprise duly established and existing under the PRC Law.

(b) The Pledgee has the power to execute and perform its obligations under this Agreement. The execution and performance of this Agreement by the Pledgee is in compliance with the articles of association or other organizational documents of the Pledgee, and the Pledgee has obtained all necessary and appropriate approvals and authorizations to execute and perform this Agreement.

(c) This Agreement shall constitute lawful, valid and enforceable obligations of the Pledgee.

6.3 During the term from the date of this Agreement to the date of the termination or expiration of this Agreement, the Domestic Company represents and warrants to the Pledgee as follows:

(a) The Domestic Company is a limited liability company duly established and existing under the PRC Law.

(b) The Domestic Company has the power to execute and perform its obligations under this Agreement. The execution and performance of this Agreement by the Domestic Company is in compliance with the articles of association or other organizational documents of the Domestic Company, and the Domestic Company has obtained all necessary and appropriate approvals and authorizations to execute and perform this Agreement.

(c) The execution and performance of this Agreement by the Domestic Company will neither violate any laws and regulations or government approvals, authorizations, notices or other governmental documents having binding effect on or affecting the Domestic Company, nor violate any agreements between the Domestic Company and any third party or any covenants made to any third party.

(d) Any consent, permission, waiver or authorization by any third party, or any approval, permission or exemption by any governmental authority, or any registration or filing formalities with any governmental authority as required to be completed or obtained in respect of the execution and performance hereof and the creation of the Equity Pledge hereunder have been or will be handled or obtained, and will be fully effective during the term of this Agreement.

(e) This Agreement shall constitute lawful, valid and enforceable obligations of the Domestic Company.

7. Undertakings by the Pledgors and the Domestic Company

7.1 The Pledgors hereby undertake to the Pledgee as follows:

(a) Without the prior written consent of the Pledgee, the Pledgors shall not create or permit to create any other pledge or any other security interests on the Pledged Equity. Without such prior written consent, any pledge or other security interests on all or part of the Pledged Equity shall be null and void.

(b) Without the prior written consent of the Pledgee, the Pledgors shall not transfer the Pledged Equity, and any attempt by the Pledgors to transfer the Pledged Equity shall be null and void. The proceeds from the transfer of the Pledged Equity by the Pledgors shall be used to prepay the Secured Debts to the Pledgee or submit the same to the third party agreed by the Pledgee.

(c) The Pledgors shall promptly notify the Pledgee of any litigation, arbitration, claim or other actions which may adversely affect the interest of the Pledgors or the Pledgee under the Transaction Agreements and hereunder or in respect of the Pledged Equity, and shall timely notify the Pledgee of the progress of such litigation, arbitration, claim or actions, and shall take all reasonable measures to defend such actions and protect the interest of the Pledgee in the Pledged Equity.

(d) The Pledgors shall not take or permit any act or action which may adversely affect the interest of the Pledgors and the Pledgee under the Transaction Agreements and hereunder or in respect of the Pledged Equity.

7.2 The Domestic Company shall, within the first month of each calendar quarter, provide the Pledgee with the financial statements of the Domestic Company and its subsidiaries, including (but not limited to) the balance sheet, the profit statement and the cash flow statement of the Domestic Company and its subsidiaries for the previous calendar quarter.

8. Change of Circumstances

As a supplement to comply with the Transaction Agreements and other provisions of this Agreement, in the event of any promulgation or amendment of any PRC Law, regulations or rules, or any change of relevant registration procedures which causes the Pledgee to believe that it will be illegal or in conflict with such laws, regulations or rules to further maintain the effectiveness of this Agreement and/or dispose of the Pledged Equity in the manner provided herein, the Pledgors shall, at the written instruction of the Pledgee and in accordance with the reasonable request of the Pledgee, promptly take all actions and/or execute any agreement or other document, in order to:

(1) keep this Agreement legal and effective;

(2) facilitate the disposal of the Pledged Equity in the manner provided herein; and/or

(3) maintain or realize the intention or the security established hereunder.

9. Effectiveness and Term of the Agreement

9.1 The pledge under this Agreement shall become effective when the Equity Pledge has been legally recorded in the register of shareholders of the Domestic Company and registered with the AIC to the extent permitted by the AIC and practicable. The Pledgors shall carry out all approval, registration and filing formalities as required by the PRC Law (including but not limited to the registration of the Equity Pledge with the AIC in a timely manner to the extent permitted by the AIC and practicable).

9.2 This Agreement shall continue to be valid until the full performance of the Contractual Obligations or the full discharge and satisfaction of the Secured Debts.

10. Notices

Any notice, claim, certificate, request, demand and other communication under this Agreement shall be made in writing and shall be delivered to the Parties hereto by hand, by facsimile or by a reputable overnight courier service with postage prepaid at the following addresses (or at such other address as notified by a Party), and shall be deemed to be given when it is delivered to the receiving Party if it is delivered by hand, or upon the receipt of a confirmed transmittal report if it is sent by facsimile, or five (5) days after the delivery to or pickup by the overnight courier service if it is sent by an overnight courier:

To the Pledgee:
Rise Tianjin Education Information Consulting Co., Ltd.
Address: No. B206, B212, B213, B214, B217, B221, 2/F, Building (1), No. 8 Huanhe West Road, Tianjin Free Trade Zone (Airport Economic Area), the PRC
Telephone: 13910985656
Attention: Yiding SUN

with a copy to: Bain Capital Asia, LLC
Address: 51/F Cheung Kong Center, 2 Queen's Road Central, Hong Kong
Attention: Drew Chen
Telephone: +8 52 3656-6881

To Pledgor A:
Yiding SUN
Address: Room 103-105, Andrews Estate, No. 181 Gaobeidian Road, Chaoyang District, Beijing
Telephone: 13910985656

To Pledgor B:
Peng ZHANG
Address: 206, Building 6, Lane 88, Huichuan Road, Changning District, Shanghai
Telephone: 15921601703

To the Domestic Company:
Beijing Step Ahead Education Technology Development Co., Ltd.
Address: No. C01-1, 4/F, No. 42 Beiyuan Road, Chaoyang District, Beijing
Telephone: 13910985656
Attention: Yiding SUN

11. Confidentiality

The Parties acknowledge and confirm that any oral or written information exchanged among them with respect to this Agreement shall be confidential information. The Parties shall maintain the confidentiality of all such information. Without the prior written consent of the Party providing such information, any Party shall not disclose any confidential information to any third party, except in the following circumstances: (a) such information is or comes into the public domain (through no fault or disclosure by the receiving Party); (b) the information is required to be disclosed in accordance with applicable laws or rules or regulations of any stock exchange; or (c) the information regarding the transaction contemplated hereunder has to be disclosed by any Party to its legal or financial advisors, and such legal or financial advisors are also bound by duties of confidentiality similar to the duties set forth in this Article. Any disclosure of any confidential information made by the staff, employee or advisor of any Party shall be deemed as disclosure of such confidential information made by such Party, for which such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement if this Agreement is terminated for any reason.

12. Applicable Law and Dispute Resolution

12.1 The formation, effect, interpretation, performance, amendment, termination and dispute resolution of this Agreement shall be governed by the PRC Law.

12.2 Any dispute arising from the interpretation and performance of this Agreement shall first be resolved through friendly consultations by the Parties. If the dispute fails to be resolved within thirty (30) days after a Party gives a notice requesting consultations to another Party, any Party may submit such dispute to China International Economic and Trade Arbitration Commission (the "**CIETAC**") for arbitration in Beijing in accordance with then effective arbitration rules of the CIETAC. The arbitration tribunal shall consist of three (3) arbitrators who may or may not be on the CIETAC's list of arbitrators. The Pledgee shall appoint one arbitrator and the Pledgors and the Domestic Company shall jointly appoint one arbitrator. The third arbitrator, who shall be the chairman of the arbitration tribunal, shall be jointly appointed by the Parties to the arbitration. The arbitration award shall be final and binding on the Parties.

12.3 During the existence of any dispute, the Parties shall continue to exercise their remaining respective rights and fulfill their remaining respective obligations under this Agreement, except insofar as the same may relate directly to the matters in dispute.

12.4 Notwithstanding the foregoing, the Parties agree that either of them may seek interim measures including seeking property preservation from any court of competent jurisdiction in relation to the provisions of this Agreement or the Parties' performance of this Agreement.

13. Miscellaneous

13.1 The Pledgee may assign its rights and/or obligations hereunder to any third party after notifying the Pledgors and the Domestic Company but without the Pledgors and the Domestic Company's consents. Without the Pledgee's prior written consent, the Pledgors or the Domestic Company shall not assign any of their rights, obligations and/or liabilities hereunder to any third party. The successors or permitted assignees (if any) of the Pledgors and the Domestic Company shall be bound by, and continue to perform, the obligations of the Pledgors and the Domestic Company under this Agreement.

13.2 If the Pledgee assigns its rights hereunder to any third party (the "**Assignee**") in accordance with this Agreement, the Pledgors, at the request of the Pledgee, shall execute a new equity pledge agreement with the Assignee based on the same terms and conditions as those in this Agreement, and shall complete relevant registration formalities with the AIC in respect of such change of the pledgee.

13.3 The amount of Secured Debts determined by the Pledgee in exercising its rights over the Pledged Equity in accordance with the provisions contained herein shall be the conclusive evidence of the amount of the Secured Debts.

13.4 This Agreement shall be executed in Chinese and in four (4) originals. Each Party shall hold one (1) original.

13.5 This Agreement may not be amended or modified in any manner except by an instrument in writing signed by the Parties hereto.

13.6 No waiver of any provision of this Agreement shall be effective unless it is made in writing and signed by the Parties. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any preceding or succeeding breach, and no failure by any Party to exercise any right or privilege hereunder shall be deemed as a waiver by such Party of any of its rights or privileges hereunder or shall be deemed as a waiver by such Party to exercise its rights or privileges at any time after the execution of this Agreement.

13.7 If any provision of this Agreement is deemed or becomes invalid, illegal or unenforceable, such provision shall be construed or deemed to be amended to conform to applicable laws so as to be valid and enforceable; or, if it cannot be so construed or deemed to be amended without materially altering the intention of the Parties, it shall be deleted, and the remainder of this Agreement shall remain in full force and effect.

13.8 Upon the execution of this Agreement, each of the Pledgors shall respectively enter into a power of attorney (the "**Power of Attorney**", the form of which is set forth in Appendix II hereto) to authorize a person acceptable to the Pledgee to sign, on behalf of such Pledgor and according to this Agreement, any and all legal documents necessary for the Pledgee to exercise its rights hereunder. Such Power of Attorney shall be delivered to the Pledgee and the Pledgee may, at any time if necessary, require the Pledgors to respectively execute multiple copies of the Power of Attorney and deliver the same to relevant government authority.

13.9 Each Party shall use all reasonable efforts to do and perform, or cause to be done and performed, all such further acts and things and shall execute and deliver all such other agreements, certificates, instruments and documents as may be necessary or desirable to give effect to the terms and intent of this Agreement and any ancillary documents. If it is required under any applicable law, regulations or listing rules or required or deemed desirable by any stock exchange, government or other regulatory authority in connection with the initial public offering and listing of the shares in the Potential Listed Company ("**IPO**") or the initial public offering and listing of the shares in any company which adopts a variable interest entity (VIE) structure (the "**IPO Requirements**"), each Pledgor agrees and undertakes to (a) take all such actions (including the amendment of this Agreement, the Appendices hereto, any authorizations, documents and notices entered into or delivered in connection with this Agreement and the execution of additional documents) to comply with or, as applicable, meet the IPO Requirements and (b) take all actions referred to in paragraph (a) above within 3 Working Days from demand by the Pledgee. For the purpose of this Article, a "**Potential Listed Company**" means such other company as identified by the Pledgee or its actual controller and notified by the Pledgee to other parties as a Potential Listed Company under this paragraph, which company beneficially owns, whether directly or indirectly, the equity interests of the Pledgee and operates its business in the PRC through the Pledgee and the Domestic Company.

13.10 In respect of the Equity Pledge, if there is any discrepancy between this Agreement and any other equity pledge agreement otherwise executed by and among the Parties for the purpose of the registration with or approval from the AIC or the tax authority or any other registration or approval, this Agreement shall prevail.

13.11 This Agreement may be executed in several counterparts and all counterparts so executed shall constitute one and same legal document. A Party may execute this Agreement by signing any counterpart.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, this Agreement has been executed by the authorized representatives of the Parties as of the date first above written.

Pledgee:	**Rise Tianjin Education Information Consulting Co., Ltd.** (seal) [Company seal is affixed]	
	By:	/s/ Yiding SUN
	Name:	Yiding SUN
	Title:	Legal Representative
Pledgor A:	**Yiding SUN**	/s/ Yiding SUN
Pledgor B:	**Peng ZHANG**	/s/ Peng ZHANG

Signature Page of the Equity Pledge Agreement (Second Restatement)

IN WITNESS WHEREOF, this Agreement has been executed by the authorized representatives of the Parties as of the date first above written.

Domestic Company: **Beijing Step Ahead Education Technology Development Co., Ltd.** (seal)
[Company seal is affixed]

By: /s/ Yiding SUN
Name: Yiding SUN
Title: Legal Representative

Signature Page of the Equity Pledge Agreement (Second Restatement)

Appendix I

Basic Information of the Domestic Company

Company Name:	Beijing Step Ahead Education Technology Development Co., Ltd.
Domicile:	No. C01-1, 4/F, No. 42 Beiyuan Road, Chaoyang District, Beijing
Registered Capital:	RMB 2,000,000
Shareholding Structure:	Peng ZHANG: 80% Yiding SUN: 20%

Appendix II

Form of Power of Attorney

Power of Attorney

I, Peng ZHANG (ID Card No.: 230421197906063111), hereby irrevocably authorize (ID Card No.:) as my authorized representative, to sign all legal documents necessary for Rise Tianjin Education Information Consulting Co., Ltd., as the pledgee, to exercise its rights under the Equity Pledge Agreement (Second Restatement) entered into by and among Yiding SUN, Beijing Step Ahead Education Technology Development Co., Ltd., Rise Tianjin Education Information Consulting Co., Ltd. and me on , 2017.

By: _____

Date:

Power of Attorney

I, Yiding SUN (ID Card No.:), hereby irrevocably authorize (ID Card No.:) as my authorized representative, to sign all legal documents necessary for Rise Tianjin Education Information Consulting Co., Ltd., as the pledgee, to exercise its rights under the Equity Pledge Agreement (Second Restatement) entered into by and among Peng ZHANG, Beijing Step Ahead Education Technology Development Co., Ltd., Rise Tianjin Education Information Consulting Co., Ltd. and me on , 2017.

By: _____

Date:

Appendix II

Exhibit 10.11

Business Cooperation Agreement (Second Restatement)

This Business Cooperation Agreement (Second Restatement) (this "**Agreement**") is entered into by and among the following parties on June 8, 2017:

(1) Rise Tianjin Education Information Consulting Co., Ltd. (the "**WFOE**"), a wholly foreign-owned limited liability company duly established and validly existing in accordance with laws of the People's Republic of China (the "**PRC**") with its domicile at No. B206, B212, B213, B214, B217, B221, 2/F, Building (1), No. 8 Huanhe West Road, Tianjin Free Trade Zone (Airport Economic Area);

(2) Beijing Step Ahead Education Technology Development Co., Ltd. (the "**Company**"), a limited liability company duly established and validly existing in accodance with the PRC law with its domicile at No. C01-1, 4/F, No.42 Beiyuan Road, Chaoyang District, Beijing;

(3) Yiding SUN (ID Card No.:), a PRC citizen with an address at Room 103-105, Andrews Estate, No. 181 Gaobeidian Road, Chaoyang District, Beijing; and

(4) Peng ZHANG (ID Card No.:), a PRC citizen with an address at 206, Building 6, Lane 88, Huichuan Road, Changning District, Shanghai (together with Yiding SUN, the "**Shareholders**").

The WFOE, the Company and the Shareholders are hereinafter collectively referred to as the "**Parties**" and, individually, as a "**Party**".

Whereas:

(1) The WFOE, the Company, Zihong WANG and Peng ZHANG entered into the Business Cooperation Agreement (Restatement) on November 11, 2016 to reach relevant arranagement in respect of the business cooperation between the WFOE and the Company;

(2) Zihong WANG and Yiding SUN entered into the Equity Transfer Agreement (the "**Equity Transfer Agreement**") on June 8, 2017, according to which Zihong WANG shall transfer 20% of the equity interests held by him in the Company to Yiding SUN. Therefore, Zihong WANG, the WFOE, the Company and Peng ZHANG entered into the Termination Agreement on June 8, 2017, according to which Zihong WANG ceased to be a party to the Business Cooperation Agreement (Restatement); and

(3) In respect of the business cooperation between the WFOE and the Company, the Parties wish to further restate the Business Cooperation Agreement (Restatement) and enter into the Business Cooperation Agreement (Second Restatement).

Therefore, the Parties enter into this Agreement as follows upon friendly negotiation:

1. Business Operation

1.1 The Company hereby acknowledges and agrees that if any performance guarnatee or current fund loan security is required in the course of the business operation of the Company or its subsidiaries (including any private school sponsored by the Company or its subsidiaries as the sponsor, same below), the Company shall first notify the WFOE in writing to seek the security to be provided by the WFOE. In such case, the WFOE has the right but not the obligation to decide, at its own discretion, whether to provide the security for the Company or its subsidiaries. If the WFOE is not willing to provide the security for the Company or its subsidaries, or fails to reply within fifteen (15) days from the receipt of the Company's written notice to seek the security, the Company or its subsidiaries may seek the security from a third party. If the WFOE agrees to provide the security to the Company or its subsidiaries, the WFOE may requrie the Company or its subsidiaries to provide relevant counter guarantee and create a pledge or mortgage over its receivables or other assets in its business operation in favor of the WFOE.

1.2 Unless the WFOE's prior written consent has been obained, the Company shall not, and the Shareholders shall not cause or permit the Company or its subsidiaries to:

(a) adopt or revise any business plan or budget;

(b) conduct any business or enter into any transaction outside its normal business scope or beyond its business plan or budget;

(c) establish any borrowing-lending relationship or other debtor-creditor relationship with a third party (other than the debtor-creditor relationship established in the course of daily business operation), or make any equity investment in any third party, or open any new private school or teaching institution (other than the private schools or teaching institutions which are in the course of opening as of the date of this Agreement);

(d) distribute any profits or pay other amounts to its shareholders or sponsors;

(e) appoint, remove or replace any director, supervisor or senior management member;

(f) approve or amend any call option plan or any arrangement related to the equity interests of the Company;

(g) sell any assets or rights to any third party or purchase any assets or rights from any third party (other than the sale and purchase done in the course of daily business operation);

(h) create a security or any other guarantee over its assets in favor of any third party, or create a mortgage, pledge or any other encumbrance over its assets;

(i) enter into any transaction with its shareholders, directors or senior management members;

(j) amend its articles of association;

(k) arrange division, merger, consolidation, dissolution and liquidation;

(l) change normal business operation or amend any material management rules and regulations;

(m) change the auditor; or

(n) conduct any other transaction or activitiy which may materially affect its assets, rights or business operation.

1.3 In respect of the teaching plan system service, the intangible asset continuing research & development and implementation supporting service, the business management system software use license, the sale of supplementary books, the operation supporting service and other business services provided by the WFOE to the Company, the Company shall, in addition to the service fees to be paid in accordance with the service agreement (the "**Service Agreement**") entered into by the Company and the WFOE on December 1, 2014, pay operation supporting service fee in an amount equal to the balance of the total revenue after the payment has been made by the Company in accordance with the Service Agreement and the costs, taxes and other fees required to be reserved or withdrawn in accordance with relevant laws and regulations have been deducted. Such service fee shall be paid by the Company to the WFOE within 20 days of the end of each financial year. The WFOE may adjust the amount or the payment time of such service fee as appropriate according to the status of its provision of the service to the Company and the actual operation situation of the Company. This Article shall come into force on January 1, 2014.

2. Operation Management and Human Resources Arrangement

2.1 The Company and the Shareholders hereby jointly agree to accept and strictly implement the proposals made by the WFOE from time to time in respect of the employment, removal and replacement of the employees of the Company or its subsidiaries, the daily operation management and financial management of the Company or its subsidiaries, and the business development of the Company or its subsidiaries.

2.2 The Company and the Shareholders hereby jointly agree that the Company and the Shareholders shall only appoint the persons as designated by the WFOE as the directors and supervisors of the Company or its subsidiaries (unless otherwise agreed by the relevant parties), and shall, at the request of the WFOE, remove or replace such directors and supervisors in accordance with the procedures as prescribed by laws and regulations and the articles of association of the Company or its subsidiaries. Meanwhile, the Company shall engage, and shall cause its subsidiaries to engage, the persons nominated by the WFOE to serve as the general manager or headmaster, financial director and other senior management members of the Company or its subsidiaries, and shall, at the request of the WFOE, remove or replace such senior management members (unless otherwise agreed by the relevant parties).

2.3 For the purpose of this Article 2, the Company and the Shareholders shall take all necessary measures in respect of the appointment, removal and replacement of the aforesaid pesonnel.

3. Default

3.1 If any Party breaches this Agreement, any non-defaulting Party may notify the defaulting Party in writing to require the defaulting Party to make rectification within ten (10) days after the receipt of the notice and take proper measures to effectively and promptly prevent the non-defaulting Party from being impaired and resume the performance of this Agreement.

3.2 If any breach by a Party of this Agreement makes any other Party assume any fees or liabilites or incur any losses (including but not limited to loss of profits), the defaulting Party shall indemnify the non-defaulting Party against such fees, liabilities or losses (including but not limited to the rights lost and the legal fees paid due to such default). The amount of the indemnity shall be equal to the loss arising out of such default. The indemnity shall cover all rights which the non-defaulting Party would have be entitled to for performing this Agreement but shall not go beyond the scope as reasonably expected by the Parties.

3.3 Notwithstanding any other provision of this Agreement, the WFOE has the right to enforce its rights under this Agreement, and other Parties acknowledge and agree that monetary compensations may be insufficient to indemnify the WFOE against the losses incurred by the WFOE due to any other Party's breach of its obligations hereunder.

4. Transfer of Rights and Obligations

4.1 The Parties agree that the WFOE may transfer its rights and obligations under this Agreement to any third party by notifying the Company and the Shareholders in writing. Without the WFOE's prior written consent, the Company or any Shareholder shall not transfer any of its rights or obligations under this Agreement.

5. Applicable Law and Dispute Resolution

5.1 The formation, effect, performance, amendment, interpretation and termination of this Agreement shall be governed by the PRC laws and construed in accordance with the PRC laws.

5.2 If any dispute arises from the interpretation and performance of the provisions of this Agreement among the Parties hereto, the Parties shall resolve such dispute in good faith through consultations. If the dispute fails to be resolved, any Party may submit such dispute to China International Economic and Trade Arbitration Commission for arbitration in accordance with then effective arbitration rules of the commission. The place of arbitration shall be Beijing. The language used in the arbitration shall be Chinese. The arbitration award shall be final and binding on the Parties.

6. Effectiveness and Term

6.1 Unless otherwise agreed in this Agreement, this Agreement shall come into force upon the proper execution by the Parties.

6.2 Unless as early terminated in accordance with this Agreement or other relevant agreements entered into by the Parties, the term of this Agreement shall be ten (10) years (the "**Initial Term**") from the effective date of this Agreement. Upon the expiry of the Initial Term or any Renewal Period, unless the WFOE issues a written termination notice thirty (30) days prior to the expiry, the term of this Agreement shall be automatically extended for ten (10) years (each ten (10)-year period, a "**Renewal Period**"). Unless otherwise agreed in this Agreement, if within the Initial Term or any Renewal Period, the business term of the WFOE or the Company (including any renewed period) expires, the relevant Party shall promptly renew its business term in order to remain the effectiveness and implementation of this Agreement.

6.3 The WFOE has the right to terminate this Agreement at any time by issuing a prior written notice to the Company and the Shareholders thirty (30) days in advance.

7. Miscellaneous

7.1 The Parties acknowledge and confirm that any oral or written information exchanged among them with respect to this Agreement shall be confidential information. The Parties shall maintain the confidentiality of all such information. Without the prior written consent of the Party providing such information, any Party shall not disclose any confidential information to any third party, except in the following circumstances: (a) such information is or comes into the public domain (through no fault or disclosure by the receiving Party); (b) the information is required to be disclosed in accordance with applicable laws or rules or regulations of any stock exchange; or (c) the information regarding the transaction contemplated hereunder has to be disclosed by any Party to its legal or financial advisors, and such legal or financial advisors are also bound by duties of confidentiality similar to the duties set forth in this Article. Any disclosure of any confidential information made by the staff or employee of any Party shall be deemed as disclosure of such confidential information made by such Party, for which such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement if this Agreement is terminated for any reason.

7.2 Any notice, reqeust, demand and other communication requried in this Agreement or issued in accordance with this Agreement shall be delivered in writing to relevant Party's domicile or address as set forth in this Agreement. If such notice or other communication is sent by facsimile or telax, it shall be deemed to be given once it is sent; if it is sent by hand, it shall be deemed to be given when it is left to the receiving Party; if it is sent by post, it shall be deemed to be given five (5) days after the posting.

7.3 Any amendment or supplement to this Agreement shall be made in writing and the amendments and supplements to this Agreement shall become effective only upon duly signature by the Parties hereto.

7.4 Each Party shall, within its powers, sign all necessary documents and take all necessary actions to make the provisions of this Agreement effective or grant all of its rights under this Agreement to another party (including, in respect of each of the Shareholders, the exercise of all voting rights and other shareholder's rights which it is entitled to in respect of the Company) .

7.5 If any provision of this Agreement is held to be invalid or unenforceable, such provision shall, to the extent of its invalidity or unenforceability, become invalid and deemed to have not been included in this Agreement, however, the validity of any other provision of this Agreement shall not be affected thereby. The Parties shall then make all reasonable efforts to replace the invalid or unenforceable provision with a valid and enforceable alternative provision, the effect of which comes as close as possible to that of the invalid or unenforceable provision.

7.6 This Agreement shall be executed in Chinese and in four (4) counterparts. Each Party shall hold one counterpart. Each counterpart shall have equal legal validity.

(There is no text below.)

(This page is the signature page of the Business Operation Agreement (Second Restatement))

This Agreement has been executed by the Parties as of the date first above written.

Rise Tianjin Education Information Consulting Co., Ltd. (Seal)
[Company seal is affixed]

By: /s/ Yiding SUN
Name: Yiding SUN
Title: Legal Representative

Beijing Step Ahead Education Technology Development Co., Ltd. (Seal)
[Company seal is affixed]

By: /s/ Yiding SUN
Name: Yiding SUN
Title: Legal Representative

Yiding SUN

By: /s/ Yiding SUN

Peng ZHANG

By: /s/ Peng ZHANG

Signature Page of the Business Cooperation Agreement (Second Restatement)

Exhibit 10.12

Consulting Service Agreement

This Consulting Service Agreement (the "**Agreement**") is made and entered into as of [1/12/2014] in Beijing, PRC by and between:

(1) [**Bain Capital Rise Education (HK) Limited**], a limited liability company duly organized and existing under the laws of Hong Kong, with its postal address at [16th-19th floors Princes Blog 10 Chater Road Central HK] (the "**Service Provider**").

(2) **Rise (Tianjin) Education Information Consulting Company Limited** (瑞忠（天津）教育信息咨询有限公司) , a limited liability company duly organized and existing under the laws of People's Republic of China ("**PRC**"), with its postal address at Room B206, B212, B213, B214, B217, B221, 2/F, Building 1 NO.8 Huanhe West Rd, Airport Economic Zone, Tianjin, PRC (the "**Service Acceptor**").

Service Acceptor and **Service Provider** are collectively referred to as the "**Parties**" and each as a "**Party**".

Whereas:

(A) **Service Provider** is a company focusing on the developments and applications of interactive teaching methods, which is highly capable of providing valuable and sophisticated educational service solutions to educational entities and educators, in order to help training acceptors to make big improvements when studying in the field of reading, languages, arts, mathematics , society and science;

(B) **Service Acceptor**, as a company with deep pockets and rich resources in the field of English teaching and training for the juvenile, wishes to accept consultation and supporting services in the field of interactive education solution and Service Provider wishes to provide the Services according to the treatments and conditions of this Agreement hereby;

(C) Service Acceptor shall enter into certain comprehensive service agreements with the self-owned learning centers ("**SOLCs**") of Beijing Step Ahead Education Technology Development Company Limited ("北京领语堂教育科技发展有限公司") , providing, among other things, teaching plan supporting service and continuing intangible assets research and development service, and receiving service fee from SOLCs ("**SOLCs Service Fee**");

NOW, THEREFORE, through friendly consultations, the Parties hereby agree as follows:

1. Scope of Services

Service Provider shall provide services to the Service Acceptor within the terms and according to the provisions of this Agreement in Hong Kong, as follows (the "**Services**"):

- Set the direction and annual project for Service Acceptor on the development of teaching plans (courseware)
- Review the specific development plans and budgets of the academic department of Service Acceptor
- Review and confirm the results of development work of Service Acceptor
- Make decisions to carry out the newly-developed teaching plan s, courseware, etc.

2. Service Fee

Service Acceptor shall pay service fee [quarterly] ([the tax-inclusive price], "**Service Fee**") to Service Provider for the Services. Service Fee is a part of the SOLCs Service Fee, the amount of which equals to 4% of the total sales of SOLCs.

3. Intellectual Property

All rights and benefits of intellectual property formed and derived from performance of this Agreement, including but without limitation, copyrights, application rights of patents and patents themselves, application rights of brands and brands themselves, software, proprietary technology, technical data and commercial confidentiality, regardless of developed or created by Service Provider or/and Service Acceptor, shall exclusively and uniquely belong to Service Provider.

4. Representations and Warranties

4.1 Service Provider herein represents and warrants to Service Acceptor as follows:

4.1.1 Service Provider is a limited liability company duly organized and existing under the laws of Hong Kong.

4.1.2 Service Provider has legal rights to sign and perform this Agreement. The conclusion and the performance of this Agreement conform to articles of association or other constitutional documents of Service Provider. Service Provider has obtained all necessary and appropriate approval and authorization to sign and perform this Agreement.

4.1.3 The conclusion and the performance of this Agreement by Service Provider will not violate any provisions of laws and regulations, governmental approvals, authorization, notification, or any other regulatory documents binding or influencing Service Provider, and will not violate any covenants or any commitments between Service Provider and any third party.

4.1.4 This Agreement shall constitute legal, valid and executable obligation to Service Provider.

4.2 Service Acceptor herein represents and warrants to Service Provider as follows:

4.2.1. Service Acceptor is a limited liability company duly organized and existing under the laws of PRC.

4.2.2 Service Acceptor has legal rights to sign and perform this Agreement. The conclusion and the performance of this Agreement conform to articles of association or other constitutional documents of Service Acceptor. Service Acceptor has obtained all necessary and appropriate approval and authorization to sign and perform this Agreement.

4.2.3 The conclusion and the performance of this Agreement by Service Acceptor does not violate any provisions of laws and regulations , governmental approvals, authorization, notification, or any other regulatory documents binding or influencing Service Acceptor, and does not violate any covenants or any commitments between Service Acceptor and any third party.

4.2.4 This Agreement shall constitute legal, valid and executable obligation to Service Acceptor.

5. Confidentiality

The Parties promise and warrant that any communication and information relating to this Agreement between the Parties orally or in writing shall be treated as confidential information. Any Party may not disclose any confidential information of the other Party without prior writing consent from the other Party, except that: (a) relevant information has entered into public field (not arising from the fault or the disclosure of information acceptor); (b) applicable laws, regulations or manuals of securities regulators require to disclose relevant information; or, (c) counsel(s) or consultant(s) of any party require(s) to disclose relevant information relating to transactions under this Agreement and such counsel(s) or consultant(s) shall be liable for similar confidentiality obligations of this Agreement. Any employees of one Party disclosing any confidential information shall be treated as the Party disclosing confidential information and such Party shall be liable for a breach stipulated in this Agreement. This Article 5 shall survive after the termination of the Agreement.

6. Effectiveness and Term of this Agreement

This Agreement shall be signed and effective as of the date set forth above in this Agreement. Term of this Agreement shall be five years. This Agreement shall be renewed automatically for another five years upon expiration unless a Party notifies in writing the other Party of the termination within thirty days prior to the expiration. This Agreement may be terminated in advance through friendly consultations by the Parties.

7. Indemnification

Service Acceptor shall indemnify Service Provider for any liability arising from services provided by Service Provider in accordance with this Agreement or the requirements of Service Acceptor, including but not limited to, any damages or losses due to litigation, accusation, arbitration or petition started by any third party, or, any administration investigation or penalty or sanction. Notwithstanding the foregoing, Service Acceptor will not indemnify any damages or losses incurred by Service Provider’s deliberate or gross negligence.

8. Governing Laws and Disputes Settlement

8.1 The conclusion, effectiveness, interpretation, performance, modification, dissolution of this Agreement and the settlement of disputes under this Agreement shall be governed by and interpreted in accordance with PRC laws.

8.2 The Parties shall strive to settle any dispute arising from or in connection with this Agreement through friendly consultations. In the event that no settlement can be reached through consultations within 30 days of the date of notification requesting such consultation given by one Party to the other Party, such dispute shall be resolved in Beijing by China International Economic and Trade Arbitration Commission, Beijing Headquarter (“**CIETAC**”) conducted in [Chinese] pursuant to its then effective arbitration rules. The arbitration tribunal shall consist of three arbitrators. The applicant(s), on one hand, and the respondent(s), on the other hand, shall each designate an arbitrator, and they shall jointly designate the third arbitrator. The arbitral award shall be final and binding upon the Parties.

8.3 During the period when a dispute is being resolved, the Parties shall continue to perform this Agreement in all respects other than the issue(s) under dispute.

9. Payment

Unless otherwise expressly stated, each payment to be made to the Service Provider under this Agreement shall be made in United States of America Dollars. Service Acceptor shall transfer the relevant amount into the relevant account on the date the payment is due for value and in immediately available funds. The account for the payment is:

Account Name:
Bank Address:
Account Number:
Swift (or BIC) code:

Payment under this Agreement may be made to such other account as the Service Provider shall, not less than three business days before the date that payment is due, have specified by giving notice to Service Acceptor for the purpose of that payment.

10. Notice

Notices, claims, certificates, petitions, requirements and all other communications permitted or required to be given under this Agreement shall be in writing and shall be delivered to the other Party in the method of delivery by person, fax, or, normal postage prepaid mails; if delivered by person, the time of actual delivery shall be deemed as “delivery”; if through fax, the date of receiving fax receipt shall be deemed as “delivery”; if through normal postage prepaid mails, notices, claims, certificates, petitions, requirements and all other communications permitted or required to be given under this Agreement shall be deemed to have been delivered on the fifth day after posting to; as follows:

If to Service Provider: [**Bain Capital Rise Education (HK) Limited**]
Address: [[16th-19th floors Princes Blog 10 Chater Road Central HK]
Attention: [Wang Li Hong]

If to Service Acceptor: **Rise (Tianjin) Education Information Consulting Company Limited**
Address: Room B206, B212, B213, B214, B217, B221, 2/F, Building 1 NO.8 Huanhe West Rd, Airport Economic Zone, Tianjin, PRC
Attention: [Sun Yi ding]

11. Others

11.1 Neither Party has the right to assign the rights and obligations arising from this Agreement without prior written consent of the other Party.

11.2 The conclusion and the performance of this Agreement will not induce the relationship of joint venture or partnership between the Parties or induce one Party being liable for the other Party’s action or omission, or induce one Party becoming the proxy of the other Party. Neither Party has the right to represent the other Party as its proxy, or act in the name of the other Party, or bind the other Party through other methods beyond this Agreement.

11.3 If any provision of this Agreement is held to be invalid or unenforceable, then such provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in this Agreement without invalidating any of the remaining provisions of this Agreement. The Parties shall then use all reasonable endeavors to replace the invalid or unenforceable provisions by a valid and enforceable substitute provision, the effect of which is as close as possible to the intended effect of the invalid or unenforceable provision.

11.4 Notwithstanding anything contained herein, this Agreement may not be amended or modified unless agreed by both Parties in writing.

11.5 This Agreement is written in English and signed in duplicate and each Party hereto shall hold one counterpart both of which are equally authentic. However, it is understood that a Chinese version of this Agreement shall be executed for the purpose of tax and foreign exchange clearance. Both this Agreement and that Chinese version agreement are valid and binding upon each Party hereto and thereto. In the case of any matters not governed by that Chinese version, this Agreement shall govern.

[The remainder of this page is intentionally left blank.]

This Agreement is entered into by the duly authorized representatives of the Parties as of the date set forth above. Each Party shall be bound by this Agreement.

[Bain Capital Rise Education (HK) Limited] (Seal)
[Company seal is affixed]

By: /s/ Wang Li Hong
Name: [Wang Li Hong]
Title: Director

Rise (Tianjin) Education Information Consulting Company Limited (Seal)
[Company seal is affixed]

By: /s/ Sun Yi Ding
Name: [Sun Yi Ding]
Title: Legal Representative

[Signature Page of the Consulting Agreement between WFOE and HK Co.]

Exhibit 10.13

Consulting Service Agreement

This Consulting Service Agreement (the "**Agreement**") is made and entered into as of [1/12/2014] in Beijing, PRC by and between:

(1) [**Bain Capital Rise Education (HK) Limited**], a limited liability company duly organized and existing under the laws of Hong Kong, with its postal address at [16th-19th floors Princes Blog 10 Chater Road Central HK] (the "**Service Provider**").

(2) **Beijing Step Ahead Educational Technology Development Co., Ltd.** (北京领语堂教育科技发展有限公司), a limited liability company duly organized and existing under the laws of People's Republic of China ("**PRC**"), with its postal address at 8/F, Tower W3, Oriental Plaza, 1 East Chang An Ave, Beijing, PRC (the "**Service Acceptor**").

Service Acceptor and Service Provider are collectively referred to as the "**Parties**" and each as a "**Party**".

Whereas:

(A) **Service Provider** is a company focusing on the developments and applications of interactive teaching methods, which is highly capable of providing valuable and sophisticated educational service solutions to educational entities and educators, in order to help training acceptors to make big improvements when studying in the field of reading, languages, arts, mathematics , society and science;

(B) **Service Acceptor**, as a company with deep pockets and rich resources in the field of English teaching and training for the juvenile, wishes to accept consultation and supporting services in the field of interactive education solution and Service Provider wishes to provide the Services according to the treatments and conditions of this Agreement hereby;

(C) Service Acceptor shall enter into certain franchise agreements with third party partner schools ("**Partner Schools**"), licensing the "Rise" brand and other related intellectual properties to the Partner Schools, providing, among other things, teaching plan supporting service and continuing intangible assets research and development service to the Partner Schools, and receiving franchise fee from the Partner Schools ("Franchise Fee");

NOW, THEREFORE, through friendly consultations, the Parties hereby agree as follows:

1. Scope of Services

Service Provider shall provide services to the Service Acceptor within the terms and according to the provisions of this Agreement in Hong Kong, as follows (the "**Services**"):

- Set the direction and annual project for Service Acceptor on the development of teaching plans (courseware)
- Review the specific development plans and budgets of the academic department of Service Acceptor
- Review and confirm the results of development work of Service Acceptor
- Make decisions to carry out the newly-developed teaching plan s, courseware, etc.

2. Service Fee

Service Acceptor shall pay service fee [quarterly] ([the tax-inclusive price], "**Service Fee**") to Service Provider for the Services. Service Fee is a part of the Franchise Fee, the amount of which equals to 4% of the total tuition fees the Partner Schools collect from their enrolled students.

3. Intellectual Property

All rights and benefits of intellectual property formed and derived from performance of this Agreement, including but without limitation, copyrights, application rights of patents and patents themselves, application rights of brands and brands themselves, software, proprietary technology, technical data and commercial confidentiality, regardless of developed or created by Service Provider or/and Service Acceptor, shall exclusively and uniquely belong to Service Provider.

4. Representations and Warranties

4.1 Service Provider herein represents and warrants to Service Acceptor as follows:

4.1.1 Service Provider is a limited liability company duly organized and existing under the laws of Hong Kong.

4.1.2 Service Provider has legal rights to sign and perform this Agreement. The conclusion and the performance of this Agreement conform to articles of association or other constitutional documents of Service Provider. Service Provider has obtained all necessary and appropriate approval and authorization to sign and perform this Agreement.

4.1.3 The conclusion and the performance of this Agreement by Service Provider will not violate any provisions of laws and regulations, governmental approvals, authorization, notification, or any other regulatory documents binding or influencing Service Provider, and will not violate any covenants or any commitments between Service Provider and any third party.

4.1.4 This Agreement shall constitute legal, valid and executable obligation to Service Provider.

4.2 Service Acceptor herein represents and warrants to Service Provider as follows:

4.2.1. Service Acceptor is a limited liability company duly organized and existing under the laws of PRC.

4.2.2 Service Acceptor has legal rights to sign and perform this Agreement. The conclusion and the performance of this Agreement conform to articles of association or other constitutional documents of Service Acceptor. Service Acceptor has obtained all necessary and appropriate approval and authorization to sign and perform this Agreement.

4.2.3 The conclusion and the performance of this Agreement by Service Acceptor does not violate any provisions of laws and regulations , governmental approvals, authorization, notification, or any other regulatory documents binding or influencing Service Acceptor, and does not violate any covenants or any commitments between Service Acceptor and any third party.

4.2.4 This Agreement shall constitute legal, valid and executable obligation to Service Acceptor.

5. Confidentiality

The Parties promise and warrant that any communication and information relating to this Agreement between the Parties orally or in writing shall be treated as confidential information. Any Party may not disclose any confidential information of the other Party without prior writing consent from the other Party, except that: (a) relevant information has entered into public field (not arising from the fault or the disclosure of information acceptor); (b) applicable laws, regulations or manuals of securities regulators require to disclose relevant information; or, (c) counsel(s) or consultant(s)of any party require(s) to disclose relevant information relating to transactions under this Agreement and such counsel(s) or consultant(s) shall be liable for similar confidentiality obligations of this Agreement. Any employees of one Party disclosing any confidential information shall be treated as the Party disclosing confidential information and such Party shall be liable for a breach stipulated in this Agreement. This Article 5 shall survive after the termination of the Agreement.

6. Effectiveness and Term of this Agreement

This Agreement shall be signed and effective as of the date set forth above in this Agreement. Term of this Agreement shall be five years. This Agreement shall be renewed automatically for another five years upon expiration unless a Party notifies in writing the other Party of the termination within thirty days prior to the expiration. This Agreement may be terminated in advance through friendly consultations by the Parties.

7. Indemnification

Service Acceptor shall indemnify Service Provider for any liability arising from services provided by Service Provider in accordance with this Agreement or the requirements of Service Acceptor, including but not limited to, any damages or losses due to litigation, accusation, arbitration or petition started by any third party, or, any administration investigation or penalty or sanction. Notwithstanding the foregoing, Service Acceptor will not indemnify any damages or losses incurred by Service Provider's deliberate or gross negligence.

8. Governing Laws and Disputes Settlement

8.1 The conclusion, effectiveness, interpretation, performance, modification, dissolution of this Agreement and the settlement of disputes under this Agreement shall be governed by and interpreted in accordance with PRC laws.

8.2 The Parties shall strive to settle any dispute arising from or in connection with this Agreement through friendly consultations. In the event that no settlement can be reached through consultations within 30 days of the date of notification requesting such consultation given by one Party to the other Party, such dispute shall be resolved in Beijing by China International Economic and Trade Arbitration Commission, Beijing Headquarter ("**CIETAC**") conducted in [Chinese] pursuant to its then effective arbitration rules. The arbitration tribunal shall consist of three arbitrators. The applicant(s), on one hand, and the respondent(s), on the other hand, shall each designate an arbitrator, and they shall jointly designate the third arbitrator. The arbitral award shall be final and binding upon the Parties.

8.3 During the period when a dispute is being resolved, the Parties shall continue to perform this Agreement in all respects other than the issue(s) under dispute.

9. Payment

Unless otherwise expressly stated, each payment to be made to the Service Provider under this Agreement shall be made in United States of America Dollars. Service Acceptor shall transfer the relevant amount into the relevant account on the date the payment is due for value and in immediately available funds. The account for the payment is:

Account Name:
Bank Address:
Account Number:
Swift (or BIC) code:

Payment under this Agreement may be made to such other account as the Service Provider shall, not less than three business days before the date that payment is due, have specified by giving notice to Service Acceptor for the purpose of that payment.

10. Notice

Notices, claims, certificates, petitions, requirements and all other communications permitted or required to be given under this Agreement shall be in writing and shall be delivered to the other Party in the method of delivery by person, fax, or, normal postage prepaid mails; if delivered by person, the time of actual delivery shall be deemed as “delivery”; if through fax, the date of receiving fax receipt shall be deemed as “delivery”; if through normal postage prepaid mails, notices, claims, certificates, petitions, requirements and all other communications permitted or required to be given under this Agreement shall be deemed to have been delivered on the fifth day after posting to; as follows:

If to Service Provider: [**Bain Capital Rise Education (HK) Limited**]
Address: [[16th-19th floors Princes Blog 10 Chater Road Central HK]
Attention: [Wang Li Hong]

If to Service Acceptor: **Beijing Step Ahead Educational Technology Development Co., Ltd.**
Address: 8/F, Tower W3, Oriental Plaza , 1 East Chang An Ave, Beiji ng, PRC
Attention: [Sun Yi ding]

11. Others

11.1 Neither Party has the right to assign the rights and obligations arising from this Agreement without prior written consent of the other Party.

11.2 The conclusion and the performance of this Agreement will not induce the relationship of joint venture or partnership between the Parties or induce one Party being liable for the other Party’s action or omission, or induce one Party becoming the proxy of the other Party. Neither Party has the right to represent the other Party as its proxy, or act in the name of the other Party, or bind the other Party through other methods beyond this Agreement.

11.3 If any provision of this Agreement is held to be invalid or unenforceable, then such provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in this Agreement without invalidating any of the remaining provisions of this Agreement. The Parties shall then use all reasonable endeavors to replace the invalid or unenforceable provisions by a valid and enforceable substitute provision, the effect of which is as close as possible to the intended effect of the invalid or unenforceable provision.

11.4 Notwithstanding anything contained herein, this Agreement may not be amended or modified unless agreed by both Parties in writing.

11.5 This Agreement is written in English and signed in duplicate and each Party hereto shall hold one counterpart both of which are equally authentic. However, it is understood that a Chinese version of this Agreement shall be executed for the purpose of tax and foreign exchange clearance. Both this Agreement and that Chinese version agreement are valid and binding upon each Party hereto and thereto. In the case of any matters not governed by that Chinese version, this Agreement shall govern.

[The remainder of this page is intentionally left blank.]

This Agreement is entered into by the duly authorized representatives of the Parties as of the date set forth above. Each Party shall be bound by this Agreement.

[Bain Capital Rise Education (HK) Limited] (Seal)
[Company seal is affixed]

By: /s/ Wang Li Hong
Name: [Wang Li Hong]
Title: Director

Beijing Step Ahead Educational Technology Development Co., Ltd. (Seal)
[Company seal is affixed]

By: /s/ Sun Yi Ding
Name: [Sun Yi Ding]
Title: Legal Representative

[Signature Page of the Consulting Agreement between DoCo and HK Co.]

Exhibit 10.14

Service Agreement

This Service Agreement (this "**Agreement**") is entered into by and between the following parties on December 1, 2014 in Beijing, the PRC:

Party A: Rise Tianjin Education Information Consulting Co., Ltd. ("**Party A**") Address: Room 2-2094, Standard Plant, No.88 Huanhe South Road, Tianjin Airport Economic Area, the PRC

Party B: Beijing Step Ahead Education Technology Development Co., Ltd. ("**Party B**") Address: 8/F, Tower W3, The Tower Offices, Oriental Plaza, No.1 East Chang An Avenue, Dong Cheng District, Beijing

Whereas:

1. Party A is a company with strong strength and rich resources in the field of English teaching and training for children, and is capable of providing high value education service solutions to educational institutions and educators;

2. Party B is engaged in service business related to English teaching and training for children. Party B agrees to accept Party A's service in accordance with this Agreement and utilize Party A's resources to provide services to relevant educational institutions;

3. Party B, as the licensor, entered into the Franchise Contract with the third party cooperative school (the "**Cooperative School**"), as the licensee, and hereby collects the franchise fee (the "**Franchise Fee**") from the Cooperative School;

For the purpose of promoting the development of education and training activities and cultivating talents for the society, Party A and Party B hereby enter into this Agreement on the basis of equality and through consultations.

Article 1 Content of Services

Party A shall provide following services to Party B:

1.1 **Teaching Plan System Service**

Party A shall design and provide, among others, the skills, techniques, operating instructions and code of conduct for teachers which can be used in the course of teaching for and to Party B;

1.2 **Intangible Asset Continuing Research & Development and Implementation Supporting Service**

As for the teaching plans, courseware and other teaching materials that can be legally used by Party B in the course of education and training, Party A shall provide instructions to Party B in respect of the application of such teaching materials;

1.3 **Business Management System Software Use License**

Party A shall license Party B to use the business management system software developed by Party A to manage the resources of students and teachers, and Party B shall have the right to sub-license such software to the Cooperative School;

1.4 **Sale of Supplementary Books**

As instructed by Party B, Party A shall provide the Cooperative School with supplementary books and other training materials (the "**Supplementary Books**"). Party B is entrusted by Party A to collect the Supplementary Book fee from the Cooperative School on Party A's behalf and pay such fee to Party A thereafter.

Article 2 Non-exclusivity

The services under this Agreement are not exclusive. Party A has the right to use similar services for its own or provide similar services to any third party at the place where Party B is located or at other places.

Article 3 Transfer of Rights and Obligations

Unless otherwise specified herein, without Party A's prior written consent, Party B shall not transfer any of its rights or obligations under this Agreement to any third party. Party A may, based on the requirements of its shareholding restructuring, business reorganization or other needs, transfer or entrust its rights and obligations hereunder to a third party without Party B's consent.

Article 4 Service Fee

4.1 **Service Fee Amount**

1. Teaching Plan System Service Fee

The teaching plan system service fee is a part of the Franchise Fee collected by Party B from the Cooperative School, the amount of which is equal to 4% of the tuition collected by the Cooperative School from its enrolled students;

2. Intangible Asset Continuing Research & Development and Implementation Supporting Service Fee

The intangible asset continuing research & development and implementation supporting service fee is a part of the Franchise Fee collected by Party B from the Cooperative School, the amount of which is equal to 2% of the tuition collected by the Cooperative School from its enrolled students;

3. Business Management System Software Use License Fee

The business management system software use license fee is a part of the Franchise Fee collected by Party B from the Cooperative School, the amount of which is equal to 5% of the tuition collected by the Cooperative School from its enrolled students. Party A may, at its own discretion, waive such business management system software use license fee to be paid by Party B as appropriate, provided that one or several times' of waiver of such license fee by Party A shall not be deemed as a waiver by Party A to exercise its right to collect such license fee in future.

4. Supplementary Book Fee

The supplementary book fee shall be equal to an amount calculated according to the formula as follows: the number of the students enrolled by the Cooperative School * the price of each supplementary book * 80%. Party B shall collect such supplementary book fee from the Cooperative School on behalf of Party A and then pay such fee to Party A. Party A shall issue an invoice to the Cooperative School in respect of such supplementary book fee.

4.2 Payment

Party B shall pay Party A the teaching plan system service fee, the intangible asset continuing research & development and implementation supporting service fee, the business management system software use license fee (if not waived) and the supplementary book fee within 10 working days after Party A has sent the Supplementary Books to the self-operated school according to Party B's instruction.

Article 5 Payment Method

Party B shall pay the service fees to the following account designated by Party A by bank transfer and other methods:

Party A's Name: Rise Tianjin Education Information Consulting Co., Ltd.

[Party A's Account Bank:]

[Account No.:]

Article 6 Intellectual Property Right

Party A has legal rights in respect of relevant services, and Party B will not obtain any intellectual property right in respect of the services hereunder due to this Agreement. All intellectual property rights arising in the course of accepting Party A's services by Party B, including but not limited to copyrights, patents, patent applications, trademarks, trademark applications, software, knowhow, technological data and trade secrets, whether developed or created by Party A or Party B, shall be owned by Party A.

Article 7 Representations and Warranties

7.1 Party A represents and warrants to Party B that:

1. Party A is a limited liability company established and existing under the PRC law;

2. Party A has the power to execute this Agreement and perform its obligations under this Agreement. The execution and performance of this Agreement by Party A is in compliance with the articles of association or other organizational documents of Party A, and Party A has obtained all necessary and appropriate approvals and authorizations to execute and perform this Agreement;

3. The execution and performance of this Agreement by Party A will neither violate any laws and regulations or government approvals, authorizations, notices or other governmental documents having binding effect on or affecting Party A, nor violate any agreements between Party A and any third party or any covenants made to any third party; and

4. This Agreement shall constitute lawful, valid and enforceable obligations of Party A.

7.2 Party B represents and warrants to Party A that:

1. Party B is a limited liability company established and existing under the PRC law;

2. Party B has the power to execute this Agreement and perform its obligations under this Agreement. The execution and performance of this Agreement by Party B is in compliance with the articles of association or other organizational documents of Party B, and Party B has obtained all necessary and appropriate approvals and authorizations to execute and perform this Agreement;

3. The execution and performance of this Agreement by Party B will neither violate any laws and regulations or government approvals, authorizations, notices or other governmental documents having binding effect on or affecting Party B, nor violate any agreements between Party B and any third party or any covenants made to any third party; and

4. This Agreement shall constitute lawful, valid and enforceable obligations of Party B.

Article 8 Confidentiality

The Parties acknowledge and confirm that any oral communications, written documents or electronic information (including but not limited to software codes and any content contained in software) exchanged between them with respect to this Agreement shall be confidential information. The Parties shall maintain the confidentiality of such information. Without the prior written consent of the Party providing such information, either Party shall not disclose any confidential information to any third party, except in the following circumstances: (1) such information is or comes into the public domain (through no fault or disclosure by the receiving Party); (2) the information is required to be disclosed in accordance with applicable laws or rules or regulations of any stock exchange. Any disclosure of any confidential information made by the staff or employee of any Party shall be deemed as disclosure of such confidential information made by such Party, for which such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement if this Agreement is terminated for any reason.

Article 9 Liability for Default

If a Party hereto fails to perform its obligations under this Agreement, its performance of obligations is incompliance with the provisions of this Agreement, or any representation or warranty made by a Party under this Agreement is untrue or inaccurate in any material aspect, such Party shall be deemed to breach this Agreement. The defaulting Party shall indemnify the non-defaulting Party against all losses, including direct and indirect losses, arising from the breach by the defaulting Party. Notwithstanding the provisions aforesaid, if Party B fails to pay the service fee on time, Party B shall pay an amount equal to 0.5% (zero point five percentage) of the service fee payable to Party A as liquidated damages for each day of delay; if the delay continues for over [15] days, Party A has the right to terminate this Agreement. If Party A incurs any loss arising therefrom, Party B shall indemnify Party A against all losses incurred by Party A.

If any Party fails to exercise its right to claim liquidated damages or indemnities against the other Party, it shall not be deemed to waive such right.

Article 10 Termination of Agreement

This Agreement shall be terminated when:

10.1 the term of this Agreement expires, and the Parties fail to reach an agreement on the renewal;

10.2 the Parties mutually agree to terminate this Agreement;

10.3 Party A exercises its right to terminate this Agreement hereunder due to Party B's violation of this Agreement.

If this Agreement is terminated by Party A due to Party B's breach, Party A will not return the service fees prepaid by Party B.

Article 11 Notices

In respect of any notice in a written form, if it is posted by registered mail or express mail, it shall be deemed to be given 3 working days after posting (based on the postmark date), unless the address indicated on the mail is different from the address as agreed in this Agreement; if it is sent by facsimile, it shall be deemed to be given when the transmittal report is received.

In addition, Party A has the right to deliver the notice by email to the email address as indicated by Party B in this Agreement, and it shall be deemed to be validly given on the date of successful delivery of the email.

The address of the notice shall be as follows:

Party A: Rise Tianjin Education Information Consulting Co., Ltd.

Address: Room 2-2094, Standard Plant, No.88 Huanhe South Road, Tianjin Airport Economic Area, the PRC

Party B: Beijing Step Ahead Education Technology Development Co., Ltd.

Address: 8/F, Tower W3, The Tower Offices, Oriental Plaza, No.1 East Chang An Avenue, Dong Cheng District, Beijing

Article 12 Dispute Resolution and Applicable Law

Any dispute arising from the implementation of, or in connection with, this Agreement shall first be resolved through friendly consultations by the Parties. If the dispute fails to be resolved through consultations, it shall be submitted to Beijing Arbitration Commission for arbitration in accordance with the effective arbitration procedures and rules of the commission. The arbitration award shall be final and binding on both Parties.

Article 13 Renewal

This Agreement shall come into force as of the date first above written and the valid term shall be 5 years. Upon the expiry of the valid term, unless the Parties confirm to terminate this Agreement in writing, the valid term of this Agreement shall be automatically extended for five years.

Article 14 Miscellaneous

14.1 This Agreement shall be executed in two counterparts. Each Party shall hold one counterpart. Each counterpart shall have equal legal validity.

14.2 This Agreement shall come into force as of the date of affixing seals by both Parties.

[There is no text below. Signature page follows.]

IN WITNESS WHEREOF, this Agreement has been executed by the authorized representatives of the Parties as of the date first above written.

Party A (Seal): Rise Tianjin Education Information Consulting Co., Ltd.

[Company seal is affixed]

Party B (Seal): Beijing Step Ahead Education Technology Development Co., Ltd.

[Company seal is affixed]

Signature Page of the Service Agreement

Exhibit 10.15

Form of Comprehensive Service Agreement

This Service Agreement (this "**Agreement**") is entered into by and between the following parties on in , the PRC:

Party A: Rise Tianjin Education Information Consulting Co., Ltd. ("**Party A**")

Address: 8/F, Tower W3, The Tower Offices, Oriental Plaza, No.1 East Chang An Avenue, Dong Cheng District, Beijing

Telephone: 010-85599000/85599001

Party B: [ ] ("**Party B**")

Address:

Telephone:

Whereas:

1. Party A is a company with strong strength and rich resources in the field of English teaching and training for children, and is capable of providing high value education service solutions to educational institutions and educators;

2. Party B is private training school with legal qualification and operation and management capabilities. Party B agrees to accept the services provided by Party A in accordance with this Agreement;

3. Party A and Party B entered into the Amendment to Amended and Restated License Agreement (the "**IP License Agreement**") on . In accordance with the IP License Agreement, Party B shall pay Party A an amount equal to 5% of its annual operating revenue as recorded pursuant to Chinese Accounting Standards as the license fee (the "**IP License Fee**");

For the purpose of promoting the development of education and training activities and cultivating talents for the society, Party A and Party B hereby enter into this Agreement on the basis of equality and through consultations.

Article 1 Content of Services

Party A shall provide following services to Party B:

1.1 **Teaching Plan System Service**

Party A shall design and provide, among others, the skills, techniques, operating instructions and code of conduct for teachers which can be used in the course of teaching for and to Party B, and shall provide training to Party B's teachers;

1.2 **Intangible Asset Continuing Research & Development Supporting Service**

Party A shall develop for Party B the teaching plans, courseware and other teaching materials that can be used in the course of Party B's education and training, and provide ongoing upgrading and updating services in respect thereof;

1.3 **Business Management System Software Use License**

Party A shall license Party B to use the business management system software developed by Party A to manage the resources of students and teachers;

1.4 **Market Promotion Service**

Party A shall assist Party B in developing market promotion plans; based on the actual needs of the business, Party A shall assist Party B in designing the unified advertisement image and provide advertisement template, advertorial template, etc.;

1.5 **Operation Supporting Service**

1. Party A shall provide training to the key members of Party B in respect of team management, and provide solutions and supports to Party B as needed;

2. Party A shall provide Party B with performance review plan and supervise its implementation;

3. Party A shall recruit new employees for Party B by on-campus recruiting, and provide reference standards for determining salaries, allowances and other benefits;

4. Party A shall be responsible for formulating the performance review standards for the teachers employed by Party B; and

5. Party A shall provide other services as needed in Party B's operation.

Article 2 Non-exclusivity

The services or licenses under this Agreement are not exclusive. Party A has the right to use them for its own, or provide similar services to any third party or license any third party to use business management system software at the place where Party B is located or at other places.

Article 3 Transfer of Rights and Obligations

Without Party A's prior written consent, Party B shall not sub-license or transfer any of its rights or obligations under this Agreement to any third party. Party A may, based on the requirements of its shareholding restructuring, business reorganization or other needs, transfer or entrust its rights and obligations hereunder to a third party without Party B's consent.

Article 4 Service Fee

4.1 **Service Fee Amount**

1. Teaching Plan System Service Fee

The amount of the teaching plan system service fee shall be equal to 4% of Party B's annual operating revenue as recorded pursuant to Chinese Accounting Standards;

2. Intangible Asset Continuing Research & Development Supporting Service Fee

The amount of the intangible asset continuing research & development supporting service fee shall be equal to 11% of Party B's annual operating revenue as recorded pursuant to Chinese Accounting Standards;

3. Business Management System Software Use License Fee

The amount of the business management system software use license fee shall be equal to 5% of Party B's annual operating revenue as recorded pursuant to Chinese Accounting Standards;

4. Market Promotion Fund

Party B agrees to pay Party A the market promotion fund in a an amount equal to 4% of Party B's annual operating revenue as recorded pursuant to Chinese Accounting Standards;

5. Operation Supporting Service Fee

After Party B pays the IP License Fee and the teaching plan system service fee, the intangible asset continuing research & development supporting service fee, the business management system software use license fee and the market promotion fund in accordance with this Agreement, if its operating profit margin (the "**Remaining Profit Margin**") is still higher than 4.2%, Party B shall pay Party A the operation supporting service fee which is equal to the difference between the Remaining Profit Margin and 4.2%.

4.2 **Payment**

The teaching plan system service fee, the intangible asset continuing research & development supporting service fee, the business management system software use license fee and the market promotion fund shall be pre-paid on a quarterly basis. In other words, on March 15, June 15, September 15 and December 15 (each, a "**Payment Date**") every year, Party B shall estimate its operating revenue of the next quarter and pay such fees representing 4%, 11%, 5% and 4% of the estimated operating revenue respectively (collectively, the "**Estimated Service Fee**"). If there is any difference between the Estimated Service Fee and the actual service fee payable, the overpayment shall be returned and the shortage shall be made up at the time of paying the service fees in future.

In respect of a given quarter, Party A may, at its own discretion, reduce or waive one or more items of the IP License Fee, the teaching plan system service fee, the intangible asset continuing research & development supporting service fee, the business management system software use license fee and the market promotion fund to be collected from Party B as appropriate based on Party B's operation, provided that one or several times' of reduction or waiver of such fees by Party A shall not be deemed as a waiver by Party A to exercise its right to collect such fees in future. Party A shall issue the Payment Notice of IP License Fee and Service Fees to Party B within five working days prior to each Payment Date, and Party B shall confirm and pay relevant fees to Party A in full according to the payment standards and amounts indicated in such payment notice on time. The form of the Payment Notice of IP License Fee and Service Fees is attached as Appendix I hereto.

The operation supporting service fee shall be paid by Party B to Party A within [20 days] of the end of Party B's financial year. Party B shall pay the operation supporting service fee to Party A according to the Payment Notice of Operation Supporting Service Fee issued by Party A in the form of Appendix II hereto.

Article 5 Payment Method

Party B shall pay the service fees to the following account designated by Party A by bank transfer and other methods:

Party A's Name: Rise Tianjin Education Information Consulting Co., Ltd.

[Party A's Account Bank:]

[Account No.:]

Article 6 Intellectual Property Right

Party A has legal rights in respect of relevant services and software, and Party B will not obtain any intellectual property right in respect of the services hereunder due to this Agreement. All intellectual property rights arising in the course of accepting Party A's services by Party B, including but not limited to copyrights, patents, patent applications, trademarks, trademark applications, software, knowhow, technological data and trade secrets, whether developed or created by Party A or Party B, shall be owned by Party A.

Article 7 Representations and Warranties

7.1 Party A represents and warrants to Party B that:

1. Party A is a limited liability company established and existing under the PRC law;

2. Party A has the power to execute this Agreement and perform its obligations under this Agreement. The execution and performance of this Agreement by Party A is in compliance with the articles of association or other organizational documents of Party A, and Party A has obtained all necessary and appropriate approvals and authorizations to execute and perform this Agreement;

3. The execution and performance of this Agreement by Party A will neither violate any laws and regulations or government approvals, authorizations, notices or other governmental documents having binding effect on or affecting Party A, nor violate any agreements between Party A and any third party or any covenants made to any third party; and

4. This Agreement shall constitute lawful, valid and enforceable obligations of Party A.

7.2 Party B represents and warrants to Party A that:

1. Party B is a private non-corporate legal person established and existing under the PRC law;

2. Party B has the power to execute this Agreement and perform its obligations under this Agreement. The execution and performance of this Agreement by Party B is in compliance with the articles of association or other organizational documents of Party B, and Party B has obtained all necessary and appropriate approvals and authorizations to execute and perform this Agreement;

3. The execution and performance of this Agreement by Party B will neither violate any laws and regulations or government approvals, authorizations, notices or other governmental documents having binding effect on or affecting Party B, nor violate any agreements between Party B and any third party or any covenants made to any third party; and

4. This Agreement shall constitute lawful, valid and enforceable obligations of Party B.

Article 8 Confidentiality

The Parties acknowledge and confirm that any oral communications, written documents or electronic information (including but not limited to software codes and any content contained in software) exchanged between them with respect to this Agreement shall be confidential information. The Parties shall maintain the confidentiality of such information. Without the prior written consent of the Party providing such information, either Party shall not disclose any confidential information to any third party, except in the following circumstances: (1) such information is or comes into the public domain (through no fault or disclosure by the receiving Party); (2) the information is required to be disclosed in accordance with applicable laws or rules or regulations of any stock exchange. Any disclosure of any confidential information made by the staff or employee of any Party shall be deemed as disclosure of such confidential information made by such Party, for which such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement if this Agreement is terminated for any reason.

Article 9 Liability for Default

If a Party hereto fails to perform its obligations under this Agreement, its performance of obligations is incompliance with the provisions of this Agreement, or any representation or warranty made by a Party under this Agreement is untrue or inaccurate in any material aspect, such Party shall be deemed to breach this Agreement. The defaulting Party shall indemnify the non-defaulting Party against all losses, including direct and indirect losses, arising from the breach by the defaulting Party. Notwithstanding the provisions aforesaid, if Party B fails to pay the service fee on time, Party B shall pay an amount equal to 0.5% (zero point five percentage) of the service fee payable to Party A as liquidated damages for each day of delay; if the delay continues for over [15] days, Party A has the right to terminate this Agreement. If Party A incurs any loss arising therefrom, Party B shall indemnify Party A against all losses incurred by Party A.

If any Party fails to exercise its right to claim liquidated damages or indemnities against the other Party, it shall not be deemed to waive such right.

Article 10 Termination of Agreement

This Agreement shall be terminated when:

10.1 the term of this Agreement expires, and the Parties fail to reach an agreement on the renewal;

10.2 the Parties mutually agree to terminate this Agreement;

10.3 Party A exercises its right to terminate this Agreement hereunder due to Party B's violation of this Agreement.

If this Agreement is terminated by Party A due to Party B's breach, Party A will not return the service fees prepaid by Party B.

Article 11 Notices

In respect of any notice in a written form, if it is posted by registered mail or express mail, it shall be deemed to be given 3 working days after posting (based on the postmark date), unless the address indicated on the mail is different from the address as agreed in this Agreement; if it is sent by facsimile, it shall be deemed to be given when the transmittal report is received.

In addition, Party A has the right to deliver the notice by email to the email address as indicated by Party B in this Agreement, and it shall be deemed to be validly given on the date of successful delivery of the email.

The address of the notice shall be as follows:

Party A: Rise Tianjin Education Information Consulting Co., Ltd.

Address: 8/F, Tower W3, The Tower Offices, Oriental Plaza, No.1 East Chang An Avenue, Dong Cheng District, Beijing

Postal Code: 100738

Telephone: 010-85599000/85599001

Party B: [ ]

Address:

Postal Code:

Telephone:

Article 12 Dispute Resolution and Applicable Law

Any dispute arising from the implementation of, or in connection with, this Agreement shall first be resolved through friendly consultations by the Parties. If the dispute fails to be resolved through consultations, it shall be submitted to Beijing Arbitration Commission for arbitration in accordance with the effective arbitration procedures and rules of the commission. The arbitration award shall be final and binding on both Parties.

Article 13 Renewal

This Agreement shall come into force as of the date first above written and the valid term shall be 5 years. Upon the expiry of the valid term, unless the Parties confirm to terminate this Agreement in writing, the valid term of this Agreement shall be automatically extended for five years.

Article 14 Miscellaneous

14.1 This Agreement shall be executed in two (2) counterparts. Each Party shall hold one counterpart. Each counterpart shall have equal legal validity.

14.2 This Agreement shall come into force as of the date of affixing seals by both Parties.

[There is no text below. Signature page follows.]

IN WITNESS WHEREOF, this Agreement has been executed by the authorized representatives of the Parties as of the date first above written.

Party A (Seal): Rise Tianjin Education Information Consulting Co., Ltd.

Party B (Seal): [ ]

Signature Page of the Comprehensive Service Agreement

Appendix I Payment Notice of IP License Fee and Service Fees

To: [ ]

In accordance with the Amendment to Amended and Restated License Agreement (the "**License Agreement**") executed by us with you on (m/d/y) and the Comprehensive Service Agreement (the "**Service Agreement**") executed by us with you on (m/d/y), you shall pay the IP License Fee and other service fees to us on a quarterly basis. Given that your estimated operating revenue of the quarter of (year) is RMB , we hereby decide to collect the IP License Fee and other service fees for the quarter of (year) as follows in the consideration of your operation situation and in accordance with the License Agreement and the Service Agreement:

1. IP License Fee: % of the estimated operating revenue, being RMB ;
2. Teaching plan system service fee: % of the estimated operating revenue, being RMB ;
3. Intangible asset continuing research & development supporting service fee: % of the estimated operating revenue, being RMB ;
4. Business management system software use license fee: % of the estimated operating revenue, being RMB ;
5. Market promotion fund: % of the estimated operating revenue, being RMB ;

You shall pay us the IP License Fee and other service fees according to the amounts indicated in this notice at the time as agreed in the License Agreement and the Service Agreement.

Rise Tianjin Education Information Consulting Co., Ltd. (Seal)

Date:

To: Rise Tianjin Education Information Consulting Co., Ltd.

We hereby confirm the payment standards and amounts of the IP License Fee and other service fees in the above notice. We will pay you the IP License Fee and other service fees according to the amounts indicated in the above notice at the time as agreed in the License Agreement and the Service Agreement.

[ ]

Date:

Appendix II Payment Notice of Operation Supporting Service Fee

To: [ ]

In accordance with the Comprehensive Service Agreement (the "**Service Agreement**") executed by us with you on (m/d/y), after you pay the IP License Fee, the teaching plan system service fee, the intangible asset continuing research & development and implementation supporting service fee, the business management system software use license fee and the market promotion fund, if your operating profit margin (the "**Remaining Profit Margin**") is still higher than 4.2%, you shall pay us the operation supporting service fee which is equal to the difference between the Remaining Profit Margin and 4.2% (the "**Profit Difference**").

Given that your operating revenue was RMB and the profit margin was % in last financial year, the Profit Difference payable by you to us shall be % of your operating revenue of the last financial year, being RMB .

You shall pay us the above operation supporting service fee in full at the time as agreed in the Service Agreement.

Rise Tianjin Education Information Consulting Co., Ltd. (Seal)

Date:

To: Rise Tianjin Education Information Consulting Co., Ltd.

We hereby confirm the payment standards and amounts of the operation supporting service fee in the above notice. We will pay you the operation supporting service fee according to the amount indicated in the above notice at the time as agreed in the the Service Agreement.

[ ]

Date:

Exhibit 10.16

FORM OF LICENSE AGREEMENT

This License Agreement (this "**Agreement**") is entered into as of [ ] (the "**Effective Date**") by and between Rise (Tianjin) Education Information Consulting Company Limited (□□□□□□□□□□□□□□□□□□) ("**Licensor**") and [ ] ("**Licensee**"). Licensor or Licensee are referred to individually as a "**Party**" and, collectively, as the "**Parties**".

WHEREAS, by virtue of a License Agreement, effective September 28, 2013, by and between Houghton Mifflin Harcourt Publishing Company (replacing Daplon Limited) ("**HMH**") and Rise IP (Cayman) Limited (as assignee of RISE Education Hong Kong Ltd.) ("**Rise IP**"), as amended from time to time (the "**Rise IP License Agreement**"), and certain sublicense agreements thereunder, Licensor has been licensed certain rights, including those to Customized Products;

WHEREAS, Licensor owns or has rights to certain trademarks, including those involving the name "RISE";

WHEREAS, Licensor owns or has rights to certain other intellectual property;

WHEREAS, the HMH Products, Software, Destination Marks, Attribution Language, Rise Products, Rise Marks, Customized Products, and Original Works (each hereinafter defined) together constitute the RISE Immersion Subject English curriculum system, which Licensor seeks to sublicense to Licensee as the Licensed Material (as hereinafter defined); and

WHEREAS, the Licensee is an English language Learning Center (as hereinafter defined) in the Territory (as hereinafter defined); and

NOW, THEREFORE, in consideration of the mutual promises set forth herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. DEFINITIONS.

1.1 "**Affiliate**" means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such Person, and the term "control" (including the terms "controlled by" and "under common control with") means (i) the possession, directly or indirectly, of the power to direct the management or policies of a Person, whether through the ownership of voting securities, by contract relating to voting rights or corporate governance, or otherwise, or (ii) the ownership, directly or indirectly, of at least fifty percent (50%) of the voting securities or other ownership interest of a Person (or, with respect to a limited partnership or other similar entity, its general partner or controlling entity). Further, a Person will only be deemed an Affiliate hereunder for so long as such person or entity satisfies the above requirements for qualifying as an Affiliate.

1.2 "**Agreement**" is defined in the preamble.

1.3 "**Attribution Language**" means the following or reasonably similar attribution statement: "Foundational content provided by Houghton Mifflin Harcourt."

1.4 "**China**" means the People's Republic of China, excluding Hong Kong, Macau, and Taiwan.

1.5 "**Confidential Information**" means any information disclosed by either Party (the "**Disclosing Party**") that the Disclosing Party has either marked as confidential or proprietary, or has identified in writing as confidential or proprietary within thirty (30) days of disclosure to the other Party (the "**Receiving Party**") or that would be apparent to a reasonable person, familiar with Disclosing Party's business and the industry in which each operates, to be of a confidential or proprietary nature the maintenance of which is important to the Disclosing Party; provided, however, that information related to or regarding a Disclosing Party's business plans, strategies, technology, research and development, current and prospective customers, billing records, and products or services will be deemed Confidential Information of the Disclosing Party even if not so marked or identified, unless such information is the subject of any of the exceptions set forth in the following sentence. Information will not be deemed Confidential Information hereunder if such information: (a) is known to the Receiving Party prior to receipt from the Disclosing Party directly or indirectly from a source other than one having an obligation of confidentiality to the Disclosing Party; (b) becomes known (independently of disclosure by the Disclosing Party) to the Receiving Party directly or indirectly from a source other than one having an obligation of confidentiality to the Disclosing Party; (c) becomes publicly known or otherwise ceases to be secret or confidential, except through a breach of this Agreement by the Receiving Party; or (d) is independently developed by the Receiving Party without reference to the Disclosing Party's Confidential Information. Unless such information is the subject of any of the exceptions set forth in the immediately preceding sentence, (e) Licensee's Confidential Information includes information received or reviewed by Licensor in exercising its audit rights (described below) and (f) the source code and associated technical documentation of any software included in any HMH Product, Customized Product, Rise Product, or Original Work; provided, however, that nothing in this Agreement will prevent either Party from using and disclosing information received or reviewed by it in exercising its audit rights or for purposes of enforcing its rights under this Agreement.

1.6 "**Customize(d)(ation)**" means to create a Customized Product, as defined below.

1.7 "**Customized Product(s)**" means any products or services containing, derived from, or developed by or on behalf of Licensee, its licensors and their permitted direct or indirect sub-licensees based on, any HMH Products, including but not limited to HMH ELL Other Products Derivative Works and the material listed in Exhibit A-4, attached hereto, under the heading "Customized Products".

1.8 "**Destination Marks**" means the trademarks registrations and applications listed on Exhibit A-2, attached hereto, under the heading "Destination Marks".

1.9 "**Effective Date**" is defined in the preamble.

1.10 "**ELL**" or "**English Language Learning**" means studies (*i.e.*, teaching and learning) in the English language for the primary purpose of teaching the English language to non-native English speaking students.

1.11 "**ELL Field**" means English Language Learning where (a) part of the instruction is received by each student while physically present in a Learning Center, (b) the instruction is in addition to a regular academic program or other traditional schooling and (c) tuition for the instruction is the responsibility of the student or the student's parent/guardian. The ELL Field will not include the provision of ELL as part of a school curriculum.

1.12 "**Excluded Third Party**" means Pearson, McGraw Hill, Scholastic, K12 Inc., Scantron/Global Scholar, MacMillan, or any affiliate of any of the foregoing.

1.13 "**Existing Third Party Licenses**" means the agreements listed on Exhibit B, attached hereto, with such terms and conditions as are in effect on the Effective Date, and shall not include any amendment, supplement, or renewal thereof that is not permitted under the Rise IP License Agreement.

1.14 "**Existing Third Party Rights**" means those rights and licenses in existence on the Effective Date granted by HMH or an Affiliate under the Existing Third Party Licenses that conflict with any rights or licenses granted to Licensor under the Rise IP License Agreement without any amendment, supplement, or renewal thereof other than a renewal thereof by the counterparty to an Existing Third Party License in accordance with the terms thereof in existence on the Effective Date (e.g., in the case of a right of such counterparty to renew if such counterparty has paid a required minimum royalty or otherwise met the conditions for a renewal).

1.15 "**GAAP**" means the generally accepted accounting principles as in effect in China, consistently applied.

1.16 "**Golden Master(s)**" means a final version of a publication, software, or artwork, of a quality appropriate for mass reproduction.

1.17 "**Governmental Body**" means any government or governmental or regulatory body thereof, or political subdivision thereof, whether federal, state, local or foreign, or any agency, instrumentality or authority thereof, or any court or arbitrator (public or private).

1.18 "**HMH**" is defined in the preamble.

1.19 "**HMH ELL Destination Product(s)**" means only those products listed in Exhibit A-1, attached hereto, under the heading "HMH ELL Destination Products" and the pictorial works listed on Exhibit A-1 attached hereto under the heading "HMH ELL Destination Products Pictorial Works".

1.20 "**HMH ELL Other Backlist Products**" means only the products that are listed in Exhibit A-1, attached hereto, under the heading "HMH ELL Other Backlist Products".

1.21 "**HMH ELL Other Frontlist Product**" means only the products that are listed in Exhibit A-1, attached hereto, under the heading "HMH ELL Other Frontlist Products".

1.22 "**HMH ELL Other Product(s)**" means, collectively, HMH ELL Other Backlist Products, HMH ELL Other Frontlist Product, and any material listed in Exhibit A-1, attached hereto, under the heading "HMH ELL Other Products".

1.23 "**HMH ELL Other Products Derivative Works**" means any derivative work of any HMH ELL Other Products that is adapted for use in the ELL Field and is based on portions, but not all, of the applicable HMH ELL Other Products such that the resulting derivative work would not be a reasonable substitute for the original HMH ELL Other Product.

1.24 "**HMH ELL Products**" means, collectively, HMH ELL Destination Products and HMH ELL Other Products.

1.25 "**HMH Products**" means HMH ELL Products.

1.26 "**Learning Center**" means a facility at which students are provided with academic enrichment opportunities other than a regular academic program or other traditional schooling, and/or additional activities designed to complement their regular academic program, in consideration for a fee for the services offered in these centers that is the responsibility of a student or parent, guardian or other representative of the applicable student.

1.27 "**Licensed Material**" means the material licensed under this Agreement, as referenced in Exhibit A, attached hereto, under the heading "Licensed Material".

1.28 "**Licensed Rights**" means those rights licensed under this Agreement, as listed in Exhibit A, attached hereto, under the heading "Licensed Rights" and referenced in Section 2. In the event of any discrepancy between the Licensed Rights listed in Exhibit A and the provisions of Section 2, Exhibit A shall control.

1.29 "**Original Works**" means the original works owned by or licensed to Licensor listed in Exhibit A-4, attached hereto, under the heading "Original Works".

1.30 The terms "**Party**" and "**Parties**" are defined in the preamble.

1.31 "**Person**" means any individual, corporation, limited liability company, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Body or other entity.

1.32 "**Pre-K/K Curriculum Offering**" means the study (*i.e.*, teaching and learning) of a curriculum for the pre-kindergarten grade and kindergarten grade levels where (a) part of the instruction is received by each student while physically present in a Learning Center and (b) tuition for the instruction is the responsibility of the student or the student's parent/guardian.

1.33 "**Rise Marks**" means the trademark registrations and applications listed on Exhibit A-3, attached hereto, under the heading "Rise Marks".

1.34 "**Rise IP License Agreement**" is defined in the preamble.

1.35 "**Rise Products**" means products and services bearing one or more of the Rise Marks.

1.36 "**Royalties**" means the royalties as defined in Schedule 1, as amended from time to time by the Parties.

1.37 "**Sales**" means gross sales recognized in accordance with GAAP.

1.38 "**Sell-Off Rights**" is defined in Section 11.2.

1.39 "**Software**" means that material listed in Exhibit A-1, attached hereto, under the heading "Software".

1.40 "**Territory**" means only the geographic area named under the heading "Territory" in Exhibit A, attached hereto.

1.41 "**Term**" is defined in Section 10 below.

1.42 "**Third Party**" means any Person other than a Party or an Affiliate of any Party.

2. LICENSED RIGHTS.

2.1 Reservation of Rights. Licensee shall have only those rights that are expressly granted herein, subject to the terms and conditions of this Agreement, and to the rights and limitations of the Rise IP License Agreement. All other rights are expressly reserved by Licensor and its licensors (including HMH).

2.2 Rights Granted to Licensee. Subject to the terms and conditions of this Agreement, and to the Existing Third Party Rights, Licensor hereby grants to the Licensee those Licensed Rights listed in Exhibit A, attached hereto.

2.3 No Sublicensing. Licensee may not sublicense any of its rights under this Agreement to any other Person (except for the distribution of software in accordance with Section 2.2).

2.4 Expenses. Licensee will bear all costs and expenses of manufacturing, marketing and distributing the Customized Products.

2.5 Reservation of Rights.

(a) Except as expressly provided herein, Licensee shall not copy, modify, reproduce, display, decompile, store, translate, sell, lease or otherwise transfer, distribute or use the Licensed Material without Licensor's express prior written consent.

(b) Licensee hereby acknowledges and agrees that: (i) Licensor and its licensors (including HMH) each has all right, title and interest in and to all intellectual property rights in and to the Licensed Material, and (ii) Licensee will not acquire any right, title or interest in or to any intellectual property rights in and to the Licensed Material, by implication, estoppel or otherwise, other than the express license rights granted pursuant to this Agreement.

3. ROYALTIES.

3.1 Payment of Royalties. In consideration for the Licensed Rights and other rights granted to Licensee under this Agreement, Licensee will pay to Licensor the Royalties in accordance with Schedule 1. Licensor will have the right to waive, in part or in whole, any Royalty payment in its sole discretion upon written notice to Licensee.

3.2 Interest. Any Royalty payment due and payable but that has not been paid to Licensor when due for any reason will accrue until paid, and such accrued Royalty payment will be subject to an interest charge. The interest will accrue and be compounded daily beginning on the day after such Royalty payment is due and continuing until the date such Royalty payment is made. The rate of such interest shall be five percent (5%) per annum. Licensor will have the right to waive, in part or in whole, any interest accrued on any outstanding Royalty payment or interest in its sole discretion upon written notice to Licensee.

3.3 Adjustment. The Parties agree that Licensor will have the right, at the end of each calendar year during the term of this Agreement (or more frequently as commercially reasonable as determined by Licensor), to review the adequacy of the Royalties and adjust the Royalties payable under Section 3.1 above subject to market condition changes upon written notice to Licensee.

4. COPYRIGHT AND TRADEMARK NOTICES AND TITLE.

4.1 Standard. Licensee's utilization in any way of the rights granted pursuant to this Agreement is subject to Licensor's and its licensors' standards as set forth herein and as may from time to time be communicated to Licensee.

4.2 Proprietary Rights Notices. Any sale of a Customized Product shall include the copyright, trademark and other proprietary rights notices as are contained on the Golden Masters of such Customized Product (including the documentation) or as may be specified from time to time by Licensor.

4.3 Title to Products. The Licensee shall acquire no right, title or interest in or to the Licensed Material; Licensor shall retain all right, title and interest in and to the Customized Products, including all related intellectual property rights to the Customized Products. Licensee shall not reverse engineer or decompile any of the Licensed Material.

4.4 Work Made Under Entrustment; Intellectual Property Assignment. Licensee acknowledges that it has been granted no right to create derivative works of the Licensed Material or to create any Customized Products hereunder. However, in the event of any Customization by Licensee, subject to Section 4.3, each Customized Product shall be deemed to be a "work made under entrustment" for Licensor within the meaning of the applicable laws of the People's Republic of China, and shall be the exclusive property of Licensor. To the extent any Customized Product is not eligible to be a "work made under entrustment" or Licensee otherwise retains any right, title or interest in any Customized Product, then, Licensee hereby irrevocably assigns to Licensor all of Licensee's right, title and interest therein and thereto. Upon Licensor's request, Licensee will execute and deliver any other documents reasonably requested by Licensor and do all things that Licensor reasonably deems necessary or desirable in order to consummate and record such assignment or as required in the future to ensure the continued ownership by Licensor of all Customized Products. Licensor hereby grants a license to such Customized Products and associated material under the same terms and conditions, including the Field and Territory restrictions, as the license to Customized Products granted to Licensee in Section 2.2 above. Licensor is a third party beneficiary of the foregoing provision, with full power and authority to enforce it.

5. QUALITY CONTROL.

5.1 Standard. Licensee hereby acknowledges the importance to Licensor and its licensors (including HMH) of their reputations and goodwill and the concomitant importance of maintaining high standards of quality in their respective Destination Marks, Houghton Mifflin Harcourt brand, Rise Marks, the Rise brand, and promoting, distributing and selling the HMH Products, Customized Products, and Rise Products. Licensee will have any and all products and services offered and otherwise commercially exploited under the licenses pursuant to this Agreement (i) at the highest level of quality reasonably marketable in each country within the Territory, but in any event will not be required to exercise levels of quality in excess of those used by Licensor and its licensors (including HMH) in connection with similar works and (ii) in a manner that is reasonably expected to maintain or enhance the value and reputation of the applicable trademark or brand of Licensor and its licensors (including HMH).

5.2 Approval. In connection with Licensee's exercise of rights pursuant to this Agreement, Licensee will provide, for Licensor's approval, samples of each category of proposed use (including without limitation any material deviation from a previously approved category of use) of any Destination Mark, the Houghton Mifflin Harcourt brand, Rise Mark, or Rise brand no later than 45 days prior to the proposed use thereof. Licensor will notify Licensee of its approval, or if applicable its basis for non-approval, within 45 days after receipt of the samples described above. Upon approval of a proposed category of use, Licensee may continue to use the applicable trademarks or brands in such manner unless and until the applicable products or services on or in connection with which Licensee uses the applicable trademarks or brands or the proposed use of the applicable trademarks or brands does not continue to meet the above-described quality requirement.

5.3 Quality Control Covenants. Licensee undertakes not to commit, or omit, any act or pursue any course of conduct which is reasonably likely to:

(a) bring any of the Destination Marks, the Houghton Mifflin Harcourt brand, the HMH Products, HMH, the Customized Products, the Rise Marks, the Rise brand, the Rise Products, the Original Works, HMH, Rise IP or Licensor into disrepute;

(b) damage the goodwill or reputation attaching to any of the Destination Marks, the Houghton Mifflin Harcourt brand, the HMH Products, HMH, the Customized Products, the Rise Marks, the Rise brand, the Rise Products, the Original Works, HMH, Rise IP or Licensor;

(c) prejudice the validity or enforceability of any of the Destination Marks, the Houghton Mifflin Harcourt brand, the HMH Products, the Customized Products, the Rise Marks, the Rise brand, the Rise Products, or the Original Works; or

(d) dilute or reduce the value of any of the Destination Marks, Houghton Mifflin Harcourt brand, HMH Products, the Customized Products, the Rise Marks, the Rise brand, the Rise Products, or the Original Works, or any registrations thereof.

5.4 Copyright Covenants. Licensee will comply with applicable copyrights laws in the Territory, and with the Universal Copyright Convention where applicable, in relation to any and all derivative works of any HMH Products, including the inclusion of any required notices, and will take whatever steps are reasonably necessary to protect each such derivative work including any action required under the applicable laws in the Territory.

5.5 Trademark Covenants. All use of the Destination Marks and the Houghton Mifflin Harcourt brand by Licensee will inure to the benefit of HMH. All use of the Rise Marks and the Rise brand by Licensee will inure to the benefit of the owner of the Rise Marks. Licensee will not (a) use any of the Destination Marks, the Houghton Mifflin Harcourt brand, the Rise Marks, and the Rise brand outside of the ELL Field or the Territory, (b) register any confusingly similar trademarks or service marks to any of the Destination Marks, the Houghton Mifflin Harcourt brand, the Rise Marks, or the Rise brand, (c) take any action intended to interfere with HMH's use or registration of any of the Destination Marks or the Houghton Mifflin Harcourt brand, or Licensor's use or registration of any of the Rise Marks or the Rise brand, or (d) take any action that would be the proximate cause of devaluing, disparaging, or otherwise harming the value or goodwill of any of the Destination Marks, Houghton Mifflin Harcourt brand, Rise Marks, or Rise brand.

6. UNDERTAKINGS OF THE PARTIES.

6.1 Marketing of the Products. Subject to the terms of this Agreement, Licensee shall exert its best efforts to promote the sale of the ELL services contemplated by Section 3 of Exhibit A attached hereto pursuant to the rights granted in this Agreement and to develop and maintain a market demand for the same. In this regard Licensee will deliver to Licensor a detailed annual marketing plan for the Customized Products within the Territory.

6.2 Conduct of Business. Licensee shall conduct its business in a manner that will reflect favorably at all times on the Licensed Material and the good name, goodwill and reputation of Licensor and its licensors (including HMH), and shall avoid deceptive, misleading or unethical practices or advertisements that are or might be detrimental to Licensor and its licensors (including HMH), the Licensed Material or the public. Licensee shall not publish or employ or cooperate in the publication or employment of any misleading or deceptive advertising materials.

6.3 Compliance with Laws. Licensee will comply with the laws and regulations of all applicable local, state and federal jurisdictions, including, but not limited to, all state and federal laws and regulations governing product warranties.

6.4 Support. Licensor's only obligation to provide technical support shall be to Licensee directly and not to any Third Party.

6.5 Materials.

(a) Unless otherwise agreed, Licensor will deliver to Licensee, according to a schedule agreed upon by the Parties, the Licensed Material, together with such information and documentation as Licensee may reasonably require in order for it to distribute and provide services using the Licensed Material pursuant to the provisions of this Agreement.

(b) Licensee shall provide written notice to all of its employees and others engaged to distribute and provide services using the HMH Products that HMH owns the HMH Products and that such HMH Products are subject to the terms and conditions, including all restrictions, of this Agreement.

(c) Except for the trademarks licensed or permitted to be used pursuant to this Agreement Licensee will remove all trademarks, service marks and other brands owned by HMH or any affiliate of HMH from HMH ELL Products before displaying, performing, publishing, distributing or otherwise making commercially available any such HMH ELL Products pursuant to this Agreement.

7. CONFIDENTIALITY OF INFORMATION AND MATERIALS.

Licensee acknowledges that, in connection with the negotiation of and the transactions contemplated by this Agreement, it will obtain access to the Confidential Information of Licensor and HMH. Licensee shall hold in strict confidence and shall not disclose to others or use, either before or after termination or expiration of this Agreement, the terms of this Agreement and any Confidential Information, including but not limited to computer source code, except to the extent such disclosure or use is reasonably required to perform Licensee's obligations, exercise or enforce its rights under this Agreement or comply with applicable law. Licensee will treat, and will cause its affiliates and its and their representatives to treat, such Confidential Information as confidential, using the same degree of care as Licensee normally employs to safeguard its own confidential information from unauthorized use or disclosure, but in no event less than a reasonable degree of care. Licensee shall, upon termination or expiration of this Agreement, without request, deliver to Licensor any and all drawings, notes, documents and materials (including Licensed Materials) received from Licensor, without charge to Licensor.

8. REPRESENTATIONS AND WARRANTIES.

8.1 Licensor. Licensor represents and warrants that (i) Licensor owns all necessary rights or has obtained the necessary rights, pursuant to the Rise IP License Agreement and other license or sublicense agreements, to the Licensed Material; (ii) Licensor has the full power and authority to enter into this Agreement, all subject to revisions to rights granted to Licensor for Third Party intellectual property, where applicable.

8.2 EXCEPT AS SET FORTH IN THIS SECTION, LICENSOR AND ITS LICENSORS (INCLUDING HMH) MAKE NO REPRESENTATION OR WARRANTY WITH RESPECT TO ANY PRODUCT OR THE RELATED DOCUMENTATION AND TO THE EXTENT PERMITTED UNDER APPLICABLE LAW THE PRODUCTS ARE DELIVERED "AS IS." THE WARRANTY STATED HEREIN IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND SUCH WARRANTY CONSTITUTES THE ONLY WARRANTY MADE BY LICENSOR WITH RESPECT TO THIS AGREEMENT OR THE PRODUCTS, ARTICLES, MATERIALS, REPLACEMENT PARTS OR SERVICES TO BE SUPPLIED HEREBY.

8.3 Licensee.

(a) Licensee represents and warrants that Licensee has full power and authority to enter into this Agreement and that it will comply with all applicable laws in manufacturing, marketing and distributing products based on the Licensed Material.

(b) Licensee represents and warrants that it has not been finally adjudged by a court of competent jurisdiction in the last five (5) years to be liable for willful copyright infringement or its substantial equivalent under foreign law.

(c) Licensee represents and warrants that Licensee's exploitation of the Licensed Rights would not, to Licensee's actual knowledge after reasonable inquiry, cause HMH to be in violation of applicable export laws.

(d) Licensee represents and warrants and covenants that it will not assign or transfer any rights or obligation of this Agreement to any party who has been finally adjudged by a court of competent jurisdiction in the last five (5) years to be liable for willful copyright infringement or its substantial equivalent under foreign law.

(e) Licensee represents and warrants and covenants that it will not assign or transfer any rights or obligation of this Agreement to any Excluded Third Party.

(f) Licensee represents and warrants and covenants that it will not assign or transfer any rights or obligation of this Agreement to any party where the grant or exploitation of such rights or obligation would, to Licensee's actual knowledge after reasonable inquiry, cause HMH to be in violation of applicable export laws.

9. INDEMNIFICATION.

9.1 Licensor Indemnity.

(a) Licensor shall indemnify, defend, and hold Licensee harmless from and against all claims, suits, demands, actions and proceedings, judgments, penalties, damages, costs and expenses (including reasonable legal fees and costs), losses or liabilities ("**Damages**") arising out of a claim that any Damages incurred by Licensee resulting from a breach by Licensor of any representation, warranty or other provision of this Agreement, and Licensor will pay the costs and damages finally awarded in any suit or proceeding.

(b) Licensor shall not be obligated to defend or be liable for costs and/or damages under this Section 9 if the alleged infringement arises out of or is in any manner attributable to any modification of any Licensed Material by Licensee.

9.2 Licensee Indemnity. Licensee shall indemnify and hold Licensor and its licensors (including HMH) harmless from and against all Damages which may arise or result (a) from the marketing or distribution by Licensee of the Customized Products, (b) from any Damages incurred by Licensor as a result of any sale of any Customized Product outside of the geographic scope and outside the scope of the rights granted pursuant to this Agreement, and (c) from any Damages incurred by Licensor resulting from a breach by Licensee of any representation, warranty or other provision of this Agreement.

9.3 Claims. With respect to any claims falling within the scope of the foregoing indemnifications: (a) each party agrees to notify the other promptly of and keep the other fully advised with respect to such claims and the progress of any suits in which the other party is not participating; (b) Licensor shall have the right to assume, at its expense, the defense of a claim or suit made or filed against Licensee by a party other than Licensor; and (c) if Licensor does not represent Licensee in any claim or suit for which Licensor is obligated to indemnify Licensee pursuant to Section 9.1, Licensor shall pay Licensee's reasonable and documented legal costs and expenses in defense of such a claim. Licensee shall not settle such claim or suit without the prior written approval of Licensor, which approval will not be unreasonably withheld or delayed.

9.4 LIMITATION OF LIABILITY. NEITHER PARTY NOR LICENSOR'S LICENSORS (INCLUDING HMH) SHALL BE LIABLE TO ANY PARTY HERETO FOR LOST PROFITS, LOSS OF DATA OR ANY COLLATERAL, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES OF ANY KIND WITH RESPECT TO THIS AGREEMENT.

10. TERM OF AGREEMENT; RENEWAL.

Unless earlier terminated pursuant to this Agreement, the term of this Agreement will commence on January 1, 2012 and continue until December 31, 2016. This Agreement will be renewed automatically for successive five (5)-year periods, unless both Parties agree to terminate it in writing (the initial term and all renewal terms, collectively, the "Term").

11. TERMINATION.

11.1 Termination For Cause. Either Party may terminate this Agreement, for cause as follows:

(a) Bankruptcy. Either Party may immediately terminate this Agreement upon written notice to the other Party in the event that proceedings in bankruptcy or insolvency are instituted by or against the other Party, or a receiver is appointed, or if any substantial part of the assets of the other party is the object of attachment, sequestration or other type of comparable proceeding, and such proceeding is not vacated or terminated within sixty (60) days after its commencement or institution.

(b) Material Breach. Either party may terminate this Agreement if one Party commits a material breach of any of the terms or provisions of this Agreement and does not cure such breach within thirty (30) days after receipt of written notice of said material breach given by the other Party.

(c) Termination for Cessation of Business. Upon not less than thirty (30) days prior written notice, Licensor may terminate this Agreement if Licensee ceases to carry on its business or substantially the whole of its business and the rights granted to Licensee hereunder cease to be utilized, unless a successor or assign of Licensee has succeeded to and is conducting Licensee's business or substantially the whole of its business. Licensee will be entitled to recommence its business or substantially the whole of its business within such thirty (30)-day period, and if Licensee so recommences its business, the proposed termination will not occur.

11.2 Rights Upon Termination. Upon the termination of this Agreement for any reason, Licensee shall return or destroy Licensor's and HMH's Confidential Information provided hereunder and Licensee will return to Licensor all of the Licensed Material. So long as termination was not due to breach of this Agreement by Licensee, Licensee will have the right for a period of five (5) years following any such termination to sell its remaining inventory of print publications produced under the license rights set forth hereunder prior to the date of termination (the "**Sell-Off Rights**"); provided that Licensee will discontinue all sales of all such products and any derivative works thereof immediately upon the expiration of the Sell-Off Rights. Except as otherwise expressly provided in this section, no consideration, or indemnity shall be payable to the Licensee either for loss of profit, goodwill, creation of clientele or other like or unlike items, nor for advertising costs, costs of samples or supplies, termination of employees, employees' salaries and other like or unlike items.

11.3 Survival of Terms. Sections 1, 4.3, 4.4, 5.5, 7, 8, 9, 11.2, 11.3, 12 and 14 of this Agreement shall survive any termination of this Agreement.

12. BOOKKEEPING OBLIGATIONS AND INSPECTION RIGHTS.

12.1 Licensee shall, upon Licensor's request or at least annually, report to Licensor the following: (i) a list of all of the Licensed Material that has been used in any products or services sold by Licensee, including detail regarding which entity used each such Licensed Material and how such Licensed Material was used; and (ii) a detailed revenue report showing the Sales of Licensee and a full breakdown of its sales revenues for the Licensed Material and any product/service derived therefrom, by product. Licensee will also notify Licensor in writing when it commences using any Licensed Material that has not been previously used by the applicable entity; such notice to be delivered within 30 days after the applicable use.

12.2 Licensee shall maintain true and complete books of account at its principle place of business containing an accurate record of all data necessary to substantiate compliance with this Agreement by Licensee. Licensor and its designees, including HMH, shall have the right to examine, inspect, copy and audit such books at all reasonable times (but not more than once in each calendar year and for a period of five (5) years after the period being audited) for the purpose of verifying the accuracy of the reports and computation rendered by Licensee. Upon reasonable advance notice, such examination shall be made during normal business hours at the principle place of business of Licensee.

12.3 Notwithstanding the foregoing, in the event that a material breach of this Agreement is found in the applicable audit, in addition to any and all other rights and remedies that Licensor may have, (A) Licensor will be entitled to an additional audit in the applicable calendar year and (B) the cost of such audit will be borne by the Licensee.

12.4 Before the 10th of every month, Licensee shall provide Licensee's enrollment data relating to the "RISE Immersion Subject English" curriculum for the previous month to Licensor.

13. ASSIGNMENT.

This Agreement or any part thereof may not be assigned or transferred by Licensee, by operation of law or otherwise, without the prior written consent of Licensor. Notwithstanding anything herein to the contrary, without the prior written consent of Licensor, Licensee may not assign or transfer this Agreement to any Excluded Third Party or to any Third Party that has been finally adjudged by a court of competent jurisdiction in the last five (5) years to be liable for willful copyright infringement or its substantial equivalent under foreign law. Licensor may assign or transfer its rights and obligations under this Agreement upon prior written notice to Licensee. Subject to the foregoing, this Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

14. MISCELLANEOUS.

14.1 Entire Agreement. This Agreement contains the entire understanding of the Parties hereto relating to the Products, supersedes any prior written or oral agreement or understandings between the Parties with respect to the Products, and cannot be changed or terminated orally. This Agreement may be amended only by a writing signed by the parties hereto.

14.2 Enforceability. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision of this Agreement.

14.3 Successors. All rights and obligations arising out of this Agreement shall inure to the benefit of, and be binding on and enforceable by, the Parties and their respective successors and permitted assigns.

14.4 Currency. All dollar amounts herein are expressed in United States funds.

14.5 Governing Law. All disputes, claims or controversies arising out of or related to this Agreement, or the negotiation, validity or performance of this Agreement, or the transactions contemplated hereby will be exclusively governed by and construed in accordance with the laws of China without regard to its rules of conflict of laws that would result in the application of the law of another jurisdiction.

14.6 Notices. All notices or other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be considered as properly given or made (a) when received, if hand delivered, sent by facsimile transmission (the receipt of which is confirmed) or sent by express overnight courier service, or (b) two (2) business days after deposit in the mail if mailed by first class mail, postage prepaid:

If to Licensor, to:	If to Licensee, to:
Rise (Tianjin) Education Information Consulting Company Limited	[ ]
	[ ]
[8/F, Tower W3, Oriental Plaza, 1 East Chang An Avenue, Dong Cheng District, Beijing, 100738]	Attention: [ ]
Attention: Sun Yiding	

or to such other address as any such party may have designated by like notice forwarded to the other party hereto.

14.7 English Language and Translations. This Agreement and the negotiations associated with the execution of this Agreement have been conducted in the English language. The parties hereto agree and understand that any contract interpretation shall likewise be conducted in English, and that the parties have had adequate opportunity to review and approve the language contained herein as entirely reflective and accurate as to the business relationship contemplated hereby, regardless of any subsequent translation of this Agreement into any other language. In the event of any contradiction, dispute or additional terms found in any translated version of this Agreement, the terms and conditions of the English language version of this Agreement shall be binding and supersede all other versions.

14.8 Affiliates. The rights granted to Licensor under this Agreement shall be deemed to include all affiliates of Licensor.

14.9 Press Releases. Licensee shall not make any public announcement or issue any press release relating to this Agreement or the services to be provided in connection therewith without the prior written consent of Licensor.

14.10 Third Party Beneficiary. HMH is a third-party beneficiary to this Agreement, with full power and authority to enforce its terms and conditions against the Licensee, but only in connection with the protection of its interests in the HMH Products, Destination Marks, and Attribution Language. In connection with such enforcement, Licensee consents to the exclusive jurisdiction of the state and federal courts in the State of New York, United States of America.

14.11 Registration/Recordation and Submission of Agreement. Subject to the provisions herein and notwithstanding anything to the contrary in Section 7, in the event that a Party is required to disclose this Agreement (or any portion of this Agreement) to a Governmental Body under applicable Law or as reasonably necessary for enabling payments under applicable Law between the Parties, such Party shall provide prior written notice to the other Party of such disclosure requirement and the Parties shall cooperate in good faith to prepare and execute an abbreviated license agreement in form and substance reasonably acceptable to both Parties, solely for purposes of such disclosure, and any other documents in connection with such disclosure required by such Governmental Body, and submit to such Governmental Body such abbreviated license agreement along with such documents required by such Governmental Body. Notwithstanding the existence of any such executed abbreviated license agreement or other document, the terms and conditions of this Agreement shall control in all respects in the event of any conflicting terms and conditions or dispute regarding the interpretation, applicability or enforcement of such abbreviated license agreement or other document.

15. COUNTERPARTS.

This Agreement may be executed in two or more counterparts, each of which will be deemed to be an original, and such counterparts will together constitute one and the same instrument. A facsimile or e-mail transmission of an executed counterpart signature page will be deemed an original.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed under seal as of the Effective Date.

Rise (Tianjin) Education Information Consulting Company Limited	[ ]
By: _____	By: _____
Name: Sun Yiding	Name: [ ]
Title: Legal Representative	Title: Legal Representative

[Signature Page to License Agreement]

SCHEDULE 1

1. Royalties. For each calendar quarter during the term of this Agreement, an amount equal to twenty (20%) percent of Sales of Licensee, measured on a consolidated basis, for such period ("**Royalties**").

The Royalties shall be payable on a quarterly basis. On March 15, June 15, September 15 and December 15 of each year during the term of this Agreement, Licensee shall provide Licensor with a good faith estimate of Sales for the next calendar quarter and pay to Licensor an amount equal to twenty percent (20%) of such estimated Sales (the "**Estimated Royalties**"). March 15, June 15, September 15 and December 15 of each year shall be the payment date for such Estimated Royalties.

If the amount of Estimated Royalties paid by Licensee for a calendar quarter exceeds the amount of Royalties payable by Licensee which is equal to twenty percent (20%) of actual Sales of Licensee for such quarter (the portion of the Estimated Royalties in excess of the Royalties hereinafter referred to as the "**Excessive Amount**"), Licensor shall repay the Excessive Amount to Licensee on the next payment date for the Estimated Royalties. Licensor has the right to set off the Excessive Amount against the Estimated Royalties payable by Licensee to Licensor for the next calendar quarter.

If the amount of Estimated Royalties paid by Licensee for a calendar quarter is lower than the Royalties payable by Licensee which is equal to twenty percent (20%) of actual Sales of Licensee for such quarter (the portion of the Royalties in excess of the Estimated Royalties hereinafter referred to as the "**Shortfall Amount**"), then Licensee shall pay to Licensor the Shortfall Amount together with the Estimated Royalties for the next calendar quarter on the next payment date for the Estimated Royalties.

Licensee will make all payments to Licensor in accordance with the written payment instructions of Licensor.

EXHIBIT A

1. The Territory. The People's Republic of China.

2. Licensed Material.

(a) HMH Products

(b) Software

(c) Destination Marks

(d) Attribution Language

(e) Rise Products

(f) Rise Marks

(g) Customized Products

(h) Original Works

3. Licensed Rights. Licensor hereby grants to Licensee those rights listed in Sections 3(a) through (i) below, subject to the limitations set forth therein and in Section 3(j) below.

(a) a nonexclusive, royalty-bearing license in the ELL Field in the Territory to use, display, perform, promote, distribute, and sell the HMH ELL Destination Products, as part of an ELL service;

(b) a nonexclusive, royalty-bearing license in the ELL Field in the Territory to use, display, perform, promote, distribute, and sell the HMH ELL Other Products solely to the extent included in any HMH ELL Other Products Derivative Works, as part of an ELL service;

(c) a nonexclusive, royalty-bearing license to, in the exercise of the above licenses, offer a Pre-K/K Curriculum Offering in a Learning Center as part of an ELL offering made available in such Learning Center, which Pre-K/K Curriculum Offering may use or otherwise incorporate an unlimited amount of the applicable HMH Product identified in the applicable license grant in unaltered shelf form (*i.e.*, without a requirement to create a derivative work before using such HMH Product); provided that the instruction for such Pre-K/K Curriculum Offering is in English;

(d) a nonexclusive, royalty-bearing license in the ELL Field in the Territory to display, perform and distribute the Software, in object code form only, and associated enduser documentation, alone or as part of other software products, solely for the purpose of making the HMH ELL Products available in accordance with the license in Section 3(a)-(c) above;

(e) a nonexclusive, royalty-bearing license to use the Destination Marks to advertise and promote in the ELL Field in the Territory any products or services;

(f) a nonexclusive, royalty-bearing right during the ten (10) year period following the Effective Date of the Master License Agreement to use the Attribution Language to advertise and promote in the Territory and the ELL Field any products or services which, when measured on an individual title basis and measured by lesson or page count, are comprised of more than 50% content from HMH ELL Products;

(g) a nonexclusive, royalty-bearing license to use the Rise Marks to use, advertise, promote, distribute, and sell in the ELL Field in the Territory Rise Products;

(h) a nonexclusive, royalty-bearing license in the ELL Field in the Territory to use, display, perform, promote, distribute, and sell the Customized Products, as part of an ELL service;

(i) a nonexclusive, royalty-bearing license in the ELL Field in the Territory to use, display, perform, promote, distribute, and sell the Original Works, as part of an ELL service;

(j) Other Limitations:

(i) Licensee shall only have those rights that are expressly granted herein, subject to the terms and conditions of this Agreement. All other rights are expressly reserved by Licensor and/or HMH.

(ii) All rights granted herein are subject to the rights and limitations of the Rise IP License Agreement.

(iii) All rights granted herein are subject to a pre-existing license granted to Reader China Group Ltd. in connection with the operation of a Learning Center in the Territory, as well as the Existing Third Party Rights referenced in Section 2.2.

(iv) Licensee may access, use and/or otherwise exploit no more than one-third (1/3) of any HMH ELL Other Frontlist Product, measured by titles, lesson count, grade level and type of lesson for purposes of enhancing or creating any ELL course offered by Licensee.

(v) School Product Advertising or Marketing. Licensee will not advertise or market any products or services offered by Licensee in the exercise of any of the licensed rights described in Section 3(a)-(i) as part of any school product or service.

(vi) Use of HMH Property. Licensee will not use or otherwise exploit any HMH Product or any Destination Mark in any manner that exceeds the scope of the licenses granted above.

(vii) Online Exploitation; Protection of HMH Products. If Licensee makes any portion of any HMH Product available over the Internet or other electronic network Licensee will, to the extent commercially reasonable, use reasonable technology to block access to such HMH Product to individuals not present in, or a resident of, the Territory, as applicable. Licensee will use reasonable efforts to prevent unauthorized access to or use of the HMH Products and, in any event, will not afford the HMH Products with any less protection than Licensee affords its own content, technology and intellectual property rights. Such efforts may include, without limitation, password protection, right-click copy deactivation, and other such measures adequate to properly secure the applicable HMH Product.

(viii) The territory rights and limitations set forth Section 3(a)-(i) above require that the products and services made commercially available by Licensee thereunder will only be made available from the Territory to students residing or physically located in the Territory.

(ix) Licensee shall follow Licensor's guidance and requirements, operate the curriculum in accordance with the law, be responsible for its own profits and losses, conduct business activities, earn its own income and pay service fees to Licensor as provided hereunder. Within the term of this Agreement, Licensor is entitled to amend or formulate the rules and bylaws relating to the "RISE Immersion Subject English" curriculum from time or time. The newly formulated or amended curriculum, rules and bylaws shall be binding on Licensee from the date of delivery to Licensee via email or facsimile after such changes have taken effect.

EXHIBIT A-1

HMH Products

HMH ELL Destination Products

Class	Product	Level of Localisation	HMH Source	Type of File
Platform				
K to 12	Destination Success LMS 4	non-localised	DLM	Software
English				
K	Bailey's Book House	non-localised	Edmark House Series	Software
1 to 5	Destination Reading 1	non-localised	HMH Destination Series	Media
	Destination Reading 2	non-localised	HMH Destination Series	Media
6 to 8	Destination Reading 3	non-localised	HMH Destination Series	Media
	Destination Reading 4	non-localised	HMH Destination Series	Media
Math				
K	Millie's Math House	non-localised	Edmark House Series	Software
1 to 5	Destination Math: MSC I	non-localised	HMH Destination Series	Media
	Destination Math: MSC II	non-localised	HMH Destination Series	Media
	Destination Math: MSC ill	non-localised	HMH Destination Series	Media
	Destination Math: MSC IV	non-localised	HMH Destination Series	Media
6 to 8	Destination Math (MSCV)	non-localised	HMH Destination Series	Media
9 to 12	Destination Math (MA1_1)	non-localised	HMH Destination Series	Media
	Destination Math (ftilA1_2)	non-localised	HMH Destination Series	Media
Science				
K-2	Sammy's Science House	non-localised	Edmark House Series	Software
6 to 12	Logal	non-localised	Logal	Software
Social Studies				
K	Trudy's Time and Place	non-localised	Edmark House Series	Software
K to 2	Edmark Thinkin' Things	non-localised	Edmark	Software
Educational Games				
K to adult	Cluefinders	non-localised	Cluefinders	Software
K to adult	Starflyers	non-localised	Starflyers	Software
K to adult	Mavis Beacon Teaches Typing	non-localised	Mavis Beacon Teaches Typing	Software
K to adult	Oregon Trail	non-localised	Oregon Trail	Software

HMH ELL Other Products

Class	Product	Level of Localisation	HMH Source
English			
1 to 6	HM Reading 2008 - Grade 4	sections edited and used	HM Reading 2008
	HM Reading 2008 - Grade 5	sections edited and used	HM Reading 2008
	HM Reading 2008 - Grade 6	sections edited and used	HM Reading 2008
	Splash into Phonics	non-localised	Storytown 2011
	Comprehension Expedition	non-localised	Storytown 2011
3 to 12	SkillsTutor - Language Arts A, B, C	sections edited and used	SkillsTutor
	SkillsTutor - Reading Comprhension LL, A, B, C	sections edited and used	SkillsTutor
	SkillsTutor - Vocabulary A, B, C	sections edited and used	SkillsTutor
6 to 12	Elements of Language 2007 - Introductory Course	sections edited and used	Elements of Language 2007
	Elements of Language 2007 - First Course	sections edited and used	Elements of Language 2007
	Elements of Language 2007 - Second Course	sections edited and used	Elements of Language 2007
	Elements of Language 2007 - Third Course	sections edited and used	Elements of Language 2007
	Elements of Language 2007 - Fourth Course	sections edited and used	Elements of Language 2007
	Elements of Language 2007 - Fifth Course	sections edited and used	Elements of Language 2007
	Elements of Language 2007 - Sixth Course	sections edited and used	Elements of Language 2007
	Elements of Literature 2007 - Introductory Course	sections edited and used	Elements of Literature 2007
	Elements of Literature 2007 - First Course	sections edited and used	Elements of Literature 2007
	Elements of Literature 2007 - Second Course	sections edited and used	Elements of Literature 2007
	Elements of Literature 2007 - Third Course	sections edited and used	Elements of Literature 2007
	Elements of Literature 2007 - Fourth Course	sections edited and used	Elements of Literature 2007
	Elements of Literature 2007 - Fifth Course	sections edited and used	Elements of Literature 2007
	Elements of Literature 2007 - Sixth Course	sections edited and used	Elements of Literature 2007

	Write Source Grammar Snap Activites: Selection	non-localised videos	Write Source 2012
	Write Source Grade 6 Student Edition	sections edited and used	Write Source 2012
	Write Source Grade 9 Student Edition	sections edited and used	Write Source 2012
	Write Source Grade 11 Student Edition	sections edited and used	Write Source 2012
	Grammar Notes	sections edited and used	Elements of Language 2009
	Writing Notes	sections edited and used	Elements of Language 2009
	Power Notes	sections edited and used	Elements of Language 2009
	Word Sharp	sections edited and used	Elements of Language 2009
Maths			
6 to 8	Holt Middle School Math Online Edition 2007 - Course 1	non-localised but edited	Holt Middle School Math 2007
	Holt Middle School Math Online Edition 2007 - Course 2	non-localised but edited	Holt Middle School Math 2007
	Holt Middle School Math Online Edition 2007 - Course 3	non-localised but edited	Holt Middle School Math 2007
Science			
6 to 12	Florida Science Fusion - select lessons and science labs	non-localised	Florida Science Fusion 2012
Assessment			
3 to 12	Assess2Know 2008 test bank	non-localised	Assess2Know 2008

HMH ELL Other Products

Class	Product	Level of Localisation	HMH Source
English			
1 to 6	Splash into Phonics	non-localised	Storytown 2011
	Comprehension Expedition	non-localised	Storytown 2011
3 to 12	SkillsTutor – Language Arts A, B, C	sections edited and used	SkillsTutor
	SkillsTutor - Reading Comprhension LL, A, B, C	sections edited and used	SkillsTutor
	SkillsTutor - Vocabulary A, B, C	sections edited and used	SkillsTutor
6 to 12	Write Source Grammar Snap Activites: Selection	non-localised videos	Write Source 2012
	Grammar Notes	sections edited and used	Elements of Language 2009
	Writing Notes	sections edited and used	Elements of Language 2009
	Power Notes	sections edited and used	Elements of Language 2009
	Word Sharp	sections edited and used	Elements of Language 2009
Maths			
6 to 8	Holt Middle School Math Online Edition 2007 – Course 1	non-localised but edited	Holt Middle School Math 2007
	Holt Middle School Math Online Edition 2007 – Course 2	non-localised but edited	Holt Middle School Math 2007
	Holt Middle School Math Online Edition 2007 – Course 3	non-localised but edited	Holt Middle School Math 2007
Science			
6 to 12	Florida Science Fusion - select lessons and science labs	non-localised	Florida Science Fusion 2012
Assessment			
3 to 12	Assess2Know 2008 test bank	non-localised	Assess2Know 2008

HMH ELL Destination Products Pictorial Works

No.	Work Name	Pictorial Work
1	Bailey	
2	Bailey	
3	Millie	
4	Millie	
5	Edmo	
6	Tiger	

No.	Work Name	Pictorial Work
7	Professor	Professor
8	Trudy	Trudy
9	Monkey	Monkey
10	Sammy	Sammy
11	Amy	Amy

EXHIBIT A-2

Destination Marks

Registered Trademarks

No.	Name	Trademark Sample	Country	Type	Registration Number	Registration Date	Expiration Date
1	DESTINATION MATH	DESTINATION MATH	China	9	8231182	2011-04-28	2021-04-27
2	DESTINATION READING	DESTINATION READING	China	9	8231184	2011-4-28	2021-4-27
			China	41	8231183	2011-6-14	2021-6-13
3	DESTINATION SUCCESS	DESTINATION SUCCESS	China	9	8231189	2011-4-28	2021-4-27
			China	16	8231188	2011-5-21	2021-5-20
			China	41	8231187	2011-9-7	2021-9-6
			China	42	8231186	2011-6-14	2021-6-13
4	DESTINATION TEACH	DESTINATION TEACH	China	9	8231182	2011-04-28	2021-04-27
			China	16	8231400	2011-04-28	2021-04-27
			China	41	8231248	2011-6-14	2021-6-13
			China	42	8231247	2011-6-14	2021-6-13

No.	Name	Trademark Sample	Country	Type	Registration Number	Registration Date	Expiration Date
5	SUMMER SUCCESS		China	9	8478362	2011-7-28	2021-7-27
			China	16	8478407	2011-7-28	2021-7-27
			China	28	8478436	2011-7-28	2021-7-27
			China	41	8478470	2011-9-14	2021-9-13
			China	42	8478487	2011-9-14	2021-9-13

EXHIBIT A-3

Rise Marks

Registered Trademarks

No.	Name	Trademark Sample	Country	Type	Registration Number	Registration Date	Expiration Date
1	□□	瑞思	China	16	6219025	2010-2-21	2020-2-20
			China	28	6219024	2010-3-28	2020-3-27
			China	41	6219023	2010-6-14	2020-6-13
			China	42	6219022	2010-6-14	2020-6-13
2	□□□□	瑞思玛特	China	9	6862439	2010-7-21	2020-7-20
			China	16	6862438	2010-4-28	2020-4-27
			China	41	6862437	2010-9-14	2020-9-13
			China	42	6862436	2010-9-14	2020-9-13
3	□□□□	瑞思学科	China	9	6219026	2010-3-14	2020-3-13
			China	16	6218817	2010-2-21	2020-2-20
			China	41	6218816	2010-6-14	2020-6-13
			China	42	6218818	2010-6-14	2020-6-13
4	□□□□□□	瑞思玛特学科	China	16	6862442	2010-4-28	2020-4-27
			China	41	6862440	2010-9-14	2020-9-13
			China	42	6862441	2010-9-14	2020-9-13

No.	Name	Trademark Sample	Country	Type	Registration Number	Registration Date	Expiration Date
5	RISE		China	16	6218819	2011-2-14	2021-2-13
			China	41	6218820	2012-3-21	2022-3-20
			China	42	6218821	2012-2-14	2022-2-13
6	RISEMART		China	9	6781683	2010-7-7	2020-7-6
			China	16	6781468	2010-4-7	2020-4-6
			China	28	6781467	2010-8-7	2020-8-6
			China	41	6781684	2010-9-28	2020-9-27
7	RISMART Daycare		China	9	7913117	2011-4-7	2021-4-6
			China	16	7913232	2011-3-21	2021-3-20
			China	28	7913248	2011-2-14	2021-2-13
			China	41	7913262	2011-3-14	2021-3-13
8	RISMART		China	9	6830948	2010-7-14	2020-7-13
			China	16	6830947	2010-4-14	2020-4-13
			China	28	6830946	2010-9-7	2020-9-6
			China	41	6830945	2010-9-21	2020-9-20

No.	Name	Trademark Sample	Country	Type	Registration Number	Registration Date	Expiration Date
9	REERPSYSTEM		China	9	6962315	2010-8-28	2020-8-27
			China	41	6962316	2010-10-7	2020-10-6
			China	42	6962317	2010-10-7	2020-10-6
10	□□□	瑞沃迪	China	9	6219021	2010-3-14	2020-3-13
			China	16	6219020	2010-2-21	2020-2-20
			China	41	6219019	2010-6-14	2020-6-13
			China	42	6219018	2010-6-14	2020-6-13
11	PreRISE Immersion Subject English		China	9	8471438	2012-3-28	2022-3-27
			China	28	8471523	2011-7-21	2021-7-20
			China	41	8471538	2012-9-14	2022-9-13
12	RISESuper Immersion Subject English		China	28	8475267	2011-10-14	2021-10-13
			China	41	8475315	2012-4-7	2022-4-6
13	MiniRISE Immersion Subject English		China	9	8471404	2012-3-28	2022-3-27
			China	28	8471513	2012-3-28	2022-3-27
			China	41	8471547	2012-10-7	2022-10-6
14	WINTER WIN □ □		China	9	8475080	2011-8-28	2021-8-27
			China	16	8475188	2011-9-14	2021-9-13
			China	28	8475282	2011-8-28	2021-8-27
			China	41	8475300	2011-7-21	2021-7-20
			China	42	8478501	2011-9-14	2021-9-13

No.	Name	Trademark Sample	Country	Type	Registration Number	Registration Date	Expiration Date
15	PTA □□		China	9	8478370	2011-7-28	2021-7-27
			China	16	8478397	2013-05-07	2023-05-06
			China	28	8478447	2013-8-7	2023-8-6
			China	41	8478461	2011-9-14	2021-9-13
			China	42	8482339	2012-1-14	2022-1-13
16	□□□□		China	16	8393157	2013-1-7	2023-1-6
			China	28	8393179	2012-9-28	2022-9-27
			China	41	8393200	2011-6-28	2021-6-27
			China	42	8393223	2011-7-14	2021-7-13
17	RISEUP Immersion Subject English		China	9	8940516	2011-12-21	2021-12-20
			China	16	8940546	2012-12-21	2022-12-20
			China	28	8940588	2011-12-21	2021-12-20
			China	41	8940624	2012-3-7	2022-3-6
18	RISEUP		China	9	8940717	2011-12-21	2012-12-20
			China	16	8940744	2012-5-21	2022-5-20
			China	28	8945152	2011-12-21	2021-12-20
			China	41	8945175	2012-3-7	2022-3-6
			China	42	8945205	2012-3-7	2022-3-6

No.	Name	Trademark Sample	Country	Type	Registration Number	Registration Date	Expiration Date
19	□□□□	瑞思高阶	China	9	8945247	2011-12-21	2021-12-20
			China	16	8945270	2011-12-21	2021-12-20
			China	28	8945298	2011-12-21	2021-12-20
			China	41	8945328	2012-8-21	2022-8-20
20	RISEPRO	RISEPRO PROFESSIONAL ENGLISH	China	9	9019371	2012-1-14	2022-1-13
			China	16	9037149	2012-1-21	2022-1-20
			China	28	9019333	2013-8-14	2023-8-13
			China	41	9033858	2013-7-14	2023-7-13
			China	42	9033836	2013-7-14	2023-7-13
21	RISEPRO □□	RISEPRO	China	9	9037180	2012-5-14	2022-5-13
			China	16	9037134	2012-1-21	2022-1-20
			China	28	9019280	2013-5-21	2023-5-20
			China	41	9033880	2013-7-14	2023-7-13
			China	42	9033817	2013-7-14	2023-7-13

No.	Name	Trademark Sample	Country	Type	Registration Number	Registration Date	Expiration Date
22	□□□□	瑞思专能	China	9	9019208	2012-1-14	2022-1-13
			China	16	9013867	2012-1-14	2022-1-13
			China	28	9013907	2012-1-14	2022-1-13
			China	41	9013762	2012-9-14	2022-9-13
			China	42	9013823	2012-11-14	2022-11-13

Trademark Applications

No.	Name	Trademark Sample	Country	Type	Registration Number	Application Date	Note
1	PreRISE Immersion Subject English		China	16	8471479	2010-7-12	Application rejected and submitted for re-examination
			China	42	8471577	2010-7-12	Application rejected and submitted for re-examination
2	RISESuper Immersion Subject English		China	9	8475068	2010-7-13	Application rejected and submitted for re-examination
			China	16	8475144	2010-7-13	Application rejected and submitted for re-examination
			China	42	8475332	2010-7-13	Application rejected and submitted for re-examination

No.	Name	Trademark Sample	Country	Type	Registration Number	Application Date	Note
3	MiniRISE Immersion Subject English		China	16	8471488	2010-7-12	Application rejected and submitted for re-examination
			China	42	8471567	2010-7-12	Application rejected and submitted for re-examination
4	AppleLandAcademy of Educators □□		China	16	8561231	2010-8-10	Application rejected and submitted for re-examination
			China	41	8561299	2010-8-10	Application rejected and submitted for re-examination
			China	42	8561320	2010-8-10	Application rejected and submitted for re-examination
5	RISEUP Immersion Subject English		China	42	8940659	2010-12-10	Application rejected and submitted for re-examination
6	□□□□		China	42	8945357	2010-12-13	Application rejected and submitted for re-examination
7	RISMART KINDERGARTEN □□□□□□□		China	16	11888124	2012-12-13	Pending for review
			China	41	11888223	2012-12-13	Pending for review

No.	Name	Trademark Sample	Country	Type	Registration Number	Application Date	Note
8	RISMART KINDERGARTEN		China	16	11888165	2012-12-13	Pending for review
			China	41	11888243	2012-12-13	Pending for review

EXHIBIT A-4

Original Works

S5 Course Material List / S5 □□□□□□□□□□□ (Student's Materials & Teacher's Materials)

	S5 Products	Referring Correlation
Student's Materials	S5 Supplementary Course Material Anti-forgery / S5 □□□□□□	no reference to DM/R

S4 Course Material List / S4 □□□□□□□□□□□ (Student's Materials&Teacher's Materials)

	S4 Products	Referring Correlation
Student's Materials	S4 Supplementary Course Material Anti-forgery / S4 □□□□□□	no reference to DM/R
	S4 Course Material - Highlighter / S4 □□-□□□	no reference to DM/R
	S4 Course Material - Color Tapes / S4 □□-□□□	no reference to DM/R
Training Materials	Stage 4 PPT □□□□□ Stage 4 PPT for Teacher's Motivation	no reference to DM/R

S3 Course Material List / S3 □□□□□□□□□□□ (Student's Materials&Teacher's Materials)

	S3 Products	Referring Correlation
Student's Materials	S3 Supplementary Course Material Anti-forgery / S3 □□□□□□	no reference to DM/R
	S3 Course Material - White Board / S3 □□-□□□□□□□□□	no reference to DM/R
	Home Reading Stage 3 Semester 1 (ISBN 978-7-5640-2130-6) (after revision)	no reference to DM/R
	Home Reading Stage 3 Semester 2 (ISBN 978-7-5640-2130-6) (after revision)	no reference to DM/R
	S3 Course Material - Dice (2) / S3 □□-□□2□	no reference to DM/R
	S3 Course Material - Dice Sticker / S3 □□-□□□□	no reference to DM/R

S2 Course Material List / S2 □□□□□□□□□□ (Student’s Materials&Teacher’s Materials)

	S2 Products	Referring Correlation
Student’s Materials	S2 Supplementary Course Material Anti-forgery / S2 □□□□□□	no reference to DM/R
	S2 Course Material - Ruler / S2 □□-□□	no reference to DM/R
	S2 Course Material - Coins / S2 □□-□□	no reference to DM/R

S1C Course Material List / S1C □□□□□□□□□□ (Student’s Materials&Teacher’s Materials)

	S1C Products	Referring Correlation
Student’s Materials	S1C Supplementary Course Material Anti-forgery / S1C □□□□□□	no reference to DM/R
	S1C Course Material - Red Magic Chips / S1C □□-□□□□□	no reference to DM/R
	Little Reader Stage 1C Semester 1 (ISBN 978-7-5640-2128-3) (after revision)	no reference to DM/R
	Little Reader Stage 1C Semester 2 (ISBN 978-7-5640-2128-3) (after revision)	no reference to DM/R
	S1C DVD -EBook / S1C □□-□□2□ (after revision)	no reference to DM/R

PreRISE Course Material List / PreRISE □□□□□□□□□□ (Student’s Materials&Teacher’s Materials)

	PreRISE Products	Referring Correlation
Student’s Materials	PreRISE Supplementary Course Material Anti-forgery / PreRISE □□□□□□	no reference to DM/R
	Step into Reading PreRISE Semester 1 (ISBN 978-7-5640-1942-6) (after revision)	no reference to DM/R
	Step into Reading PreRISE Semester 2 (ISBN 978-7-5640-1942-6) (after revision)	no reference to DM/R
	PreRISE DVD -EBook /PreRISE □□-□□2□ (after revision)	no reference to DM/R

K Course Material List / K □□□□□□□□□□□ (Student’s Materials&Teacher’s Materials)

	K Products	Referring Correlation
Student’s Materials	K Supplementary Course Material Anti-forgery / K □□□□□□	no reference to DM/R
	K Course Material - 6 inch paper plate (10) / K □□-6□□□10□	no reference to DM/R
	K Course Material - Color paper (25) / K □□-□□25□	no reference to DM/R
	K Course Material - Dream Card / K □□-□□□	no reference to DM/R
	K Course Material - Reading Book (foldable) (12) / K □□-□□□12□□□□□□ (after revision)	no reference to DM/R
	K DVD -EBook /K □□-□□1□ (after revision)	no reference to DM/R
	K Course Material - Materials Bag 1 (Activity Card) / K □□-□□□1□□□□□	no reference to DM/R
	K Course Material - Materials Bag 2 (Word Picture Card) / K □□-□□□2□□□□□□□	no reference to DM/R
	K Course Material - Snake + Tooth Paste + Blank Paper Board / K □□-□+□□+□□□□	no reference to DM/R
	K Course Material - Materials Bag 3 (Puzzle) / K □□-□□□3□□□□	no reference to DM/R
Training Materials	Stage K PPT □□□□ Stage K PPT for Educational Concepts	no reference to DM/R
	Stage K PPT of PBL □□□□ Stage K PPT for Evaluation Module of PBL	no reference to DM/R
	Stage K PPT□□□□□+□□□□+□□□□ Stage K PPT for Classroom management, Children Psychology , Communication Services	no reference to DM/R
	Stage K □□□□□□ Stage K Video for Educational Concepts	no reference to DM/R

PRE-RISE (Elite) Course Material List /PRE-RISE (Elite) □□□□□□□□□□ (Student’s Materials&Teacher’s Materials)

	PRE-RISE (Elite) Products	Referring Correlation
Student’s Materials	PRE-RISE (Elite) Supplementary Course Material Anti-forgery / PRE-RISE (Elite) □□□□□□	no reference to DM/R
	Step into Reading PRE-RISE (Elite) Semester 1 (ISBN 978-7-5640-2092-7) (after revision)	no reference to DM/R
	Step into reading PRE-RISE (Elite) Semester 2 (ISBN 978-7-5640-2092-7) (after revision)	no reference to DM/R
	PRE-RISE (Elite) DVD -EBook /PRE-RISE (Elite) □□-□□2□ (after revision)	no reference to DM/R
	PBL Handouts Sem 1 / PBL Handouts □□□	no reference to DM/R
	PBL Handouts Sem 2 / PBL Handouts □□□	no reference to DM/R
	Music Poster / □□□□	no reference to DM/R
	Etiquette Chess (Chess board, Box, Dice (2), Chessman (5)) / □□□□□□1□+□□1□+□□2□+□□□5□□	no reference to DM/R

Pre-K Course Material List / Pre-K □□□□□□□□□□ (Student’s Materials&Teacher’s Materials)

	Pre-K Products	Referring Correlation
Student’s Materials	Pre-K Supplementary Course Material Anti-forgery / Pre-K □□□□□□	no reference to DM/R
Teacher’s Materials	Learning Houses Hanging Bags / □□□□	no reference to DM/R
	Classroom Rule Cards / □□□□□	no reference to DM/R
	Learning Houses Icons / □□□□	no reference to DM/R
	Alphabet Cards / □□□	no reference to DM/R
Training Materials	Stage Pre-K PPT □□□□□+□□□□+□□□□ Stage Pre-K PPT for Classroom management, Children Psychology, Communication Services	no reference to DM/R

PreMiddle Course Material List / PreMiddle □□□□□□□□□□ (Student’s Materials&Teacher’s Materials)

	PreMiddle Products	Referring Correlation
Student’s Materials	PreMiddle Supplementary Course Material Anti-forgery / PreMiddle □□□□□□	no reference to DM/R

RISE UP Program Components - Deliverables

RISE UP Program Products		Referring Correlation
Science	Instructional Videos	no reference to DM/R
	Practice Activities	no reference to DM/R
Grammar and Usage	Instructional Videos	no reference to DM/R
	Practice Activities	no reference to DM/R
Product Menus	Menu providing access to subjects and modules within subjects	no reference to DM/R
User Interface	Navigational features for all	no reference to DM/R
	videos and practice activities UI	no reference to DM/R
RISE UP Product Container	Run-time engine for running	no reference to DM/R
	videos and activities and providing	no reference to DM/R
	data for future mgt system	no reference to DM/R

RISE Follow-Up Products

RISE Follow-Up Products		Referring Correlation
Rise Preparation Course—TOEFL Junior	RISE Preparation Course Teacher Lesson Plans	no reference to DM/R
	RISE TOEFL Junior Mock Exam	no reference to DM/R
	Student Handout	no reference to DM/R
	Go Beyond TOEFL Junior Reading Comprehension	no reference to DM/R
	Go Beyond TOEFL Junior Listening Comprehension	no reference to DM/R
	Go Beyond TOEFL Junior Speaking	no reference to DM/R
	Go Beyond TOEFL Junior Writing	no reference to DM/R

RISE Pad E-Books

	E-Book Names	Referring Correlation
K Stage	My Family	no reference to DM/R
	Dan and Cam	no reference to DM/R
	A Dog for Bob	no reference to DM/R
	Dan the Dog	no reference to DM/R
	Who Lives in the Hut? (done)	no reference to DM/R
	The Yard Sale (done)	no reference to DM/R
	Six Hens Can Hop (done)	no reference to DM/R
	Dad Likes to Cook (done)	no reference to DM/R
	The Big Turnip (done)	no reference to DM/R
	Hope’s Map	no reference to DM/R
	Pancakes	no reference to DM/R
	In The Forest	no reference to DM/R
PreRISE& PreRISE (Elite)	Sam and Nan (done)	no reference to DM/R
	Books and Bees (done)	no reference to DM/R
	Dog Food (done)	no reference to DM/R
	Welcome to My Home (done)	no reference to DM/R
	A House for Us (done)	no reference to DM/R
	The Ball, the Bat and the Mitt	no reference to DM/R
	The Hill	no reference to DM/R
	Cutting the Cake	no reference to DM/R
	The Big Game	no reference to DM/R
	Cody Has a Party	no reference to DM/R
	The Four Seasons	no reference to DM/R

	E-Book Names	Referring Correlation
	Grandma’s Garden	no reference to DM/R
	Kit and the Big Win	no reference to DM/R
	Can Lin Fit the Lid?	no reference to DM/R
	Pets For All	no reference to DM/R
	Dog and the Mess	no reference to DM/R
	Dan Gets a Cab	no reference to DM/R
	In the Well	no reference to DM/R
	Will Pip and Tim Quit?	no reference to DM/R
	Little Rob and the Big Bug	no reference to DM/R
	My Pet Bud	no reference to DM/R
	A Win for Ned	no reference to DM/R
	Fix the Car!	no reference to DM/R
	A Pup Can	no reference to DM/R
	Can You See Cat?	no reference to DM/R
	What is in a Box?	no reference to DM/R
	A Bad Pen	no reference to DM/R
	Bud and Judd	no reference to DM/R
	Get a Nut	no reference to DM/R
	Dan Has a Hen	no reference to DM/R
	Dan and Sam	no reference to DM/R
Stage 1	Bill the Kid	no reference to DM/R
	Rick and a Duck	no reference to DM/R

E-Book Names	Referring Correlation
Kim Jumped	no reference to DM/R
Rob and the Tack	no reference to DM/R
Todd and Tad (done)	no reference to DM/R
Jack Can Help (done)	no reference to DM/R
Seth and the Hens (done)	no reference to DM/R
Bud’s Tooth (done)	no reference to DM/R
A Trip to the Port (done)	no reference to DM/R
Trish and the Shoes	no reference to DM/R
What Animal is in the Water?	no reference to DM/R
Kit’s Doll	no reference to DM/R
A Story for Beaver	no reference to DM/R
May and the Dime	no reference to DM/R
A Visit with Grandma	no reference to DM/R
A Hole in One	no reference to DM/R
Bertha Looks for Gold	no reference to DM/R
A Bike Crash	no reference to DM/R
The Dog in the Pond	no reference to DM/R
Dress Up	no reference to DM/R
The Voice in the Well	no reference to DM/R
Little Cub Hunts a Duck	no reference to DM/R
A Day in the City	no reference to DM/R

	E-Book Names	Referring Correlation
Stage 2	Leave Me Alone, Bobby! (done)	no reference to DM/R
	The Tree (done)	no reference to DM/R
	The Cakes in the tree (done)	no reference to DM/R
	The Twins (done)	no reference to DM/R
	The Howler Monkey	no reference to DM/R
	Mail a Parcel (done)	no reference to DM/R
	Jeff's Maps	no reference to DM/R
Stage 3	Unicorn Loses His Shoes	no reference to DM/R
	A Strange Visitor (done)	no reference to DM/R
	Papa Clay Takes a Holiday (done)	no reference to DM/R
	The Cycling Holiday (done)	no reference to DM/R
	Little India (done)	no reference to DM/R
	A Trip to the Police Station (done)	no reference to DM/R
	Big Black Round Spectacles	no reference to DM/R
	Suzie Saves the Park	no reference to DM/R
	Mr. Harmsworth and George	no reference to DM/R
	The Big Game	no reference to DM/R
	Wipe Out	no reference to DM/R
	Li Ji, The Serpent Slayer	no reference to DM/R
	Mike's Cakes	no reference to DM/R
	Outdoor Fun	no reference to DM/R
	A Walk Around the Zoo	no reference to DM/R

	E-Book Names	Referring Correlation
	The Ladybug's House	no reference to DM/R
	Minnie's Toy Box	no reference to DM/R
	Who's the Largest?	no reference to DM/R
	We All Fall Down	no reference to DM/R
	Exploring Nature	no reference to DM/R
	Fox Crazy	no reference to DM/R
	The Beach	no reference to DM/R
	The Life Cycle of a Peach Tree	no reference to DM/R
	Machines in Our Lives	no reference to DM/R
Stage 4	Forms of Energy (done)	no reference to DM/R
	Light and Heat (done)	no reference to DM/R
	The Oceans (done)	no reference to DM/R
	Animal Heredity and Reproduction (done)	no reference to DM/R
	Energy Transfer in Plants and Animals (done)	no reference to DM/R
	How Animals Get Energy	no reference to DM/R
	Energy Transfer	no reference to DM/R
	Electricity	no reference to DM/R
	The Classification of Living Things	no reference to DM/R
	Ecosystems	no reference to DM/R

	E-Book Names	Referring Correlation
	Sound Waves (done)	no reference to DM/R
	Hearing and Measuring Sound (done)	no reference to DM/R
	Designing for Sound (done)	no reference to DM/R
	Plant and Animal Lifecycles (done)	no reference to DM/R
	Animal Adaptations (done)	no reference to DM/R
Stage 5	The Classification of Organisms	no reference to DM/R
	The Water Cycle and Weather	no reference to DM/R
	Plants' and Animals' Growth	no reference to DM/R
	Ecosystems	no reference to DM/R
	Plant and Animal Ecosytems	no reference to DM/R
	How Plants Grow	no reference to DM/R
PreMiddle	Tadpole Pond	no reference to DM/R
	The Magnificent Carrot	no reference to DM/R
	Be Careful What You Wish For	no reference to DM/R

S5 Course Material List / S5 □□□□□□□□□□□ (Student’s Materials & Teacher’s Materials)

	S5 Products	Referring Correlation
	Classroom Companion Book Language Arts/Math & Science Stage 5 Semester 1 (ISBN 978-7-5640-2132-0)	refer to DM/R characters&scenarios
	Classroom Activity Book Language Arts Stage 5 Semester 1 (ISBN 978-7-5640-2132-0)	refer to DM/R characters&scenarios
	Classroom Companion Book Language Arts/Math & Science Stage 5 Semester 2 (ISBN 978-7-5640-2132-0)	refer to DM/R characters&scenarios
	Classroom Activity Book Language Arts Stage 5 Semester 2 (ISBN 978-7-5640-2132-0)	refer to DM/R characters&scenarios
	S5 Course Material - CD (4 pieces per set) / S5 □□-□□□□□4□□	refer to DM/R characters&scenarios
	S5 Course Material - Yearbook / S5 □□-Yearbook	refer to DM/R characters&scenarios
	S5 Course Material - Notebook / S5 □□-□□□	refer to DM/R characters
	S5 Course Material - Student Helper / S5 □□-Student Helper	refer to DM/R characters
	S5 Course Material - Packing / S5 □□-□□□	refer to DM/R characters
Student’s Materials	Classroom Activity Book Math & Science Stage 5 Semester 1 (ISBN 978-7-5640-2132-0)	refer to DM/R characters&scenarios
	Home Resource Book Stage 5 Semester 1 (ISBN 978-7-5640-2132-0) (after revision)	refer to DM/R characters
	Home Resource Book Stage 5 Semester 2 (ISBN 978-7-5640-2132-0) (after revision)	refer to DM/R characters
	Classroom Activity Book Math & Science Stage 5 Semester 2 (ISBN 978-7-5640-2132-0)	refer to DM/R characters&scenarios
	S5 Course Material - PBL / S5 □□-PBL	refer to DM/R characters
	Parents’ Pick-up Card Cardholder / □□□□□□□□□□	refer to DM/R characters
	Parents’ Pick-up Card / □□□□□□□	refer to DM/R characters
	Rise Student Card Cardholder / □□□□□□□	refer to DM/R characters
	Rise Student Card / □□□□□□□	refer to DM/R characters
	Education Planner - Rise Edition / □□□□□□□□-□□□	refer to DM/R characters

S5 Course Material List / S5 □□□□□□□□□□□ (Student’s Materials & Teacher’s Materials)

	S5 Products	Referring Correlation
Teacher’s Materials	S5 Language Arts Notebooks Semesters 1&2	refer to DM/R characters&scenarios
	S5 Math Notebooks Semesters 1&2	refer to DM/R characters&scenarios
	S5 PBL Notebooks Semesters 1&2	refer to DM/R characters
	Stage 5 Semester 1 Teacher’s Guide Book for Destinsation Reading	refer to DM/R characters&scenarios
	Stage 5 Semester 2 Teacher’s Guide Book for Destinsation Reading	refer to DM/R characters&scenarios
	Stage 5 Semester 1 Teacher’s Guide Book for Destinsation Math	refer to DM/R characters&scenarios
	Stage 5 Semester 2 Teacher’s Guide Book for Destinsation Math	refer to DM/R characters&scenarios
	Stage 5 Semester 1 Teacher’s Guide Book for PBL	refer to DM/R characters
	Stage 5 Semester 2 Teacher’s Guide Book for PBL	refer to DM/R characters
	Stage 5 □□□□ Video Stage 5 Product Launches Video	refer to DM/R characters&scenarios
Evaluation Examination for Students	Stage 5 Evaluation Outlines	refer to DM/R characters&scenarios
	Stage 5 Benchmark Test Phase 1	refer to DM/R characters&scenarios
	Stage 5 Benchmark Test Phase 2	refer to DM/R characters&scenarios
	Stage 5 Benchmark Test Phase 3	refer to DM/R characters&scenarios
	Stage 5 Benchmark Test Phase 4	refer to DM/R characters&scenarios

S4 Course Material List / S4 □□□□□□□□□□□ (Student’s Materials&Teacher’s Materials)

	S4 Products	Referring Correlation
Student’s Materials	Classroom Activity Book Math & Science Stage4 Semester 1 (ISBN 978-7-5640-2131-3)	refer to DM/R characters&scenarios
	Classroom Activity Book Math & Science Stage 4 Semester 2 (ISBN 978-7-5640-2131-3)	refer to DM/R characters&scenarios
	Home Resource Book Stage 4 Semester 1 (ISBN 978-7-5640-2131-3) (after revision)	refer to DM/R characters
	Home Resource Book Stage 4 Semester 2 (ISBN 978-7-5640-2131-3) (after revision)	refer to DM/R characters

S4 Course Material List / S4 □□□□□□□□□□ (Student’s Materials&Teacher’s Materials)

	S4 Products	Referring Correlation
	S4 Course Material - Packing / S4 □□-□□□	refer to DM/R characters
	S4 Course Material - PBL Folder / S4 □□-PBL □□□	refer to DM/R characters
	S4 Course Material - handouts (Sem 1) / S4 □□-handouts □□□	refer to DM/R characters
	S4 Course Material - handouts (Sem 2) / S4 □□-handouts □□□	refer to DM/R characters
	S4 Course Material - Homework Book / S4 □□-□□□	refer to DM/R characters
	S4 Course Material - Student helper / S4 □□-Student helper	refer to DM/R characters
	Classroom Companion Book Language Arts/Math & Science Stage 4 Semester 1 (ISBN 978-7-5640-2131-3)	refer to DM/R characters&scenarios
	Classroom Activity Book Language Arts Stage 4 Semester 1 (ISBN 978-7-5640-2131-3)	refer to DM/R characters&scenarios
	Classroom Companion Book Language Arts/Math & Science Stage 4 Semester 2 (ISBN 978-7-5640-2131-3)	refer to DM/R characters&scenarios
	Classroom Activity Book Language Arts Stage 4 Semester 2 (ISBN 978-7-5640-2131-3)	refer to DM/R characters&scenarios
	S4 Course Material - Bookmark / S4 □□-□□	refer to DM/R characters&scenarios
	S4 Course Material - CD (4 pieces per set) / S4 □□-□□□□□4□□	refer to DM/R characters&scenarios
	Parents’ Pick-up Card Cardholder / □□□□□□□□□□	refer to DM/R characters
	Parents’ Pick-up Card / □□□□□□□	refer to DM/R characters
	Rise Student Card Cardholder / □□□□□□□	refer to DM/R characters
	Rise Student Card / □□□□□□□	refer to DM/R characters
	Education Planner - Rise Edition / □□□□□□□□-□□□	refer to DM/R characters
Teacher’s Materials	Stage 4 Semester 1 Teacher’s Guide Book for Destinsation Reading	refer to DM/R characters&scenarios
	Stage 4 Semester 2 Teacher’s Guide Book for Destinsation Reading	refer to DM/R characters&scenarios
	Stage 4 Semester 1 Teacher’s Guide Book for Destinsation Math	refer to DM/R characters&scenarios
	Stage 4 Semester 2 Teacher’s Guide Book for Destinsation Math	refer to DM/R characters&scenarios
	Stage 4 Semester 1 Teacher’s Guide Book for PBL	refer to DM/R characters

S4 Course Material List / S4 □□□□□□□□□□ (Student’s Materials&Teacher’s Materials)

	S4 Products	Referring Correlation
Evaluation Examination for Students	Stage 4 Semester 2 Teacher’s Guide Book for PBL	refer to DM/R characters
	S4 Language Arts Notebooks Semesters 1&2	refer to DM/R characters&scenarios
	S4 Math Notebooks Semesters 1&2	refer to DM/R characters&scenarios
	S4 PBL Notebooks Semesters 1&2	refer to DM/R characters
	Stage 4 Evaluation Outlines	refer to DM/R characters&scenarios
	Stage 4 Benchmark Test Phase 1	refer to DM/R characters&scenarios
	Stage 4 Benchmark Test Phase 2	refer to DM/R characters&scenarios
	Stage 4 Benchmark Test Phase 3	refer to DM/R characters&scenarios
	Stage 4 Benchmark Test Phase 4	refer to DM/R characters&scenarios
Training Materials	Stage 4 PPT □□□□ Stage 4 PPT for Training Overview	refer to DM/R characters&scenarios
	Stage 4 PPT □□□□ Stage 4 PPT for Destinsation Reading	refer to DM/R characters&scenarios
	Stage 4 PPT □□□□ Stage 4 PPT for Destinsation Math	refer to DM/R characters&scenarios
	Stage 4 PPT of PBL □□□□ Stage 4 PPT for Evaluation Module of PBL	refer to DM/R characters&scenarios
	Stage 4 □□ DEMO □□□ 1 Video for DEMO lesson1 of Writing	refer to DM/R characters&scenarios
	Stage 4 □□ DEMO □□□ 2 Video for DEMO lesson2 of Persuasive Writing	refer to DM/R characters&scenarios

S3 Course Material List / S3 □□□□□□□□□□ (Student’s Materials&Teacher’s Materials)

	S3 Products	Referring Correlation
Student’s Materials	Classroom Activity Book Language Arts Stage 3 Semester 1 (ISBN 978-7-5640-2130-6)	refer to DM/R characters&scenarios
	Classroom Activity Book Math & Science Stage3 Semester 1 (ISBN 978-7-5640-2130-6)	refer to DM/R characters&scenarios
	Classroom Activity Book Language Arts Stage 3 Semester 2 (ISBN 978-7-5640-2130-6)	refer to DM/R characters&scenarios

S3 Course Material List / S3 □□□□□□□□□□ (Student’s Materials&Teacher’s Materials)

	S3 Products	Referring Correlation
	Classroom Activity Book Math & Science Stage 3 Semester 2 (ISBN 978-7-5640-2130-6)	refer to DM/R characters&scenarios
	S3 Course Material - Project3 Practice Book / S3 □□-Project3 □□□□	refer to DM/R characters
	S3 Course Material - Plastic Folder / S3 □□-□□□□□	refer to DM/R characters
	S3 Course Material - The Predator Cards (1 set) / S3 □□-□□□1□	refer to DM/R characters
	S3 Course Material - Homework Books (4) / S3 □□-□□□4□	refer to DM/R characters
	S3 Course Material - Packing / S3 □□-□□□	refer to DM/R characters
	Parents’ Pick-up Card Cardholder / □□□□□□□□□□	refer to DM/R characters
	Parents’ Pick-up Card / □□□□□□□	refer to DM/R characters
	Rise Student Card Cardholder / □□□□□□□	refer to DM/R characters
	Rise Student Card / □□□□□□□	refer to DM/R characters
	Education Planner - Rise Edition / □□□□□□□□-□□□	refer to DM/R characters
	Classroom Connection Book Language Arts/Math & Science Stage 3 Semester 1 (ISBN 978-7-5640-2130-6)	refer to DM/R characters&scenarios
	Classroom Connection Book Language Arts/Math & Science Stage 3 Semester 2 (ISBN 978-7-5640-2130-6)	refer to DM/R characters&scenarios
	S3 Course Material - CD (2) / S3 □□-□□2□	refer to DM/R characters&scenarios
Teacher’s Materials	Stage 3 Semester 1 Teacher’s Guide Book for Destinsation Reading	refer to DM/R characters&scenarios
	Stage 3 Semester 2 Teacher’s Guide Book for Destinsation Reading	refer to DM/R characters&scenarios
	Stage 3 Semester 1 Teacher’s Guide Book for Destinsation Math & Science	refer to DM/R characters&scenarios
	Stage 3 Semester 2 Teacher’s Guide Book for Destinsation Math & Science	refer to DM/R characters&scenarios
	Stage 3 Teacher’s Guide Book for PBL	refer to DM/R characters
	S3 Language Arts Notebooks Semesters 1&2	refer to DM/R characters&scenarios
	S3 Math Notebooks Semesters 1&2	refer to DM/R characters&scenarios

S3 Course Material List / S3 □□□□□□□□□□ (Student’s Materials&Teacher’s Materials)

	S3 Products	Referring Correlation
Evaluation Examination for Students	S3 Science Notebooks Semesters 1&2	refer to DM/R characters&scenarios
	S3 PBL Notebooks Semesters 1&2	refer to DM/R characters
	Stage 3 Evaluation Outlines	refer to DM/R characters&scenarios
	Stage 3 Benchmark Test Phase 1	refer to DM/R characters&scenarios
	Stage 3 Benchmark Test Phase 2	refer to DM/R characters&scenarios
	Stage 3 Benchmark Test Phase 3	refer to DM/R characters&scenarios
	Stage 3 Benchmark Test Phase 4	refer to DM/R characters&scenarios
Training Materials	Stage 3 PPT □□□□ Stage 3 PPT for Training Overview	refer to DM/R characters&scenarios
	Stage 3 PPT □□□□ Stage 3 PPT for Destinsation Reading	refer to DM/R characters&scenarios
	Stage 3 PPT □□□□ Stage 3 PPT for Destinsation Math	refer to DM/R characters&scenarios
	Stage 3 PPT □□□□ Stage 3 PPT for Destinsation Science	refer to DM/R characters&scenarios
	Stage 3 PPT of PBL □□□□ Stage 3 PPT for Evaluation Module of PBL	refer to DM/R characters
	Stage 3 □□□□ MP3 Stage 3 Product Launches MP3	refer to DM/R characters&scenarios

S2 Course Material List / S2 □□□□□□□□□□ (Student’s Materials&Teacher’s Materials)

	S2 Products	Referring Correlation
Student’s Materials	Classroom Activity Book Language Arts Stage 2 Semester 1 (ISBN 978-7-5301-2157-3)	refer to DM/R characters&scenarios
	Classroom Activity Book Math & Science Stage 2 Semester 1 (ISBN 978-7-5301-2157-3)	refer to DM/R characters&scenarios
	Classroom Activity Book Language Arts Stage 2 Semester 2 (ISBN 978-7-5301-2157-3)	refer to DM/R characters&scenarios
	Classroom Activity Book Math & Science Stage 2 Semester 2 (ISBN 978-7-5301-2157-3)	refer to DM/R characters&scenarios
	Home Reading Guide Book Stage 2 Semester 1 (ISBN 978-7-5301-2157-3) (after revision)	refer to DM/R characters&scenarios

	S2 Products	Referring Correlation
	Home Reading Guide Book Stage 2 Semester 2 (ISBN 978-7-5301-2157-3) (after revision)	refer to DM/R characters&scenarios
	S2 DVD -EBook / S2 □□-□□1□ (after revision)	refer to DM/R characters&scenarios
	S2 Course Material - Poster / S2 □□-□□	refer to DM/R characters&scenarios
	S2 Course Material - Notebook / S2 □□-□□□	refer to DM/R characters
	S2 Course Material - Assemply Parts + S2Packing / S2 □□-□□+S2 □□□	refer to DM/R characters
	S2 Course Material - Paper Money / S2 □□-□□	refer to DM/R characters
	S2 Course Material - UNO cards / S2 □□-□□□	refer to DM/R characters
	Parents’ Pick-up Card Cardholder / □□□□□□□□□	refer to DM/R characters
	Parents’ Pick-up Card / □□□□□□□	refer to DM/R characters
	Rise Student Card Cardholder / □□□□□□□	refer to DM/R characters
	Rise Student Card / □□□□□□□	refer to DM/R characters
	Education Planner - Rise Edition / □□□□□□□□-□□□	refer to DM/R characters
	Classroom Connection Book Language Arts/Math & Science Stage 2 Semester 1 (ISBN 978-7-5301-2157-3)	refer to DM/R characters&scenarios
	Classroom Connection Book Language Arts/Math & Science Stage 2 Semester 2 (ISBN 978-7-5301-2157-3)	refer to DM/R characters&scenarios
	S2 Course Material - CD (2) / S2 □□-□□2□	refer to DM/R characters&scenarios
Teacher’s Materials	Stage 2 Semester 1 Teacher’s Guide Book for Destinsation Reading	refer to DM/R characters&scenarios
	Stage 2 Semester 2 Teacher’s Guide Book for Destinsation Reading	refer to DM/R characters&scenarios
	Stage 2 Semester 1 Teacher’s Guide Book for Destinsation Math & Science	refer to DM/R characters&scenarios
	Stage 2 Semester 2 Teacher’s Guide Book for Destinsation Math & Science	refer to DM/R characters&scenarios
	Stage 2 □□□□ Stage 2 for Teaching Handbook	refer to DM/R characters&scenarios
	S2 Language Arts Notebooks Rismart Semesters 1&2	refer to DM/R characters&scenarios

S2 Course Material List / S2 □□□□□□□□□□ (Student’s Materials&Teacher’s Materials)

	S2 Products	Referring Correlation
Evaluation Examination for Students	S2 Math Notebooks Rismart Semesters 1&2	refer to DM/R characters&scenarios
	S2 Science Notebooks Rismart Semesters 1&2	refer to DM/R characters&scenarios
	S2 PBL Notebooks Rismart Semesters 1&2	refer to DM/R characters
	Stage 2 Evaluation Outlines	refer to DM/R characters&scenarios
	Stage 2 Benchmark Test Phase 1	refer to DM/R characters&scenarios
	Stage 2 Benchmark Test Phase 2	refer to DM/R characters&scenarios
	Stage 2 Benchmark Test Phase 3	refer to DM/R characters&scenarios
	Stage 2 Benchmark Test Phase 4	refer to DM/R characters&scenarios
Training Materials	Stage 2 PPT □□□□ Stage 2 PPT for Training Overview	refer to DM/R characters&scenarios
	Stage 2 PPT □□□□ Stage 2 PPT for Destinsation Reading	refer to DM/R characters&scenarios
	Stage 2 PPT □□□□ Stage 2 PPT for Destinsation Math	refer to DM/R characters&scenarios
	Stage 2 PPT □□□□ Stage 2 PPT for Destinsation Science	refer to DM/R characters&scenarios
	Stage 2 PPT of PBL □□□□ Stage 2 PPT for Evaluation Module of PBL	refer to DM/R characters
	Stage 2 □□□□ Stage 2 Classroom Video	refer to DM/R characters&scenarios

S1C Course Material List / S1C □□□□□□□□□□ (Student’s Materials&Teacher’s Materials)

	S1C Products	Referring Correlation
Student’s Materials	Classroom Activity Book Language Arts Stage 1C Semester 1 (ISBN 978-7-5640-2128-3)	refer to DM/R characters&scenarios
	Classroom Activity Book Math & Science Stage 1C Semester 1 (ISBN 978-7-5640-2128-3)	refer to DM/R characters&scenarios
	Classroom Activity Book Language Arts Stage 1C Semester 2 (ISBN 978-7-5640-2128-3)	refer to DM/R characters&scenarios
	Classroom Activity Book Math & Science Stage 1C Semester 2 (ISBN 978-7-5640-2128-3)	refer to DM/R characters&scenarios

	S1C Products	Referring Correlation
	S1C Course Material - Flash Card / S1C □□-Flash Card	refer to DM/R characters
	S1C Course Material - Magic Card / S1C □□-Magic Card	refer to DM/R characters
	S1C Course Material - Supplementary Books / S1C □□-□□□□	refer to DM/R characters&scenarios
	S1C Course Material - Packing / S1C □□-□□□	refer to DM/R characters
	S1C Course Material - Notebooks (4) / S1C □□-□□□4□	refer to DM/R characters
	Parents’ Pick-up Card Cardholder / □□□□□□□□□	refer to DM/R characters
	Parents’ Pick-up Card / □□□□□□□	refer to DM/R characters
	Rise Student Card Cardholder / □□□□□□□	refer to DM/R characters
	Rise Student Card / □□□□□□□	refer to DM/R characters
	Education Planner - Rise Edition / □□□□□□□□-□□□	refer to DM/R characters
	Classroom Connection Book Language Arts/Math & Science Stage 1C Semester 1 (ISBN 978-7-5640-2128-3)	refer to DM/R characters&scenarios
	Classroom Connection Book Language Arts/Math & Science Stage 1C Semester 2 (ISBN 978-7-5640-2128-3)	refer to DM/R characters&scenarios
	S1C Course Material - CD (2) / S1C □□-□□2□	refer to DM/R characters&scenarios
Teacher’s Materials	Stage 1C Semester 1 Teacher’s Guide Book for Destinsation Reading	refer to DM/R characters&scenarios
	Stage 1C Semester 2 Teacher’s Guide Book for Destinsation Reading	refer to DM/R characters&scenarios
	Stage 1C Semester 1 Teacher’s Guide Book for Destinsation Math & Science	refer to DM/R characters&scenarios
	Stage 1C Semester 2 Teacher’s Guide Book for Destinsation Math & Science	refer to DM/R characters&scenarios
	S1C Language Arts Notebooks Semesters 1&2	refer to DM/R characters&scenarios
	S1C Math Notebooks Semesters 1&2	refer to DM/R characters&scenarios
	S1C Science Notebooks Semesters 1&2	refer to DM/R characters&scenarios
	S1C PBL Notebooks Semesters 1&2	refer to DM/R characters

S1C Course Material List / S1C □□□□□□□□□□ (Student’s Materials&Teacher’s Materials)

	S1C Products	Referring Correlation
Evaluation Examination for Students	Stage 1 Evaluation Outlines	refer to DM/R characters&scenarios
	Stage 1 Benchmark Test Phase 1	refer to DM/R characters&scenarios
	Stage 1 Benchmark Test Phase 2	refer to DM/R characters&scenarios
	Stage 1 Benchmark Test Phase 3	refer to DM/R characters&scenarios
	Stage 1 Benchmark Test Phase 4	refer to DM/R characters&scenarios
Training Materials	Stage 1 PPT □□□□ Stage 1 PPT for Training Overview	refer to DM/R characters&scenarios
	Stage 1 PPT □□□□ Stage 1 PPT for Destinsation Reading	refer to DM/R characters&scenarios
	Stage 1 PPT □□□□ Stage 1 PPT for Destinsation Math	refer to DM/R characters&scenarios
	Stage 1 PPT □□□□ Stage 1 PPT for Destinsation Science	refer to DM/R characters&scenarios
	Stage1C □□□□ Stage1C Classroom Video for Math & Reading	refer to DM/R characters&scenarios

PreRISE Course Material List / PreRISE □□□□□□□□□□ (Student’s Materials&Teacher’s Materials)

	PreRISE Products	Referring Correlation
Student’s Materials	PreRISE Course Material - Notebook / PreRISE □□-□□□4□	refer to DM/R characters
	PreRISE Course Material - Packing / PreRISE □□-□□□	refer to DM/R characters
	Parents’ Pick-up Card Cardholder / □□□□□□□□□	refer to DM/R characters
	Parents’ Pick-up Card / □□□□□□□	refer to DM/R characters
	Rise Student Card Cardholder / □□□□□□□	refer to DM/R characters
	Rise Student Card / □□□□□□□	refer to DM/R characters
	Education Planner - Rise Edition / □□□□□□□□-□□□	refer to DM/R characters
	Classroom Activity Book Language Arts PreRISE Semester 1 (ISBN 978-7-5640-1942-6)	refer to DM/R characters&scenarios

PreRISE Course Material List / PreRISE □□□□□□□□□□ (Student’s Materials&Teacher’s Materials)

	PreRISE Products	Referring Correlation
Teacher’s Materials	Classroom Activity Book Math & Science PreRISE Semester 1 (ISBN 978-7-5640-1942-6)	refer to DM/R characters&scenarios
	Classroom Activity Book Math & Science PreRISE Semester 2 (ISBN 978-7-5640-1942-6)	refer to DM/R characters&scenarios
	Classroom Activity Book Language Arts PreRISE Semester 2 (ISBN 978-7-5640-1942-6) (after revision)	refer to DM/R characters&scenarios
	Classroom Connection Book Language Arts/Math & Science PreRISE Semester 1 (ISBN 978-7-5640-1942-6)	refer to DM/R characters&scenarios
	Classroom Connection Book Language Arts/Math & Science PreRISE Semester 2 (ISBN 978-7-5640-1942-6)	refer to DM/R characters&scenarios
	PreRISE Course Material - CD (2) / PreRISE □□-□□2□	refer to DM/R characters&scenarios
	Stage PreRISE Semester 1 Teacher’s Guide Book for Destinsation Reading	refer to DM/R characters&scenarios
	Stage PreRISE Semester 2 Teacher’s Guide Book for Destinsation Reading	refer to DM/R characters&scenarios
	Stage PreRISE Semester 1 Teacher’s Guide Book for Destinsation Math & Science	refer to DM/R characters&scenarios
	Stage PreRISE Semester 2 Teacher’s Guide Book for Destinsation Math & Science	refer to DM/R characters&scenarios
	PreRISE Language Arts Notebooks Rismart Semesters 1&2	refer to DM/R characters&scenarios
	PreRISE Math Notebooks Rismart Semesters 1&2	refer to DM/R characters&scenarios
	PreRISE Science Notebooks Rismart Semesters 1&2	refer to DM/R characters&scenarios
	PreRISE PBL Notebooks Rismart Semesters 1&2	refer to DM/R characters
Evaluation Examination for Students	Stage PreRISE Evaluation Outlines	refer to DM/R characters&scenarios
	Stage PreRISE Benchmark Test Phase 1	refer to DM/R characters&scenarios
	Stage PreRISE Benchmark Test Phase 2	refer to DM/R characters&scenarios
	Stage PreRISE Benchmark Test Phase 3	refer to DM/R characters&scenarios
	Stage PreRISE Benchmark Test Phase 4	refer to DM/R characters&scenarios
Training Materials	PreRISE PPT □□□□ PreRISE PPT for Training Overview	refer to DM/R characters&scenarios
	PreRISE PPT □□□□ PreRISE PPT for Destinsation Reading	refer to DM/R characters&scenarios

PreRISE Course Material List / PreRISE □□□□□□□□□□ (Student’s Materials&Teacher’s Materials)

	PreRISE Products	Referring Correlation
	PreRISE PPT □□□□ PreRISE PPT for Destinsation Math	refer to DM/R characters&scenarios
	PreRISE PPT □□□□ PreRISE PPT for Destinsation Science	refer to DM/R characters&scenarios
	PreRISE □□□□ PreRISE Training Video	refer to DM/R characters&scenarios

K Course Material List / K □□□□□□□□□□ (Student’s Materials&Teacher’s Materials)

	K Products	Referring Correlation
Student’s Materials	K Course Material - CD (2) / K □□-□□2□	refer to DM/R characters&scenarios
	Classroom Fun Book Kindergarten Semester 1 (ISBN 978-7-5640-2129-0) (after revision)	refer to DM/R characters&scenarios
	Take-Home Fun Home Activities Kindergarten Semester 1 (ISBN 978-7-5640-2129-0) (after revision)	refer to DM/R characters&scenarios
	Classroom Fun Book Kindergarten Semester 2 (ISBN 978-7-5640-2129-0) (after revision)	refer to DM/R characters&scenarios
	Take-Home Fun Home Activities Kindergarten Semester 2 (ISBN 978-7-5640-2129-0) (after revision)	refer to DM/R characters&scenarios
	K Course Material - Toy Card / K □□-□□□	refer to DM/R characters
	K Course Material - Rismart Packing / K □□-□□□□□□□	refer to DM/R characters
	K Course Material - Song CD (1) / K □□-□□1□	refer to DM/R characters&scenarios
	K Course Material - CD Lyrics Book / K □□-CD□□□	refer to DM/R characters&scenarios
	Parents’ Pick-up Card Cardholder / □□□□□□□□□	refer to DM/R characters
	Mart Student Card Cardholder / □□□□□□□	refer to DM/R characters
	Parents’ Pick-up Card / □□□□□□□	refer to DM/R characters
	Mart Student Card / □□□□□□□	refer to DM/R characters
	Education Planner - Risemart Edition / □□□□□□□□-□□□	refer to DM/R characters

K Course Material List / K □□□□□□□□□□□ (Student’s Materials&Teacher’s Materials)

	K Products	Referring Correlation
Teacher’s Materials	Stage K Semester 1 Teacher’s Guide Book for Destinsation Reading, Math & Science	refer to DM/R characters&scenarios
	Stage K Semester 2 Teacher’s Guide Book for Destinsation Reading, Math & Science	refer to DM/R characters&scenarios
	Stage K Teacher’s Guide Book for PBL	refer to DM/R characters
	Kindergarten Language Arts Notebooks Semesters 1&2	refer to DM/R characters&scenarios
	Kindergarten Math Notebooks Semesters 1&2	refer to DM/R characters&scenarios
	Kindergarten Science Notebooks Semesters 1&2	refer to DM/R characters&scenarios
	Kindergarten PBL Notebooks Semesters 1&2	refer to DM/R characters
Evaluation Examination for Students	Stage K Evaluation Outlines	refer to DM/R characters&scenarios
	Stage K Benchmark Test Phase 1	refer to DM/R characters&scenarios
	Stage K Benchmark Test Phase 2	refer to DM/R characters&scenarios
	Stage K Benchmark Test Phase 3	refer to DM/R characters&scenarios
	Stage K Benchmark Test Phase 4	refer to DM/R characters&scenarios
Training Materials	Stage K □□ DEMO □□□ Stage K Video for DEMO Theory	refer to DM/R characters&scenarios
	Stage K PPT □□□□ Stage K PPT for Training Overview	refer to DM/R characters&scenarios
	Stage K PPT □□□□ Stage K PPT for Destinsation Reading	refer to DM/R characters&scenarios
	Stage K PPT □□□□ Stage K PPT for Destinsation Math	refer to DM/R characters&scenarios
	Stage K PPT □□□□ Stage K PPT for Destinsation Science	refer to DM/R characters&scenarios
	Stage K □□□□□□ Stage K Video for Destinsation Reading	refer to DM/R characters&scenarios
	Stage K □□□□□□ Stage K Video for Destinsation Math	refer to DM/R characters&scenarios
	Stage K □□□□□□ Stage K Video for Destinsation Science	refer to DM/R characters&scenarios

PRE-RISE (Elite) Course Material List /PRE-RISE (Elite) □□□□□□□□□□ (Student’s Materials&Teacher’s Materials)

	PRE-RISE (Elite) Products	Referring Correlation
Student’s Materials	Classroom Activity Book I PRE-RISE (Elite) Semester 1 (ISBN 978-7-5640-2092-7)	refer to DM/R characters&scenarios
	Classroom Activity Book II PRE-RISE (Elite) Semester 1 (ISBN 978-7-5640-2092-7)	refer to DM/R characters&scenarios
	Classroom Activity Book III PRE-RISE (Elite) Semester 2(ISBN 978-7-5640-2092-7)	refer to DM/R characters&scenarios
	Classroom Activity Book IV PRE-RISE (Elite) Semester 2(ISBN 978-7-5640-2092-7)	refer to DM/R characters&scenarios
	Classroom Connection Book III&IV PRE-RISE (Elite) Semester 2(ISBN 978-7-5640-2092-7)	refer to DM/R characters&scenarios
	Classroom Connection Book I&II PRE-RISE (Elite) Semester 1(ISBN 978-7-5640-2092-7) (after revision)	refer to DM/R characters&scenarios
	Natural Pronunciation & Spelling Card (Box + 81 Cards + 6 Instructions) / □□□□□□□□1□+□□□81□+□□□6□□	refer to DM/R characters&scenarios
	Notebook / □□□	refer to DM/R characters
	Packaging / □□□	refer to DM/R characters
	Parents’ Pick-up Card Cardholder / □□□□□□□□□	refer to DM/R characters
	Parents’ Pick-up Card / □□□□□□□	refer to DM/R characters
	Mart Student Card Cardholder / □□□□□□□	refer to DM/R characters
	Mart Student Card / □□□□□□□	refer to DM/R characters
	Education Planner - Rise Edition / □□□□□□□□-□□□	refer to DM/R characters
	PreRISE (Elite) Course Material - CD (2) / PreRISE (Elite) □□-□□2□	refer to DM/R characters&scenarios
Teacher’s Materials	PreRISE Elite Semester 1 Teacher’s Guide Book	refer to DM/R characters&scenarios
	PreRISE Elite Semester 2 Teacher’s Guide Book	refer to DM/R characters&scenarios
	PreRISE (Elite) Language Arts Notebooks Semesters 1&2	refer to DM/R characters&scenarios
	PreRISE (Elite) Math Notebooks Semesters 1&2	refer to DM/R characters&scenarios
	PreRISE (Elite) Science Notebooks Semesters 1&2	refer to DM/R characters&scenarios
	PreRISE (Elite) PBL Notebooks Semesters 1&2	refer to DM/R characters

PRE-RISE (Elite) Course Material List /PRE-RISE (Elite) □□□□□□□□□□ (Student’s Materials&Teacher’s Materials)

	PRE-RISE (Elite) Products	Referring Correlation
Evaluation Examination for Students	Stage PreRISE Elite Evaluation Outlines	refer to DM/R characters&scenarios
	Stage PreRISE Elite Benchmark Test Phase 1	refer to DM/R characters&scenarios
	Stage PreRISE Elite Benchmark Test Phase 2	refer to DM/R characters&scenarios
	Stage PreRISE Elite Benchmark Test Phase 3	refer to DM/R characters&scenarios
	Stage PreRISE Elite Benchmark Test Phase 4	refer to DM/R characters&scenarios

Pre-K Course Material List / Pre-K □□□□□□□□□□ (Student’s Materials&Teacher’s Materials)

	Pre-K Products	Referring Correlation
Student’s Materials	Pre-K Course Material - DVD (4) / Pre-K □□-□□4□	refer to DM/R characters
	Students book (ISBN 978-7-5301-2198-6)A B C Workshop	refer to DM/R characters
	Students book (ISBN 978-7-5301-2198-6) Ant Disaster	refer to DM/R characters
	Students book (ISBN 978-7-5301-2198-6)Edmo the Wizard	refer to DM/R characters
	Students book (ISBN 978-7-5301-2198-6)Weather Report	refer to DM/R characters
	Students book (ISBN 978-7-5301-2198-6)Toy Factory	refer to DM/R characters
	Students book (ISBN 978-7-5301-2198-6)All about Me	refer to DM/R characters
	Students book (ISBN 978-7-5301-2198-6)Sammy’s New Shape	refer to DM/R characters
	Students book (ISBN 978-7-5301-2198-6) A Symphony Saves Trudy	refer to DM/R characters
	Students book (ISBN 978-7-5301-2198-6)Edmo’s New Dog	refer to DM/R characters
	Students book (ISBN 978-7-5301-2198-6)Bailey’s Treasure Hunt	refer to DM/R characters
	Students book (ISBN 978-7-5301-2198-6)Millie’s New Friends	refer to DM/R characters

	Pre-K Products	Referring Correlation
	Students book (ISBN 978-7-5301-2198-6)Trudy’s Photo Album	refer to DM/R characters
	Pre-K Course Material - Learning House Books / Pre-K □□-□□□□□□	refer to DM/R characters
	Pre-K Course Material - Growth Manual (Ring Binder) / Pre-K □□-□□□□□□□□□	refer to DM/R characters
	Pre-K Course Material - Sem 1 Homework Book / Pre-K □□-□□□□□□□	refer to DM/R characters
	Pre-K Course Material - Sem 2 Homework Book / Pre-K □□-□□□□□□□	refer to DM/R characters
	Pre-K Course Material - Sem 1 Sticker / Pre-K □□-□□□□□□	refer to DM/R characters
	Pre-K Course Material - Sem 2 Sticker / Pre-K □□-□□□□□□	refer to DM/R characters
	Pre-K Course Material - Packaging / Pre-K □□-□□□	refer to DM/R characters
	Parents’ Pick-up Card Cardholder / □□□□□□□□□	refer to DM/R characters
	Parents’ Pick-up Card / □□□□□□□	refer to DM/R characters
	Risemart Student Card Cardholder / □□□□□□□	refer to DM/R characters
	Risemart Student Card / □□□□□□□	refer to DM/R characters
	Education Planner - Risemart Edition / □□□□□□□□-□□□	refer to DM/R characters
	Pre-K Course Material - Hand Puppet (Cow) / Pre-K □□-□□□	refer to DM/R characters
	Pre-K Course Material - Poster / Pre-K □□-□□	refer to DM/R characters
Teacher’s Materials	Pre-K Semester 1 Teacher’s Guide Book(U1-U6)	refer to DM/R characters
	Pre-K Semester 2 Teacher’s Guide Book(U7-U12)	refer to DM/R characters
	Teacher Resources Book	refer to DM/R characters
	Learning Houses Material / □□□□	refer to DM/R characters
	Line Winder / □□□	refer to DM/R characters
	Game Board & Cards / □□□□□□	refer to DM/R characters
	Puzzle / □□	refer to DM/R characters
	Notebooks Rismart Pre-K Semesters 1&2	refer to DM/R characters

Pre-K Course Material List / Pre-K □□□□□□□□□□ (Student’s Materials&Teacher’s Materials)

	Pre-K Products	Referring Correlation
Evaluation Examination for Students	Stage Pre-K Evaluation Outlines	refer to DM/R characters
	Stage Pre-K Benchmark Test Phase 1	refer to DM/R characters
	Stage Pre-K Benchmark Test Phase 2	refer to DM/R characters
	Stage Pre-K Benchmark Test Phase 3	refer to DM/R characters
	Stage Pre-K Benchmark Test Phase 4	refer to DM/R characters
Training Materials	Stage Pre-K PPT □□□□ Stage Pre-K PPT for Training Overview	refer to DM/R characters
	Stage Pre-K PPT □□□□ Stage Pre-K PPT for Course Overview	refer to DM/R characters
	Stage Pre-K PPT □□□ Stage Pre-K PPT for DEMO Class	refer to DM/R characters
	Stage Pre-K PPT Exploration □□ Stage Pre-K PPT for Exploration	refer to DM/R characters
	Stage Pre-K PPT □□□□□□ Stage Pre-K PPT for Songs & Games	refer to DM/R characters
	Stage Pre-K □□□□□□ Stage Pre-K Video for Educational Concepts	refer to DM/R characters
	Stage Pre-K □□□□□□ Stage Pre-K Video for Songs &Games	refer to DM/R characters
	Stage Pre-K □□□□□□□□ Stage Pre-K Introduction Video of Teaching Books	refer to DM/R characters

PreMiddle Course Material List / PreMiddle □□□□□□□□□□ (Student’s Materials&Teacher’s Materials)

	PreMiddle Products	Referring Correlation
Student’s Materials	PreMiddle Semester 1 Classroom Application Book (Math & Science) (ISBN 978-7-5640-2093-4)	refer to DM/R characters&scenarios
	PreMiddle Semester 1 Students Guider (Language Arts, Math & Science) (ISBN 978-7-5640-2093-4)	refer to DM/R characters&scenarios

PreMiddle Course Material List / PreMiddle □□□□□□□□□□ (Student’s Materials&Teacher’s Materials)

	PreMiddle Products	Referring Correlation
	PreMiddle Semester 2 Classroom Application Book (Math & Science) (ISBN 978-7-5640-2093-4)	refer to DM/R characters&scenarios
	PreMiddle Semester 2 Students Guider (Language Arts, Math & Science) (ISBN 978-7-5640-2093-4)	refer to DM/R characters&scenarios
	Classroom Activity Book (including 1 plastic folder) / □□□□□□1□□□□1□□□□□□□	refer to DM/R characters
	Desk Calendar (1) / □□□□	refer to DM/R characters
	Rise Advanced Premiddle Course Material Packaging / □□□□ PreMiddle □□□□□□□□□	refer to DM/R characters
	PreMiddle Semester 1 Classroom Application Book (Language Arts) (ISBN 978-7-5640-2093-4)	refer to DM/R characters&scenarios
	PreMiddle Semester 1 Home Discovery Book (Language Arts, Math & Science) (ISBN 978-7-5640-2093-4)	refer to DM/R characters&scenarios
	PreMiddle Semester 2 Classroom Application Book (Language Arts) (ISBN 978-7-5640-2093-4)	refer to DM/R characters&scenarios
	PreMiddle Semester 2 Home Discovery Book (Language Arts, Math & Science) (ISBN 978-7-5640-2093-4)	refer to DM/R characters&scenarios
Teacher’s Materials	PreMiddle Semester 1 Teacher’s Guide Book	refer to DM/R characters&scenarios
	PreMiddle Semester 2 Teacher’s Guide Book	refer to DM/R characters&scenarios
	PreMiddle Language Arts Notebooks Semesters 1&2	refer to DM/R characters&scenarios
	PreMiddle Math Notebooks Semesters 1&2	refer to DM/R characters&scenarios
	PreMiddle Science Notebooks Semesters 1&2	refer to DM/R characters&scenarios

Summer/Winter Class Course Material List / □□□/□□□□□□□□□□□□

	Summer/Winter Class Products	Referring Correlation
Student’s Materials	10 Days’ Class Profile Folder / 10 □□□□□	refer to DM/R characters&scenarios
	15 Days’ Class Profile Folder / 15 □□□□□	refer to DM/R characters&scenarios
Teacher’s Materials	Teacher’s Guide Book (1) / □□1□	refer to DM/R characters&scenarios

RiseMini Course Material List / □□ Mini □□□□□□□□□

	RiseMini Course Products	Referring Correlation
Student's Materials	Readers' Theater Activities Book / Readers' Theater □□□	refer to DM/R characters&scenarios
	Presenters' Club Large Class Activities Book / Presenters' Club □□□□□	refer to DM/R characters&scenarios
	Presenters' Club Small Class Activities Book / □□□□□	refer to DM/R characters&scenarios
Teacher's Materials	Teacher's Guide Book (1) / □□1□	refer to DM/R characters&scenarios
	Teacher's Guide Book (2) / □□1□	refer to DM/R characters&scenarios
	Teacher's Guide Book (3) / □□1□	refer to DM/R characters&scenarios

RISE UP Program Components - Deliverables

	RISE UP Program Products	Referring Correlation
Reading	Instructional Videos	refer to DM/R characters&scenarios
	Practice Activities	refer to DM/R characters&scenarios
Writing	Instructional Videos	refer to DM/R characters&scenarios
	Practice Activities	refer to DM/R characters&scenarios
Mathematics	Standalone Product	refer to DM/R characters&scenarios

RISE Follow-Up Products

	RISE Follow-Up Products	Referring Correlation
Travel Log	Travel Log Student Workbook (West Coast) (Finished)	refer to DM/R characters
	Travel Log Student Workbook (east Coast) (lower grade / higher grade)	refer to DM/R characters
Grammar Improvement Course	Grammar Improvement Course Classroom Notebook	refer to DM/R characters&scenarios
	Grammar Improvement Course Classroom Handouts	refer to DM/R characters&scenarios
	Grammar Improvement Course Take-Home Worksheets	refer to DM/R characters&scenarios
	Grammar Improvement Course Teacher Resource	refer to DM/R characters&scenarios

	E-Book Names	Referring Correlation
Pre-K	ABC Worksheet (done)	refer to DM/R characters
	Ant Disaster (done)	refer to DM/R characters
	Edmo the Wizard (done)	refer to DM/R characters
	Weather Report (done)	refer to DM/R characters
	Toy Factory (done)	refer to DM/R characters
	All About Me	refer to DM/R characters
	Sammy’s New Shape	refer to DM/R characters
	A Symphony Saves Trudy	refer to DM/R characters
	Edmo’s New Dog	refer to DM/R characters
	Bailey’s Treasure Hunt	refer to DM/R characters
	Millie’s New Friends	refer to DM/R characters
	Trudy’s Photo Album	refer to DM/R characters
Stage 2	Shapes Are Everywhere	refer to DM/R characters&scenarios
	A Party for Bob	refer to DM/R characters&scenarios
	A Surprise for Zig Bug	refer to DM/R characters&scenarios
	Mac the Cat	refer to DM/R characters&scenarios
	A Day at School	refer to DM/R characters&scenarios
	Pigs in a Rig	refer to DM/R characters&scenarios
	The Bunnies and the Fox	refer to DM/R characters&scenarios
	Miss Jill’s Ice Cream Shop	refer to DM/R characters&scenarios
	At the Aquarium	refer to DM/R characters&scenarios

RISE Pad E-Books

E-Book Names	Referring Correlation
Two Best Friends	refer to DM/R characters&scenarios
Dog School	refer to DM/R characters&scenarios
Ham and Eggs	refer to DM/R characters&scenarios
The Sleeping Pig	refer to DM/R characters&scenarios
Seasons	refer to DM/R characters&scenarios
Animals Big and Small	refer to DM/R characters&scenarios
Let’s Go to the Fair	refer to DM/R characters&scenarios
What Is a Desert?	refer to DM/R characters&scenarios
Woodland Animals	refer to DM/R characters&scenarios

RISE CUP & RISE STAR

	RISE CUP & RISE STAR Products	Referring Correlation
RISE CUP	RISE CUP GUIDE BOOK 2012	refer to DM/R characters&scenarios
	RISE CUP GUIDE BOOK 2013	refer to DM/R characters&scenarios
	RISE CUP ROUND 1 TASK 2012	refer to DM/R characters&scenarios
	RISE CUP ROUND 1 TASK 2013	refer to DM/R characters&scenarios
	RISE CUP ROUND 2 WORKBOOK 2012	refer to DM/R characters&scenarios
	RISE CUP ROUND 2 WORKBOOK 2013	refer to DM/R characters&scenarios
	RISE CUP ROUND 3 The Plan Bok of Performance 2012	refer to DM/R characters&scenarios
	RISE CUP ROUND 3 The Plan Bok of Performance 2013	refer to DM/R characters&scenarios

	RISE CUP & RISE STAR Products	Referring Correlation
RISE STAR	RISE STAR GUIDE 2011	refer to DM/R characters&scenarios
	RISE STAR GUIDE 2012	refer to DM/R characters&scenarios
	RISE STAR GUIDE 2013	refer to DM/R characters&scenarios

EXHIBIT B

Existing Third Party Licenses

Party (Licensee)	HMH Party	Relevant EMPGI-Licensed Product	Territory	Channel	Term & Renewal	License Description/Use	Date of Agreement
IBM, Inc.	Riverdeep, Inc.	Edmark House Series (Millie's Math House, Bailey's Book House, Sammy's Science House, Trudy's Time & Place House), in a unique, combined CD-ROM form	Worldwide	Unrestricted.	Perpetual.	Nonexclusive right to use, reproduce, display, distribute and sublicense the products. No rights to create localizations or derivative works are granted.	September 25, 2000
The Software MacKiev Company	Riverdeep Inc.	Engineered Products (technically updated or enhanced to run natively on the Mac OS X operating system): ClueFinders: Cluefinders 3rd through 5th Grade, Cluefinders Math Adventure Ages 9-12, Cluefinders Search & Solve Adventure; Mavis Beacon Teaches Typing; Edmark Thinkin' Things 1 and 2, Edmark Thinkin' Science	World (Mac only)	All Channels (Mac only) until December 31, 2011. From December 31, 2011 - termination: ELL Learning Centers and IB Schools are carved out.	December 31, 2014 (with a possible 3yr extension).	Manufacture, market, distribute Engineered Products (modified Products for use on Mac OS X operating system only); develop, reproduce, market, sell localized versions of Engineered Products. License specifically does not include rights to localize into Indian English.	September 30, 2002 (agmt), October 6, 2004 (amend 1), November 30, 2004 (amend 2), December 14, 2005 (amend 3), November 21, 2007 (amend 4); September 30, 2011(amends)

Party (Licensee)	HMH Party	Relevant EMPGI-Licensed Product	Territory	Channel	Term & Renewal	License Description/Use	Date of Agreement
TV Textbook (Mr. Patrick McDonagh)	Houghton Mifflin Harcourt Publishing Company	Destination Series and Edmark House Series	Worldwide	Platform: Interactive television market (TVT Amendment: Interactive television platforms: IPTV, satellite, cable and terrestrial, as well as through set top boxes or Integrated Digital TVs)	Perpetual.	Rights are limited strictly to the Platforms. exclusive licenses to: upgrade the products to function on any of the Platforms; market, sell, distribute products or upgraded products through the Platform; make use any part of the products in the course of developing new products and sell, market and distribute such new products; Exclusive license to Destination trademark for the purpose of marketing, selling, distributing and licensing the products or upgraded products (TVT Amendment grants no trademark rights).	November 30, 2006; as amended and restated in an Amended and Restated License Agreement, dated [ ], 20101* (“TVT Amendment”)

Exhibit 21.1

Principal Subsidiaries and Affiliated Entities of the Registrant

Subsidiaries	Place of Incorporation
RISE Education Cayman III Ltd	Cayman Islands
RISE Education Cayman I Ltd	Cayman Islands
Rise IP (Cayman) Limited	Cayman Islands
Bain Capital Rise Education	Hong Kong
Rise Tianjin Education Information Consulting Co., Ltd. (瑞思（天津）教育信息咨询有限公司)	PRC

Affiliated Entity	Place of Incorporation
Beijing Step Ahead Education Technology Development Co., Ltd. (北京领语堂教育科技发展有限公司)	PRC
Shanghai Riverdeep Educational Information Consulting Co., Ltd. (上海瑞沃迪教育信息咨询有限公司)	PRC
Shanghai Boyu Investment Management Co., Ltd. (上海博语投资管理有限公司)	PRC
Guangzhou Ruisi Education Technology Development Co., Ltd. (广州瑞司教育科技发展有限公司)	PRC
Shenzhen Mei Ruisi Education Management Co., Ltd. (深圳市美瑞思教育管理有限公司)	PRC
Wuxi Rise Foreign Language Training Co., Ltd. (无锡瑞思外语培训有限公司)	PRC

Affiliated Schools	Place of Incorporation
Beijing Changping District Step Ahead Training School (北京市昌平区领语堂培训学校)	PRC
Beijing Chaoyang District Step Ahead Training School (北京市朝阳区领语堂培训学校)	PRC

Affiliated Schools	Place of Incorporation
Beijing Daxing District RISE Immersion Subject English Training School (北京市大兴区瑞思学科英语培训学校)	PRC
Beijing Dongcheng District RISE Immersion Subject English Training School (北京市东城区瑞思学科英语培训学校)	PRC
Beijing Fengtai District RISE Immersion Subject English Training School (北京市丰台区瑞思学科英语培训学校)	PRC
Beijing Haidian District Step Ahead Training School (北京市海淀区领语堂培训学校)	PRC
Beijing Shijingshan District Step Ahead Training School (北京市石景山区领语堂培训学校)	PRC
Beijing Tongzhou District RISE Immersion Subject English Training School (北京市通州区瑞思学科英语培训学校)	PRC
Beijing Xicheng District RISE Immersion Subject English Training School (北京市西城区瑞思学科英语培训学校)	PRC
Shanghai Huangpu District Step Ahead Immersion Subject English Training School (上海黄浦区领语堂学科英语培训学校)	PRC
Guangzhou Yuexiu District RISE Immersion Subject English Training School (广州越秀区瑞思学科英语培训学校)	PRC
Guangzhou Haizhu District RISE Immersion Subject English Training School (广州海珠区瑞思学科英语培训学校)	PRC
Guangzhou Tianhe District Step Ahead Immersion Subject English Training School (广州天河区领语堂学科英语培训学校)	PRC
Shenzhen Futian District Rise Training Center (深圳市福田区瑞思培训中心)	PRC
Shenzhen Nanshan District Rise Training Center (深圳市南山区瑞思培训中心)	PRC
Shenzhen Luohu District Rise Education Training Center (深圳市罗湖区瑞思教育培训中心)	PRC

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption “Experts” and to the use of our report dated July 28, 2017, in the Registration Statement (Form F-1) and related Prospectus of RISE Education Cayman Ltd dated September 22, 2017.

/s/ Ernst & Young Hua Ming LLP
Beijing, the People’s Republic of China
September 22, 2017

Exhibit 99.1

CODE OF BUSINESS CONDUCT AND ETHICS
of RISE Education Cayman Ltd

INTRODUCTION

Purpose

This Code of Business Conduct and Ethics, or this Code, contains general guidelines for conducting the business of RISE Education Cayman Ltd, a Cayman Islands company (the "Company"), consistent with the highest standards of business ethics. To the extent this Code requires a higher standard than required by commercial practice or applicable laws, rules or regulations, we adhere to these higher standards.

This Code applies to all of the directors, officers and employees of the Company and its subsidiaries (which, unless the context otherwise requires, are collectively referred to as the "Company" in this Code). We refer to all persons covered by this Code as "Company employees" or simply "employees." We also refer to our chief executive officer and our chief financial officer as our "principal executive and financial officers."

Seeking Help and Information

This Code is not intended to be a comprehensive rulebook and cannot address every situation that you may face. If you feel uncomfortable about a situation or have any doubts about whether it is consistent with the Company's ethical standards, seek help. We encourage you to contact your supervisor for help first. If your supervisor cannot answer your question or if you do not feel comfortable contacting your supervisor, contact the Compliance Officer of the Company, who shall be a person appointed by the Board of Directors of the Company. Jianing Wang has initially been appointed by the Board of Directors of the Company as the Compliance Officer for the Company. Jianing Wang can be reached at +86-10-8559 9007 and jennywang@rdchina.com. The Company will notify you if the Board of Directors appoints a different Compliance Officer. You may remain anonymous and will not be required to reveal your identity in your communication to the Company.

Reporting Violations of the Code

All employees have a duty to report any known or suspected violation of this Code, including any violation of the laws, rules, regulations or policies that apply to the Company. If you know of or suspect a violation of this Code, immediately report the conduct to your supervisor. Your supervisor will contact the Compliance Officer, who will work with you and your supervisor to investigate the matter. If you do not feel comfortable reporting the matter to your supervisor or you do not get a satisfactory response, you may contact the Compliance Officer directly. Employees making a report need not leave their name or other personal information and reasonable efforts will be used to conduct the investigation that follows from the report in a manner that protects the confidentiality and anonymity of the employee submitting the report. All reports of known or suspected violations of the law or this Code will be handled sensitively and with discretion. Your supervisor, the Compliance Officer and the Company will protect your confidentiality to the extent possible, consistent with law and the Company's need to investigate your report.

It is the Company policy that any employee who violates this Code will be subject to appropriate discipline, which may include termination of employment. This determination will be based upon the facts and circumstances of each particular situation. An employee accused of violating this Code will be given an opportunity to present his or her version of the events at issue prior to any determination of appropriate discipline. Employees who violate the law or this Code may expose themselves to substantial civil damages, criminal fines and prison terms. The Company may also face substantial fines and penalties and many incur damage to its reputation and standing in the community. Your conduct as a representative of the Company, if it does not comply with the law or with this Code, can result in serious consequences for both you and the Company.

Policy Against Retaliation

The Company prohibits retaliation against an employee who, in good faith, seeks help or reports known or suspected violations. Any reprisal or retaliation against an employee because the employee, in good faith, sought help or filed a report will be subject to disciplinary action, including potential termination of employment.

Waivers of the Code

Waivers of this Code for employees may be made only by an executive officer of the Company. Any waiver of this Code for our directors, executive officers or other principal financial officers may be made only by our Board of Directors or the appropriate committee of our Board of Directors and will be disclosed to the public as required by law or the rules of the NASDAQ Global Select Market.

CONFLICTS OF INTEREST

Identifying Potential Conflicts of Interest

A conflict of interest can occur when an employee's private interest interferes, or appears to interfere, with the interests of the Company as a whole. You should avoid any private interest that influences your ability to act in the interests of the Company or that makes it difficult to perform your work objectively and effectively.

Identifying potential conflicts of interest may not always be clear-cut. The following situations are examples of potential conflicts of interest:

- Outside Employment. No employee should be employed by, serve as a director of, or provide any services not in his or her capacity as a Company employee to a company that is a material customer, supplier or competitor of the Company. *If you are uncertain whether a particular company is a material customer, supplier or competitor, please contact the Compliance Officer for assistance.*
- Improper Personal Benefits. No employee should obtain any material (as to him or her) personal benefits or favors because of his or her position with the Company. Please see "Gifts and Entertainment" below for additional guidelines in this area.

- Financial Interests. No employee should have a significant financial interest (ownership or otherwise) in any company that is a material customer, supplier or competitor of the Company. A “significant financial interest” means (i) ownership of greater than 1% of the equity of a material customer, supplier or competitor or (ii) an investment in a material customer, supplier or competitor that represents more than 5% of the total assets of the employee.
- Loans or Other Financial Transactions. No employee should obtain loans or guarantees of personal obligations from, or enter into any other personal financial transaction with, any company that is a material customer, supplier or competitor of the Company. This guideline does not prohibit arms-length transactions with banks, brokerage firms or other financial institutions.
- Service on Boards and Committees. No employee should serve on a board of directors or trustees or on a committee of any entity (whether profit or not-for-profit) whose interests reasonably would be expected to conflict with those of the Company.
- Actions of Family Members. The actions of family members outside the workplace may also give rise to the conflicts of interest described above because they may influence an employee’s objectivity in making decisions on behalf of the Company. For purposes of this Code, “family members” include your spouse or life-partner, brothers, sisters and parents, in-laws and children whether such relationships are by blood or adoption.

For purposes of this Code, a company is a “material” customer if that company has made payments to the Company in the past year in excess of US$100,000 or 10% of the customer’s gross revenues, whichever is greater. A company is a “material” supplier if that company has received payments from the Company in the past year in excess of US$100,000 or 10% of the supplier’s gross revenues, whichever is greater. A company is a “material” competitor if that company competes in the Company’s line of business and has annual gross revenues from such line of business in excess of US$500,000. If you are uncertain whether a particular company is a material customer, supplier or competitor, please contact the Compliance Officer for assistance.

Disclosure of Conflicts of Interest

The Company requires that employees disclose any situations that reasonably would be expected to give rise to a conflict of interest. If you suspect that you have a conflict of interest, or something that others could reasonably perceive as a conflict of interest, you must report it to your supervisor or the Compliance Officer. Your supervisor and the Compliance Officer will work with you to determine whether you have a conflict of interest and, if so, how best to address it. A supervisor may not authorize or approve conflict of interest matters or make determination as to whether a problematic conflict of interest exists without first providing the Compliance Officer with a written description of the activity and seeking the Compliance Officer’s written approval. If the supervisor is himself involved in the potential or actual conflict, the matter should instead be discussed directly to the Compliance Officer.

Although conflicts of interest are not automatically prohibited, they are not desirable and may only be waived as described in “Waivers of the Code” above.

CORPORATE OPPORTUNITIES

As an employee of the Company, you have an obligation to advance the Company’s interests when the opportunity to do so arises. If you discover or are presented with a business opportunity through the use of corporate property, information or because of your position with the Company, you should first present the business opportunity to the Company before pursuing the opportunity in your individual capacity. No employee may use Company assets, property, information or his or her position with the Company for personal gain (including gain of friends or family members). In addition, no employee may compete with the Company.

You should disclose to your supervisor the terms and conditions of each business opportunity covered by this Code that you wish to pursue. Your supervisor will contact the Compliance Officer and the appropriate management personnel to determine whether the Company wishes to pursue the business opportunity. If the Company waives its right to pursue the business opportunity, you may pursue the business opportunity on the same terms and conditions as originally proposed and consistent with the other ethical guidelines set forth in this Code.

Confidential Information and Company Property

Employees have access to a variety of confidential information while employed at the Company. Confidential information includes all non-public information that might be of use to competitors, or, if disclosed, harmful to the Company or its customers. Every employee has a duty to respect and safeguard the confidentiality of the Company’s information and the information of our suppliers and customers, except when disclosure is authorized or legally mandated. In addition, you must refrain from using any confidential information from any previous employment if, in doing so, you could reasonably be expected to breach your duty of confidentiality to your former employers. An employee’s obligation to protect confidential information continues after he or she leaves the Company. Unauthorized disclosure of confidential information could cause competitive harm to the Company or its customers and could result in legal liability to you and the Company.

Employees also have a duty to protect the Company’s intellectual property and other business assets. The intellectual property, business systems and the security of the Company property are critical to the Company.

Any questions or concerns regarding whether disclosure of Company information is legally mandated should be promptly referred to the Compliance Officer.

Safeguarding Confidential Information and Company Property

Care must be taken to safeguard and protect confidential information and Company property. Accordingly, the following measures should be adhered to:

- The Company's employees should conduct their business and social activities so as not to risk inadvertent disclosure of confidential information. For example, when not in use, confidential information should be secretly stored. Also, review of confidential documents or discussion of confidential subjects in public places (e.g., airplanes, trains, taxis, buses, etc.) should be conducted so as to prevent overhearing or other access by unauthorized persons.
- Within the Company's offices, confidential matters should not be discussed within hearing range of visitors or others not working on such matters.
- Confidential matters should not be discussed with other employees not working on such matters or with friends or relatives including those living in the same household as a Company employee.
- The Company's employees are only to access, use and disclose confidential information that is necessary for them to have in the course of performing their duties. They are not to disclose confidential information to other employees or contractors at the Company unless it is necessary for those employees or contractors to have such confidential information in the course of their duties.
- The Company's files, personal computers, networks, software, internet access, internet browser programs, emails, voice mails and other business equipment (e.g. desks and cabinets) and resources are provided for business use and they are the exclusive property of the Company. Misuse of such Company property is not tolerated.

COMPETITION AND FAIR DEALING

All employees are obligated to deal fairly with fellow employees and with the Company's customers, suppliers and competitors. Employees should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

Relationships with Customers

Our business success depends upon our ability to foster lasting customer relationships. The Company is committed to dealing with customers fairly, honestly and with integrity. Specifically, you should keep the following guidelines in mind when dealing with customers:

- Information we supply to customers should be accurate and complete to the best of our knowledge. Employees should not deliberately misrepresent information to customers.
- Employees should not refuse to sell, service, or maintain products the Company has produced simply because a customer is buying products from another supplier.

- Customer entertainment should not exceed reasonable and customary business practice. Employees should not provide entertainment or other benefits that could be viewed as an inducement to or a reward for customer purchase decisions. Please see “Gifts and Entertainment” below for additional guidelines in this area.

Relationships with Suppliers

The Company deals fairly and honestly with its suppliers. This means that our relationships with suppliers are based on price, quality, service and reputation, among other factors. Employees dealing with suppliers should carefully guard their objectivity. Specifically, no employee should accept or solicit any personal benefit from a supplier or potential supplier that might compromise, or appear to compromise, their objective assessment of the supplier’s products and prices. Employees can give or accept promotional items of nominal value or moderately scaled entertainment within the limits of responsible and customary business practice. Please see “Gifts and Entertainment” below for additional guidelines in this area.

Relationships with Competitors

The Company is committed to free and open competition in the marketplace. Employees should avoid actions that would be contrary to laws governing competitive practices in the marketplace, including antitrust laws. Such actions include misappropriation and/or misuse of a competitor’s confidential information or making false statements about the competitor’s business and business practices.

PROTECTION AND USE OF COMPANY ASSETS

Employees should protect the Company’s assets and ensure their efficient use for legitimate business purposes only. Theft, carelessness and waste have a direct impact on the Company’s profitability. The use of Company funds or assets, whether or not for personal gain, for any unlawful or improper purpose is prohibited.

To ensure the protection and proper use of the Company’s assets, each employee should:

- Exercise reasonable care to prevent theft, damage or misuse of Company property.
- Report the actual or suspected theft, damage or misuse of Company property to a supervisor.
- Use the Company’s telephone system, other electronic communication services, written materials and other property primarily for business-related purposes.
- Safeguard all electronic programs, data, communications and written materials from inadvertent access by others.
- Use Company property only for legitimate business purposes, as authorized in connection with your job responsibilities.

Employees should be aware that Company property includes all data and communications transmitted or received to or by, or contained in, the Company's electronic or telephonic systems. Company property also includes all written communications. Employees and other users of Company property should have no expectation of privacy with respect to these communications and data. To the extent permitted by law, the Company has the ability, and reserves the right, to monitor all electronic and telephonic communication. These communications may also be subject to disclosure to law enforcement or government officials.

GIFTS AND ENTERTAINMENT

The giving and receiving of gifts is a common business practice. Appropriate business gifts and entertainment are welcome courtesies designed to build relationships and understanding among business partners. However, gifts and entertainment should not compromise, or appear to compromise, your ability to make objective and fair business decisions.

It is your responsibility to use good judgment in this area. As a general rule, you may give or receive gifts or entertainment to or from customers or suppliers only if the gift or entertainment would not be viewed as an inducement to or reward for any particular business decision. All gifts and entertainment expenses should be properly accounted for on expense reports. The following specific examples may be helpful:

- Meals and Entertainment. You may occasionally accept or give meals, refreshments or other entertainment if:
  - The items are of reasonable value;
  - The purpose of the meeting or attendance at the event is business related; and
  - The expenses would be paid by the Company as a reasonable business expense if not paid for by another party.

  Entertainment of reasonable value may include food and tickets for sporting and cultural events if they are generally offered to other customers, suppliers or vendors.
- Advertising and Promotional Materials. You may occasionally accept or give advertising or promotional materials of nominal value.
- Personal Gifts. You may accept or give personal gifts of reasonable value that are related to recognized special occasions such as a graduation, promotion, new job, wedding, retirement or a holiday. A gift is also acceptable if it is based on a family or personal relationship and unrelated to the business involved between the individuals.
- Gifts Rewarding Service or Accomplishment. You may accept a gift from a civic, charitable or religious organization specifically related to your service or accomplishment.

You must be particularly careful that gifts and entertainment are not construed as bribes, kickbacks or other improper payments. See “The Foreign Corrupt Practices Act” below for a more detailed discussion of our policies regarding giving or receiving gifts related to business transactions.

You should make every effort to refuse or return a gift that is beyond these permissible guidelines. If it would be inappropriate to refuse a gift or you are unable to return a gift, you should promptly report the gift to your supervisor. Your supervisor will bring the gift to the attention of the Compliance Officer, who may require you to donate the gift to an appropriate community organization. If you have any questions about whether it is permissible to accept a gift or something else of value, contact your supervisor or the Compliance Officer for additional guidance.

COMPANY RECORDS

Accurate and reliable records are crucial to our business. Our records are the basis of our earnings statements, financial reports and other disclosures to the public and guide our business decision-making and strategic planning. Company records include booking information, payroll, timecards, travel and expense reports, e-mails, accounting and financial data, measurement and performance records, electronic data files and all other records maintained in the ordinary course of our business.

All Company records must be complete, accurate and reliable in all material respects. Undisclosed or unrecorded funds, payments or receipts are inconsistent with our business practices and are prohibited. You are responsible for understanding and complying with our record keeping policy. Ask your supervisor if you have any questions.

ACCURACY OF FINANCIAL REPORTS AND OTHER PUBLIC COMMUNICATIONS

As a public company we are subject to various securities laws, regulations and reporting obligations. These laws, regulations and obligations and our policies require the disclosure of accurate and complete information regarding the Company’s business, financial condition and results of operations. Inaccurate, incomplete or untimely reporting will not be tolerated and can severely damage the Company and result in legal liability.

It is essential that the Company’s financial records, including all filings with the Securities and Exchange Commission (“SEC”) be accurate and timely. Accordingly, in addition to adhering to the conflict of interest policy and other policies and guidelines in this Code, the principal executive and financial officers and other senior financial officers must take special care to exhibit integrity at all times and to instill this value within their organizations. In particular, these senior officers must ensure their conduct is honest and ethical that they abide by all public disclosure requirements by providing full, fair, accurate, timely and understandable disclosures, and that they comply with all other applicable laws and regulations. These senior officers must also understand and strictly comply with generally accepted accounting principles in the U.S. and all standards, laws and regulations for accounting and financial reporting of transactions, estimates and forecasts.

In addition, U.S. federal securities law requires the Company to maintain proper internal books and records and to devise and maintain an adequate system of internal accounting controls. The SEC has supplemented the statutory requirements by adopting rules that prohibit (1) any person from falsifying records or accounts subject to the above requirements and (2) officers or directors from making any materially false, misleading, or incomplete statement to an accountant in connection with an audit or any filing with the SEC. These provisions reflect the SEC's intent to discourage officers, directors, and other persons with access to the Company's books and records from taking action that might result in the communication of materially misleading financial information to the investing public.

COMPLIANCE WITH LAWS AND REGULATIONS

Each employee has an obligation to comply with all laws, rules and regulations applicable to the Company's operations. These include, without limitation, laws covering bribery and kickbacks, copyrights, trademarks and trade secrets, information privacy, insider trading, illegal political contributions, antitrust prohibitions, foreign corrupt practices, offering or receiving gratuities, environmental hazards, employment discrimination or harassment, occupational health and safety, false or misleading financial information or misuse of corporate assets. You are expected to understand and comply with all laws, rules and regulations that apply to your job position. If any doubt exists about whether a course of action is lawful, you should seek advice from your supervisor or the Compliance Officer.

COMPLIANCE WITH INSIDER TRADING LAWS

The Company has an insider trading policy, which may be obtained from the Compliance Officer. The following is a summary of some of the general principles relevant to insider trading, and should be read in conjunction with the aforementioned specific policy.

Company employees are prohibited from trading in shares or other securities of the Company while in possession of material, nonpublic information about the Company. In addition, Company employees are prohibited from recommending, "tipping" or suggesting that anyone else buy or sell shares or other securities of the Company on the basis of material, nonpublic information. Company employees who obtain material nonpublic information about another company in the course of their employment are prohibited from trading in the shares or securities of the other company while in possession of such information or "tipping" others to trade on the basis of such information. Violation of insider trading laws can result in severe fines and criminal penalties, as well as disciplinary action by the Company, up to and including termination of employment.

Information is "non-public" if it has not been made generally available to the public by means of a press release or other means of widespread distribution. Information is "material" if a reasonable investor would consider it important in a decision to buy, hold or sell stock or other securities. As a rule of thumb, any information that would affect the value of stock or other securities should be considered material. Examples of information that is generally considered "material" include:

- Financial results or forecasts, or any information that indicates the Company's financial results may exceed or fall short of forecasts or expectations;
- Important new products or services;
- Pending or contemplated acquisitions or dispositions, including mergers, tender offers or joint venture proposals;
- Possible management changes or changes of control;
- Pending or contemplated public or private sales of debt or equity securities;
- Acquisition or loss of a significant customer or contract;
- Significant write-offs;
- Initiation or settlement of significant litigation; and
- Changes in the Company's auditors or a notification from its auditors that the Company may no longer rely on the auditor's report.

The laws against insider trading are specific and complex. Any questions about information you may possess or about any dealings you have had in the Company's securities should be promptly brought to the attention of the Compliance Officer.

PUBLIC COMMUNICATIONS AND PREVENTION OF SELECTIVE DISCLOSURE

Public Communications Generally

The Company places a high value on its credibility and reputation in the community. What is written or said about the Company in the news media and investment community directly impacts our reputation, positively or negatively. Our policy is to provide timely, accurate and complete information in response to public requests (media, analysts, etc.), consistent with our obligations to maintain the confidentiality of competitive and proprietary information and to prevent selective disclosure of market-sensitive financial data. To ensure compliance with this policy, all news media or other public requests for information regarding the Company should be directed to the Company's Investor Relations Department. The Investor Relations Department will work with you and the appropriate personnel to evaluate and coordinate a response to the request.

Prevention of Selective Disclosure

Preventing selective disclosure is necessary to comply with United States securities laws and to preserve the reputation and integrity of the Company as well as that of all persons affiliated with it. "Selective disclosure" occurs when any person provides potentially market-moving information to selected persons before the news is available to the investing public generally. Selective disclosure is a crime under United States law and the penalties for violating the law are severe.

The following guidelines have been established to avoid improper selective disclosure. Every employee is required to follow these procedures:

- All contact by the Company with investment analysts, the press and/or members of the media shall be made through the chief executive officer, chief financial officer or persons designated by them (collectively, the “Media Contacts”).
- Other than the Media Contacts, no officer, director or employee shall provide any information regarding the Company or its business to any investment analyst or member of the press or media.
- All inquiries from third parties, such as industry analysts or members of the media, about the Company or its business should be directed to a Media Contact or other appropriate persons designated by them. All presentations to the investment community regarding the Company will be made by us under the direction of a Media Contact.
- Other than the Media Contacts, any employee who is asked a question regarding the Company or its business by a member of the press or media shall respond with “No comment” and forward the inquiry to a Media Contact.

These procedures do not apply to the routine process of making previously released information regarding the Company available upon inquiries made by investors, investment analysts and members of the media.

Selective disclosure is a topic of intense focus with the SEC following the release of SEC Regulation FD (selective disclosure). Although foreign private issuers, such as the Company, are exempt from Regulation FD, the Company remains liable for selective disclosure. Please contact the Compliance Officer if you have any questions about the scope or application of the Company’s policies regarding selective disclosure.

THE FOREIGN CORRUPT PRACTICES ACT

The Foreign Corrupt Practices Act (the “FCPA”) prohibits the Company and its employees and agents from offering or giving money or any other item of value to win or retain business or to influence any act or decision of any governmental official, political party, candidate for political office or official of a public international organization. Stated more concisely, the FCPA prohibits the payment of bribes, kickbacks or other inducements to foreign officials. This prohibition also extends to payments to a sales representative or agent if there is reason to believe that the payment will be used indirectly for a prohibited payment to foreign officials. Violation of the FCPA is a crime that can result in severe fines and criminal penalties, as well as disciplinary action by the Company, up to and including termination of employment.

Certain small facilitation payments to foreign officials may be permissible under the FCPA if customary in the country or locality and intended to secure routine governmental action. Governmental action is “routine” if it is ordinarily and commonly performed by a foreign official and does not involve the exercise of discretion. For instance, “routine” functions would include setting up a telephone line or expediting a shipment through customs. To ensure legal compliance, all facilitation payments must receive prior written approval from the Compliance Officer and must be clearly and accurately reported as a business expense.

ENVIRONMENT, HEALTH AND SAFETY

The Company is committed to providing a safe and healthy working environment for its employees and to avoiding adverse impact and injury to the environment and the communities in which we do business. Company employees must comply with all applicable environmental, health and safety laws, regulations and Company standards. It is your responsibility to understand and comply with the laws, regulations and policies that are relevant to your job. Failure to comply with environmental, health and safety laws and regulations can result in civil and criminal liability against you and the Company, as well as disciplinary action by the Company, up to and including termination of employment. You should contact the Compliance Officer if you have any questions about the laws, regulations and policies that apply to you.

All Company employees should strive to conserve resources and reduce waste and emissions through recycling and other energy conservation measures. You have a responsibility to promptly report any known or suspected violations of environmental laws.

The Company is committed not only to complying with all relevant health and safety laws, but also to conducting business in a manner that protects the safety of its employees. All employees are required to comply with all applicable health and safety laws, regulations and policies relevant to their jobs. If you have a concern about unsafe conditions or tasks that present a risk of injury to you, please report these concerns immediately to your supervisor or the Human Resources Department.

EMPLOYMENT PRACTICES

The Company pursues fair employment practices in every aspect of its business. The following is intended to be a summary of our employment policies and procedures. Copies of our detailed policies are available from the Human Resources Department. Company employees must comply with all applicable labor and employment laws, including anti-discrimination laws and laws related to freedom of association, privacy and collective bargaining. It is your responsibility to understand and comply with the laws, regulations and policies that are relevant to your job. Failure to comply with labor and employment laws can result in civil and criminal liability against you and the Company, as well as disciplinary action by the Company, up to and including termination of employment. You should contact the Compliance Officer or the Human Resources Department if you have any questions about the laws, regulations and policies that apply to you.

Harassment and Discrimination

The Company is committed to providing equal opportunity and fair treatment to all individuals on the basis of merit, without discrimination because of race, color, religion, national origin, gender (including pregnancy), sexual orientation, age, disability, veteran status or other characteristic protected by law. The Company prohibits harassment in any form, whether physical or verbal and whether committed by supervisors, non-supervisory personnel or non-employees. Harassment may include, but is not limited to, offensive sexual flirtations, unwanted sexual advances or propositions, verbal abuse, sexually or racially degrading words, or the display in the workplace of sexually suggestive objects or pictures.

If you have any complaints about discrimination or harassment, report such conduct to your supervisor or the Human Resources Department. All complaints will be treated with sensitivity and discretion. Your supervisor, the Human Resources Department and the Company will protect your confidentiality to the extent possible, consistent with law and the Company's need to investigate your concern. Where our investigation uncovers harassment or discrimination, we will take prompt corrective action, which may include disciplinary action by the Company, up to and including, termination of employment. The Company strictly prohibits retaliation against an employee who, in good faith, files a compliant.

Any member of management who has reason to believe that an employee has been the victim of harassment or discrimination or who receives a report of alleged harassment or discrimination is required to report it to the Human Resources Department immediately.

REPORTING AND ENFORCEMENT

Reporting and Investigation of Violations

Actions prohibited by the Code involving directors or executive officers must be reported to the Audit Committee.

Actions prohibited by the Code involving anyone other than a director or executive officer must be reported to the reporting person's supervisor or the Compliance Officer.

After receiving a report of an alleged prohibited action, the Audit Committee, the relevant supervisors or the Compliance Officer must promptly take all appropriate actions necessary to investigate. All employees are expected to cooperate in any internal investigation of misconduct.

Enforcement

The Company must ensure prompt and consistent action against violations of the Code.

If, after investigating a report of an alleged prohibited action by a director or executive officer, the Audit Committee determines that a violation of the Code has occurred, the Audit Committee will report such determination to the Board of Directors.

If, after investigating a report of an alleged prohibited action by any other person, the supervisor or the Compliance Officer determines that a violation of the Code has occurred, the supervisor or the Compliance Officer will report such determination to the Board of Directors

Upon receipt of a determination that there has been a violation of the Code, the Board of Directors will take such preventative or disciplinary action as it deems appropriate, including reassignment, demotion, dismissal and, in the event of criminal conduct or other serious violations of the law, notification of appropriate government authorities.

CONCLUSION

This Code of Business Conduct and Ethics contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics. If you have any questions about these guidelines, please contact your supervisor or the Compliance Officer. We expect all Company employees to adhere to these standards.

This Code of Business Conduct and Ethics, as applied to the Company's principal financial officers, shall be the Company's "code of ethics" within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder.

This Code and the matters contained herein are neither a contract of employment nor a guarantee of continuing Company policy. We reserve the right to amend, supplement or discontinue this Code and the matters addressed herein, without prior notice, at any time.

HAI WEN
海问律师事务所

Exhibit 99.2

September 22, 2017

Rise Education Cayman Ltd
Room 101, Jia He Guo Xin Mansion
No. 15 Baiqiao Street, Guangqumennei, Dongcheng District
Beijing 100062
People's Republic of China

Re: The Listing of Rise Education Cayman Ltd (the "Company") on the NASDAQ Global Select Market

Ladies and Gentlemen:

We are qualified lawyers of the People's Republic of China (the "**PRC**") and as such are qualified to issue this legal opinion on the laws of the PRC. We have acted as your legal counsel on the laws of the PRC in connection with (a) the proposed initial public offering (the "**Offering**") of certain number of American depositary shares (the "**ADSs**", each representing certain number of ordinary shares of the Company (the "**Ordinary Shares**"), by the Company as set forth in the Company's registration statement on Form F-1, including all amendments or supplements thereto (the "**Registration Statement**"), filed by the Company with the Securities and Exchange Commission (the "**SEC**") in relation to the Offering, and (b) the proposed listing and trading of the Company's ADSs on the NASDAQ Global Select Market.

The following terms as used in this opinion are defined as follows:

"**Government Agency**"	means any national, provincial, municipal or local governmental authority, agency or body having jurisdiction over any of the PRC Operating Entities in the PRC.
"**Governmental Authorization**"	means all consents, approvals, authorizations, permissions, orders, registrations, filings, licenses, clearances and qualifications of or with any Government Agency.
"**Group Companies**"	means, collectively, the Company, Rise Education Cayman III Ltd, Rise Education Cayman I Ltd, Rise Education (HK) Limited, Rise IP (Cayman) Limited, the PRC Companies and the PRC Affiliated Schools.

"**M&A Rules**"	means the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (关于 外国投资者并购境内企业的规定), which was issued by six PRC regulatory agencies, namely, the Ministry of Commerce, the State-owned Assets Supervision and Administration Commission, the State Administration for Taxation, the State Administration for Industry and Commerce, the China Securities Regulatory Commission (the "CSRC") and the State Administration for Foreign Exchange, on August 8, 2006 and became effective on September 8, 2006, as amended by the Ministry of Commerce on June 22, 2009.
"**Material Adverse Effect**"	means any event, circumstance, condition, occurrence or situation or any combination of the foregoing that has or could be reasonably expected to have a material and adverse effect upon the conditions (financial or otherwise), business, properties or results of operations or prospects of the Group Companies taken as a whole.
"**PRC Affiliate Schools**"	means, collectively, the schools as set out in Schedule 2 attached hereto.
"PRC Companies"	means, collectively, the PRC-incorporated companies as set out in Schedule 1 attached hereto.
"PRC Individuals"	means, collectively, 张鹏 (Zhang Peng) and 孙一丁 (Sun Yiding).
"**PRC Laws**"	means any and all laws, regulations, statutes, rules, decrees, notices, and supreme court's judicial interpretations currently in force and publicly available in the PRC as of the date hereof.
"PRC Operating Entities"	means, collectively, the PRC Companies and the PRC Affiliated Schools.

For the purpose of giving this opinion, we have examined the originals or copies, certified or otherwise identified to our satisfaction of corporate records, agreements, documents and other instruments provided to us and such other documents or certificates issued or representations made by officials of government authorities and other public organizations and by officers and representatives of the Company as we have deemed necessary and appropriate as a basis for the opinions hereinafter set forth.

In such examination, we have assumed: (i) the genuineness of all signatures, the authenticity of all documents submitted to us as originals; (ii) the conformity to originals of all documents submitted to us as certified or reproduced copies; (iii) that all factual statements made in all documents are correct in all material respects; (iv) that all parties to the documents have full power and authority to enter into, and have duly executed and delivered, such documents; (v) that any document submitted to us remains in full force and effect up to the date of this opinion and has not been amended, varied, cancelled or superseded by any other document, agreement or action; and (vi) that, in response to our due diligence inquiries, requests and investigation for the purpose of this opinion, all the relevant information and materials that have been provided to us by the Company are true, accurate, complete and not misleading, and that the Company has not withheld anything that, if disclosed to us, would reasonably cause us to alter this opinion in whole or in part. Where important facts were not independently established to us, we have relied upon certificates issued by governmental authorities and appropriate representatives of the Company and/or other relevant entities and/or upon representations made by such persons in the course of our inquiry and consultation.

We do not purport to be experts on and do not purport to be generally familiar with or qualified to express legal opinions on any laws other than the PRC Laws and accordingly express no legal opinion herein on any laws of any jurisdiction other than the PRC. For the purpose of this opinion, the laws of the PRC do not include the laws of Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan.

Based on the foregoing and subject to any matters not disclosed to us, we are of the following opinion:

1. Each of the PRC Companies has been duly incorporated and is validly existing as a limited liability company and has legal person status under the PRC Laws. Except as disclosed in the Registration Statement, each of the PRC Affiliated Schools has been duly established and is validly existing as a non-enterprise legal person under the PRC Laws;

2. The descriptions of the corporate structure of the PRC Operating Entities and the arrangements and agreements relating to the Company's corporate structure entered into by and among Rise Education (HK) Limited, Rise Tianjin Education Information Consulting Co., Ltd., Beijing Step Ahead Education Technology Co., Ltd., the PRC Individuals, and/or the PRC Affiliated Schools (the "**Control Agreements**") set forth in "Corporate History and Structure" section of the Registration Statement are true and accurate in all material respects. Except as disclosed in the Registration Statement, insofar as PRC Laws are concerned, the corporate structure of the Company (including the shareholding structure of each of the PRC Companies) as described in the Registration Statement does not violate, breach, contravene or conflict with any applicable PRC Laws;

3. Each of the Control Agreements has been duly authorized, executed and delivered by Rise Tianjin Education Information Consulting Co., Ltd., Beijing Step Ahead Education Technology Co., Ltd., the PRC Affiliated Schools and PRC Individuals who are parties thereto; each of Rise Tianjin Education Information Consulting Co., Ltd., Beijing Step Ahead Education Technology Co., Ltd., the PRC Affiliated Schools and PRC Individuals has the power and capacity (corporate or otherwise) to enter into and to perform its/his obligations under such Control Agreements; each of the Control Agreements constitutes a legal, valid and binding obligation of the parties thereto, enforceable against Rise Tianjin, Beijing Step Ahead, the respective shareholders of Beijing Step Ahead, and/or the PRC Affiliated Schools, as the case may be, in accordance with its terms subject, as to enforceability, to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles, and does not violate any requirements of the PRC Laws, except as disclosed in the Registration Statement. No further Governmental Authorizations are required under the PRC Laws in connection with the Control Agreements or the performance of the terms thereof except for the Governmental Authorizations in connection with the future transfer of the equity interest in Beijing Step Ahead Education Technology Co., Ltd. as contemplated under the applicable Control Agreements;

4. The execution and delivery by each of the PRC Operating Entities and the PRC Individuals of, and the performance by each of the PRC Operating Entities and the PRC Individuals of its/his obligations under, each of the Control Agreements to which it/he is a party and the consummation by each of the PRC Operating Entities and the PRC Individuals of the transactions contemplated therein will not: (i) result in any violation of the business license and the articles of association of the PRC Operating Entities; (ii) result in any violation of any PRC Laws, except as disclosed in the Registration Statement; or (iii) to the best of our knowledge after due and reasonable inquiry, result in a breach or violation of or constitute a default under arbitration award or judgment, order or decree of any court of the PRC having jurisdiction over the relevant PRC Operating Entities, as the case may be, and any material agreements governed by the PRC Laws, to which any of them is expressed to be a party or which is binding on any of them or any of their assets, except where, in respect of (iii) above, such violation, breach or default which, individually or in the aggregate, would not have a Material Adverse Effect;

5. The M&A Rules purports to require that an offshore special purpose vehicle controlled directly or indirectly by PRC domestic companies or individuals and formed for purposes of overseas listing through acquisition of PRC domestic interests obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange. Based on our understanding of the PRC Laws, the Company is not required to obtain approval from the CSRC for listing and trading of the ADSs. However, uncertainties still exist as to how the M&A Rules will be interpreted and implemented and our opinion stated above is subject to any new laws, rules and regulations or detailed implementations and interpretations in any form relating to the M&A Rules; and

6. The statements set forth in the Registration Statement under the captions "Risk Factors", "Dividend Policy" , "Enforceability of Civil Liabilities" , "Corporate History and Structure" , "Management's Discussion and Analysis of Financial Condition and Results of Operations – Taxation – PRC" , "Business", "Regulation", "Related Party Transactions – Contractual Arrangements among Our VIE, Its Shareholders and Us", and "Taxation – People's Republic of China Tax Considerations" in each case insofar as such statements purport to constitute summaries of the matters of PRC law, fairly reflect the matters purported to be summarized and are true and correct in all material respects.

The PRC Laws referred herein are laws of the PRC currently in force and there is no guarantee that any of such laws will not be changed, amended or replaced in the immediate future or in the longer term with or without retrospective effect.

This opinion is intended to be used in the context which is specifically referred to herein and each section should be looked at as a whole and no part should be extracted and referred to independently. It is delivered in our capacity as the Company's PRC legal counsel solely for the purpose of the Registration Statement publicly submitted to the SEC on the date of this opinion and may not be used for any other purpose without our prior written consent. We hereby consent to the use of this opinion in, and the filing hereof as an exhibit to, the Registration Statement, and to the reference to our name in such Registration Statement. We do not thereby admit that we fall within the category of the persons whose consent is required under Section 7 of the U.S. Securities Act of 1933, as amended, or the regulations promulgated thereunder.

Yours faithfully,

/s/ Haiwen & Partners

SCHEDULE 1

List of the PRC Companies

1. Rise Tianjin Education Information Consulting Co., Ltd. (瑞思（天津）教育信息 咨询有限公司)
2. Beijing Step Ahead Education Technology Development Co., Ltd. (北京领语堂 教育科技发展有限公司)
3. Shanghai Riverdeep Educational Information Consulting Co., Ltd. (上海瑞沃迪 教育信息咨询有限公司)
4. Shanghai Boyu Investment Management Co., Ltd. (上海博语投资管理有限公司)
5. Guangzhou Ruisi Education Technology Development Co., Ltd. (广州瑞司教育 科技发展有限公司)
6. Shenzhen Mei Ruisi Education Management Co., Ltd. (深圳市美瑞思教育管理 有限公司)
7. Wuxi Rise Foreign Language Training Co., Ltd. (无锡瑞思外语培训有限公司)

SCHEDULE 2

List of the PRC Affiliated Schools

1. Beijing Changping District Step Ahead Training School (北京市昌平区领语堂培 训学校)
2. Beijing Chaoyang District Step Ahead Training School (北京市朝阳区领语堂培 训学校)
3. Beijing Daxing District RISE Immersion Subject English Training School (北京 市大兴区瑞思学科英语培训学校)
4. Beijing Dongcheng District RISE Immersion Subject English Training School (北 京市东城区瑞思学科英语培训学校)
5. Beijing Fengtai District RISE Immersion Subject English Training School (北京 市丰台区瑞思学科英语培训学校)
6. Beijing Haidian District Step Ahead Training School (北京市海淀区领语堂培训 学校)
7. Beijing Shijingshan District Step Ahead Training School (北京市石景山区领语 堂培训学校)
8. Beijing Tongzhou District RISE Immersion Subject English Training School (北 京市通州区瑞思学科英语培训学校)
9. Beijing Xicheng District RISE Immersion Subject English Training School (北京 市西城区瑞思学科英语培训学校)
10. Shanghai Huangpu District Step Ahead Immersion Subject English Training School (上海黄浦区领语堂学科英语培训学校)
11. Guangzhou Yuexiu District RISE Immersion Subject English Training School (广 州越秀区瑞思学科英语培训学校)
12. Guangzhou Haizhu District RISE Immersion Subject English Training School (广 州海珠区瑞思学科英语培训学校)
13. Guangzhou Tianhe District Step Ahead Immersion Subject English Training School (广州天河区领语堂学科英语培训学校)
14. Shenzhen Futian District Rise Training Center (深圳市罗湖区瑞思培训中心)
15. Shenzhen Nanshan District Rise Training Center (深圳市南山区瑞思培训中心)
16. Shenzhen Luohu District Rise Education Training Center (深圳市罗湖区瑞思教育培训中心)

Exhibit 99.3

22nd September, 2017

RISE Education Cayman Ltd
c/o Room 101, Jia He Guo Xin Mansion
No. 15 Baiqiao Street, Guangqumennei, Dongcheng District
Beijing 100062
People's Republic of China

Re: Consent of Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.
Ladies and Gentlemen,

We understand that RISE Education Cayman Ltd (the "Company") plans to file a registration statement on Form F-1 (the "Registration Statement") with the United States Securities and Exchange Commission (the "SEC") in connection with its proposed initial public offering (the "Proposed IPO").

We hereby consent to the references to our name and the inclusion of information, data and statements from our research reports and amendments thereto, including but not limited to the industry research report titled "China Junior English Language Training Market Study" (the "Report"), and any subsequent amendments to the Report, as well as the citation of our research report and amendments thereto, (i) in the Registration Statement and any amendments thereto, (ii) in any written correspondences with the SEC, (iii) in any other future filings with the SEC by the Company, including, without limitation, filings on Form 20-F, Form 6-K or other SEC filings (collectively, the "SEC Filings"), (iv) on the websites of the Company and its subsidiaries and affiliates, (v) in institutional and retail road shows and other activities in connection with the Proposed IPO, and in other publicity materials in connection with the Proposed IPO.

We further hereby consent to the filing of this letter as an exhibit to the Registration Statement and any amendments thereto and as an exhibit to any other SEC Filings.

In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the U.S. Securities Act of 1933, as amended, or the rules and regulations of the SEC thereunder.

Yours faithfully
For and on behalf of
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.

/s/ Charlotte Wang
Name: Charlotte Wang
Title: Director

Exhibit 99.4

September 22, 2017

RISE Education Cayman Ltd
Room 101, Jia He Guo Xin Mansion
No. 15 Baiqiao Street
Guangqumennei, Dongcheng District
Beijing 100062
People's Republic of China

Ladies and Gentlemen,

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, I hereby consent to the references of my name in the Registration Statement on Form F-1 (the "Registration Statement") of RISE Education Cayman Ltd (the "Company"), and any amendments thereto, which indicate that I have accepted my appointment as a director of the Company. I further agree that my appointment will become effective upon the declaration of effectiveness of the Registration Statement by the United States Securities and Exchange Commission.

Yours faithfully,

/s/ Jiandong Lu

Name: Jiandong Lu