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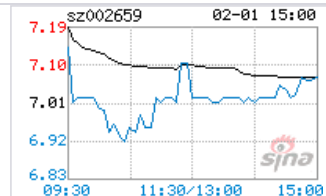
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**7.070**

+0.06 (+0.86%)

昨收盘:7.010	今开盘:7.070	最高价:7.200	最低价:6.920
成交额:37873891.000	成交量:53591	买入价:7.070	卖出价:7.080
买一量:763	买一价:7.070	卖一量:308	卖一价:7.080



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## Kevin Education: Reply to the second feedback of the company's non-public offering of stock application documents ( [download announcement](#) )

Announcement date: 2019-01-11

1-1

Reply to the second feedback on the application documents for the non-public offering of shares of Beijing Kaiwen Dexin Education Technology Co., Ltd.

China Securities Regulatory Commission:

According to the "Notice of Secondary Feedback of China Securities Regulatory Commission Administrative License Project Review" (No. 181340) issued by the Association on November 30, 2018, and attached to the application for non-public offering of shares of Beijing Kaiwen Dexin Education Technology Co., Ltd. The feedback of the document (hereinafter referred to as "secondary feedback") has been received.

Beijing Kaiwen Dexin Education Technology Co., Ltd. (hereinafter referred to as "Kevin Education", "Company", "Issuer" or "Applicant") will be together with Guangzhou Securities Co., Ltd. (hereinafter referred to as "Guangzhou Securities", "Sponsor"), Beijing Tianchi Juntai Law Firm (hereinafter referred to as "applicant lawyer"), Huapu Tianjian Certified Public Accountants (special general partnership) (hereinafter referred to as "applicant accountant") and other relevant agencies on the feedback The problems were carefully checked and implemented item by item, and the feedback was made item by item. The specific contents are as follows:

Unless otherwise stated, the interpretation of the words in this reply is the same as the interpretation of "Guangzhou Securities Co., Ltd.'s Due Diligence Report on the Non-public Issuance of Shares of Beijing Kaiwen Dexin Education Technology Co., Ltd."

1-2

I. Key Issues 1. The applicant's subsidiaries Wen Kaixing and Kaiwen Zhixin are the applicants' international education management service platform, mainly engaged in investment management and consulting services in the international education industry, respectively as Chaoyang Kewen School and Haidian Kewen School. The organizer signed an exclusive long-term service agreement with the school to receive remuneration; Haidian Kewen School and Chaoyang Kevin School are non-profit private schools, mainly engaged in K12 international education, which is the core source of income for applicants; August 10, 2018 On the same day, the Ministry of Justice promulgated the "Regulations on the Implementation of the Private Education Promotion Law of the People's Republic of China (Revised Draft) (Draft for Review)". Article 12 of the draft stipulates that the implementation of group-based education shall not pass mergers and acquisitions, franchise chain, agreement control, etc. Ways to control non-profit private schools; on November 15, 2018, the Central Committee of the Communist Party of China and the State Council issued "Several Opinions on Deepening Reform and Standardization of Preschool Education", Article 24 stipulates: "Social capital shall not be merged and acquired, and entrusted to operate, franchise chain, use variable interest entities, agreement control, etc. to control state-owned assets or Kindergartens and non-profit kindergartens held by collective assets; those who have violated regulations shall be cleaned up and rectified by the education department in conjunction with relevant departments. The private parks are not allowed to be packaged separately or as part of assets, and listed companies may not invest in profitable kindergartens through stock market financing. It is not allowed to

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purchase for-profit kindergarten assets by issuing stocks or paying cash.” Applicants: (1) Combining the commercial substance of school operations, whether the applicant controls non-profit private schools in the form of agreement control, whether it is obtained in disguise Whether the applicant’s business model is legal and compliant, whether it violates the relevant provisions of the “Regulations on the Implementation of the Private Education Promotion Law (Revised Draft) (Draft for Review)” and “Several Opinions on Deepening Reform and Standardization of Preschool Education”, Whether it faces major policy risks; (2) Please compare and analyze the similarities and differences between applicants and comparable companies in the same industry and explain the risk response measures; (3) Explain Wenkaixing and Kevin Zhixin on Haidian Kewen School and Chaoyang Kevin School Is there a significant dependence on whether the business is Preparation of independence. The sponsor and the applicant's lawyer are requested to check and express their opinions.

Reply:

(1) Combining the commercial substance of school operation, indicating whether the applicant controls the non-profit private school in the form of agreement control, whether it is a disguised income from school, whether the applicant's business model is legal and compliant, and whether it violates the promotion of private education. Whether the relevant provisions of the Law Implementation Regulations (Revised Draft) (Draft for Review) and the “Several Opinions on Deepening Reform and Standardization of Preschool Education” face major policy risks.

As an integrated service provider in the field of education, the issuer is mainly engaged in providing comprehensive school management, education consulting services and quality education and training services. Sports education, art training, camp education, brand output and upstream and downstream training are the profit points for school education. And quality education related business. At present, Haidian Kewen School and Chaoyang Kewen School are the main service targets of the issuer.

1. The commercial essence of school management

(1) Service relationship between issuer and school

1-3

Through years of operation, the issuer has formed a systematic education service system featuring the “Kevin” brand, and obtained management service income and rental income through education brand and management output and providing educational venues, etc., for Haidian Kewen School and Chaoyang Kevin. The school's comprehensive education service provider, specifically:

1 Kevin Zhixin and Wen Kaixing, respectively, as the sole organizers of Haidian Kewen School and Chaoyang Kewen School, respectively signed the “House Lease Contract” with Haidian Kewen School and Chaoyang Kewen School, which are responsible for providing school buildings and teaching facilities. The conditions required to continue to meet the school setting standards.

2 Kevin Education signed the “Exclusive Management Consultancy Agreement” with Haidian Kewen School and Chaoyang Kewen School respectively, which is responsible for providing comprehensive school management and comprehensive education consulting services, including but not limited to teaching management consulting.

Inquiries, enrollment and market consulting, school operation consulting and intelligent management of campus management.

3 Kaiwen Literary signed the "Sports Training Agreement" with Haidian Kewen School and Chaoyang Kewen School respectively, which is responsible for providing comprehensive sports training services, including but not limited to providing swimming, basketball, football, baseball, golf to school students. Training in sports programs, training for physical education teachers at school, and training for other teachers in the school.

4 Kevin Ruixin signed the “Study Abroad Service Agreement” with Haidian Kewen School and Chaoyang Kewen School respectively, which is responsible for providing relevant consulting services for studying abroad, and recommending majors and schools according to the wishes of the students at the school, and providing each before the country. Examination training service.

In summary, Kevin Education and its subsidiaries have signed various service agreements with Haidian Kewen School and Chaoyang Kewen School to provide facilities and equipment rental, school management, education consultation, and study abroad consultation according to the specific conditions of each school. Customized and professional services such as sports training, and receive fair and reasonable consideration according to the corresponding service content; the above services provided by Kevin Education and its subsidiaries guarantee and support the normal development of Haidian Kewen School and Chaoyang Kewen School. Admissions, teaching and related education business; the economic activities of the above parties are in compliance with the "Company Law of the People's Republic of China", the "Contract Law of the People's Republic of China" and other laws and regulations and the "Chinese people"

Regulations for the Implementation of the Law on the Promotion of Private Education in the Republic (Revised Draft) (Draft for Review) (hereinafter referred to as "Implementation Regulations"

(The draft for review) ""), the services provided by the relevant parties can be reliably measured, and the above economic activities have commercial essence. **Kevin Education: Reply to the second feedback of the company's non-public offering of stock application documents** ([download announcement](#))

(2) The management relationship between the issuer and the school

Through its wholly-owned subsidiaries, Kevin Zhixin and Wen Kaixing, Kevin Education has funded the Kevin School with its own funds and obtained permission from the education authorities.

Article 10 of the "Implementation Regulations (Draft for Review)" stipulates that "the organizer shall formulate the school charter according to law and shall be responsible for selecting the members of the first council, board of directors or other forms of decision-making bodies of the private schools. The organizers may, in accordance with laws and regulations and the school regulations The procedures and requirements to participate in or delegate representatives to the board of directors, the board of directors or other forms of decision-making bodies, and exercise the corresponding decision-making and management rights in accordance with the authority stipulated in the school charter.

1-4

If the organizer participates in the school and management of the school in accordance with the provisions of the preceding paragraph, it may obtain remuneration in accordance with the provisions of the school charter."

The relevant provisions of the Kevin School Charter (Amendment) are as follows:

"The board of directors is the highest decision-making body of the school, and the non-employee representative directors are appointed by the organizer or other authorized institutions." "The school establishes a board of directors according to law, and the board of directors consists of 7 members. It should be composed of the organizer or its representative, the principal, the party organization leader, and the faculty representative. The faculty representative of the school board is represented by the teacher. The conference was democratically elected."

"The board of directors exercises the following powers: (1) changing the organizer according to the proposal of the organizer; (2) removing or adding directors and electing and dismissing the chairman of the board according to the results of the election of the organizer or other authorized institution and the employee representative assembly; (3) Appointing and dismissing the principal; (4) Formulating and revising the school's articles of association and rules and regulations; (5) Formulating the development plan and approving the annual work plan; (6) Raising the funds for running the school, reviewing the budget and final settlement plan, and increasing the start-up fund plan; 7) Determining the quotas and salary standards for faculty and staff; (8) Approving the internal organization setting plan of the school; (9) Determining the separation, merger and termination of the school; (10) Listening to the work report of the principal and his team, reviewing the results And provide guidance for the follow-up work; (11) decide other major issues of the school."

"The principal is responsible for the education and teaching work and administrative work of the school and exercises the following functions: (1) implementing the decision of the school board; (2) implementing the development plan, formulating the annual work plan, financial budget and school rules and regulations; (3) appointing and Dismissal of school staff, implementation of rewards and punishments; (4) organization and implementation of enrollment arrangements, education and teaching, tuition quotas and collection, scientific research activities to ensure the quality of education and teaching; (5) responsible for the day-to-day management of the school; (6) the school's board of directors Other authorization."

As the organizer of Kevin School, Wen Kaixing and Kevin Zhixin participated in the decision-making of the school through the board of directors mechanism through the appointment of directors and representatives through the stipulations of the "Articles of Association".

And management, exercise the legal rights of the organizer, and do not interfere with the specific operation of the school. In the actual operation process, Kevin School implements the principal responsibility system under the leadership of the board of directors, self-sponsorship, independent enrollment, and independent civil responsibility.

Responsible for independent financial accounting, and carry out educational activities in accordance with laws and regulations such as the "Private Education Promotion Law" (hereinafter referred to as "the People's Promotion Law"). In daily management and teaching, the principal of Kevin School is appointed by the Constitution.

The right is responsible for organizing and implementing specific teaching management and administrative management tasks such as enrollment arrangements, education and teaching, tuition quotas and collection, and scientific research activities. The board of directors and the principal responsible system form a working mechanism for each of their duties and their respective responsibilities.

2. The pricing of the services provided by the issuer for the school is reasonable.

Kevin Education and its subsidiaries participate in school management in accordance with the law by law, and provide services such as venue leasing, education consulting, sports training, and study-related consultations through various service agreements, and collect reasonable consideration.

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## (1) Reasonable pricing of lease agreements

The issuer provides school buildings and teaching facilities and equipment to Chaoyang Kevin School through the lease method to meet the normal teaching management and operation needs of the school. According to the "Lease Agreement" signed by both parties, the details are as follows:

After comparing and analyzing the rental market price and the annual rental return rate of the relevant property rental of the A-share listed company, the issuer's above-mentioned lease price is reasonable and fair, as follows:

1 According to the lease amount stipulated in the above "Lease Agreement", the total investment based on Wenkaixing's construction of Chaoyang Kewen School is mainly the expenditure on buildings, land use rights, etc., with a total amount of about 2.336 billion yuan. Wenkaixing's above investment The sensitivity analysis of the annual rental rate of return on the number of students in school is as follows:

Number of students at school (person)	Annual rent (ten thousand yuan)	Annual rental return
1,000	-	-
1,500	6,000	2.57%
2,000	8,000	3.42%
2,500	10,000	4.28%
3,000	12,000	5.14%
3,500	14,000	5.99%
4,000	16,000	6.85%

Note: Chaoyang Kevin School can accommodate a total of 4,000 students.

According to the calculation, Wen Kaixing obtained a stable annual rent of RMB 160 million after the school was full, which is equivalent to a rent of 2.58 yuan / day / square meter, and Wen Kaixing currently rents the same regional property market rent level of 2.5 yuan / day. Compared with 3 yuan/day/square meter, the above-mentioned rental price is within the market comparable range, and the rental price charged by the issuer's subsidiary Wenkaixing to Chaoyang Kewen School is reasonable and fair.

2 According to the calculation, Wen Kaixing obtained a stable annual rental return rate of 6.85% after the school was full. After reviewing the publicly disclosed rent return rate of the relevant property rental of the A-share listed company, the details are as follows:

company name	Lease	Annual rental return
Wentai Technology (600745.SH)	The self-operated commercial part of the "Xuyin Zhongyin Square Project" has an annual rent of 64.47 million yuan.	7.55%
Wenfeng shares (601010.SH)	Lease the property to the related party Shanghai Wenfeng Qianjiahui.	8.74%
Phoenix Media (601928.SH)	Invested 75.5 million yuan to build a comprehensive building, rent and obtain rent.	7.49%
COFCO Real Estate (000031.SZ)	Beijing Landmark Project, the fifth year of EBITDA return.	7.52%

Note: The above data sources are Wingtech's "non-public offering plan" and Wenfeng shares "initial public offerings"

Lessee	Lessor	Lease target	Lease area	term of lease	Rent (yuan)
Chaoyang Kewen School	Wen Kaixing	Building A1-A9, Kaiwen School, Beimafang Village, Jinyu Township, Chaoyang District, Beijing	170,000 square meters	2018.09.01- 2038.08.31	When the number of students is less than 1,000 (including), the rent is free; when there are more than 1,000 (excluding), the annual rent = 40,000 yuan / person * The number of students in the school year

1-6

"Appendix to the Book", Phoenix Media "Announcement on the Investment of Newly Established Xuzhou Comprehensive Building Project by Jiangsu Phoenix Xinhua Bookstore Group Co., Ltd." and COFCO Real Estate "Issuing Shares to Purchase Assets and Raising Matching Funds and Related Transactions Report (Draft)".

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According to the above table, Wen Kaixing's annual rental return rate for Chaoyang Kevin School in the stable period is comparable to the annual rental return rate of the above-mentioned A-share listed companies.

In summary, the issuer's pricing for the lease agreement of Chaoyang Kevin School is not significantly different from the market price of the external lease. The issuer's annual rental return rate for the stable period of Chaoyang Kevin School and the annual rental return for the property lease of the A-share listed company. The rates are comparable and the rental price is reasonable and fair.

The service content and service charges provided by Kevin Education and its subsidiaries for Haidian Kevin School and the criteria for charging tuition fees at Haidian Kevin School are not significantly different from Chaoyang Kevin School. The pricing of related services is uniform within the listed company system. Based on the reasonableness and fairness of the pricing of the Chaoyang Kevin School Lease Agreement, the lease pricing of Haidian Kevin School is also reasonable and fair.

**(2) Reasonable pricing of related service agreements**

The issuer provides school management services and education consulting services, sports training services and study-related consultations to Chaoyang Kevin School to ensure its normal school operations. According to the relevant service agreement signed by both parties, the details are as follows:

Serial number	Principal (Party B)	Trustee (Party A)	Date of signing	Delegate content	deadline	Annual service fee
1	Chaoyang Kewen School	Issuer	2018.08.01	Provide comprehensive school management and comprehensive education consulting services	From 2018.09.01 to the end of the business period of Party B	When the number of students in the school is less than 1,000 (including), the service fee is waived; when there are more than 1,000 (excluding), the service fee = 30,000 yuan / person * The number of students in the school year
2	Chaoyang Kewen School	Kay literature	2018.07.03	Provide comprehensive sports training services	From 2018.09.01 to the end of the business period of Party B	When the number of students in the school is less than 1,000 (including), the service fee is free; when there are more than 1,000 (excluding), the service fee is 10,000 yuan / person * The number of students in the school year
3	Chaoyang Kewen School	Kevin Ruixin	2018.08.05	Provide study-related consulting services and recommend majors and schools to students according to their wishes	From 2018.09.01 to the end of the business period of Party B	Number of students enrolled *5,000 yuan

The issuer has reviewed the collection of relevant educational consulting service fees or resource management fees for publicly disclosed listed companies in recent years. The relevant cases are as follows:

Serial number	Relevant listed companies' collection of school fees
1	Botong Co., Ltd. owns the non-profit private higher education school Xi'an Jiaotong University City College. Xi'an Jiaotong University collects 20% of its tuition fee as an educational resource service fee from Xi'an Jiaotong University City College.
2	Angli Education invested in the construction of the non-profit vocational education college Shandong Shenquan Vocational Training College dormitory and training building and provided relevant teacher training. The tuition fee was 20% for the training of teachers.

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Serial number	Relevant listed companies' collection of school fees
3	Yali Technology, a subsidiary of Electro-optical Technology, cooperates with the School of International Education of Hefei University of Technology to collect about 20% of the overseas operating fees.

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Note: The above information comes from Broadcom's "Annual Report 2017", Angli Education "Reply from Feedback on Non-public Issuance of Stock Application Documents" and Electro-optical Technology's "Issuance of Shares and Payment of Cash to Purchase Assets and Raise Feedback on Application Documents for Matching Funds" Reply".

According to the agreement signed by the two parties, Kevin Education and its subsidiaries charge a total of about 40,000 yuan per person to Chaoyang Kevin School according to the school management, education consulting and sports training services provided by them, accounting for the average student tuition fee ( 20% of the approximately 200,000 yuan/person/year, the charging standard is basically the same as the above-mentioned case charging standard, and the pricing of the service agreement between the issuer and Chaoyang Kevin School is comparable and reasonable.

In view of the fact that the study abroad consulting service provided by Kevin Ruixin is based on the actual enrollment of students, it is not included in the above-mentioned fee comparison.

In summary, the pricing standards for the relevant service agreements between the issuer and Chaoyang Kevin School are basically comparable to those of domestically-listed comparable companies, and the pricing of their service agreements is comparable and reasonable.

The service content and service charges provided by Kevin Education and its subsidiaries for Haidian Kevin School and the criteria for charging tuition fees at Haidian Kevin School are not significantly different from Chaoyang Kevin School. The pricing of related services is uniform within the listed company system. , based on the comparability and reasonable pricing of the relevant service agreement of Chaoyang Kevin School

Sex, the pricing of related service agreements signed by Haidian Kevin School is also comparable and reasonable.

(3) The issuer has performed the necessary procedures for providing services to the school.

Article 45 of the "Implementation Regulations (Draft for Review)" stipulates that "a private school that engages in transactions with a related party shall follow the principles of openness, fairness, and fairness, and shall not harm the interests of the state, the interests of the school, and the rights and interests of teachers and students. Schools shall establish an information disclosure system for stakeholder transactions. The education administrative department and the human resources and social security department shall strengthen the supervision of non-profit private schools and stakeholders, and for agreements involving major interests or long-term, repeated execution, The necessity, legitimacy and compliance should be reviewed and audited."

According to the requirements of the "Implementation Regulations (Draft for Review)", Kevin School has revised and improved the "Articles of Association" of the school. Article 23, paragraph 2 of the Articles of Association, stipulates as follows: "The board of directors or other forms of decision-making bodies deliberate and interest In the case of a party transaction, members of the decision-making body that have an interest in the transaction shall abstain from voting and may not act on behalf of other members to exercise their voting rights. The above-mentioned relevant institutional agreement of the Kevin School Charter is already in operation.

As of the date of this feedback reply, Chaoyang Kevin School and Haidian Kewen School have fulfilled the above-mentioned business agreements signed by the school and the issuer and its subsidiaries in the Beijing Chaoyang District Education Committee and the Beijing Haidian District Board of Education. Reporting procedures are in accordance with Article 45 of the Implementation Regulations (Draft for Review)

1-8

Provisions.

Haidian Kewen School and Chaoyang Kewen School also obtained the relevant "Certificate" issued by Beijing Haidian District Education Committee and Beijing Chaoyang District Education Committee respectively. Chaoyang Kewen School and Haidian Kewen School adhered to the education during the period of the school permit. Relevant laws and regulations stipulate that there are no violations of laws and regulations.

(4) Independent accounting of the school, clear income and expenditure

Both Haidian Kewen School and Chaoyang Kewen School are private non-profit schools. During the reporting period, they were strictly in accordance with the relevant provisions of the "Non-profit Non-profit Organization Accounting System", and according to the "Accounting Law of the People's Republic of China" and "Accounting". The Basic Work Regulations and the Accounting File Management Measures and other regulations establish accounting books. All incomes and expenditures of the school are clearly defined. The service agreements with the issuer are financially accounted for according to the above provisions. The costs and expenses are reasonable. Financial institutions , financial personnel, accounting books are independent.

3. The issuer does not apply the relevant provisions of the "Opinions on Deepening Reform and Standardization of Preschool Education"

The issuer currently does not engage in pre-school education, and there is no plan to conduct pre-school education. The relevant provisions of the "Several Opinions on Deepening Reform and Standardization of Pre-school Education" are not applicable.

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## 4. Industry policy risks faced by issuers

The main business of the issuer is the international education business and quality education business. "People's Promotion Law" and "Implementation Regulations

(Draft for review) and other relevant regulations and policy documents, all clearly indicate support and promotion of the health of private education

Development, the overall government policy on private education is clear and consistent. In accordance with the "People's Promotion Law" and "implementation

Regulations (submission of drafts) and other relevant laws and regulations, there is no violation of the above provisions in the issuer's business. The industry policy risks faced by issuers are generally controllable.

Article 3 of the "Implementation Regulations (Draft for Review)" stipulates: "The people's governments at all levels shall support and standardize the society according to law.

It will organize private education to encourage, guide and guarantee private schools to run schools according to law, manage their own products, improve quality, and develop characteristics to meet the needs of diversified education. The document further clarifies the support for private education from the policy.

Development, put forward the requirements for the standardized management of the private education industry, and is more conducive to the quality of private education enterprises

future development.

As an education enterprise specializing in international education and quality education under the State-owned Assets Supervision and Administration Commission of Haidian District, Beijing, the issuer has always adhered to the high-quality teaching quality, high standards for running schools, and the characteristics of running arts.

The quality teaching service content implements teaching and educating people; actively explores and layouts the entire industry chain to meet the educational needs of the society; actively explores the market-oriented schooling direction under the background of state-owned assets, and implements standardized operations in strict accordance with relevant national laws and regulations for many years. , to achieve better social influence. The company's philosophy, school-running direction and school-running practice in the field of education have reflected and complied with the relevant requirements of Article 3 of the Implementation Regulations (Draft for Review).

At present, the "Implementation Regulations (Draft for Review)" is still in the process of soliciting opinions, the State Education Administration and Beijing Municipality.

1-9

The relevant supporting policies of local governments have not yet been introduced, and there are still some uncertainties about the policies of private education. Although the company's production and operation comply with the current effective laws and regulations and the requirements of the "Implementation Regulations (Draft for Review)", the future development of the industry and the company's production and operation are subject to private education by the relevant authorities in the future country or company. The K12 international education and quality education and training industry introduces risks arising from other new laws and regulations and industry regulatory policies.

The above risks have been included in the "Section 10 of the Issuer's Risk Factors and Other Important Events Survey" of Guangzhou Securities Co., Ltd.'s Due Diligence Report on the Non-public Issuance of Shares of Beijing Kaiwen Dexin Education Technology Co., Ltd. Disclosure was conducted in the Survey of Issuer Risk Factors.

In summary, the issuer's service to the school is a normal business act. There is no disguised income from running a school. The issuer's business model and business are legally compliant. There is no violation of the Implementation Regulations (Draft for Review) and With regard to the relevant provisions of the "Several Opinions on Deepening Reform and Standardization of Preschool Education", the industry policy risks faced by the issuer are generally controllable and fully disclosed in the due diligence report.

(II) Similarities and differences between the company and the comparable companies in the same industry, and related risk countermeasures

## 1. Comparison and analysis of issuer's profit model

The issuer consulted the public information of Hong Kong and A-share educational listed companies, and compared the profit model of Kevin Education. The specific analysis is as follows:



company name	Relationship with school	Main business	Profit model
Broadcom shares (600455.SH)	The company and Xi'an Jiaotong University are co-organizers of Xi'an Jiaotong University City College	Engaged in computer information technology and higher education, among which Xi'an Jiaotong University City College is a non-profit private college. Botong and Xi'an Jiaotong University are the organizers of the City College. In 2017, education income accounted for 86.93%.	After meeting the relevant conditions and fulfilling the procedures, the company can obtain a reasonable return from the school balance of Xi'an Jiaotong University City College. In addition, the City College pays 20% of the tuition fee for the year to the other organizer Xi'an Jiaotong University Education Resource Service Fee.
Yali Technology, a subsidiary company of Electro-optical Technology (002730.SZ)	No relationship with partner schools, education service providers	Yali Technology's main business includes international education and training, teaching and consulting management services.	(1) Internationalized education and training: Tuition fees are charged for providing course teaching and training to students. For example, the tuition fee charged to the International Education College of Hefei University of Technology in 2015 is 58,500 yuan / person / school year. (2) Teaching Consultation Management Service: The services provided to the school are charged. For example, the International Education Institute of Hefei University of Technology is charged an overseas operating fee of 12,000 yuan/person/year.
Ang Li Education (600661.SH)	No relationship with cooperative vocational colleges, educational service providers	The company is mainly engaged in education and training, mainly involving K12 education, vocational education, international education, early childhood education and other business areas. In 2017, education revenue accounted for 86.93% of the main business income, of which K12 education business accounted for 84% of the education business.	In the field of vocational education, the company plans to sign a cooperation agreement with the school to fund the construction of the dormitory and training building, and collect the site usage fee according to the corresponding regulations; it is responsible for providing the course system, practical class teaching and employment services, and the service fee charged is 20% of tuition income.

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company name	Relationship with school	Main business	Profit model
Maple Leaf Education (HK 01317)	Company related parties are school sponsors, educational service providers	International school education business that mainly provides Canadian curriculum system	Signing the "Exclusive Management Consultant and Business Cooperation Agreement" to charge the school a service fee equivalent to 100% of the net income after deducting the relevant laws and regulations, and may decide to adjust the service fee ratio.
Kevin Education (002659.SZ)	Organizer and education service provider	Mainly engaged in the investment, construction and operation management of K12 International School, and at the same time carry out education services such as camp education, study abroad consultation, sports training and art training to expand quality education.	Through the signing of the "House Leasing Contract", "Exclusive Management Consultancy Agreement", "Sports Training Agreement", "Study Service Agreement", etc., the company collects rents, service fees, etc.; the training business collects the full training fee according to the training agreement.

Note: The above information comes from Broadcom's "Annual Report 2017", "Response to Feedback from Non-public Issuance of Stock Application Documents", and E-Technology's "Issuance of Shares and Payment of Cash to Purchase Assets and Raise Feedback on Application Documents for Matching Funds" Reply and the listing application documents of Maple Leaf Education.

According to the above table, Kevin Education and the above-mentioned educational comparable companies are comparable and similar in the profit model and income source, and mainly charge service fees by providing educational services to schools through signing management consultancy agreements, service agreements or other forms. Earn income.

The relationship between Kevin Education and the school is basically the same as that of the above comparable companies. It is an education service provider. Kevin Education collects service fees by providing various educational services. The business model is similar, but the charging models are different. Kevin Education and its subsidiaries provide Kaiyuan School with customized and professional services such as school venues, facilities and equipment, school management, education consultation, study abroad consultation, and sports training. According to the service content and service nature, the school collects fairness from the school. Reasonable consideration, its economic activities have commercial essence.

2. Risk response measures



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Comparing the profit model of the issuer and comparable companies in the same industry, combined with the current laws and regulations and industry regulatory policies, the issuer's main risk response measures are as follows:

(1) Vigorously develop training business and optimize the company's income structure

After many years of operation, Kewen Education has accumulated rich experience and advantageous educational resources in the training business field. It has deeply laid out four major training business areas of sports, art, music and technology. The company's business system is open.

There are physical education courses, art courses, and expansion courses (language, STEM, science, etc.) and internationalization.

The characteristics, superior resources and quality projects dominate the market development, and the company is showing a good development momentum in the training business field.

At present, the sports, art, music, science and technology education and training market has broad prospects for development.

According to reports, the annual average compound growth rate of the children's art training market is 18.05%, and it is expected to reach 131.6 billion yuan in 2020. The youth sports training market will be about 230.6 billion yuan. In 2018, the domestic STEM education market space is about 27 billion yuan. The market space is huge.

1-11

In the field of sports training, Kaiwenwenxin has been the main operating platform of the "Kevin Sports" brand. It has provided sports training for basketball, football, tennis, ice hockey, baseball, rugby, golf, fencing, swimming and synchronized swimming. Business, based on full semester including PYP, MYP and DP

IB curriculum system, with the help of the United States Major League Baseball (MLB), Manchester City Football Club and other foreign knowledge

The high starting point of cooperation among sports organizations has created a three-in-one business structure of "training + camp + events", which has formed a relatively mature commercial operation system and business model and strong brand awareness. In the external expansion of the business, the company has established good cooperative relations with many external organizations such as Beijing Jushi Dharma Cultural Development Co., Ltd., and hosted, hosted or co-organized the 2018 Beijing Primary and Secondary School Fencing Competition, Beijing in 2018. The primary school swimming open competition and many other sports events, spread the "Kevin Sports" brand, forming business income. At present, the issuer's sports training income is gradually released, and its contribution to performance will continue to increase.

In the field of art and beauty training, the company has opened a series of courses in traditional culture, visual, fine arts, dance, and drama creation at Kevin School, and has developed international art with well-known professional educational institutions such as AIP.

Cooperation in education and education, and is now gradually connecting with famous art at home and abroad such as Tsinghua University Academy of Fine Arts and London University of the Arts.

The educational resources of the school, through the introduction and research and development of courses and teaching materials, to achieve the market operation of the "Kevin Art" brand.

In the field of music training, the company is gradually achieving market-oriented operations in the fields of music appreciation, music master classes, music popular courses, etc. through cooperation with well-known domestic and foreign musicians; the company is working with Westminster The cooperation of three internationally renowned music colleges, such as the Choral Conservatory of Music, implements market-oriented operations in the fields of chorus, vocal music, piano performance, music education, etc., and realizes the company's internationalization of education business and training income in overseas higher education. Increase the revenue scale of the music training business.

In the field of science and technology education, science and technology education products such as robot education, science classes, and children's programming have received strong attention from the market and have great growth potential in the future. The company has established a complete STEM curriculum system, as well as a special training program for various events, and cooperated with a number of science and technology museums and museums to implement experiential research. The students of Kevin School STEM have been acquired in various competitions such as the International Robot Competition. Awards. At present, the company's STEM education and training business is gradually being carried out, and will form an important source of income in the future.

At present, the above-mentioned training business of the issuer is going smoothly and the prospects are promising; with the expansion of the company's training business

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With the release of exhibitions and performance, the scale of the company's training business will be further enhanced. The training business will form an important support for the company's future revenue, and the company's ability to continue operations will be further enhanced.

**(2) Vigorously develop quality education business and form a major source of income growth**

The quality education and training market has broad prospects for development. The company seized the strategic development period of quality education and implemented the high-quality quality education platform for young people to provide one-stop, diversified and multi-disciplinary high-quality quality education product training and services for 4-18 year olds.

The company took the opportunity of implementing this fundraising project and realized the operation of light assets such as leased property.

1-12

The large-scale operation of the quality education business, improve the marginal benefits of the company's existing quality resources, and achieve international education and

The coordinated development of quality education is an inevitable choice for the company's strategy, and it is also the realization of the quality of international school education services.

The realistic path of the transformation of education and education operations is conducive to matching and optimizing the effective combination of long-term operation of the company's assets and short-term realization of profitability, and further enhance the company's core competitiveness.

The issuer has formed a relatively clear development strategy and development path in the field of quality education. The accumulated educational resources have been transformed into the basis of brand operation, and a relatively mature business operation mode has been formed. With the development of the above-mentioned business, the scale of the company's quality education business will be further enhanced, and the quality education industry will

The company will make a major contribution to the company's future revenue, more diversified income channels, a more reasonable income structure, and the company's continued profitability will be improved.

(3) Wenkaixing has first-class school buildings and hardware facilities. Wenkaixing provides fixed assets such as the above-mentioned school buildings and facilities to Chaoyang Kevin School. The stable and continuous rental income is the embodiment of its asset management ability. Assets are located in a superior geographical position, such as market-oriented operations, and also have strong asset profitability and stable and continuous rental income.

In accordance with the provisions of the "People's Promotion Law" and "Implementation Regulations (Draft for Review)" and other relevant laws and regulations, the issuer

There is no violation of the above regulations in the business. According to the issuer's development strategy, business plan and the above measures

With the gradual development of the business, the quality education business, training business and international school business will become the issue.

The main source of people's future income, quality education business and training business will further increase the proportion of the issuer's future income structure. After 2021, it will occupy a dominant position in the income structure, reducing the fluctuation of performance caused by business activities in the segmented business areas. To further enhance the issuer's continued profitability and risk resistance.

(3) Explain whether Wenkaixing and Kaiwen Zhixin have significant reliance on Haidian Kewen School and Chaoyang Kewen School, and whether the business is independent.

1. Holding a school is the foundation for the company to carry out education business, and is an important measure to establish an education brand image and market reputation.

With the continuous deepening of education reform in China, the competition in the education market is becoming increasingly fierce, and the promotion of the brand effect on the business development of the education industry has become more prominent. The school is organized by its wholly-owned subsidiaries Wen Kaixing and Kevin Zhixin. Carry out education business and establish a fast entry point for educational brands. As the education industry has the characteristics of high initial investment and long return period, the company aims to quickly establish its brand image and market reputation in the education industry, concentrate limited funds, and create a "Kevin" education brand by investing in the entity school. In addition, it provides a solid foundation for the company's subsequent management output, brand system output, and education business development.

Wen Kaixing and Kaiwen Zhixin are the organizers of Chaoyang Kewen School and Haidian Kewen School respectively. Their main business and positioning are: as an international education management service platform for listed companies, they are provided to schools through leasing.

School buildings and teaching facilities, etc., while leveraging or integrating the resources and services of the parent company Kevin Education

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1-13

Ability to provide high quality and supportive education services to schools and students to meet the normal teaching management of the school

And operational needs. This will enable the school to focus on the improvement of teaching level, which is the result of professional division of labor, which is conducive to mutual cooperation and win-win.

In the future, the company will rely on the increasingly powerful education management service platform to carry out the implementation of the curriculum system, management system and brand system, and gradually expand the quality education business, in order to reduce the company's income concentration, smooth the risk of performance fluctuations, and continuously improve the company's Profitability.

**2. The issuer's profit source is gradually diversified**

The company has listed the international school business, quality education and training business as the strategic direction for future development. The company's business strategy is mainly to build an education eco-industrial chain that relies on physical schools and extends the above-mentioned downstream industries to cover international school education, quality education, sports art training, camp education, brand output, and upstream and downstream training. It has achieved industry leading position through internal resource integration, strong alliance and external extension, and created a strategic layout of the first-class education platform of "international education + quality education".

At present, the reputation of "Kevin" education brand has gradually formed, and the issuer has the key conditions for vigorously developing quality education. As the issuer continues to develop the curriculum system, management system and brand system output, the proportion of the issuer's quality education income will increase rapidly with the continuous improvement of the "Kevin" education brand. The issuer's income for the two Kevin schools will increase. The proportion will decline. Haidian Kewen School and Chaoyang Kewen School serve as important windows for the "Kevin" education brand, providing a solid foundation for the rapid promotion of the issuer's quality education business.

At the same time, the issuer has in-depth layout of sports, art, music, technology and four major training business areas, market expansion is gradually improving, business performance is gradually released. With the expansion of the company's training business, the company's training

The scale of business will be further enhanced, and the training business will form an important support for the company's future revenue, and the company's ability to continue operations will be further enhanced.

In addition, language training is gradually becoming an important source of income for the company. Based on Kevin Ruixin's professional advantages in the field of language training, good reputation and a team of famous teachers, the issuer provides SAT, TOEFL, AP course training and education management system for overseas students. The output business has achieved good response in the industry, and the language training income is gradually improving.

The company implements the high-quality quality education platform project for young people in this fund-raising project, which is the inevitable strategy of the company.

select. After the implementation of the project, the income of quality education will grow rapidly, and the issuers will come from two schools.

The income will further decline, and the issuer's income structure will become more abundant and reasonable.

**3. Current and future income composition and trends of issuers****(1) The current main income structure of the issuer**

During the reporting period, the company's education business is still in the early stage of brand building and market development, and the field of education.

1-14

The unique structure of the business structure and customer structure is related to the pre-development stage. The current income of Wenkaixing and Kevin Zhixin is mainly the rental income of Haidian Kewen School and Chaoyang Kewen School. In addition to the income related to the students of the two Kevin Schools, the issuer also provides camps for young people inside and outside the school. Sports training such as education and events, and SAT, TOEFL and other language training for students studying abroad and earning income. From January to June 2018, the issuer's income from the two Kevin School students accounted for more than 90% of the education service income. From the current income structure, the two Kevin schools are more dependent, but In the future, with the gradual emergence of the company's brand effect, the K12 international education, quality education and training business will be developed through the extension of the industry chain. The performance of the training business and quality education business will be

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gradually released, and the company will become the main source of income for the company in the future. Gradually diversified, the company's revenue share through the provision of services for Kevin School will gradually decrease.

**(2) The future income composition and trend of the issuer**

According to the company's current development strategy, business plan and resource investment, the management of the company based on the following assumptions, the future income composition of the company in 2021 and 2022, which were completed and fully operational in the six quality education centers of the fundraising project. The trend of change, the following careful estimation and analysis (which does not represent the company's judgment on future business conditions and trends, nor does it constitute a profit forecast and the company's commitment to performance):

Hypothesis 1: The company's training fee business is expected to realize an income of 50 million yuan in 2019, and the subsequent annual growth rate is 50%. (The growth factors and basis are mainly: the company's differentiated training and education has achieved remarkable results, and the growth rate of training fees in 2018 is expected to exceed 100. %, in the future, with the gradual emergence of the company's scale effect, the training business will become one of the main sources of the company's income, starting from the principle of prudence, it is expected to grow 50% in the future); Hypothesis 2: The total number of students in school increases every academic year 500-900 people, the assumption is that the number of students in school increases by 500 students per academic year, the tuition fee is 200,000 yuan / person / school year, the income of international school business = (the number of students in the school year \* 8 / 12 + the number of students in this school year \* 4 / 12) \* Tuition fee (data rounding).

Based on the above assumptions, the company's training fee income is estimated to be 112.5 million yuan and 168.75 million yuan respectively in 2021-2022; the international school business income is expected to be 473 million yuan and 573 million yuan respectively in 2021-2022.

According to the feasibility study report of this fundraising project, the income of the quality education business of this fundraising project is expected to be 462,246,700 yuan and 70,302,700 yuan respectively.

In summary, the total amount of income from the quality education business and the training fee income will be 54.86% and 60.34% respectively in the year of 2021 and 2022 in the current investment and investment projects, which will exceed the international school business income and become the company. The main source of income in the future; the income of international school business will show a downward trend in the proportion of income growth; the company's future income will be more diversified, the income composition will be more abundant, and the company's anti-risk ability and sustainable profitability will be comprehensively improved.

**4. The issuer's business will not have significant reliance on the school in the future, and the business will be independent.**

1-15

(1) Wenkaixing and Kevin Zhixin and the school are independent of each other in business and management, and closely cooperate in the industrial chain.

Wen Kaixing and Kevin Zhixin act as the issuer's international education management service platform, which is independent of the school in terms of business and management. As a wholly-owned subsidiary of the company, Wenkaixing and Kaiwen Zhixin are the main body of the legally-owned company, and conduct business activities in accordance with the Company Law and other laws and regulations. Chaoyang Kewen School and Haidian Kewen School implement the principal responsibility system under the leadership of the board of directors, self-sponsorship, independent enrollment, independent civil liability, independent financial accounting, and education activities in accordance with the Law of the People's Promotion Law. During the reporting period, Wen Kaixing and Kaiwen Zhixin provided rental services to Chaoyang Kewen School and Haidian Kewen School, which are normal business activities and their economic activities have commercial essence. Wen Kaixing and Kevin Zhixin, as the organizers of Kevin School, in the actual operation of Chaoyang Kewen School and Haidian Kewen School, through the stipulations of the Articles of Association, by appointing directors, representatives, etc., Participate in the school's decision-making through the board of directors

And management, which involves the main aspects of the school education business, such as enrollment arrangements, tuition fee collection and collection, and classes.

The process setting and scheduling, selection of faculty members other than the principal, etc., are all determined and managed by the school management according to the system.

Wen Kaixing and Kevin Zhixin use their own asset resources and integrate the resource advantages and service capabilities of the parent company Kevin Education to provide educational services to schools to meet the normal teaching management and operational needs of the school. The relevant educational services provided by Wen Kaixing and Kevin Zhixin are in the same chain of education industry chain as the school. They are independent of each other in terms of assets, business and management. They are closely cooperating with the principles of marketization in business, which is the result of both parties. The results of business positioning, resource matching, industry chain collaboration and social division of labor market selection are also

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consistent with the general trend of China's current social division of labor, the increasing level of professional services, and the increasing requirements for management refinement.

(2) The issuer has high-quality assets, resource advantages and service capabilities, and has independent operation ability for market-oriented operation.

As an integrated service provider in the field of education, the company has accumulated in the field of international education and quality education.

Rich experience and superior educational resources have been built to cover K12 international education, quality education, sports art

Educational service system, education education, brand output and other educational service systems and educational ecological industry chain, and form a differentiated competitive advantage and brand influence of art sports education and training. The company has independent resource-oriented advantages and services for market-oriented operation. ability. At the same time, Wen Kaixing and Kevin Zhixin own land, school buildings and education.

For high-quality assets such as facilities, Wenkaixing and Kevin Zhixin provide fixed assets such as the above school buildings and facilities to Kevin School. The stable and continuous rental income is the embodiment of their asset management capabilities. The geographical location of the above-mentioned school buildings and other assets is relatively high. Superior, such as market-oriented operation, also has stable and continuous rental income and strong sustainable profitability.

(3) The issuer's business will not have significant dependence on the school in the future.

1-16

The company's development strategy is to strive to create a "first education + quality education" first-class education platform, currently teaching

The main business structure of the education field and the relatively single customer structure are related to the company's development in the early stage; the current issuer is vigorously developing the quality education business and training business, and the performance of the quality education business and training business is gradually released; Development strategy, business planning and resource investment will be gradually implemented. Quality education business and training business will become the main source of income for the company in the future; based on the company's management's careful estimation of future income, the total amount of quality education business income and training fee income will be 2021, In 2022, the proportion is expected to reach 54.86% and 60.34% respectively. The business structure will be further optimized, and the company's profit sources will be gradually diversified. The company and its wholly-owned subsidiaries Wen Kaixing and Kevin Zhixin will provide rental and management consulting for Kevin School. The proportion of revenue earned by the service will gradually decrease. The business of the company and its wholly-owned subsidiaries, Wen Kaixing and Kevin Zhixin, will not have significant reliance on the school in the future. The issuer and the wholly-owned subsidiaries Wenkaixing and Kevin Zhixin's business Independent.

In summary, the issuer's business does not have significant reliance on the school in the future, and the business is independent.

(4) Verification opinions of the sponsor institution and the applicant's lawyer

The sponsor institution and the applicant's lawyers reviewed the relevant provisions of the "People's Promotion Law", "Implementation Regulations (Draft for Review)" and "Several Opinions on Deepening Reform and Standardization of Preschool Education", and consulted the issuer and its subsidiaries and Kay. The related contracts and service agreements signed by the Wen School and the "Articles of Association" (revised) of Kevin School, through the comparison of the pricing of similar services of A-share listed companies, the rationality and fairness of the above-mentioned contract and service agreement pricing, consulted Kevin Education 2018 The semi-annual report and the third quarterly report and the feasibility study report of the fundraising project verify the issuer's report on the relevant business agreement in the education department, and compare and analyze the relevant comparable companies.

The business model and case interviews were conducted with the relevant executives of the issuer.

After verification, the sponsor institution believes that the business carried out by the issuer and the school is a normal business activity. There is no disguised form of income from running a school. The issuer's business model and business are legal and compliant. There is no violation of the actual

Relevant provisions of the Regulations (Draft for Review) and the "Several Opinions on Deepening Reform and Standardization of Preschool Education"

In the case of the issue, the industry policy risks faced by the issuer are generally controllable and fully disclosed. The issuer has similar business model to the comparable company in the same industry, but the charging model is different, and the relevant risk response measures are clear and clear. The issuer's business will not have a major reliance on the school in the future, and the business will be independent.

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Upon verification, the applicant's lawyer believes that the business carried out by the issuer and the school is a normal business conduct, and there is no disguised income from the school. The issuer's business model and business are legally compliant, and there is no violation.

Relevant "Implementation Regulations (Draft for Review)" and "Several Opinions on Deepening Reform and Standardization of Preschool Education"

In the stipulated situation, the industry policy risks faced by the issuer are generally controllable and fully disclosed. The issuer has similar business model to the comparable company in the same industry, but the charging model is different, and the relevant risk response measures are clear and clear. The issuer's business will not have a major reliance on the school in the future, and the business will be independent.

1-17

2. In July 2016, after the applicant's non-public offering of shares, Badachu Holdings became the controlling shareholder, and the Beijing Haidian District State-owned Assets Supervision and Administration Commission became the actual controller; after the change of the applicant's control rights, it successively went to the Bida Branch Holdings and its affiliates. The company acquired the equity of Kaiwen Letter, Kevin Zhixin, Kaiyu Xinde, Wenkaixing, etc., and disposed of the bridge business in 2017. The education service business became the main business of the applicant. At the same time, the applicant believes that "before the change of control, the international education business is the main business of the company". Applicants are requested to: (1) Before and after the change of control rights, the proportion of assets, income and net profit of international education business to the total business indicates whether there is a fundamental change in the main business of listed companies, and whether it belongs to the management of major assets reorganization of listed companies. Article 13 (6) of the Measures; (2) In combination with relevant laws and regulations and the actual situation of changes in the main business of the listed company, the above-mentioned asset transactions do not constitute a full explanation of the listing. The sponsor institution and the applicant's lawyer are requested to issue verification opinions.

Reply:

(1) Before and after the change of control rights, the proportion of assets, income and net profit of international education business to the total business indicates whether there is a fundamental change in the main business of the listed company, and whether it is the "Management Measures for Major Asset Restructuring of Listed Companies" The situation of the three sixth paragraphs.

In July 2016, the listed company completed the issuance of non-public offering of shares in accordance with the "Regulations on Approving the Non-public Issuance of Shares of Jiangsu Zhongtai Bridge Steel Co., Ltd." in the "Public Supervision License [2016] No. 809, and the 8th branch of the company subscribed for 1,005,036 shares, subscribed Upon completion, the shares of the company held by Badachu Holdings accounted for 30.10% of the total share capital of the company after the issuance. Badachu Holdings became the controlling shareholder of the listed company. The actual controller of the listed company was changed from Chen Hao to the Beijing State-owned Assets Supervision and Administration Commission. Before and after the change of control rights, the total assets, operating income and net profit of the issuer's education business subject accounted for the following proportions of the total business:

Unit: 10,000 yuan

project	time	project	Total assets	Operating income	Net profit
Before the change of control	2015.12.31/2015	Amount	54,795.01	-	-45.00
		Proportion	21.37%	-	The proportion is negative, not applicable
	2016.06.30/ January-June 2016	Amount	56,629.77	-	-148.41
		Proportion	23.10%	-	25.33%
After the change of control	2016.12.31/2016	Amount	185,883.92	-	-1,185.18
		Proportion	48.95%	-	12.34%
	2017.12.31/ 2017	Amount	300,141.10	9,162.18	-6,550.42
		Proportion	95.43%	14.77%	The proportion is negative, not applicable
	2018.06.30/ from January to June 2018	Amount	307,928.16	8,938.20	-4,523.26
		Proportion	96.70%	100.00%	87.53%

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1. The evolution of the company's main business

(1) Before 2015, the company's main business was the bridge steel structure business.

(2) In 2015, the company newly established Wenhua Xuexin and Capital Increase Holdings Wenkaixing, Wenhua Xuexin as the company

1-18

The investment holding platform of the education business, layout and implementation of asset acquisition in the field of education; Wen Kaixing, as the organizer of the future Chaoyang Kewen School, invests, builds and operates international school projects. Before the acquisition of the controlling interest of the listed company, the business of the listed company has become the dual main business of the international education business and the bridge steel structure.

Before the change of control, the international education business has become one of the company's main businesses, as follows:

1 The international education business is a strategic choice for the company. The company's original main business bridge steel structure business has limited room for growth, and the company urgently needs to find new business growth points. At the same time, with the continuous deepening and advancement of the domestic education system reform, the relevant laws and regulations of the education industry have been continuously improved, the entire industry has become increasingly mature, and the market development prospects are good. Therefore, the company decided to seize the opportunity of the development of China's education industry, through the establishment and acquisition of high-quality educational assets, to enter the education sector with better cash flow and sustainable profitability.

2 The total assets related to the international education business have accounted for more than 20% of the company's total assets. According to the "Applicable Opinions on the Application of Securities and Futures Law No. 3 - "Implementation Measures for the Administration of Initial Public Offerings and Listings", Article 12 of the Applicant's Applicable Opinions on Major Changes in the Main Business in the Last Three Years", whether major changes have occurred in the main business. According to the total assets or operating income or total profit of the reorganized party, the proportion of the corresponding items of the issuer before the reorganization is 20%, 50% and 100%, which is the criterion for judging the significant change. Before the change of control rights, the issuer's total assets of the international education business has reached more than 20%, which is in line with the conditions for changes in the main business. The international education business has become one of the company's main businesses.

Since the listing of international education business, listed companies have invested a lot of resources in the field of education, the relevant assets have been quite large, and the business qualifications are steadily advancing. On September 22, 2015, Wen Kaixing signed the "Framework Agreement for General Contracting Construction" of the Qinghua Middle School Kevin International School Project with the Fifth Construction Co., Ltd. of China Construction First Bureau. On November 28, 2015, the project construction project was officially completed. The commencement ceremony was held and was started by the China Construction First Bureau Group Fifth Construction Co., Ltd. On February 23, 2016, Wen Kaixing submitted an application for the establishment of Chaoyang Kaiwen School Administrative License Materials to the Chaoyang District Education Committee; on March 11, 2016, Beijing Chaoyang District Education Committee issued an administrative license to Wenkaixing. The Decision Book (Jing Dynasty Education and Public Opinions [2016] No. 1) approved the establishment of Chaoyang Kewen School. According to the "Assessment Report on Jiangsu Zhongtai Bridge Steel Structure Co., Ltd. with self-raised funds for pre-investment of raised funds investment projects" (Conference [2016] No. 3946), as of June 30, 2016, the construction project has The self-raised funds were invested in 327,456,100 yuan, of which the amount of funds raised was 4,064,300 yuan. Based on the above facts, listed companies have actually invested a large amount of capital resources to start construction of Chaoyang Kevin School and obtain approval for school preparation before the change of control.

3 Case practice of related listed companies. First, Baoli International (300135.SZ) is mainly engaged in the R&D, production and sales of high-grade road asphalt new materials and general aviation business. Among them, the general aviation business accounted for 15.03% of the revenue in 2017, the main operating entity of the business is Jiangsu. The total assets of Baoli Aviation Equipment Investment Co., Ltd. and Jiangsu Huayu General Aviation Co., Ltd. accounted for 24.57% of the total assets of the listed company. According to its public disclosure information, the general aviation business is one of the main businesses of the company; second, Omar Electric

1-19

(002668.SZ) is mainly engaged in the manufacturing and sales of refrigerators and financial technology business. Among them, the financial technology business accounted for 10.38% of the revenue in 2017. The main operating entity of the business is Zhongrongjin (Beijing) Technology Co., Ltd. (Beijing) Technology Co., Ltd. and Ningxia Wallet Gold Co., Ltd. The total assets of the company accounted for 28.05% of the total assets of the listed company. According to its public disclosure information, the financial technology business is one of the main businesses of the company. In summary, the above-mentioned A-share companies define the business as one of their main businesses when the assets of a certain type of business have a certain scale but the income is relatively low.



(3) In 2016-2017, the company further developed its education business. On the one hand, it is the need to practice strategic choices, and on the other hand, the company's independent business decisions based on market research and business development needs. The purpose is to enhance the company's sustainable development ability, conform to the trend of China's education sector consumption upgrade and rapid development of high-end education. The company's dual main business structure in international education and bridge steel structure helps to effectively spread the single bridge steel structure business and its business. Declining systemic risks and enhancing the sustainability of listed companies.

(4) In November 2017, the company divested the bridge steel structure business and changed its main business into a single main business of international education business.

2. There is no violation of Article 13, paragraph 6, of the Measures for the Administration of Major Asset Restructuring of Listed Companies in Listed Companies.

Article 13 (6) of the Measures for the Administration of Major Asset Restructuring of Listed Companies: The purchase of assets by the listed company to the purchaser and its affiliates does not meet the criteria in items (1) to (5) of this paragraph, but may result in The main business of listed companies has undergone fundamental changes.

According to the analysis of the evolution process of the company's main business, before the company's control is changed, the company's main business has become the "bridge steel structure business and international education business dual main business", after the change of control rights, the listed company to the purchaser and its associated The assets purchased by the people are all educational assets, which have not led to fundamental changes in the main business of the listed company. There is no reorganization of the listing standard (6) as stipulated in the Restructuring Management Measures.

In November 2017, the company divested the bridge steel structure business. The main business was changed from "bridge steel structure business and international education business dual main business" to "one single main business of international education" business". The matter was based on the company's long-term development after careful analysis. Strategic choices:

(1) Affected by macroeconomics, market competition, raw material cost fluctuations and other factors, the profit level of the bridge steel structure industry has shown a certain degree of fluctuation. In 2013-2016, affected by factors such as de-capacity in China and destocking in the real estate industry, the growth rate of total GDP slowed down year by year, the growth rate of steel structure industry continued to decline, and the growth rate of steel structure profit continued to narrow. Steel structure in 2013-2015 The total profit of the industry was 13.5 billion, 14.6 billion, and 15.48 billion, respectively, with an increase of 20%, 8.2%, and 6%. The profit margin of the industry continued to decline. In 2015, the industry's profit margin was only 3.15%, and the industry's loss rate reached 11.3%. Source: China Industry Information Network "2017 China's steel structure industry development status, market incremental space and development trend analysis"). The company's bridge steel structure business also showed a continuous decline in gross profit margin, project delays, long settlement period, etc., resulting in the company's profitability.

1-20

The decline in power and the pressure on cash flow, the company's net profit attributable to owners of the parent company in 2015-2016 was 2.863 million yuan and -9,604,400 yuan respectively, and the net operating cash flow was 174,360,100 yuan and -31,486.00 million yuan, which has had a significant adverse impact on the company's continued profitability in the future.

(2) The bridge steel structure business has high requirements for safe production. There are a lot of open-air, high-altitude and waterborne operations in the bridge steel structure engineering business. The construction environment has certain risks. For example, improper management and operation will cause potential safety hazards.

(3) In order to adapt to changes in the market environment, effectively reduce operating burdens and operational risks, optimize resource allocation, and safeguard the interests of small and medium-sized shareholders, the company carefully analyzed market conditions and company business, decided to withdraw from the bridge steel structure business, and concentrated resources to develop market demand and development. A more promising international education business. The above decisions are in line with business logic, which is conducive to maintaining the ability of listed companies to continue to operate and protecting the interests of all shareholders of listed companies, especially small and medium shareholders.

In summary, the company's business adjustment is a prudent decision to respond to changes in market environment and performance, and has fulfilled the corresponding decision-making procedures in accordance with the law. Although the business change process happens to be in the "Revised Management Measures for Listed Companies", the decision-making and behavior of the company's acquisition of educational assets are far from the publication time of the "Restructuring Management Measures" (2016 Revision) and its "Draft for Comment". Therefore, there is no circumvention of the reorganization of the listing.

(2) In combination with relevant laws and regulations and the actual situation of changes in the main business of listed companies, the above-mentioned asset transactions do not constitute a full reorganization of the listing.

1. After the actual controller changes, the company purchases assets from the purchaser and its affiliates.

The company purchases assets from the purchaser and its affiliates after the actual controller changes:

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Serial number	time	Transaction content	Impact on the business
1	January 2017	In December 2016, the company held the 4th Extraordinary General Meeting of Shareholders in 2016, deliberating and passing the "Equity Transfer Agreement" signed by Wenhua Xuexin and YinYe Jinhong and YinYe Jintai to acquire 100% equity of Kaiwen Literature and its total shareholding. Kevin Zhixin 100% equity. The transaction was completed in January 2017.	The company realized indirect control of Kai Literature and Kevin Zhixin, thereby increasing education in art education, sports training, and international education in Haidian Kevin School.
2	September 2017	In September 2017, Wenhua Xuexin signed an "Equity Transfer Agreement" with Beijing Xinrongjin Hotel Management Co., Ltd. to acquire a 51% stake in Kaiyu Xinde. The transaction was completed in September 2017.	The company realized indirect holding of Kaiyu Xinde and increased educational services such as catering services.
3	January 2018	In December 2017, the company held the 6th Extraordinary General Meeting of Shareholders in 2017, deliberating and passing the "Asset Acquisition Agreement" signed by Wenhua Xuexin and Badachu Holdings, and acquired 20.22% equity of Wenkaixing held by Badachu Holdings in cash. The transaction was completed in January 2018.	The company achieved 100% merger of Wenkaixing business.

1-21

2. The purchase of assets from the purchaser and its affiliates from the date of change of control does not constitute a reorganization of the listing. The applicant does not have to evade the reorganization of the listing review and conduct regulatory arbitrage.

According to Article 13 of the "Restructuring Management Measures": a listed company purchases assets from the purchaser and its affiliates within 60 months from the date of change of control, resulting in one of the following fundamental changes in the listed company. Major asset restructuring shall be reported to the China Securities Regulatory Commission for approval in accordance with the provisions of these Measures:

(1) The total amount of assets purchased accounts for more than 100% of the total assets at the end of the audited consolidated financial accounting report in the previous fiscal year in which the control of the listed company has changed;

(2) The ratio of the operating income generated by the purchased assets in the most recent fiscal year to the audited consolidated financial accounting report in the previous fiscal year in which the control of the listed company has changed is more than 100%;

(3) The proportion of the net profit generated by the purchased assets in the most recent fiscal year to the audited consolidated financial accounting report in the previous fiscal year in which the control of the listed company has changed is more than 100%;

(4) The net amount of assets purchased accounts for more than 100% of the net assets at the end of the audited consolidated financial accounting report in the previous fiscal year in which the control rights of the listed company changed;

(5) The shares issued for the purchase of assets account for more than 100% of the shares of the board of directors on the previous trading day of the board of directors' purchase of assets from the acquirer and its affiliates for the first time;

(6) The listed company's purchase of assets from the purchaser and its affiliates does not meet the criteria in items (1) to (5) of this paragraph, but may result in fundamental changes in the main business of the listed company;

(7) Other circumstances identified by the China Securities Regulatory Commission that may lead to fundamental changes in the listed company.

According to the calculation method stipulated in Article 14 of the "Restructuring Management Measures", the specific indicators for the company to purchase assets from the purchaser and its affiliates from the date of change of control rights are as follows:

Unit: 10,000 yuan

project		Total assets	Recent fiscal year operating income	Return to the mother's net assets	Net profit for the most recent fiscal year
Kay literature	financial data	997.26	-	995.56	-
	Turnover	995.56		995.56	
	High	997.26	-	995.56	-
Kevin Zhixin	financial data	24,724.98	-	-540.34	-

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Kai Yu Xinde	Turnover	16,520.66		16,520.66	
	High	24,724.98	-	16,520.66	-
	financial data	197.69	110.34	100.13	-44.72
	Turnover	122.23		122.23	
	High	197.69	110.34	122.23	-44.72

1-22

project		Total assets	Recent fiscal year operating income	Return to the mother's net assets	Net profit for the most recent fiscal year
Wen Kaixing	financial data	34,482.76	9,919.33	17,530.41	-301.41
	Turnover	27,001.49		27,001.49	
	High	34,482.76	9,919.33	27,001.49	-301.41
Total 1		60,402.69	10,029.67	44,639.94	-346.13
The company's corresponding indicators in 2015 2		256,456.25	76,335.00	60,364.25	286.38
1/2		23.55%	13.14%	73.95%	The proportion is negative, not applicable
Standards set out in the Restructuring Management Measures		100%	100%	100%	100%
Whether to reach the reorganization standard		no	no	no	no

Note: The financial data of Kaiwen Letter, Kevin Zhixin, Kaiyu Xinde and Wenkaixing are respectively derived from the audit report issued by Huapu Tianjian Certified Public Accountants (special general partnership) [2016] No. 4800 "Audit Report" [2016] 4798 "Audit Report", the review of the word [2017] 2592 "Audit Report" and the review of the word [2017] No. 5243 "Audit Report"; the company's 2015 financial data from Huapu Tianjian Certified Public Accountants (special ordinary The audit report issued by the partnership [2016] No. 0500.

As can be seen from the above table, the company has not exceeded 100 financial assets of the purchaser and its affiliates from the date of the change of control, the total assets of the assets purchased by the acquirer and its affiliates, the net assets of the returning mother, the operating income of the most recent fiscal year and the net profit of the returning mother. %, there is no case of the reorganization listed standards (1), (2), (3) and (4) as stipulated in the Restructuring Management Measures.

Since the date of change of control, there is no situation in which the company issues shares for the purchase of assets. Therefore, there is no case of the reorganization listed standard (5) as stipulated in the Restructuring Management Measures.

Before the change of control of the company, the international education business is one of the main business of the company; after the change of control of the company, the assets purchased from the purchaser and its affiliates are all educational assets, which have not led to the fundamental business of the listed company. Sexual changes, so there is no reorganization of the listing criteria (6) as stipulated in the Restructuring Management Measures.

In summary, the fact that the control of a listed company purchases assets from the acquirer and its affiliates from the date of the change does not constitute a reorganization of the listing.

### 3. Other situations that need to be explained

Before the change of the actual controller of the company in July 2016, Wenkaixing has been the controlling subsidiary of the company, Wenhua Xuexin holds Wenkaixing with a total investment of RMB 12.8583 million, and Bada Branch holds Wenkaixing with RMB 10 million. In August 2016, the company approved the approval of the non-public offering of shares of Jiangsu Zhongtai Bridge Steel Co., Ltd. by the China Securities Regulatory Commission (CSRC) [2016] No. 809, and the company raised RMB 600 million from the non-public offering. Kaixing increased its capital. After the capital increase, the company's wholly-owned subsidiary Wenhua Xuexin's shareholding ratio to Wenkaixing was 79.78%. Badachu Holdings still holds Wenkaixing's capital contribution of 10 million yuan. Before the capital increase, Wenkaixing has been included in the consolidated statements of listed companies. The capital increase is used to raise funds for the holding subsidiaries.

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1-23

Investment construction at Kevin School.

In January 2018, according to the Haiguo Zifa [2017] No. 237 issued by the State-owned Assets Supervision and Administration Commission of Beijing Haidian District, "Reply on the approval of Wenhua Xuexin Company's acquisition of 20.22% equity plan of Wenkaixing Company", the company's wholly-owned subsidiary company Hua Xuexin acquired RMB 10 million from Wenkaixing, which is held by Badachu Holdings, for 270,940,000 yuan in cash. After the completion of the acquisition, Wenhua Xuexin holds 100% equity of Wenkaixing.

In view of the above situation, the company's capital increase in August 2016 does not need to include the scope of the company's purchase of assets from the purchaser and its affiliates after the change of control rights, the specific reasons are as follows:

(1) According to the provisions of Article 2, paragraph 3 of the Measures for the Reorganization, the listed company shall use the funds raised to purchase assets and invest abroad in accordance with the use of raised funds disclosed in the issuance of securities documents approved by the China Securities Regulatory Commission. Relevant provisions of the Measures for the Reorganization of Management. The listed company increased its capital by RMB 600 million to Wenkaixing, which was disclosed in accordance with the "Approval of the Approval of Non-public Issuance of Shares by Jiangsu Zhongtai Bridge Steel Co., Ltd." (Zheng Jian Li [2016] No. 809) by the China Securities Regulatory Commission. The use of funds for the use of funds does not apply to the provisions of the "Restructuring Management Measures" and does not need to be included in the cumulative calculation.

(2) Article 13 of the "Restructuring Management Measures" stipulates that the listed company purchases assets within 60 months from the date of change of control rights for assets purchased from specific objects, namely the purchaser and its affiliates. The above-mentioned capital increase is for the listed company to invest in the new project of the holding company in cash. The capital increase did not result in a change in the capital contribution of the eight major offices to Wenkaixing. The listed company did not purchase assets from the eight major offices and their affiliates. For example, if the funds used by a listed company for a new project are included in the scope of the index for the purchase of assets from the purchaser and its affiliates after the change of control, it does not comply with the relevant provisions of the Regulations on Restructuring.

(3) In January 2018, the listed company paid 270,304,900 yuan in cash to the control of Badachu to purchase the capital of Wenkaixing, which it has been holding, and ultimately held 100% of Wenkaixing. According to the calculation method stipulated in Article 14 of the "Restructuring Management Measures", the listed company has obtained the consideration of RMB 10,001,490 from Wenkaixing's investment of RMB 10 million, which is included in the purchase of the company's control rights and purchases from the purchaser and its affiliates. The specific indicator area of the asset. If the August 2016 capital increase behavior is included in the specific indicator accounting range in which the company purchases assets from the purchaser and its affiliates after the change of control, there is a double calculation of the relevant assets.

In summary, the control of the listed company from the date of the change of the purchase of assets to the purchaser and its affiliates does not constitute a restructuring of the listing, there is no evasion of the restructuring of the listing review, the situation of regulatory arbitrage.

(3) Verification opinions of the sponsor institution and the applicant's lawyer

The sponsor institution and the applicant's lawyers reviewed the documents, announcement documents and audit reports of the listed companies during the reporting period, and analyzed and reviewed the relevant accounting entities of the education business before and after the change of control of the listed company in accordance with the relevant provisions of the "Restructuring Management Measures". Changes in the proportion of indicators and the purchasers and their affiliates

1-24

Changes in the specific indicators of the purchase of assets, as well as the case practices of the relevant listed companies on the main industry.

After verification, the sponsor institution believes that before the change of control of the company, the total assets related to the international education business accounted for more than 20% of the company's total assets. The company's main business is "bridge steel structure business and international education business dual main business", change of control Afterwards, the assets purchased by the listed company from the purchaser and its affiliates are all educational assets, which have not led to fundamental changes in the main business of the listed company. There is no violation of Article 13 of the Measures for the Administration of Major Asset Restructuring of Listed Companies. In the case of six paragraphs; according to the relevant provisions of the "Administrative Measures for Major Asset Restructuring of Listed Companies", the purchase of assets from the purchaser and its affiliates from the date of change of control of the listed company does not meet the criteria for reorganization and listing, and does not constitute a restructuring .

After verification, the applicant's lawyer believes that before the change of control of the company, the total assets related to the international education business accounted for more than 20% of the company's total assets. The company's main business is "bridge steel structure business and international education business dual main business", control After the change, the assets purchased by the listed company to the purchaser and its affiliates are all

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educational assets, which have not led to fundamental changes in the main business of the listed company. There is no violation of Article 13 of the Measures for the Administration of Major Asset Restructuring of Listed Companies. In the case of the sixth paragraph; according to the relevant provisions of the "Administrative Measures for Major Asset Restructuring of Listed Companies", the purchase of assets from the purchaser and its affiliates from the date of change of control of the listed company does not meet the criteria for reorganization and does not constitute a restructuring. Listing.

3. The "School License" of Kaiwen School in Chaoyang District, Beijing will expire on December 31, 2018, while the utilization rate of Chaoyang Kevin School is only 7.32%, far lower than the industry level. Applicants are requested to explain the progress of the renewal of the "School License" in Kaiwen School, Chaoyang District, Beijing, and whether there are legal obstacles to renewal, which have a significant adverse impact on the applicant's production and operation. The sponsor and the applicant's lawyer are requested to check and express their opinions.

Reply:

(1) The progress of the renewal of the "School License" in Chaoyang Kewen School

As of the date of this feedback reply, Chaoyang Kevin School has obtained a new "School License", the certificate number is Jiaomin 11101588582000180, the content is secondary education (primary, junior high, high school), valid until December 31, 2020. At the same time, Chaoyang Kewen School has obtained a new "Private Non-Enterprise Unit Registration Certificate (Corporate)", the unified social credit code is 52110105MJ02277062, valid until December 31, 2020.

Chaoyang Kevin School has renewed the new license before the expiration of the "School License" and will not adversely affect the issuer's production and operation.

(2) Verification opinions of the sponsor institution and the applicant's lawyer

1-25

The sponsor institution and the applicant's lawyers reviewed the latest "School License" and "Private Non-Enterprise Registration Certificate (Corporate)" of Chaoyang Kevin School.

After verification, the sponsor institution believes that the "School License" and the "Private Non-Enterprise Unit Registration Certificate (Corporate)" of Chaoyang Kevin School have been renewed on time and will not adversely affect the issuer's production and operation.

Upon verification, the applicant's lawyer believes that the "School License" and the "Private Non-Enterprise Unit Registration Certificate (Corporate)" of Chaoyang Kevin School have been renewed on time and will not adversely affect the issuer's production and operation.

4. During the reporting period, Wen Kaixing, the controlling subsidiary of the applicant, was unauthorised for construction and construction without the completion of the "Construction Engineering Planning Permit" and "Building Construction Permit". The administrative penalties of the Beijing Municipal Commission for Planning and Land Resources Management and the Chaoyang District Housing and Urban-Rural Construction Committee were fined 14.28 million yuan, 6.54 million yuan and 200,000 yuan respectively. At the same time, the bridge steel structure business that the applicant has divested was also reported during the reporting period. Received two administrative penalties. Applicants are required to combine the laws and regulations and the relevant certificates obtained to prove that the relevant illegal acts do not constitute a basis for major violations of laws and regulations, and that the applicants' internal control system is described in combination with the measures taken by the Shenzhen Stock Exchange during the reporting period. Whether it is sound and effective. The sponsor institution and the applicant's lawyer are requested to issue verification opinions.

Reply:

(1) Administrative penalties imposed by the holding subsidiary Wen Kaixing

During the construction of the Chaoyang Kaiwen School project, Wen Kaixing, a subsidiary of the company, was not subject to the following administrative penalties for the relevant regulations:

1. Administrative penalties involving the Beijing Municipal Planning and Land Resources Management Committee

On October 18, 2016 and January 25, 2018, Wenkaixing, a subsidiary of the company, started construction of Chaoyang Kewen School project and construction drawings without authorization due to the failure to obtain the "Construction Engineering Planning Permit". The behavior was subject to two administrative penalties imposed by the Beijing Municipal Planning and Land Resources Management Committee, and was fined 14,284,788.10 yuan and 200,000 yuan respectively.

According to the provisions of the first paragraph of Article 26 of the "Prohibitions on the Prohibition of Illegal Construction in Beijing", Wen Kaixing's failure to obtain the "Construction Engineering Planning Permit" to start construction of the Chaoyang Kaiwen School project is "not obtained

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construction project" Planning a permit, but has entered the planning approval process and obtained the planning documents approved by the audit, and constructed according to the contents of the planning documents." The Beijing Municipal Planning and Land Resources Management Committee believes that "it is still possible to take corrective measures to eliminate the impact on the planning implementation. The illegal construction of towns."

At the same time, according to the "Beijing Municipal Planning and Supervision Administrative Punishment Discretion Benchmark (2016 Edition)" promulgated by the original Beijing Municipal Planning Commission, "there is no way to take corrective measures to eliminate the impact on the plan.

1-26

If an engineering planning permit has been obtained but the site selection opinion, planning conditions or construction engineering design plan have been approved, the behavior is in the basic discretion B file; "the illegal behavior itself is generally harmful" corresponds to the B file. It is stipulated that the punishment imposed by Wen Kaixing for the construction of the Chaoyang Kaiwen School project without obtaining the "Construction Engineering Planning Permit" is a general illegal act and is not a major violation of laws and regulations.

According to the "Beijing Municipal Survey and Design and Surveying and Mapping Geographical Information Industry Violation Act Punishment Benchmark Table" promulgated by the Beijing Municipal Planning and Land Resources Management Committee, "the behavior of unauthorised construction of unauthorised construction drawings or unqualified construction drawings" The corresponding discretionary grades were clarified, and the behavior was not classified into the "Affected Cases". At the same time, according to the provisions of Article 11 of the "Regulations on the Quality Management of Construction Projects", Wen Kaixing's administrative penalties for unauthorised construction of construction drawings are subject to the minimum fines.

Wen Kaixing has paid all the fines in time in strict accordance with the relevant administrative penalties, corrected the above-mentioned violations, and took effective measures to rectify them in a timely manner, which has eliminated the adverse effects and obtained the "Construction Engineering Planning Permit" and "Construction project planning verification (acceptance) opinions (qualification notice) and "construction drawing design document review qualification book".

On December 18, 2018, the Beijing Municipal Commission for Planning and Natural Resources (formed after the integration of the Beijing Municipal Planning and Land Resources Management Committee and other authorized departments) issued the "Beijing Municipal Planning and Natural Resources Committee on Beijing Wenkaixing". Education Investment Co., Ltd. Proof of Law Compliance.

After verification, the sponsor institution believes that the above-mentioned administrative punishments suffered by Wen Kaixing occurred before the official operation of Chaoyang Kewen School, which was an accidental incident; Wen Kaixing had paid all the fines in time in strict accordance with the above administrative punishment decision, and The above-mentioned illegal acts have been corrected, and effective measures have been taken to rectify them in a timely manner. The adverse effects have been eliminated, and the special law-abiding certificate issued by the Beijing Municipal Planning and Natural Resources Committee has been obtained. The above acts are not serious violations of laws and regulations; There is no material adverse impact on the company's business development and ongoing operations, and it will not constitute a substantial obstacle to this issue.

After verification, the applicant's lawyer believed that the above-mentioned administrative punishments suffered by Wen Kaixing occurred before the official operation of Chaoyang Kewen School, which was an accidental event; Wen Kaixing had paid all the fines in time in strict accordance with the above administrative punishment decision. The above-mentioned illegal acts have been corrected, and effective measures have been taken to rectify them in a timely manner. The adverse effects have been eliminated, and the special law-abiding certificate issued by the Beijing Municipal Planning and Natural Resources Committee has been obtained. The above-mentioned acts are not serious violations of laws and regulations; The matter has not had a material adverse effect on the company's business development and ongoing operations, and will not constitute a material obstacle to this issue.

**2. Administrative penalties involving the Housing and Urban-Rural Development Committee of Chaoyang District, Beijing**

On October 26, 2017, Wen Kaixing, a subsidiary of the company, was finely punished by the Beijing Chaoyang District Housing and Urban-Rural Construction Committee for failing to obtain a construction permit or a construction report without authorization. The fine was 6,543,474.44 yuan.

1-27

Wen Kaixing has paid all the fines in strict accordance with the above administrative punishment decision, and corrected the above-mentioned illegal acts, and took effective measures to rectify and complete the relevant project completion and acceptance procedures; the company's problems in the project management work In accordance with the relevant laws and regulations, regulatory documents and the "Basic Standards for Internal Control of Enterprises", the "Project Management System" was formulated and improved, and various rectification measures were strictly implemented to standardize the company's project construction system, procedures and behaviors. Eliminate the adverse effects. 16 items related to the A1# High School Teaching Building issued by the Housing and Urban-Rural Development Committee of Chaoyang District, Beijing (for the project of Qinghua High School Kevin International School



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(formerly "Beijing International Education R&D Center") The reply of the certificate (2018 Shi Chao Letter No. 002) confirmed that "in view of the completion of the project, after the study, our committee decided not to re-submit the construction permit for the construction project, please reply to the unit accordingly. Follow up procedures."

On August 8, 2018, the Housing and Urban-Rural Development Committee of Chaoyang District of Beijing issued the "Note on the Acceptance of Punishment by Beijing Wenkaixing Education Investment Co., Ltd."

After verification, the sponsor institution believes that the above-mentioned administrative punishments suffered by Wen Kaixing occurred before the official operation of Chaoyang Kewen School, which was an accidental incident; Wen Kaixing had paid the fine in time and took relevant measures for the above administrative punishment. The rectification has eliminated the adverse effects. The company has also strengthened and improved the internal control of project management. It has obtained special instructions issued by the Beijing Chaoyang District Housing and Urban-Rural Development Committee. The above acts are not serious violations of laws and regulations; The matter has not had a material adverse effect on the company's business development and ongoing operations, and will not constitute a material obstacle to this issue.

After verification, the applicant's lawyer believed that the above-mentioned administrative punishments suffered by Wen Kaixing occurred before the official operation of Chaoyang Kewen School, which was an accidental incident; Wen Kaixing had paid the fine and took relevant measures in time for the above administrative punishment. The rectification has eliminated the adverse effects. The company has also strengthened and improved the internal control of project management. It has obtained special descriptions issued by the Beijing Chaoyang District Housing and Urban-Rural Development Committee. The above acts are not serious violations; The penalty has not had a material adverse effect on the company's business development and ongoing operations, and will not constitute a substantial obstacle to the issuance.

**(II) Administrative penalties imposed on the company's original bridge steel structure business**

During the reporting period, the company's stripped steel structure business was subject to two administrative penalties, as follows:

1. On August 4, 2016, Jingjiang Municipal Safety Production Supervision Administration had a sound safety production management system in place (the original "Zhongtai Bridge"), and the safety production responsibility system was not in place, and the project contractor did not sign effective safety. Management agreement, there are loopholes in the safety management of the operation platform erection, acceptance and other safety management, the investigation of hidden dangers is not thorough, and the company is responsible for the accident, giving the company an administrative penalty of 200,000 yuan fine.

After verification, the sponsor institution believes that the company has paid all the fines in strict accordance with the administrative punishment decision, corrected the above-mentioned illegal acts, and took effective measures to rectify in a timely manner. The Jiangsu Jiangyin-Jingjiang Industrial Park Safety Production Supervision and Management Branch has issued Beijing Kaiwen Dexin Education Technology Co., Ltd.

1-28

The certificate of safety production regulations, the above acts are not serious violations of the law; the company has divested the bridge steel structure business in November 2017, the above penalty will not have a material adverse impact on the company's business development and ongoing operations, will not This constitutes a substantial obstacle to this issue.

After verification, the applicant's lawyer believes that the company has paid all the fines in strict accordance with the administrative penalty decision, and corrected the above-mentioned illegal acts, and took effective measures to rectify in a timely manner. The Jiangsu Jiangyin-Jingjiang Industrial Park Safety Production Supervision and Management Branch has issued "Beijing Kaiwen Dexin Education Technology Co., Ltd. Compliance with the Proof of Safety Production Regulations", the above behavior is not a major violation of the law; the company has divested the bridge steel structure business in November 2017, the above penalty will not be for the company's Business development and continuing operations have significant adverse effects and will not constitute a material obstacle to this offering.

2. On July 26, 2016, the Jiangyin-Jingjiang Industrial Park Branch of Taizhou Environmental Protection Bureau used the company (formerly "Zhongtai Bridge") to carry out painting work outside without authorization, and did not carry out the painting in the painting room according to the requirements of environmental approval documents. And no effective measures were taken, the volatile organic waste gas generated was directly discharged, and the company was fined 100,000 yuan.

After verification, the sponsor institution believes that the company has paid the fine in strict accordance with the administrative penalty decision. The company has corrected the above-mentioned illegal acts and took effective measures to rectify it in time, and the Jiangyin-Jingjiang Industrial Park Branch of Taizhou Environmental Protection Bureau has issued Beijing Kaiwen Dexin Education Technology Co., Ltd. complies with the laws and regulations on environmental protection laws and regulations. The above acts are not serious violations of laws and regulations; the company has divested the bridge steel



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structure business in November 2017, the above penalty will not be against the company. The business development and continuing operations have significant adverse effects and will not constitute a substantial obstacle to the issuance.

After verification, the applicant's lawyer believed that the company had paid the fine in strict accordance with the administrative punishment decision. The company corrected the above-mentioned illegal acts and took effective measures to rectify it in time. The Taizhou Environmental Protection Bureau Jiangyin-Jingjiang Industrial Park Branch has issued "Beijing Kaiwen Dexin Education Technology Co., Ltd. Compliance with Environmental Protection Laws and Regulations", the above acts are not serious violations of the law; the company has divested the bridge steel structure business in November 2017, the above penalty will not be The company's business development and ongoing operations have significant adverse effects and will not constitute a substantial obstacle to the issuance.

(3) The situation of the supervisory measures taken by the issuer during the reporting period

The issuer has issued the regulatory measures or penalties for the securities regulatory authorities and exchanges in the past five years and the rectification measures announced on June 12, 2018, "Beijing Kewen Dexin Education Technology Co., Ltd. The securities regulatory authorities and the exchanges have adopted the "Regulations on Regulatory Measures or Punishment and Corrective Measures" (2018-036) to disclose the situation of the issuer's regulatory measures taken by the Shenzhen Stock Exchange during the reporting period as follows:

1. On May 13, 2015, the Shenzhen Stock Exchange issued a regulatory letter of concern to the company.

1-29

On May 13, 2015, the Shenzhen Stock Exchange issued the "Notice on the Supervision of Jiangsu Zhongtai Bridge Steel Structure Co., Ltd." (SME Focus Letter [2015] No. 168), asking the company to explain whether the non-public offering plan is Applicable to the relevant provisions of the "Measures for the Administration of Major Asset Restructuring" and requires the sponsor institution to issue verification opinions.

On May 18, 2015, the company submitted the "Response Opinions of Jiangsu Zhongtai Bridge Steel Structure Co., Ltd. on the Supervision Letter of Shenzhen Stock Exchange" to the Shenzhen Stock Exchange, and the sponsor institution submitted "Hua Lin Securities Co., Ltd." to the Shenzhen Stock Exchange. Regarding the verification opinion of Jiangsu Zhongtai Bridge Steel Structure Co., Ltd. on the reply of the Shenzhen Stock Exchange's regulatory concern letter, a written reply was made on the issues raised by the Shenzhen Stock Exchange.

2. On April 25, 2016, the Shenzhen Stock Exchange issued a supervision letter to Chen Hongbo, deputy general manager of the company.

On April 25, 2016, the Shenzhen Stock Exchange issued the "Regulatory Letter on Chen Hongbo, Deputy General Manager of Jiangsu Zhongtai Bridge Steel Co., Ltd." (SME Board Supervision Letter [2016] No. 80), for the then company Chen Hongbo, deputy general manager, bought 3,000 shares of the company on April 20, 2016, and paid attention to the transaction amount of 53,400 yuan. He asked Chen Hongbo to pay full attention to the above issues, learn lessons, and timely rectify the company's 2015 annual report. To prevent the above problems from happening again.

On May 5, 2016, the company held a meeting to inform all the directors, supervisors and senior executives of the company about the above-mentioned violations of Chen Hongbo, and issued a "Penalty Decision" to Chen Hongbo, demanding that it be immediately rectified and imposed a fine of 3,000 yuan. Chen Hongbo has paid a fine to the company for the above-mentioned violations, and issued a statement that he will actively learn and abide by various regulations, not to violate the rules of trading stocks; he owns his own stock account and does not manage it.

3. On May 24, 2018, the Shenzhen Stock Exchange issued a letter of concern to the company.

On May 24, 2018, the Shenzhen Stock Exchange issued the "Consultation Letter on Beijing Kaiwen Dexin Education Technology Co., Ltd." (Senior Board Letter 2018) No. 170) to the company. Jiangsu Huanyu Investment Development Co., Ltd., a company shareholder disclosed in the Announcement of Relationships and the "Simplified Equity Change Report", signed the "Demobilization of Consensus Agreement" with 12 concerted parties and confirmed the cancellation of the concerted action, etc. The company and related shareholders are required to issue explanations on relevant matters, and the lawyers issued special opinions.

On May 29, 2018, the company submitted the "Reply Announcement of Beijing Kaiwen Dexin Education Technology Co., Ltd. on the letter of concern to the Shenzhen Stock Exchange" to the Shenzhen Stock Exchange, and wrote a written reply on the issues raised by the Shenzhen Stock Exchange. Beijing Tianchi Juntai Law Firm issued the "Special Legal Opinions of Beijing Tianchi Juntai Law Firm on the Concern Letter of Beijing Kaiwen Dexin Education Technology Co., Ltd." and issued special opinions on related matters.

Except for the above, the company had no other regulatory measures taken by the Shenzhen Stock Exchange during the reporting period.

(4) The issuer's internal control system is sound and effective

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In response to the administrative penalties during the reporting period and the regulatory measures taken by the exchange on the company, the **Kevin Education: Reply to the second feedback of the company's non-public offering of stock application documents (download announcement)** company's main management personnel carefully summarized and reflected on the negligence of the work. The company makes timely changes to the problems, and takes corresponding rectification measures and strengthens relevant internal control measures to ensure the soundness and effective operation of the company's internal control system.

1. The issuer has established a relatively complete internal control system.

The company has established a relatively sound corporate governance structure and internal control system in accordance with the requirements of relevant laws and regulations such as the Company Law, the Securities Law and the Shenzhen Stock Exchange Listing Rules, including the Articles of Association and the General Meeting of Shareholders. The Rules of Procedure, the Rules of Procedure for the Board of Directors, the Rules of Procedure for the Supervisory Committee, the Working Rules of the General Manager, and the Working System of Independent Directors make the responsibilities of the participants of the company's shareholders' meeting, the board of directors, the board of supervisors, and the management team. The rights and obligations are clearly defined in the form of an institution and are effectively implemented.

The company's internal control system covers the day-to-day management of the issuer and all operational aspects. The issuer has established internal control systems involving monetary funds, procurement operations, sales operations, cost, fixed asset management and contract management, as well as related transactions, major investment management, external guarantees, financial management controls, and information disclosure controls. A series of internal control systems, such as the supervision of internal control, effectively ensured the realization of the company's business management objectives.

2. The issuer strengthens relevant internal control measures to prevent similar incidents from occurring

In response to the problems existing in the project management work of the company during the reporting period, the company formulated and improved the "Project Management System" based on the "Basic Standards for Internal Control of Enterprises" and other relevant policies and regulations, and strengthened the project construction and engineering in a targeted manner. The operational procedures of various businesses in the construction process have established necessary control procedures for each key point. The functional department is responsible for the supervision and management of the completeness of the project procedures, and strengthens the review and supervision of the business through standardized process approval procedures to avoid Risk due to lack of supervision.

The issuer incorporates production safety and environmental protection into daily production and operation management, sets annual assessment indicators, and formulates corresponding assessment methods to encourage management to strengthen the implementation and supervision of production safety and environmental protection systems, and to strengthen internal control. purpose.

In response to the regulatory measures of the Exchange, the company organized the Securities Department, the Finance Department, the Internal Audit Department and other relevant departments to strengthen the study of the "Stock Listing Rules of Shenzhen Stock Exchange" and the "Guidelines for the Standardized Operation of Listed Companies of the SME Board of Shenzhen Stock Exchange". Relevant regulations, and urge company executives to learn and abide by various regulations to prevent the occurrence of similar incidents.

3. The issuer's internal control system can operate effectively

In order to ensure the full and effective implementation of internal control, and to detect and correct internal control defects in a timely manner, the issuer strictly follows the "Basic Standards for Internal Control of Enterprises", "Guidelines for Application of Internal Control of Enterprises", "Guidelines for Internal Control Evaluation of Enterprises" and "Shenzhen Stock Exchange" SME Board Listed Companies Standard Operating Guidelines and other laws and regulations

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Request to establish a sound and effective implementation of the internal control system.

The issuer's shareholder meeting, the board of directors and the board of supervisors can achieve clear rights and responsibilities, and each other is constrained. The management layer operates effectively according to the issuer's internal management system and forms a good internal control environment. The company's board of directors is responsible for establishing and improving the company's internal control system, and truthfully disclosing the internal control evaluation report; the company's supervisory board supervises the establishment and implementation of internal control of the board of directors; the management is responsible for organizing the daily operation of the internal control of the company.

During the reporting period, the Board of Directors differentiated internal control and non-financial reporting of financial reporting based on factors such as company size, industry characteristics, risk appetite and risk tolerance based on the internal control system of the company. Control, research identified the specific criteria for the identification of internal control defects applicable to the company, and formulated and disclosed the "2015 Internal Control Evaluation Report", "2016 Internal Control Evaluation Report" and "2017 Internal Control Evaluation Report" to confirm the internal The control operation is in good condition, there are no major and important defects in the internal control of financial reports, and there are no major and important defects in the internal control of non-financial reports.

In addition, Huapu Tianjian Certified Public Accountants Co., Ltd. (Special General Partnership) issued the "Special Control Certificate Report" [2018] Kevin Education: Reply to the second feedback of the company's non-public offering of stock application documents (download announcement) 0651, and the opinion of the appraisal was "The Company's Basic Standards for Internal Control of Enterprises" issued by the Ministry of Finance. The internal control related to financial reporting established by the relevant specifications is valid in all major aspects on December 31, 2017, and Huapu Tianjian Certified Public Accountants (special general partnership) shall issue to the issuer for each fiscal year during the reporting period. Standard and unqualified audit reports were issued.

In summary, the company's internal control system is sound and effective.

(5) Verification opinions of the sponsor institution and the applicant's lawyer

The sponsor institution and the applicant's lawyers reviewed the "Administrative Punishment Decision" issued by the issuer and its subsidiaries, and various engineering approvals obtained after the rectification of the penalty items, and inquired about the legal basis of the penalty, the "Administrative Punishment Discretion Benchmark", etc. The document obtained the supporting documents issued by the relevant competent authorities, verified the issuer's rules of the third meeting, relevant internal control system documents, consulted the company's internal control evaluation report and the internal control assurance report issued by the accountant, and issued the issuer's senior management personnel. An interview was conducted.

Upon verification, the sponsor institution believes that the above-mentioned acts of the issuer and its subsidiaries that were subject to administrative penalties during the reporting period are not serious violations of laws and regulations. Based on sufficient evidence, the above-mentioned administrative penalties will not constitute a substantial obstacle to the issue, and the issuer's internal control The system is sound and effective.

Upon verification, the applicant's lawyer believes that the above-mentioned acts of the issuer and its subsidiaries that were subject to administrative penalties during the reporting period are not serious violations of the law. Based on sufficient evidence, the above-mentioned administrative penalties will not constitute a substantial obstacle to the issue. The control system is sound and effective.

1-32

5. The applicant has an external guarantee of 915 million yuan for the newly divested company. According to the cautious analysis conducted by the applicant according to the settlement situation, among the above-mentioned 915 million yuan external guarantee projects, the total amount of guarantees actually required to be guaranteed at the end of September 2018 is 368 million yuan. Applicants are requested to: (1) explain the specific process, basis, important data and sources of such "cautious analysis" and indicate whether the analysis is cautious; (2) given the two counter-guarantors from January to September 2018 All losses are recorded, indicating whether the relevant counter-guarantee measures are effective and sufficient. The sponsor institution, the applicant's lawyer and the accountant are requested to issue verification opinions.

Reply:

(1) Explain the specific process, basis, important data and sources of such "careful analysis" and indicate whether the analysis is cautious.

1. Basic information on the guarantee of Xinzhongtai

As of June 30, 2018, the company's guarantee amount for Xinzhongtai was 915,225,500 yuan, and the guarantee amount was the total contract amount of the project. It was mainly for the purpose of promoting the transfer of the contract body of the steel structure project when the company stripped the steel structure business. According to the requirements of the contracting party, it is agreed to provide joint and several liability guarantee for some ongoing projects to continue to perform after the contract entity has been changed to Xinzhongtai. According to the timetable of the project provided by Xinzhongtai, the guarantee projects are as follows:

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Serial number	project name	Contract partner	Contract date	Actual start date	Actual completion date / estimated completion date	Contract amount (ten thousand yuan)	Guarantee amount (ten thousand yuan)
1	Steel box girder of the third section of Tongcheng Avenue, Xiayu, Zhangzhou	CCCC Second Navigation Engineering Bureau Co., Ltd. Project Management Department, Third Section, Tongcheng Avenue, Xiashou, Zhangzhou	August 2014	June 2015	December 2016	5,373.67	5,373.67
2	Production and installation of Luyang Highway Bridge and Footbridge in Kunshan	Kunshan Traffic Engineering Co., Ltd.	April 2016	July 2016	February 2019	1,100.00	1,100.00

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	Section of Yanglintang Waterway Improvement Project						
3	Nanjing Yangtze River Bridge Reconstruction Project	China Railway Bridge Bureau Wuhan Bridge Special Technology Co., Ltd. Nanjing Yangtze River Bridge Highway Bridge Maintenance and Renovation Railway Project Manager	May 2017	June 2017	May 2018	5,472.89	5,472.89
4	Production and installation of engineering steel structure of Zhongxing Bridge and wiring (Jiangnan Road-Qingyun Road)	Hongrun Construction Group Co., Ltd.	December 2016	January 2017	June 2019	18,160.89	18,160.89
5	Shanghai S26 Highway into the city section	CCCC Second Navigation Bureau Fourth Engineering Co., Ltd.	January 2017	March 2017	September 2018	7,251.61	7,251.61
6	Fuzhou Mawei Bridge and its wiring project	CCCC Second Navigation Bureau Second Engineering Co., Ltd.	April 2016	August 2017	September 2018	3,086.76	3,086.76
7	Hutong Yangtze River Bridge	CSCC Second Navigation Engineering Bureau Co., Ltd. Hutong Yangtze River Bridge Project Management Department	November 2014	June 2015	December 2017	32,715.01	32,715.01
8	Shanghai Railway Bridge Auxiliary Facilities	CSCC Second Navigation Engineering Bureau Co., Ltd. Hutong Yangtze River Bridge Project Management Department	September 2015	December 2015	October 2019	6,298.16	6,298.16
9	Zhangzhou Xi'an Men Bridge	China Railway Jiu Ji Group Co., Ltd. Hangzhou Branch	January 2017	March 2017	May 2019	12,063.26	12,063.26
total						91,522.25	91,522.25

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The guarantees of the above nine projects are carried out at the same time as the company's divestiture of the bridge steel structure business, which is conducive to the transfer of the contractual body of the steel structure project. At the same time, Xinzhongtai and Zhongjing Building Materials provide joint liability guarantee for the company's continued performance of the new Zhongtai. Counter-guarantee. At present, 3 of the above 9 guarantee projects have been settled, 2 projects have not been settled, and unfinished projects are expected to be completed by the end of December 2019.

2. Implementation of the guarantee project

In combination with the engineering contracts of the above nine projects and the project performance statement provided by Xinzhongtai, the statement of each item or the settlement agreement, the completion certificate, etc., as of the end of September 2018 and the end of November 2018, the above projects have been confirmed. The details of the settlement amount and the actual guarantee amount are as follows:

Unit: 10,000 yuan

Serial number	project name	Guarantee amount	As of 2011.0.39		As of 2018.11.30		Current project status
			Settlement amount	Actual guarantee amount	Settlement amount	Actual guarantee amount	
1	Steel box girder of the third section of Tongcheng Avenue, Xiayu, Zhangzhou	5,373.67	5,226.51	147.16	5,226.51	147.16	Completed settlement

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2	Production and installation of Luyang Highway Bridge and Footbridge in Kunshan Section of Yanglintang Waterway Improvement Project	1,100.00	770.00	330.00	770.00	330.00	Under construction
3	Nanjing Yangtze River Bridge Reconstruction Project	5,472.89	2,621.49	2,851.40	2,603.49	2,869.41	Completed settlement
4	Production and installation of engineering steel structure of Zhongxing Bridge and wiring (Jiangnan Road-Qingyun Road)	18,160.89	7,927.64	10,233.25	10,865.21	7,295.67	Under construction
5	Shanghai S26 Highway into the city section	7,251.61	3,650.55	3,601.06	7,383.36	-	Completed settlement
6	Fuzhou Mawei Bridge and its wiring project	3,086.76	2,980.55	106.21	2,980.55	106.21	Unfinished
7	Hutong Yangtze River Bridge	32,715.01	19,682.94	13,032.07	19,682.94	13,032.07	Unfinished
8	Shanghai Railway Bridge Auxiliary Facilities	6,298.16	5,719.64	578.52	5,719.64	578.52	Under construction
9	Zhangzhou Xi'an Men Bridge	12,063.26	6,110.60	5,952.66	6,110.60	5,952.66	Under construction
	total	91,522.25	54,689.92	36,832.33	61,342.30	30,311.70	

Note: Actual guarantee amount = guarantee amount - settlement amount.

The guarantee amount of the company to Xinzhongtai is the total contract amount of the project project of RMB 915,225,500. The actual amount of the guarantee responsibility will be reduced as the project is executed. As of the end of September 2018, the settlement amount confirmed by the above nine items in accordance with the settlement statement was 546,890,200 yuan. The settled project quantity has the intermediate measurement certificate and settlement payment certificate confirmed by the contracting party, and so on. The amount of settlement of the project triggers the company to bear the risk of guarantee liability is small, the amount of the company may actually need to bear the guarantee liability amounted to 368 million yuan, based on the relevant phased acceptance and settlement certificate issued by the contracting party,

1-35

The amount is cautious.

As of the end of November 2018, the amount of the above nine guarantee projects confirmed to have been increased to 163,342,300 yuan, the amount of the company's actual guarantee liability may have been reduced to 303 million yuan.

### 3. The cancellation of the guarantee liability of the listed company

As of the date of this feedback reply, the project contract of the Nanjing Yangtze River Bridge Reconstruction Project of the project 3 Nanjing Railway Bridge Bureau Wuhan Bridge Special Technology Co., Ltd. Nanjing Yangtze River Bridge Highway Bridge Maintenance and Renovation Railway Project Manager and Project 5 Shanghai S26 Highway into the city section contract The other party, CCCC Second Engineering Co., Ltd. has issued a "Consent Letter" to confirm: "Since the project has been completed and settled and completed, the main rights and obligations of the original agreement have been fulfilled, and the date of approval of this consent letter is agreed. Since then, Kevin Education is not required to assume any guarantee responsibility for the performance of the original agreement."

According to the above, as of the date of this feedback reply, the listed company's guarantee liability for Xinzhongtai's continued performance of the project 3 and project 5 (the total contract amount of the two projects is 12,724,500 yuan) has been lifted.

(2) In view of the loss of the two counter-guarantors in January-September 2018, it indicates whether the relevant counter-guarantee measures are effective and sufficient.

#### 1. Counter-guarantee measures

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According to the "Supplemental Agreement of the Property Rights Transaction Contract" signed by the company and Zhongjing Building Materials, the "Contract Implementation Guarantee Agreement" signed by the company (Party A) and Zhongjing Building Materials (Party B) and Xinzhongtai (Party C), the agreement :

1. In the process of contract change, the contractual party of some contracts agrees to change the subject of the contract, but requires Party A to provide the guarantee. The parties agree to negotiate with the opposite party of the contract, and Party C shall provide guarantee or provide the guarantee method approved by the other party to the contract, and at the same time release Party A's guarantee responsibility. Prior to this, Party B and Party C jointly provided Party A with a guarantee against the guarantee and assumed joint and several liability.

If Party A's above-mentioned guarantee cannot be lifted due to the contractor's disagreement or other objective reasons, Party A shall assume the guarantee responsibility, and Party B and Party C shall bear the joint liability for compensation by Party A through the counter-guarantee measures provided by Party A.

2. If the contracting party does not agree to the change of the contractual entity to Party C, the rights and obligations of the parties to confirm the contract shall be borne by Party C. Party C agrees to provide guarantee to Party A and assume joint and several liability.

3. In addition to the above, if the project contract being executed is requested by Party A to issue a performance bond, the party to the contractual rights and obligations shall be changed from Party A to Party C (whether or not the contracting party agrees to change the contract body), such as If Party A suffers losses due to the performance of the above contract, Party C shall be liable for compensation.

Therefore, the above guarantees are carried out concurrently with the company's divestiture of the bridge steel structure business, which is conducive to the transfer of the contractual body of the steel structure project, and the above guarantees are provided by Xinzhongtai and Zhongjing Building Materials.

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The guarantee for Xinzhongtai will not adversely affect the company's operations.

## 2. Supplementary counter-guarantee measures and commitments

In order to effectively solve and reduce the potential guarantee risk of listed companies, the listed company, listed company on January 10, 2019, in view of the joint liability guarantee provided by the listed company in the process of divesting the bridge steel structure business in 2017, in order to effectively solve and reduce the potential guarantee risk of listed companies, The controlling shareholder of the listed company, the Eighth Division Holdings and the new Zhongtai three parties jointly issued the following "Commitment Letter":

"1. The listed company and Xinzhongtai and Badachu Holdings will actively strive to coordinate the relevant owners and strive to waive the guarantee liability of the listed company by canceling the guarantee agreement or changing the guarantor within two months after the issuance of this commitment;

2. If the guarantor is required to be changed, the eight major office holdings agree to assume the above-mentioned original guarantee responsibility of the listed company, and actively cooperate with the relevant agreement to complete the change guarantor;

3. If within two months after the date of issuance of this undertaking, the individual owner has not agreed and signed the agreement to cancel the guarantee or change the relevant agreement of the guarantee party, the eight major office control agreed to provide counter-guarantee for the relevant guarantee liability assumed by the listed company to ensure the listing. The company does not incurred or bear any guarantee losses."

In summary, Xinzhongtai and Zhongjing Building Materials provided counter-guarantee for the listed company to provide joint liability guarantee for Xinzhongtai's continued performance. At the same time, the listed company, Badachu Holdings and Xinzhongtai jointly issued the "Commitment Letter", which clearly clarified the lifting. Or change the specific timetable and specific measures of the listed company's above guarantees, and the eight major branch companies agree to provide counter-guarantee to the listed company if the listed company cannot cancel the guarantee liability. The above measures ensure that the listed company does not suffer or does not bear any guarantee losses.

## 3. The counter-guarantee ability and counter-guarantee measures are fully effective

### (1) Counter-guarantee ability of counter-guarantee

Xinzhongtai's main business is the bridge steel structure business, and its business capability is completely derived from the assets, liabilities, personnel and qualifications related to the bridge steel structure business divested by listed companies. From January to September 2018, Xinzhongtai realized a revenue of 420,394,500 yuan and a net profit of -1,169,900 yuan. As of September 30, 2018, the total assets of Xinzhongtai were 1.72 billion yuan, net assets were 531 million yuan, and current assets were 1.22 billion yuan. Yuan (including monetary fund of 123 million yuan, bills receivable and accounts receivable totaling 287 million yuan) (the above financial data has not been audited). According to the instructions issued by Xinzhongtai, in addition to the counter-guarantee provided by the listed company, Xinzhongtai has no other external guarantees.

Zhongjing Building Materials is the controlling shareholder of Xinzhongtai, whose main business is to provide special materials for prefabricated buildings. From January to September 2018, Zhongjing Building Materials realized a revenue of 448,968,800 yuan and a net profit of -6,601,600 yuan. As of September 30, 2018, Zhongjing Building Materials consolidated its total assets of 3.185 billion yuan and net assets of 109 million yuan. Assets of 1.715 billion yuan (monetary funds of 131 million yuan, bills receivable and accounts receivable totaling 309 million yuan)

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(The above financial data has not been audited). According to the instructions issued by Zhongjing Building Materials, in addition to providing counter-guarantee to listed companies, Zhongjing Building Materials has no other external guarantees.

Badachu Holdings is the controlling shareholder of the listed company. The Badachu Holdings is a state-owned holding company under the State-owned Assets Supervision and Administration Commission of Beijing Haidian District, which is mainly engaged in investment management and asset management. As of June 30, 2018, Badachu Holdings had consolidated assets of 54.089 billion yuan and net assets of 4.245 billion yuan (the above financial data has not been audited).

In summary, the net assets of the anti-guarantee Xinzhongtai 531 million yuan and the net assets of Zhongjing Building Materials of 109 million yuan can cover the actual amount of guarantees of the company, and the monetary funds, notes receivable and accounts receivable of Xinzhongtai and Zhongjing Building Materials. The total amount of assets with strong liquidity can also cover the actual amount of guarantees the company has, and has strong counter-guarantee ability. At the same time, Badachu Holdings is a state-owned holding company under the State-owned Assets Supervision and Administration Commission of Haidian District, Beijing, with a net asset of 4.245 billion yuan. Its commitment is to provide counter-guarantee to listed companies if the listed company cannot cancel the guarantee responsibility to ensure that the listed company does not Occurred or not incurred any guarantee loss.

#### (2) Counter-guarantee measures are fully effective

First of all, the company has fulfilled the necessary decision-making procedures for the guarantees of Xinzhongtai, and there is no violation of the external guarantees. It complies with the Notice on Regulating the External Guarantees of Listed Companies and the Regulations on the Capitalization and Listing of Listed Companies and Related Parties. Relevant provisions of the Notice of Certain Issues Concerning the Company's External Guarantees. The "Supplemental Agreement of the Property Rights Transaction Contract" signed by the company and Zhongjing Building Materials, the "Contract Implementation Guarantee Agreement" signed by the company and Zhongjing Building Materials and Xinzhongtai are legal and valid.

Secondly, the company's guarantee for Xinzhongtai does not belong to the guarantee of Xinzhongtai financing activities, external debt commitment or payment consideration, but guarantee for the continued performance of the new Sino-Thailand related construction contract. Since its establishment, Xinzhongtai has been carrying out normal business activities since its establishment. The inherited bridge steel structure business has a good reputation in the industry. The quality of the projects it has built is excellent. It has won the China Construction Engineering Luban Award and the China Steel Structure Gold Award for many times. The ability to volunteer. The above-mentioned engineering projects have been completed in accordance with the quality standards agreed by the state and the contract, and all have passed the phased project acceptance. There is no liability for breach of contract or the owner's request for the project due to overdue, quality accidents, work cuts, shoddy and other reasons. In the case of the claim, Xinzhongtai is less likely to be liable for the failure to perform or perform improperly, and the risk of the company's guarantee liability is also small.

Thirdly, with the development of the above-mentioned projects of Xinzhongtai, the overall performance risk of the project decreased, the guarantee responsibility assumed by Kaiwen Education decreased, and the counter-guarantee liability assumed by Xinzhongtai and Zhongjing Building Materials also declined.

Finally, the new China-Thailand monetary funds, bills receivables and accounts receivable and other assets with strong liquidity and the net assets of Xinzhongtai are sufficient to cover the amount of guarantees that the company actually needs to bear, and the listed company and the controlling shareholder of the listed company The holdings and the three parties of Xinzhongtai jointly issued the "Commitment Letter", and the timetable and specific measures for lifting the guarantee responsibility of the listed company are clear and effective. The Badachu Holdings will also be unable to cancel the guarantee in the listed company.

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The performance of the counter-guarantee provided to the listed company in the case of responsibility will greatly enhance the counter-guarantee ability.

In summary, the counter-guarantee party has the ability to counter-guarantee, the counter-guarantee measures are fully effective, and the company's guarantee risk to Xinzhongtai is controllable. The "Commitment Letter" and related measures jointly issued by the listed company, Badachu Holdings and Xinzhongtai Sanfang further ensure that the listed company does not incurred or bear any guarantee losses.

#### (3) Verification opinions of the sponsor institution and the applicant's lawyers and accountants



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The sponsor institution, the applicant's lawyer and the applicant's accountant reviewed the project contract of the issuer's external guarantee involving the project, and the issuer and the supplementary agreement of the property rights contract signed by Zhongjing Building Materials, the issuer and Zhongjing Building Materials, Xinzhong The "Contract Implementation Guarantee Agreement" signed by Thailand, consulted the three-party documents and announcement documents of the listed company's external guarantee, consulted the relevant internal control system of the listed company, and checked the implementation table and project schedule of the external guarantee project provided by Xinzhongtai. , the statement or settlement agreement, the completion certificate and other materials, consulted the financial statements of Xinzhongtai, Zhongjing Building Materials and Badachu Holdings, and obtained the "Consent Letter" issued by the other party to the project contract, and the listed company, Badachu Holdings and Xinzhong The letter of commitment issued by Tai.

Upon verification, the sponsor institution believes that the total contract amount of the project contract for the joint guarantee of the company to continue to perform the performance of the company is 915,225,500 yuan. As of September 30, 2018, based on the relevant phased acceptance and settlement certificate issued by the contracting party, the company The amount that may actually be required to assume the guarantee liability is 368 million yuan, which is cautious. As of the date of this feedback reply, the company's guarantee liability for the total contract amount of the two projects of Xinzhongtai was RMB 12,724,500. The counter-guarantee party has the ability to counter-guarantee, the counter-guarantee measures are fully effective, and the company's guarantee risk to Xinzhongtai is controllable. The "Commitment Letter" and related measures jointly issued by the listed company, Badachu Holdings and Xinzhongtai Sanfang further ensure that the listed company does not incurred or bear any guarantee losses.

Upon verification, the applicant's lawyer believes that the total contract amount of the project that the company provides joint and several liability guarantee for Xinzhongtai's performance of the contract is RMB 915,222,500. As of September 30, 2018, based on the relevant phased acceptance and settlement certificates issued by the contracting party, The amount that the company may actually need to bear the guarantee liability amounts to 368 million yuan, which is cautious. As of the date of this feedback reply, the company's guarantee liability for the total contract amount of the two projects of Xinzhongtai was RMB 12,724,500. The counter-guarantee party has the ability to counter-guarantee, the counter-guarantee measures are fully effective, and the company's guarantee risk to Xinzhongtai is controllable. The "Commitment Letter" and related measures jointly issued by the listed company, Badachu Holdings and Xinzhongtai Sanfang further ensure that the listed company does not incurred or bear any guarantee losses.

Upon verification, the applicant accountant believes that the total contract amount of the project provided by the company to Xinzhongtai to continue to perform joint and several liability guarantees is RMB 915,222,500. As of September 30, 2018, based on the relevant phased acceptance and settlement certificates issued by the contracting party, The amount that the company may actually need to bear the guarantee liability amounts to 368 million yuan, which is cautious. As of the date of this feedback reply, the company's guarantee liability for the total contract amount of the two projects of Xinzhongtai was RMB 12,724,500. Counter-guarantee has a counter-offer

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The ability to protect and the counter-guarantee measures are fully effective, and the company's guarantee risk to Xinzhongtai is controllable. The "Commitment Letter" and related measures jointly issued by the listed company, Badachu Holdings and Xinzhongtai Sanfang further ensure that the listed company does not incurred or bear any guarantee losses.

6. The applicant's fundraising project is planned to be leased to the relevant party, and the property held by Zhongtian will be used for the construction of a high-quality quality education center. The Applicant explained that this fundraising project effectively utilized the resource advantages of the controlling shareholder's related parties and selected the property that meets the ideal site selection requirements of the company's fundraising project, which can realize the rapid expansion of the quality education business and ensure the operational stability in a short period of time. To seize the good opportunity for the development of quality education, lay a solid foundation for the implementation of this fundraising project; but at the same time, it also said that the related party transactions involved in this fundraising project are sporadic related transactions, and do not involve the daily business activities of the quality education center. Applicants are requested to further explain whether it is appropriate to define such leases as sporadic related transactions and daily business activities that do not involve quality education centers, and to select such properties as an ideal place to implement investment projects, which will help ensure operational stability. Whether the expression of good timing and other expressions are self-contradictory, and whether the relevant information disclosure is true

Real and accurate. The sponsor institution is requested to issue a verification opinion.

Reply:

(1) This related lease is a recurring connected transaction

On May 30, 2018, the company's wholly-owned subsidiary Kai Literature and Tianjin Teda Construction Group Geji Jinhai Real Estate Development Co., Ltd. (hereinafter referred to as "Guangzhou Jinhai") signed the "House Lease Contract", which leased its lease in Tianjin. The houses at No. 181 and

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No. 183, Xiangwei Road, Hebei District, have a leased area of 551 square meters and a lease term of 3 years. From June 1, 2018 to May 31, 2021, the rent-free period is 3 months.

On August 27, 2018, the company's second-level subsidiary Kevin Xingyi and Tianjin TEDA Construction Group Co., Ltd. Zhongtian Real Estate Development Co., Ltd. (hereinafter referred to as "styled Zhongtian") signed the "House Lease Contract" and leased its lease in Tianjin. The 3rd and 4th floors of Building 3 of Wanghai International Plaza at the intersection of Shilin Street and Haihe East Road in Hebei District, with a leased area of 13,897 square meters, with a lease term of 4 years, from August 27, 2018 to August 2022 On the 26th, the rent-free period is 6 months.

The company is a subsidiary of the company's controlling shareholder, the indirect control of the company's controlling shareholder, and is the related party of the company. The transaction constitutes a connected transaction. Except for the above related party transactions, there are no other related party transactions in this fundraising project.

The above-mentioned related party transactions are effective for the company to take advantage of the location-owned property held by the related parties, which is conducive to the smooth development of the company's fundraising projects. According to the relevant provisions of the "Stock Listing Rules of Shenzhen Stock Exchange", the property related to the lease of the fundraising project is adjusted by Jinhai and the property held by Zhongtian is a property that is leased to related parties and is a recurring related transaction. The disclosure was corrected.

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## (2) Verification opinions of the sponsor institution

Upon verification, the sponsor institution believes that according to the relevant provisions of the "Stock Listing Rules of Shenzhen Stock Exchange", the property of the fundraising project, Tianjin, and the property held by Zhongtian is a recurring connected transaction. This information disclosure was carried out. correct.

7. The applicant intends to raise 1 billion yuan for the non-public issuance of funds for the youth high-quality quality education platform project; the property owner of the implementation site of the fundraising project is the related party of the controlling shareholder of the company's controlling shareholder, the leasehold property They are located in Beijing and Tianjin. Applicants are requested to: (1) Explain the business development status and the business conditions of comparable companies in the same industry (listed companies engaged in quality education), the applicant's on-hand orders or intentional contracts, etc. , calculation basis, measurement process and rationality, combined with the development of relevant business during the reporting period, indicating the achievability of the expected benefits; (2) according to the fundraising calculation table, the average gross profit margin of the project after the project is put into production is 52.4%, according to In the case of comparable companies, only the main business of New Nanyang (with a gross margin of 43.15%) is similar to the quality education planned by the applicant. The other selected companies have a large difference between the main business and the applicant. Please specify 52.4% of the hair. The reasonableness of the interest rate; (3) According to the fundraising calculation table, the sales rate of the fundraising project is 33% except for 2019, and the remaining years are basically 10%. The management fee rate is 20%, 12%, 8% in the first three years. The remaining years are 6%, which differs greatly from the rates of comparable companies. Please explain the rationality; (4) Please explain the necessity of the leased property of the fundraising project and the fairness of the pricing, and whether it meets the "listed public". The requirements of Article 2 of the Rules for the Non-Public Issuance of Stocks, whether the applicant has plans to reduce related transactions and specific measures; (5) explain why the applicant's main educational assets are in Beijing, and the reasons for the lease of Tianjin Real Estate are reasonable and reasonable. Sex and necessity. The sponsor institution, the reporting accountant and the applicant's lawyer are requested to issue verification opinions.

Reply:

(1) Explain the business development situation, the operating conditions of comparable companies in the same industry (listed companies engaged in quality education), the applicant's on-hand orders or intentional contracts, etc., the business development measures, the expected benefits of the investment projects, the basis for calculation, The measurement process and rationality, combined with the development of relevant business during the reporting period, illustrate the achievability of the expected benefits.

1. Combining the development of the industry with the business conditions of comparable companies in the same industry (listed companies engaged in quality education), the applicant's on-hand orders or intentional contracts, etc.

(1) The market demand for quality education in China is relatively large

Increase in the number of students in the 1K-12 stage

The company's quality education clients are positioned as 4-18 year olds and are the main body of K-12 students. Therefore, the change in the number of students in the K-12 stage and the consumption expenditure of quality education represent to some extent

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Market prospects and development space for quality education and training. In recent years, with the liberalization of China's second-child policy, the number of students in the K-12 stage in China has resumed growth since 2014. The number of students in the 2015, 2016 and 2017 K-12 students was 16,378,600, respectively. 16,609,000 people and 16,910,300 people, up 0.88%, 1.41% and 1.81% respectively. According to the strategic goal of the National Medium- and Long-Term Education Reform and Development Plan (2010-2020), the actual number of students in the K-12 stage in China will reach 212 million in 2020. The newly added children of the "two-child policy" are expected to enter primary school from 2022 and enter secondary school in 2028. In a certain period of time, it will affect the size of primary and junior high school students. It is expected that the number of primary and junior high school students will reach another peak in 2030. value. The future education consumer market is huge, which provides a broad prospect for the development of China's education and training industry.

2 The family is paying more and more attention to the quality education of children, and the increasing consumption of education has always attached importance to the education of children. With the continuous improvement of people's living standards and the gradual transformation of educational concepts, a new generation of parents pay more attention to the comprehensive ability and quality of children, including art, sports and science. It has been widely accepted by Chinese families to enhance parent-child interaction through professional education and training institutions and to cultivate children's interest in art and sports. The 2017 China Family Quality Education Consumption Report released by Ruiyi United Parents shows that although most kindergartens and schools offer quality education related courses, 80% of parents are willing to choose the quality education and training institutions for their children. . Family quality education accounts for 26% of households with annual consumption of 5,000 yuan to 10,000 yuan, and 60% of households with more than 10,000 yuan, of which 10,000-30,000 yuan accounts for 37%, 30,000-50,000 yuan accounts for 15%, and 50,000 yuan accounts for 8%. . The increasing emphasis on family quality education for children will greatly promote the continued prosperity of the quality education and training market in China's arts, sports and science.

3 Quality education content is continuously enriched, and the quality education market is expected to continue to grow. Deloitte China forecasts in the China Education Development Report 2018 issued in August 2018 that it is expected that the Chinese education market will reach RMB 2.68 trillion in 2018, of which The top three market segments are the personal training and education market, the K12 and STEAM education markets, and the private kindergarten education market. The market share of K12 and STEAM education in the education industry is expected to increase from 22.2% in 2018 to 24% in 2020.

At present, the quality education courses available in the market mainly focus on art and sports. According to the report of the "Policy Dividend Superimposed Consumption Upgrade Driven Art Training Rapid Growth" released by the Founder Securities Co., Ltd. in June 2017, the children's art training market will have a CAGR of 18.05% from 2015 to 2020. Rapid growth is expected to reach 131.6 billion yuan in 2020. The "Spark Guide> Youth Sports Training Organization Research Report" released by the Tsinghua University Sports Industry Development Center in 2017 shows that the youth sports training market is about 230.6 billion yuan, and it is expected to continue to grow in the future. In addition, robotics education, science classes, children's programming and other science and technology education products have received strong attention, and the future growth potential is large.

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Moreover, with the continuous advancement and popularization of artificial intelligence, 3D printing and other technical products, the science and technology education market that cultivates young people's scientific and technological innovation ability has entered a period of rapid development. As the most important part of the entire education and training industry, the off-campus market-oriented quality education and training market has broad space and has good development prospects.

## (2) Competition in the quality education industry and the situation of listed companies in the same industry

At present, the competitive landscape of the quality education industry is more dispersed, with more subdivisions. There are many quality education and training institutions in the market, but the educational content is relatively simple, such as single music training, art training, dance training, etc., and many of them are set up in a certain area in the form of small stores. The volume of single institutions is small and difficult. Form a scale effect. The curriculum of quality education and training institutions is obviously characterized by fragmentation and unstable supply, and it is difficult to meet the diversified and continuous quality education and training needs of customers.

At present, there are no leading enterprises at the national level. Among the companies in the same industry engaged in quality education, New Oriental, Good Future and other enterprises have extended their education industry chain layout with the help of K12 extracurricular training experience, and actively explored the quality education and training market. It has a certain scale effect; the education sector of Vanke and other real estate enterprises takes the real estate as the starting point, and gradually forms a camp education system with community camps and outdoor camps, and provides education services for students through the education complex model. The brand resources are constantly accumulating. in.

The company's listed companies in the same industry in the field of quality education are as follows:

1 Beijing New Oriental Education Technology (Group) Co., Ltd.

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Beijing New Oriental Education Technology (Group) Co., Ltd. was established in 1993. The US stock listed company (stock code: EDU.N) is a large-scale comprehensive educational technology group that integrates education and training, educational product research and development, and education services. At present, the Group is centered on the New Oriental brand of language training, and has excellent secondary school education, bubble children education, Bai Xuehui, future travel abroad consultation, Xuncheng online education, Dayu culture publication, Gynecology parent-child education, the same text college entrance examination, etc. Sub-brands, among which Baixuehui is its main quality education business platform.

**2 Beijing Century Good Future Education Technology Co., Ltd.**

Beijing Century Good Future Education Technology Co., Ltd. was established in 2008. The US stock listed company (stock code: TAL.N) is a smart education and open platform, with quality education and tutoring as a carrier, serving on a global scale. Public education, a technology education company that helps private education and explores a new model of future education. At present, there are 15 business brands in the future, such as learning and thinking, learning and thinking, school, Aizhikang, Mobi thinking, Libu English, Shunshun, and parents. Among them, Mobi thinking, chess, and English For its main quality education business.

**3 Wanke Enterprise Co., Ltd.**

Vanke Enterprise Co., Ltd. was established in 1984, domestic listed company (stock code:

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000002.SZ), its core business is residential development and property services. In recent years, it has begun to lay out education business. Vanke Education has opened more than 20 full-time schools, more than 100 community camp education outlets and more than 10 outdoor education camps across the country. .

4 Shanghai Xinnanyang Angli Education Technology Co., Ltd. Shanghai Xinnanyang Angli Education Technology Co., Ltd. was established in 1992, a domestic listed company (stock code: 600611.SH). At present, education and training are the main business, mainly involving K12 education, vocational education, international education, early childhood education and other business areas. K12 education covers subject counseling and quality improvement (national studies, art, STEM, sports, etc.), its Chinese study project Dongshufang, science and technology projects, Angstrom STEM, sports projects, An Lihui, sports, and art projects, Xia Jiaer. Its main quality education business entity.

**5 Beijing Shengtong Printing Co., Ltd. Beijing Shengtong Printing Co., Ltd. was established in 2000, domestic listed company (stock code:**

002599.SZ), an enterprise group integrating education and cultural publishing integrated service ecosystem, the business segment covers two major sections: comprehensive publishing comprehensive service and quality education and training business. Among them, Lebo Education, Programming Cat, and Little Orange Fort are The main quality education business entity.

The above-mentioned comparable listed companies except Vanke, their education business is their main business, but quality education is only part of the education business, and the operational data of quality education has not been separately announced. The operations of the above companies in the field of quality education are as follows:

company name	basic situation	Business conditions	Operational characteristics
New Oriental Baixuehui	In 2015, Baixuehui's layout quality education was established. At present, five Baixuehui Youth Growth Centers have been established in Beijing.	Baixuehui is responsible for the site selection, leasing, decoration, daily operation and admissions promotion of the teaching center. The educational institutions stationed in the school are responsible for teaching and research and content export, and provide diversified quality education contents such as art, sports, science and comprehensive.	Use New Oriental's own educational resources and flow to help third-party educational institutions and achieve their investment goals.
Vanke Education	Shanghai's "Deyingle" education brand and Shenzhen's "Mesha Education" brand. Vanke Education has opened more than 20 full-time schools, more than 100 community outlets and more than 10 outdoor education camps across the country.	Vanke provides all infrastructure and daily operational services, and the resident agencies are responsible for teacher training, product polishing and content export.	Use Vanke's own real estate resources and community traffic to help third-party educational institutions and achieve a premium for surrounding real estate.
Good future	In 2009, Beijing opened the first Mobi thinking hall, currently 10 in Beijing, 2 in Nanjing, 2 in Guangzhou, and 1 Mobi	With the STEAM education concept as the core, children of 2-15 years old are offered courses in children's programming, scientific thinking, mathematical thinking,	Small store mode, multi-point layout

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	Center in Shanghai. 2017 Strategic Holdings Online Education Brand - Love Chess.	and Chinese thinking. Love Chess Road focuses on online Go training for children aged 4-12.	
Anglia Education	Acquisition of Shanghai Anglia in 2014	Quality education business has young children's mathematical thinking	

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company name	basic situation	Business conditions	Operational characteristics
	Education Technology Group Co., Ltd., the education and training business has been greatly improved, and the layout is basically in the Shanghai area.	The project "Little Law Lion" and the young children's American language project "哆来咪", Ang Li STEM, Zhi Pei Xing children's English, Xia Jiaer creative art, Dong Shu Fang Guoxue project.	
Shengtong Shares - Lebo Education	The largest 2C robot training company in China currently has 93 directly operated stores and 190 franchise stores in 25 provinces and municipalities, covering all first- and second-tier cities in the country, involving all third- and fourth-tier developed cities.	The business model is direct sales and joining. The main courses are divided into building blocks, single-chip courses, humanoid robot courses and application courses, as well as domestic and international winter and summer camp activities.	

Note: The above information is from the official website of the comparable company and public information.

The quality education business of the above-mentioned listed companies in the New Oriental Baixuehui and Vanke Education is provided by the operation site and daily operation management, while other cooperative institutions provide the output of quality education content of various formats. This mode is the "education complex" mode; Good Future, Angli Education and Shengtong's quality education business are based on the "special small store model", which provides quality education services for a certain category.

In the future, training institutions with brand recognition and differentiated products will rapidly expand the industrial chain and enhance their own competitive barriers. The concentration of quality education industry will gradually increase, and the institutional advantages of providing one-stop diversified education and training services will gradually become prominent.

The company raised funds for the high-quality quality education program for young people, and will rely on the company's strong resource integration capabilities to provide a variety of curriculum characteristics through a self-operated model to ensure the quality of quality education services and international education. The resource advantage extends to the field of quality education, quickly accumulating the brand effect of one-stop quality education and training service institutions, and meeting the demand for high quality and differentiated education needs.

(3) Company's on-hand orders or intentional contracts and market space

Since the fundraising project has not yet been put into operation, it has not yet enrolled students. Therefore, the company has not signed an intentional contract for education services with potential students.

The company's fundraising project is to build and operate six quality education centers. In order to make full use of Beijing's high-quality educational resources, this fundraising project is planned to open two quality education centers in the Chaoyang District and Haidian District of Beijing, and two quality education centers in the neighboring cities of Tianjin and one in Shijiazhuang, Hebei. The Quality Education Center will create the "Kevin" brand of Beijing-Tianjin-Hebei quality education with Beijing as the core. In addition, Shanghai is one of the largest cities in China with large economic volume. The demand for education is strong. Opening a quality education center in Shanghai is conducive to business strategy and market opportunities. It is the bridgehead for the company's business in the South.

The demand for quality education in the proposed investment project is strong. The quality education centers are expected to be in the mature stage of operation. The number of weekly training and local target audience during the non-cold summer vacation are as follows:

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Investment project implementation site	Weekly training times (10,000 people) (Note 1)	The number of trainees expected to receive training (10,000 people) (Note 2)	Target audience in the main radiation area (10,000 people) (Note 3)	The proportion of participants in the target audience of the radiationable area

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Hebei District, Tianjin*	1.48	0.74	28.92	2.56%
Shijiazhuang Xinhua District*	1.48	0.74	29.91	2.47%
Chaoyang District, Beijing	1.48	0.74	26.54	2.79%
Tianjin Binhai New Area	1.07	0.54	18.63	2.90%
Haiding district, Beijing	1.48	0.74	32.70	2.26%
Huangpu District, Shanghai	1.07	0.54	30.88	1.75%

Note: 1 During the non-cold summer vacation, there are 2 classes per classroom per day from Monday to Friday, and 5 classes per class on weekends. The number of classes is 90%, and the rate of students attending classes is 80%. According to the Quality Education Center. The number of classrooms with different planned areas is different;

2 Assuming that each student reports 2 courses per class, and each class is taught once a week, the number of students enrolled in the class per week is 1/2 of the number of weekly training sessions;

3 The target audience for the main radiation-producing areas is calculated based on the total number of kindergartens, primary schools and secondary schools in the administrative district of the most recent quality education center and its adjacent areas. Among them, Tianjin Hebei District, Shijiazhuang Xinhua District and Shanghai Huangpu District are located in the core area of the city and have a small area. Therefore, the area and its adjacent administrative areas are selected as the radiatable areas; other administrative sites are selected as the radiatable areas. . In addition, due to the failure to obtain the number of kindergartens in the implementation of the target project, the number of kindergartens was not counted.

Each quality education center expects the number of students attending classes every week to be between 0.54 million and 0.74 million, accounting for 1.75% to 2.90% of the target audience in the administrative district. The quality education centers in each region have sufficient market capacity. According to the 2017 White Paper on Family Education Consumption published by Sina.com, 81.26% of children in the K12 stage have participated in educational and training institutions. The company's fundraising projects are selected in the Beijing-Tianjin-Hebei region and the Shanghai region. The K12 students in the above-mentioned regions have a large number of students, good economic development and sufficient market space.

#### (4) Development of related business of the company during the reporting period

As a platform for sports training and camp education projects, Kaiwen Literature serves to meet the multi-level needs of young people for sports projects by creating a three-in-one business structure of "training + camp + events". Kay Literary has established sports such as ice hockey, swimming, tennis, golf, rugby, fencing, synchronized swimming, football, basketball, baseball, etc., and in the variety of sports, focus on creating ice hockey, baseball, physical fitness, la la Exercise. In addition, Kaiwen Literature also promotes and disseminates the popularity of "Kevin" sports brands by hosting, hosting or co-organizing youth sports events, such as the 2018 Beijing Elementary and Secondary School Fencing Competition and the 2018 Beijing Primary and Secondary School Swimming Open Competition. Business income.

Kevin Ruixin is the operating platform for language training and orientation training for overseas study. It focuses on SAT, TOEFL, AP and other overseas exam training and international curriculum output, and further study planning guidance. It also customizes personalized courses according to customer needs. Kevin Ruixin has a group of well-known teachers and has a good reputation and influence in their respective fields of expertise.

In addition, two Kevin schools have opened a number of quality education related courses, as follows:

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Course category	Course Title
Traditional art	Chinese folk dance, English ballet, Chinese traditional culture - idiom story, elementary school music choir, Chinese drama, Chinese ancient poetry and art creation, Chinese traditional painting course, Chinese characters and calligraphy, handmade origami
Physical education	Dryland ice hockey lessons, baseball lessons, fencing, football lessons, swimming lessons, skating classes, tennis lessons, basketball lessons, magic sports, children's yoga
Creative arts	Educational drama, small rhythm of tapping magic lessons, small rhythm lessons, fantasy dream hats, artistic skills improvement, creative thinking courses, creative crafts
Scientific thinking	Children's science experiments, creative thinking courses, robots, creative painting, code & password and secret information, cosmetic principles and production



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Quality development class	Moderator language skills training, campus radio station, picture book reading, library services, archaeology and discovery

The company has accumulated rich experience in the field of quality education and training, which is the fundraising project.

Successful implementation of the relevant personnel, technology and market conditions, and has the corresponding business foundation.

(5) Pioneering measures for fundraising project business

The company recruits students through various channels, and relies on the quality education of the company to train the multi-category and multi-level curriculum system to develop a personalized curriculum system plan for the students. On the one hand, it continuously recruits new students and reduces the cost of obtaining customers; on the other hand, it also provides long-term services for the existing students of the school to ensure the high rate of renewal, so as to realize the rapid expansion of the company's quality education business. Specific business development measures are as follows:

1 network and outdoor advertising. The company intends to publicize and promote through the education portal of the main portal, the education forum of the project implementation site and the WeChat public account. At the same time, it also launches outdoor print advertisements such as bus station advertisements in the main crowded areas of the project implementation area.

2 Launch offline promotion activities. Regularly promote the offline promotion of schools, parks, shopping malls, etc. around the quality education centers, organize community activities, fun competitions, etc., and push the personnel to distribute promotional materials and souvenirs to the target audience, and call back to invite them to participate in the experience class. Attract students.

3 Cooperate with third-party organizations to conduct student drainage. The company actively cooperates with primary and secondary schools, kindergartens and bank outlets around the quality education centers to recruit students and jointly marketing.

4 Focus on creating a multi-category quality education program for young people of all ages. The company's quality education courses cover many types of courses, such as traditional art, creative arts, sports, scientific thinking, and quality development. Each course has multiple levels of curriculum system, and it carries out multi-level training content such as foundation, promotion, and professional. The trainees provide one-stop, full-growth training services to enable the company's quality education and training to accompany the students throughout the youth growth period, increasing customer stickiness.

5 word of mouth to pass, "take the old with new" way to enroll. The company relies on multi-category, high-quality training courses and comfortable and excellent learning and rest places, and through the scientific and complete operation system, obtains the recognition of students and parents, and encourages parents to introduce new students by giving lessons and rewarding souvenirs. Word of mouth exhibition industry.

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2. The basis, process and rationality of the benefit calculation of this fundraising project are as follows:

(1) Operating income The income of this fundraising project comes from the training service income of 6 quality education centers. The courses offered by each quality education center are mainly divided into five categories: quality development, thinking development, creative arts, traditional art and sports. The teaching forms are divided into one-on-one courses and group courses.

Assume that during the mature period of operation, the number of teaching schedules is 90% of the plan (that is, the actual number of class days is 324 days), and the student attendance rate is 80%. The company plans the number of matching classes according to different leased areas. Taking the proposed Shanghai Quality Education Center as an example, the annual income during the mature operation period is calculated as follows:

Course type	Planned class annualization hours	Number of classes	Single class	Class hour price (ten thousand yuan)	Annual income (ten thousand yuan)
	1	2	3	4	5=1*2*3*4*90%*80%
One to one	1,221	40	1	0.0450	1,582.42
collective	771	65	10	0.0220	7,938.22
Summer (winter) camp	450	34	15	0.0120	1,982.88
Sports (hard ground)	1,221	2	15	0.0220	580.22
Sports (grass)	1,221	2	10	0.0300	527.47
Subtotal	12,611.20				



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Third-party cooperation revenue	630.56
total	13,241.76

Note: 1 The quality education center operates from Monday to Friday (hereinafter referred to as “normal time”) with 2 class hours per day, 5 classes per day on weekends, 5 classes per day during winter and summer vacations, 90 minutes per class, and 360 days per year, including 193 in total. Days, 77 days on weekends, 90 days on summer and winter vacations;

2 The unit price is priced according to the one-to-one course and the group course. The unit price of the one-to-one course in the first-tier city is 400-500 yuan/class hour according to different types, the average price is 450 yuan/hour, and the unit price of the group course is 160-350 yuan according to different types. / Class hours, an average of 220 yuan / class hours, the physical course of the hard ground is 220 yuan / class hours, the physical education course of the grassland venue is 300 yuan / class hours, the summer (winter) camp class course is 120 yuan / class hours. The unit price of second-tier cities is 20% off on the basis of first-tier cities.

Assume that the enrollment progress of each quality education center is 30% in the first year, 75% in the second year, and 100% in the third year and the following from the first month of operation. The calculation period of the project is 12 years. The operating income of each fundraising project is estimated as follows:

Unit: 10,000 yuan

Serial number	location	September-December 2018	2019	2020	2021	2022	2023	2024-2029
1	Tianjin (Hebei District)	-	2,374.02	7,122.05	10,880.91	12,661.43	12,661.43	12,661.43
2	Shijiazhuang	-	954.63	5,250.47	10,341.84	12,728.41	13,576.97	13,576.97
3	Beijing (Chaoyang District)	-	-	3,977.63	10,739.60	15,247.58	16,971.22	16,971.22
4	Tianjin (Binhai New Area)	-	-	1,489.70	5,213.94	8,689.91	9,931.32	10,593.41

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Serial number	location	September-December 2018	2019	2020	2021	2022	2023	2024-2029
5	Beijing Haidian District)	-	-	795.53	5,966.44	12,595.83	15,910.52	16,971.22
6	Shanghai	-	-	-	3,103.54	8,379.55	11,896.90	13,241.76
	total	-	3,328.65	18,635.38	46,246.27	70,302.70	80,948.35	84,016.01

Note: The construction period of this fundraising project is 30 months. The operation time of each quality education center is different. The income is 30% of the enrollment progress in the first 12 months of operation and 75% of the enrollment progress from the 13th month to the 24th month. The enrollment progress will be 100% measured.

## (2) Operating costs and expenses

The operating costs of this fundraising project are mainly direct labor, energy consumption, rental expenses, property fees, broadband, depreciation and amortization, and course interaction and R&D optimization. The administrative expenses are mainly depreciation and amortization, management personnel salaries and personnel recruitment. Training fees; sales expenses are mainly fixed sales expenses and variable sales expenses. The calculation of the main cost items is as follows:

The direct labor cost is mainly determined by the teacher's salary standard and the number of teachers. The former distinguishes the average salary level of teachers in different cities, and the second-tier cities make a 20% discount on the first-tier cities. The latter allocates the number of teachers according to the standard of 3 hours per day, such as Beijing. The quality education center of 15,000 square meters in the first-tier cities requires 169

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teachers, and the annual total salary of teachers is 27,826,400 yuan. At the same time, assume that the teacher recruitment progress is 40% in the first year, 80% in the second year, and 100% in the third year and beyond.

The lease fee is mainly determined by the estimated leased area and the unit price of the rent.

Depreciation and amortization is mainly the amortization of depreciation, software and renovation and renovation costs of purchased equipment. The equipment is calculated according to the depreciation period of 10 years and the net residual value of 5%; the software and decoration renovation costs are based on the amortization period of 10 years, and no residual value is calculated. 90% of the depreciation and amortization amount is included in the cost, and 10% is included in the management fee.

The salary of management personnel is mainly determined by the operating staff's salary standard and the number of operators. For example, the 15,000 square meter quality education center in the first-tier cities such as Beijing requires 39 operators, and the annual operating staff salary is 5.46 million yuan. At the same time, it is assumed that the recruitment progress of the operators is 50% in the first year, 85% in the second year, and 100% in the third year and beyond.

The personnel recruitment and training fees are mainly for the training of newly added teachers in the Quality Education Center. The training expenditure per person is 6,000 yuan/person, and the annual fixed training expenditure is increasing year by year. After the stabilization, the fixed training expenditure is 3 million yuan per year.

The sales expenses are specifically divided into variable sales expenses and fixed sales expenses. The variable sales expenses are assumed to be 3.50% of operating income. The fixed sales expenses increase year by year, and the fixed annual fixed expenditure is 25 million yuan.

The details of the cost and expenses of this fundraising project are as follows:

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Unit: 10,000 yuan

project	September-December 2018	2019	2020	2021	2022	2023	2024-2027 (annual average)	2028	2029
direct cost	189.80	6,327.90	20,236.34	34,412.76	39,499.13	40,906.98	41,040.33	41,008.69	39,546.18
Of which: direct labor	-	786.07	3,949.28	8,802.35	12,204.86	13,377.35	13,442.88	13,442.88	13,442.88
Energy cost	-	73.59	412.00	1,022.44	1,554.29	1,789.65	1,857.48	1,857.48	1,857.48
Rental costs	-	2,523.96	7,983.44	13,139.07	13,650.07	13,650.07	13,650.07	13,650.07	13,650.07
Property costs	189.80	981.55	1,790.33	1,815.88	1,815.88	1,815.88	1,815.88	1,815.88	1,815.88
Broadband	-	346.00	576.00	576.00	576.00	576.00	576.00	576.00	576.00
Depreciation and amortization	-	1,616.73	5,525.29	8,073.23	8,073.23	8,073.23	8,073.23	8,041.58	6,579.08
Course interaction and R&D optimization	-	-	-	983.80	1,624.80	1,624.80	1,624.80	1,624.80	1,624.80
Management costs	50.00	658.85	2,400.80	3,720.97	4,136.85	4,137.03	4,137.03	4,133.51	3,971.01
Of which: depreciation and amortization	-	179.64	613.92	897.03	897.03	897.03	897.03	893.51	731.01
Managerial compensation	-	250.25	1,319.68	2,346.23	2,870.70	2,940.00	2,940.00	2,940.00	2,940.00
Recruitment and training	50.00	228.96	467.20	477.72	369.12	300.00	300.00	300.00	300.00

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sales expense	200.00	916.50	1,852.24	3,618.62	4,960.59	5,333.19	5,440.56	5,440.56	5,440.56
total cost	439.80	7,903.25	24,489.38	41,752.35	48,596.57	50,377.20	50,617.92	50,582.76	48,957.75

(3) Taxes and surcharges The tax and surcharges of this fundraising project include urban construction tax and education surcharge. The taxes and fees are calculated based on the existing tax rate standards, which are 7% and 5% respectively. From 2018 to 2024, the income tax on income from this investment project is not enough to cover the VAT input tax during the construction and operation period; since 2025, the VAT output is calculated based on the predicted operating income and cost. The tax and input tax, combined with the input tax deductible at the beginning of the period, calculate the current urban construction tax and education surcharge. The tax and surcharge for 2025 is 3.475 million yuan, and the annual tax and surcharge is 3.8495 million yuan.

(4) Benefit evaluation of this fundraising project

According to the income, cost and cost forecast, the performance of the fundraising project during the operation period is good, as follows:

Unit: 10,000 yuan

project	September-December 2018	2019	2020	2021	2022	2023	2024	2025	2026-2027 (annual average)	2028	2029
Operating income	-	3,328.65	18,635.38	46,246.27	70,302.70	80,948.35	84,016.01	84,016.01	84,016.01	84,016.01	84,016.01
Operating cost	189.80	6,327.90	20,236.34	34,412.76	39,499.13	40,906.98	41,040.33	41,040.33	41,040.33	41,008.69	39,546.18
Gross profit margin		-90.10%	-8.59%	25.59%	43.82%	49.47%	51.15%	51.15%	51.15%	51.19%	52.93%

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project	September-December 2018	2019	2020	2021	2022	2023	2024	2025	2026-2027 (annual average)	2028	2029
Taxes and surcharges	-	-	-	-	-	-	-	347.59	384.95	384.95	384.95
Management costs	50.00	658.85	2,400.80	3,720.97	4,136.85	4,137.03	4,137.03	4,137.03	4,137.03	4,133.51	3,971.01
sales expense	200.00	916.50	1,852.24	3,618.62	4,960.59	5,333.19	5,440.56	5,440.56	5,440.56	5,440.56	5,440.56
Total profit	-439.80	-4,574.60	-5,854.00	4,493.92	21,706.14	30,571.15	33,398.09	33,050.50	33,013.14	33,048.30	34,673.31
Income tax	-	-	-	-	1,585.95	7,642.79	8,349.52	8,262.63	8,253.28	8,262.08	8,668.33
Net profit	-439.80	-4,574.60	-5,854.00	4,493.92	20,120.18	22,928.37	25,048.57	24,787.88	24,759.85	24,786.23	26,004.98
Net profit rate		-137.43%	-31.41%	9.72%	28.62%	28.32%	29.81%	29.50%	29.47%	29.50%	30.95%

The corporate income tax rate of this fundraising project is calculated at 25%. The project's internal rate of return (after tax) is 15.79%, and the investment recovery period (after tax) is 6.76 years.

Similar to the company's fundraising project (mainly engaged in offline K12 education), the same industry is more than two or more main businesses in the same industry. Since it is unable to obtain the profit data of the education business, it has selected the comparable companies to be mainly engaged in the line. The net interest rate of the education business of the subsidiaries of the next education and the first half of 2018 is compared with the average annual net interest rate of the company's current investment project after the production is expected to be as follows:

name	The net profit margin of the education business in the first half of 2018/the average annual net interest rate of the post-production period (%)	2017 annual education business net interest rate / fundraising project average annual net interest rate after the production period (%)

Beijing Golden Cradle Education Technology Co., Ltd.	47.10	53.86
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Beijing Hung Hom Times Education Technology Co., Ltd.	13.38	28.95
Hangzhou Quanren Education Group Co., Ltd.	25.37	15.60
Jiangsu Tongmeng Early Childhood Education Information Consulting Co., Ltd.	26.58	23.77
Comparable company average	28.11	30.55
This fundraising project	29.46	29.46

Note: 1 Among the above comparable companies, Beijing Golden Cradle Education Technology Co., Ltd. and Beijing Hongyi Times Education Technology Co., Ltd. are subsidiaries of Weichuang Co., Ltd.; Hangzhou Quanren Education Group Co., Ltd. and Jiangsu Tongmeng Early Childhood Education Information Consulting Co., Ltd. a subsidiary of Xiuqiang Co., Ltd.;

2 The above comparable company data sources are comparable company 2017 annual report and 2018 semi-annual report.

The average annual net interest rate of the company's post-production period is expected to be basically the same as the average net profit rate of the comparable company's education business in 2017 and 2018. It is reasonable within the range of the company's education business net interest rate.

From 2016 to the present, the domestic listed company announcement plan, the implementation of the fundraising project for the offline education business and the main audience for the 4-18 year olds of the internal rate of return and this fundraising comparison is as follows:

project name	company name	Internal Rate of Return
New network construction projects in key cities	Qinshang shares (002638.SZ)	22.20%
Small class counseling construction project	Qinshang shares (002638.SZ)	22.50%

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project name	company name	Internal Rate of Return
Children's Art Training Center Construction Project	Weichuang shares (002308.SZ)	15.64%
K12 Education Business Development Project	Ang Li Education (600661.SH)	29.61%
Children's Comprehensive Quality Learning and Development Center Project	Shengtong shares (002599.SZ)	16.99%
average value		21.39%
This fundraising project		15.79%

Note: The above comparable company data source is Choice, which is the estimated internal rate of return of the project.

The company's current investment yield is expected to be slightly lower than the expected internal rate of return for similar investment projects in the same education industry, and within the range of yields of fundraising projects to be implemented by comparable companies in the same industry.

In summary, the company's fundraising project's benefit measurement process is cautious and achievable.

(II) Analysis of the rationality of the average gross profit margin of the company after the project is expected to reach the post-production period

The same industry as the company's fundraising project (quality education business) is more than two or more main businesses in the same industry, and its education business includes vocational education, early childhood education, and subject counseling in addition to quality education. And the development model of the education business is also divided into online business and offline business. Therefore, it is comparable to the company's current investment project, which is mainly engaged in the offline K12 education business. The gross profit margin of the company's education business in 2017 and the first half of 2018 is compared with the average annual gross profit margin of the company's current investment project after the expected production period. The situation is as follows:

name	Gross profit margin of the education business in the first half of 2018/the investment project has an average annual gross profit margin (%)	The annual gross profit margin (%) of the annual education business gross profit margin/recruitment project in 2017 after the production period
Xiuqiang shares (300160.SZ)	41.80	45.41

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Weichuang shares (002308.SZ)	57.36	57.88
Shengtong shares (002599.SZ)	47.57	44.04
Ang Li Education (600661.SH)	47.62	43.15
Comparable company average	48.59	47.62
This fundraising project	50.25	50.25

Note: The source of the above comparable financial indicators data is Choice; New Nanyang has been renamed as Angli Education in November 2018.

The average annual gross profit margin of the company's current investment project is expected to be slightly higher than the average gross profit margin of the listed company's education business in 2017 and 2018, but within the gross margin of comparable corporate education business. And because the above-mentioned comparable education and training content provided by the company is diversified, the gross profit margin reflects the comprehensive gross profit margin of the education service. Therefore, the gross profit margin of the fundraising project is only based on the gross profit margin of the above-mentioned company, mainly based on the income calculated by the project itself. Calculating the cost, it is reasonable to have an average gross profit margin of 50.25% after the production.

(III) Analysis of the rationality of the expense rate during the period of the company's fundraising project

The rate indicator of the fundraising project is the estimated cost of the company in conjunction with the project.

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The results of the calculation are as follows:

Unit: 10,000 yuan

project	September-December 2018	2019	2020	2021	2022	2023	2024-2028 (annual average)	2029
Operating income	-	3,328.65	18,635.38	46,246.27	70,302.70	80,948.35	84,016.01	84,016.01
Management costs	50.00	658.85	2,400.80	3,720.97	4,136.85	4,137.03	4,137.03	3,971.01
sales expense	200.00	916.50	1,852.24	3,618.62	4,960.59	5,333.19	5,440.56	5,440.56
Total cost during the period	250.00	1,575.35	4,253.04	7,339.59	9,097.44	9,470.22	9,577.59	9,411.57
Management expenses and revenue share		19.79%	12.88%	8.05%	5.88%	5.11%	4.92%	4.73%
Proportion of sales expenses and revenue		27.53%	9.94%	7.82%	7.06%	6.59%	6.48%	6.48%
Proportion of expenses and income during the period		47.33%	22.82%	15.87%	12.94%	11.70%	11.40%	11.20%

The proportion of the period expenses of the company's fundraising project is expected to decrease from 47.33% of the first year of the project to 11.20%, and the proportion of the total period of the project during the operation period is 12.34%, of which management expenses are mainly For depreciation and amortization, management personnel remuneration, personnel recruitment and training, etc., the sales expenses are the expenses incurred in the admissions promotion. Depreciation and amortization are fixed expenses. After all the quality education centers are put into use, the expenses are stable in each year; the sales expenses, management staff's salary and personnel recruitment and training expenses are based on the enrollment progress of the quality education center, after the enrollment rate is 100%. Annual expenditure is stable.

During the period of the fundraising project, the expense rate will decrease gradually with the increase of income year by year before the maturity period, and will stabilize in the mature period. The business operated by the Quality Education Center has significant scale effect characteristics. When the number of trainees does not form a scale, the per capita enrollment expenses of the early trainees are more, requiring a large amount of publicity and enrollment expenses, and the per capita management cost of the trainees is also higher. During this period, the company's per capita customer cost is higher,

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and the period expense rate is higher. After the number of trainees has formed a scale, the renewal of the old trainees, the “old and new” and the brand and word-of-mouth effect that the company has formed will greatly reduce the per-capita cost of the company. Therefore, the proportion of the period's expenses to the income is in the mature stage of the project. It is reasonable and normal to decline year by year. During the maturity of the project, as the number of trainees is relatively stable, the variable expenses in the period expenses tend to be stable, and the proportion of the period expenses to the income is expected to stabilize at a certain level.

Since the same industry is more than two or more main businesses, the education business is only one of the main businesses, and there is no public information on the expense ratio of the listed company's education business, which is comparable to the overall expense ratio of the company.

By inquiring public disclosure information, the ratio of the expenses of the listed companies that are mainly engaged in offline education is as follows:

company name	Financial statement period	Period expenses (sales expenses & management expenses) as a percentage of revenue (%)
Beijing Golden Cradle Education Technology Co., Ltd.	January-July 2015	17.35
Beijing Hung Hom Times Education Technology Co., Ltd.	2014	11.29

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company name	Financial statement period	Period expenses (sales expenses & management expenses) as a percentage of revenue (%)
Hangzhou Quanren Education Group Co., Ltd.	January-November 2015	31.09
Jiangsu Tongmeng Early Childhood Education Information Consulting Co., Ltd.	January-October 2016	8.31
Comparable company average		17.01

Note: 1 Among the above comparable companies, Beijing Golden Cradle Education Technology Co., Ltd. and Beijing Hongyi Times Education Technology Co., Ltd. are subsidiaries of Weichuang Co., Ltd.; Hangzhou Quanren Education Group Co., Ltd. and Jiangsu Tongmeng Early Childhood Education Information Consulting Co., Ltd. Subsidiary of Xiuqiang Co.; 2 The above comparable company data source is the audit report of the comparable company reporting period.

The proportion of the period during the entire operation period of the fundraising project accounted for 12.34% of the revenue, which was lower than the average rate of the comparable company's period expense ratio of 17.01%, but within the period of the comparable company's expense rate.

During the period of the fundraising project, the expense ratio is high in the previous period and the cost is high. However, as the increase in the operating period is significantly lower than the increase in income, the scale effect is formed, and the cost after the stabilization period is relatively low, which is in line with the characteristics of the industry. . And the period expense rate is within the period of the comparable company's period expense rate, and the period rate of the fundraising project is reasonable.

(4) Please explain the necessity of the leased property of the fundraising project and the fairness of the pricing, and whether it meets the requirements of Article 2 of the “Implementation Rules for Non-public Issuance of Listed Companies”, and whether the applicant has plans to reduce related party transactions. And specific measures.

1. The necessity of this related party transaction

This fundraising project is to build a high-quality quality education platform for young people. It plans to build high-quality quality education centers in four cities in Beijing, Tianjin, Shijiazhuang and Shanghai. It mainly provides art, sports and scientific thinking for young people aged 4-18. And quality education and other quality education courses. Because the project is mainly located in the high-end market of quality education, the site selection requirements for the implementation site are relatively high.

The related party property leased by this fundraising project is located in Wanghai International Plaza. It is the only transportation center and cultural center surrounded by the ancient cultural street of the 5A level scenic spot in Tianjin. It has rich sports art industry resources and covers many primary and secondary schools. In line with the site selection requirements of the company's fundraising project, it is an ideal choice for the company to implement the proposed investment project in Tianjin.

(1) Wanghai International is located in the center of Tianjin, with rich resources and a profound student base.

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Wanghai International Plaza is located at the intersection of Lion Rock Street and Haihe East Road in Hebei District, Tianjin. It is located in the center of Tianjin. The nearby schools are rich in resources and have a profound student base, which is conducive to the smooth implementation of this fundraising project.

(2) Wanghai International has a profound cultural and artistic heritage and a sports industry atmosphere.

The area where Wanghai International Plaza is located is located in the Yi'ao style area of the ancient Sanchahekou and Haihe lines in Tianjin.

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The land of Jinfayuan, surrounded by the only 5A-level scenic spot in Tianjin, is the cultural center and transportation center of Tianjin. It has a profound cultural and artistic heritage and strong consumer demand. At the same time, Wanghai International Plaza integrates sports business, champion maker, sports media, sports finance and physical education. The fifth channel of CCTV's famous sports brand participates in the establishment of a unique sports industry chain and sports industry atmosphere. It is an ideal place to implement this fundraising project to build a high-quality quality education platform and provide a comprehensive service of diversified quality education such as art, sports and quality development.

(3) This related leasing is conducive to the company's rapid and stable expansion of the Tianjin region's business and the location of the education and training address, which directly affects the project's student enrollment, operational effectiveness and success or failure. At present, as a representative of second-tier cities, Tianjin is a regional economic center with relatively developed commerce. Large-scale stable properties are scarce resources in the market, especially high-quality properties suitable for education and training with a mass scale of around 10,000 square meters. less. By leasing the relatively high-quality properties of the controlling shareholder, the listed company is conducive to realizing the rapid expansion of business in the short term, while ensuring the stability of the operation, seizing the good opportunity for the development of quality education, and conducting strategic layout.

In summary, this fundraising project effectively utilizes the resource advantages of the controlling shareholder's related parties and selects the property that meets the ideal site selection requirements of the company's fundraising project. It can realize the rapid expansion of the quality education business in a short period of time and ensure the stability of operations. It is a good time to seize the development of quality education and lay a solid foundation for the implementation of this fundraising project.

## 2. Fairness of pricing of related party transactions

### (1) Marketization pricing

When leasing related party properties in this fundraising project, the company strictly abides by the relevant provisions of the "Articles of Association" and "Administrative Measures on Related Party Transactions" on the pricing principles of related party transactions, and takes the market after fully referring to the leasing price of similar areas in the surrounding areas. Pricing.

After inquiring about the public website information, some of the property rentals in Tianjin's Hebei District not less than 1,000 square meters are as follows:

Property name	position	Area (m <sup>2</sup> )	Distance from fundraising project	Price (yuan / m <sup>2</sup> / day)
Zhongshan Building	No. 66 Zhongshan Road, Hebei District, Tianjin	4,500	About 1.9 km	2.06
1946 Creative Industry Park	No. 56, Wanliu Village Street, Hebei District, Tianjin	1,000	About 2.7 km	2.40
Ocean Building	No. 1 Haihe East Road, Hebei District, Tianjin	2,474	About 1.8 km	2.53
Maoye Building	Haihe East Road and the intersection of Sijing Road, Hebei District	1,800	About 1.7 kilometers	2.60
Guoyin Building	Progress Road 38	1,200	About 1.3 km	3.60
Average price				2.64
The average price of the associated lease				2.24

Note: The above data comes from Fang Tianxia and Anjue.

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Comparing the above rental price, the price of the leased Wanghai International Plaza is in line with the market price, within the lease price range of comparable properties, the pricing is fair, there is no act of using the related party relationship to damage the interests of the listed company, and there is no



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damage to the company. Legal interests and situations in which interests are transferred to related parties.

(2) Has fulfilled the necessary approval procedures for related party transactions and timely information disclosure

For the above-mentioned related leases, the company performed the necessary related party transactions decisions in accordance with the relevant laws and regulations, regulatory documents, and the Articles of Association and the Measures for the Administration of Related Transactions under the Company Law, the Securities Law and the Listing Rules. , approval procedures, and timely information disclosure.

On June 11, 2018, the company held the twelfth meeting of the fourth board of directors, reviewed and approved the relevant proposals related to the non-public related related leases, and also requested the general meeting of shareholders to authorize the board of directors to approve the association related to this non-public offering. Regarding the lease and related matters, the related related directors abstained from voting; on July 19, 2018, the company held the 5th Extraordinary General Meeting of Shareholders in 2018, deliberating and passing the relevant proposals related to the non-public related related leases, and authorizing the Board of Directors to approve the For the related leases and related matters related to the non-public issuance, Badachu Holdings has abstained from voting as a related shareholder; the independent directors have previously recognized the company's major related party transactions and issued independent opinions.

On August 27, 2018, the company held the 17th meeting of the 4th Board of Directors, reviewed and approved the Proposal on Signing a Lease Contract and Related Transactions, and the related related directors abstained from voting; the independent directors attached the company to the related leasing Advance recognition and independent opinions, the rental price is fair, there is no harm to the interests of small and medium shareholders, in line with the interests of the company and all shareholders.

The above procedures and requirements guarantee the independence of the company's operation and the fairness of the pricing of related transactions. The above-mentioned related leases do not have the use of related party relationships to damage the interests of listed companies, and will not adversely affect the independence of the company, nor damage. The legitimate interests of the company and the transfer of benefits to related parties. The company also made timely announcements on the relevant circumstances and decision-making procedures of this related party transaction.

3. The fundraising project meets the requirements of Article 2 of the “Detailed Rules for the Implementation of Non-public Issuance of Stocks by Listed Companies”.

After the implementation of this fundraising project, although the amount of related party transactions will increase, the proportion of related party transactions will decrease. Without increasing other related party transactions and the benefits of this fundraising project have reached the expected level, it is estimated that the changes in the proportion of the company's related property leases to the education-based operating costs in the most recent year before and after the implementation of this fundraising project are as follows:

project	January-June 2018		2017	
	Before implementation	After implementation	Before implementation	After implementation
Related property lease amount (ten thousand yuan)	1,137.32	2,276.12	2,246.94	3,385.74
The proportion of leased property of related properties to the proportion of operating costs of education	10.58%	4.39%	20.93%	6.54%

Note: The amount of the leased property of the related property after the implementation = the amount of the leased property of the current period + the amount of the new connected transaction of the fundraising project;

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After the implementation, the amount of the leased property of the related property accounts for the proportion of the operating cost of the education = (the amount of the leased property of the current period + the amount of the new connected transaction of the fundraising project) / (the current operating cost of the education + the new business of the fundraising project after the project is put into production) cost).

After the completion of the fundraising project, the proportion of the company's associated property leases decreased significantly. Therefore, the implementation of this fundraising project will help the company to reduce the proportion of related party transactions, will not affect the company's business independence, and meet the requirements of Article 2 of the “Detailed Rules for the Implementation of Non-public Issuance of Listed Companies”.

In summary, this related party transaction is necessary and reasonable, will not cause horizontal competition, and will help improve the company's asset quality, improve the company's financial status, enhance sustainable profitability, and facilitate the smooth implementation of this fundraising project. The company develops the strategic layout of the quality education business, and the proportion of related party transactions after implementation is reduced,

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which will not affect the independence of the company's production and operation, and is in line with the provisions of Article 2 of the "Detailed Rules for the Implementation of Non-public Issuance of Listed Companies".

4. Plans and specific measures to reduce related party transactions

Except for the above-mentioned related leases (including properties), the company will not generate new related party transactions with related parties during the construction of this fundraising project.

The company has made relevant provisions in the internal systems such as the Articles of Association, the Rules of Procedure for the General Meeting of Shareholders, the Rules of Procedure for the Board of Directors, the Work System for Independent Directors, and the Measures for the Administration of Related Transactions to ensure the relationship between the company and its related parties. The reasonableness, necessity and fairness of the connected transactions that occurred. For related transactions that cannot be avoided or are necessary, in order to safeguard the interests of the company and all shareholders, the company strictly implements the relevant provisions of the above-mentioned system for related party transactions, performs legal procedures, and the related transactions are fair and reasonable, and there is no damage to the company and The situation of shareholders' interests.

In addition, the controlling shareholder of the Eighth Division Holdings on June 11, 2018 made a "commitment letter on reducing and standardizing related party transactions", the specific commitments are as follows:

"1. The company or the company controlled by the company will minimize the related transactions between Kevin Education and its subsidiaries and branches.

2. Related party transactions that cannot be avoided or have reasonable grounds will be conducted on an equal and voluntary basis in accordance with the principles of fairness, fairness and equivalence. The company or the company controlled by the company will sign a standardized connected transaction agreement with Kevin Education or its subsidiaries in accordance with the law. The transaction price will be determined according to the market-recognized reasonable price to ensure the fairness of the connected transaction price; and in accordance with relevant laws and regulations. , regulations, other normative documents and the provisions of the company's articles of association of Kevin Education or its subsidiaries, perform fair transactions such as decision-making in connected transactions, withdrawal of voting, etc., and timely disclose information to ensure that Kevin Education or its subsidiaries are not harmed through related party transactions.

The legitimate rights and interests of the company, its subsidiaries and other shareholders of Kevin Education.

Third, the guarantee does not require or accept the conditions that Kevin Education or its subsidiaries and branches give the company or the company's control in any market fair transaction better than the third party.

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Fourth, the guarantee will exercise corresponding rights according to the company's articles of association of Kevin Education or its subsidiaries, assume corresponding obligations, do not use the identity of shareholders to seek illegitimate interests, and do not use affiliated transactions to illegally transfer Kevin Education or its subsidiaries and branches. The funds, profits, and guarantees do not harm the legitimate rights and interests of other shareholders of Kevin Education.

5. In case of breach of the above commitments, willing to bear all the liabilities arising therefrom, fully compensate or compensate for all direct or indirect losses caused to Kevin Education.

6. The above commitments are valid and have no change or cancellation when the Company has a direct or indirect equity relationship with Kevin Education and has significant influence on Kevin Education. ”

(5) Explain the reasons, rationality and necessity of the applicant's main educational assets in Beijing and the investment projects to lease Tianjin real estate.

The fundraising project is to build a high-quality quality education platform for young people. The implementation sites include Beijing, Tianjin, Shijiazhuang and Shanghai. For the reasons, rationality and necessity of selecting the above-mentioned implementation sites, please refer to the "Question of Response". Seven ("") reply instructions. In addition, the fundraising project leasing Tianjin real estate is the lease related party real estate. For the reason, rationality and necessity analysis of the related leasing, please refer to the "(4)" reply description of "Question 7" in this feedback reply.

(6) Verification opinions of the sponsor institution and the applicant's lawyers and accountants

The sponsor institution, the applicant's lawyer and the applicant's accountant reviewed the issuer's resolutions on the board of directors and shareholders' meeting, the feasibility study report of the fundraising project, the market prospects and competition of the quality education industry and services. The public information, through the collection and sorting of the market price of the implementation of the project, the gross profit margin and the

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period expense rate of the listed company, and the coverage of the students around the implementation site of the investment project, analyzed and reviewed the investment amount and benefit calculation of the fundraising project. The calculation basis and the measurement process and the fairness of the lease price; consult the "Promise Letter on Reducing and Regulating Related Transactions" issued by the controlling shareholder of the issuer.

After verification, the sponsor institution believes that the benefit measurement process of the fundraising project is cautious, reasonable and reasonable, and the expected benefits are achievable; the average gross profit margin of the fundraising project after the project is put into production is reasonable; The period expense rate is reasonable; the fundraising project leases the related party property is necessary and the price is fair, in line with the requirements of Article 2 of the "Detailed Rules for the Implementation of Non-public Issuance of Listed Companies", the issuer has issued "Reducing and Regulating Associations" The Commitment Letter of the Transaction; the issuer's choice to explore the Tianjin education market through this fundraising project is reasonable and necessary.

After verification, the applicant's lawyer believes that the benefit measurement process of the fundraising project is prudent, the calculation is reasonable, and the expected benefits are achievable; the average gross profit margin of the fundraising project after the completion of the project is reasonable; The project's period expense rate is reasonable; the fundraising project leases the related party property is necessary and the price is fair, in line with the requirements of Article 2 of the "Detailed Rules for the Implementation of Non-public Issuance of Listed Companies", the issuer

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The "Commitment Letter on Reducing and Regulating Related Transactions" has been issued; it is reasonable and necessary for the issuer to choose to develop the Tianjin education market through this fundraising project.

After verification, the applicant accountant believes that the benefit measurement process of the fundraising project is cautious, the calculation is reasonable, and the expected benefits are achievable; the average gross profit margin of the fundraising project after the completion of the project is reasonable; The project's period expense rate is reasonable; the fundraising project leases the related party property is necessary and the pricing is fair, in line with the requirements of Article 2 of the "Detailed Rules for the Implementation of Non-public Issuance of Listed Companies", the issuer has issued "About Reduction and Regulation The Commitment Letter of Related Transactions; the issuer's choice to explore the Tianjin education market through this fundraising project is reasonable and necessary.

8. In November 2017, the applicant sold 100% equity of Xinzhongtai, a subsidiary company, generating an investment income of 145 million yuan, which resulted in a net profit attributable to owners of the parent company of 23.25 million yuan. Applicants have large losses in 2016 and January-September 2018. After deducting the investment income in 2017, they also suffered large losses. In November 2017, the applicant provided joint and several liability guarantee for the part of the ongoing project to change the contract entity to Xinzhongtai Company and continued to perform the contract. The contract amount of the provided project was 614 million yuan. As of the end of June 2018, the guarantee was guaranteed. The amount is 915 million yuan, and the amount of guarantees actually required to be guaranteed at the end of September 2018 is 368 million yuan; Zhongjing Building Materials and Xinzhongtai provided counter-guarantee to the applicant for this purpose. As of September 30, 2018, Xinzhongtai Total assets of 1.720 billion yuan, net assets of 531 million yuan, net profit of -1,169,100 yuan from January to September 2018, total assets of 3.87 billion yuan, net assets of 109 million yuan, net profit from January to September 2018 -6,601.6 million yuan. Applicants are requested to: (1) further explain whether Xinzhongtai's source of profit and company value are mainly derived from the implementation of the steel structure project contract; in November 2017, when the disposal of 100% equity interest in Xinzhongtai, the applicant is partially in progress. The project will provide the joint liability guarantee after the contract entity is changed to Xinzhongtai Company. The guarantees have not been released yet. Does it indicate that the applicant still has important main obligations to Xinzhongtai and still bears the main responsibility of its operation. Risk, whether the relevant equity transfer is completed, the basis for the recognition of the relevant investment income and the fairness of the pricing, whether the accounting treatment is accurate and appropriate, and whether it complies with the relevant provisions of the Accounting Standards for Business Enterprises; (2) In combination with 2016 and January-September 2018 The impact of large-value loss and the appropriateness of the processing of equity disposal in 2017 indicates whether the applicant has three consecutive losses, whether the relevant information disclosure is true, accurate and complete; (3) Explain that Zhongjing Building Materials and Xinzhongtai are in the assets. In the case of a high debt ratio and a loss, whether it has the ability to counter-guarantee, whether it will be the production and operation of the applicant Have an adverse effect. The sponsor institution and the reporting accountant are required to issue verification opinions on this question (1)(2), and the sponsor institution and the applicant's lawyer are requested to issue verification opinions on this question (3).

Reply:

(1) Further explaining whether the source of profit and the value of the company of Xinzhongtai are mainly derived from the steel structure

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Implementation of the contract; In November 2017, when disposing of 100% equity of Xinzhongtai, the applicant provided joint and several liability guarantee for the part of the ongoing project to change the contractual entity to Xinzhongtai Company and continue to perform the contract. Dissolution, whether it indicates that the applicant still has an important main obligation to Xinzhongtai, and still bears the main risks of its operation, whether the relevant equity transfer can be completed, the confirmation basis of the relevant investment income and the fairness of the pricing, and whether the accounting treatment is accurate. And appropriate, whether it meets the relevant provisions of the Accounting Standards for Business Enterprises.

## 1. New Zhongtai profit source and company value

(1) New Zhongtai Business Xinzhongtai was established on April 28, 2016 with a registered capital of RMB 450 million. It was established as a wholly-owned subsidiary of the issuer and its main business is the bridge steel structure business. The issuer held the second extraordinary shareholders meeting in 2017 on February 8, 2017, and reviewed and approved the assets, debts, liabilities and qualifications related to the steel structure business of the bridge to the wholly-owned subsidiary. Sino-Thailand's matters, therefore, Xinzhongtai has inherited the complete assets, liabilities, personnel and business qualifications related to the bridge steel structure business, and its main business is the bridge steel structure business.

After the change of Xinzhongtai's controlling shareholder to Zhongjing Building Materials, according to the strategic positioning of shareholders and the development plan of Xinzhongtai, the main business will gradually transform from the bridge steel structure business to the building materials business, and currently continue to fulfill the signed bridge steel. Apart from the structural project contract, it basically no longer participates in the bidding activities of the bridge steel structure project. Xinzhongtai is concentrating resources to develop the production and sales of building materials such as permeable bricks and crystal plates, and increase investment in this field. As a building materials business platform of Zhongjing Building Materials in the Yangtze River Delta region, it realized revenue through the production and sales of building materials business.

## (2) Source of profit and company value

In 2017 and from January to September 2018, Xinzhongtai's income composition is shown in the following table:

Unit: 10,000 yuan

project	January-September 2018	2017
Steel structure engineering income	40,239.45	59,982.29
Other income	-	-
Total income	40,239.45	59,982.29
the retained profits belong to the parent company's owner	-1,141.71	836.04

According to the above, the income of Xinzhongtai is mainly derived from the income of steel structure engineering projects. In the future, the income of Xinzhongtai will mainly come from the production and sales of building materials.

Kevin Education's sale of Xinzhongtai's equity was evaluated by Beijing Zhonglin Assets Appraisal Co., Ltd. The assessment results were based on the asset-based approach and the income approach was not adopted. The main reason was that Xinzhongtai was established for a short period of time, and the operating data of the last three years was in a state of flux. Volatility is large, and management may change after the equity transfer, customer industry

1-60

Uncertain influences such as changes in cooperation, it is difficult to make a more accurate judgment on future business trends.

The main business of Zhongjing Building Materials is to provide special materials for assembly-type construction. Xinzhongtai has high-quality land, factory and other assets, and better customer resources and location advantages. Zhongjing Building Materials intends to integrate business with Xinzhongtai and industrial synergy. It will gradually improve the layout and development space of Sinoma's building materials business in the Yangtze River Delta region and further improve the profitability of Xinzhongtai.

According to the above, the income of Xinzhongtai is mainly derived from the income of steel structure engineering projects. In the future, the income of Xinzhongtai will mainly come from the production and sales of building materials. Zhongjing Building Materials acquired the valuation of the asset-based method adopted by Xinzhongtai, focusing on the cooperation of high-quality assets and industry. The value of Xinzhongtai's company is not derived from the implementation of the contract for the bridge steel structure project.

2. After the issuer sells 100% equity of Xinzhongtai, it no longer has the control of Xinzhongtai, and the equity transfer has been completed.

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The issuer's sale of 100% equity interest in Xinzhongtai was approved by the State-owned Assets Supervision and Administration Commission of Haidian District, Beijing, and was reviewed and approved by the issuer's board of directors and shareholders' meeting. In November 2017, the issuer obtained the entire equity transfer payment of the sale of shares, and Xinzhongtai completed the registration of industrial and commercial changes in the equity transfer.

According to Article 7 of the Accounting Standards for Business Enterprises - Consolidated Financial Statements (2014 Revision), the scope of consolidation of consolidated financial statements shall be determined on the basis of control. Control means that the investor has the power to the investee, enjoys variable returns by participating in the relevant activities of the investee, and has the ability to use the power of the investee to influence the amount of the return.

The definition of control consists of three basic elements: one is that the investor has power over the investee, the other is variable income due to participation in the relevant activities of the investee, and the third is the ability to use the power of the investee to influence it. The amount of the return. In judging whether the investor can control the investee, if and only if the investor has the above three elements, it can indicate that the investor can control the investee.

(1) The investor's power to the investee is the first element of judgment control, which requires the investor to identify the investee and assess its purpose and design, identify the relevant activities of the investee, and make decisions on related activities. The mechanism, the determination of the investor and the rights of the other party involved in the investee related to the investee, to determine whether the investor is currently capable of leading the relevant activities of the investee. By selling 100% equity of Xinzhongtai, the issuer transferred the entire equity of Xinzhongtai held by it, and fulfilled the relevant transfer procedures in accordance with laws and regulations. The issuer no longer holds any shares and voting rights of Xinzhongtai. There is no issuer's representative in the corporate governance structure of Zhongtai's board of directors and management. It cannot determine the financial and operating policies of Xinzhongtai, so the issuer does not have the power to Xinzhongtai.

(2) The second basic factor determining whether the investor controls the investee is that it enjoys variable returns due to participation in the relevant activities of the investee. The variable return of the investor is usually reflected in the acquisition of shares from the investee.

1-61

Benefits, including remuneration for services rendered to the investee's assets or liabilities, fees or liabilities incurred for providing credit support or liquidity support, and the remaining net assets of the investee when liquidated Equity, tax benefits, and future liquidity acquired by the investee, and returns not available to other stakeholders. The issuer did not participate in the production and operation activities and investment and financing activities of Xinzhongtai, nor did it charge fees or bear losses for the guarantee provided by Xinzhongtai to continue to perform the contract, and Xinzhongtai and Zhongjing Building Materials provided counter-guarantee, and the counter-guarantee counter The guarantee measures are fully effective, and the listed company does not receive benefits and assume risks, so the issuer does not enjoy variable returns.

(3) The third basic element of judgment control is the ability to use the power of the investee to influence the amount of the return. Only when the investor has the power to the investee, enjoys variable returns by participating in the relevant activities of the investee, and has the ability to use the power of the investee to influence the amount of the return, the investor controls the investee. square. Since the issuer does not have the power to the new Zhongtai, nor does it enjoy variable returns by participating in the relevant activities of the new Zhongtai, there is no situation in which the power of the new Zhongtai is affected by the amount of the return.

According to the above, the issuer will no longer have the control of Xinzhongtai after selling the 100% equity of Xinzhongtai, and Xinzhongtai will no longer be included in the consolidated statement of the listed company.

At present, the business structure of Xinzhongtai is undergoing transformation. Apart from continuing to fulfill the contract for the bridge steel structure project that has already been signed, it will basically not participate in the bidding activities of the bridge steel structure project. Its development strategy and specific business operations are determined by Zhongjing Building Materials, and listed companies do not take risks for the specific operations of Xinzhongtai.

In order to smoothly divest the original bridge steel structure business, the issuer agreed to provide joint and several liability guarantees for some ongoing projects after the contract entity was changed to Xinzhongtai according to the requirements of the contracting party. The guarantee amount was 915,225,500 yuan. The above guarantees are transitional arrangements made by the issuer when it strips the bridge steel structure business. As of the end of November 2018, the amount of the nine guarantee projects confirmed to be settled was 163,423,300 yuan, and the amount that the company may actually need to assume the guarantee liability has been reduced to 303 million yuan.

The issuer has fulfilled the necessary decision-making procedures for the guarantees of Xinzhongtai, and there is no illegal external guarantee. Xinzhongtai has normal operations and has the ability to continue to perform its contractual obligations. Xinzhongtai has signed contracts with relevant

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parties for the above-mentioned projects, and as the party to the contract, bears the main obligations in the contract, that is, all the obligations related to the construction project, the listed company does not bear important main obligations. Up to now, the listed company has not actually incurred the guarantee loss, and the guarantee responsibility of the two projects (the guarantee amount totaled RMB 12,724,500) provided by the listed company for Xinzhongtai has been lifted; at the same time, the listed company and the controlling shareholder of the listed company Xinzhongtai issued the "Commitment Letter", which clarified the specific timetable and specific measures for releasing or changing the above-mentioned guarantees of listed companies, and the eight major branch companies agreed to provide counter-guarantee to listed companies in the case that the listed company could not cancel the guarantee responsibility. Ensure that the listed company does not incur or bear any guarantee losses, so the listed company does not bear the main risks of the new Zhongtai business.

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Based on the above analysis, the listed company does not have an important main obligation to Xinzhongtai, and does not assume the main risks of the new Zhongtai operation, and the equity transfer has been completed.

**3. Accounting treatment of the sale of shares****(1) Basis for confirmation of disposal price**

1 The issuer and Zhongjing Building Materials signed a Supplemental Agreement for the sale of the 100% equity interest in Xinzhongtai, the Property Rights Transaction Contract and the Property Rights Transaction Contract;

2 to use the price of RMB 63,924,290 as the listing price of the assets under the public listing of the Beijing Equity Exchange;

3 On November 24, 2017, Xinzhongtai completed the registration procedures for industrial and commercial changes in the above equity transfer;

4 On November 28, 2017, the equity of Beijing Property Rights Exchange Co., Ltd. was RMB 63,924,290.

**(2) Fairness and reasonableness of pricing**

1 The sale of the equity was evaluated by Beijing Zhonglin Assets Appraisal Co., Ltd., which is qualified for securities and futures, and issued the "Evaluation Report" of Zhonglin Evaluation [2017] No.160. This assessment adopts the market approach and the asset-based approach, and does not adopt the income approach. The main reason is that Xinzhongtai has a relatively short time to establish, and the operating data of the last three years is in a state of volatility and fluctuates greatly, and may be brought after this equity transfer. Uncertain influences such as changes in management and changes in customer business cooperation make it difficult to make a more accurate judgment on future business trends, so the income approach has not been adopted. This assessment uses the asset-based assessment results as the final assessment conclusion of this assessment. The main reason is that Xinzhongtai has a large amount of real estate assets in the assets of the assessment base date and has a large value added. In the evaluation of this market law, the above-mentioned Assets are considered as operating assets, and the added value of their market value cannot be fully reflected in the market law. As of June 30, 2017, the estimated value of all shareholders' equity of Xinzhongtai was 633,429,900 yuan;

2 The results of this assessment have been approved by the State-owned Assets Supervision and Administration Commission of Haidian District, Beijing, and the asset sale has been approved by the State-owned Assets Supervision and Administration Commission of Haidian District, Beijing;

3 In this transaction, the target asset evaluation value of 633,242,900 yuan was used as the listing price for public listing and transfer at the Beijing Equity Exchange. After being listed and approved by the Beijing Equity Exchange, Zhongjing Building Materials became the intended transferee. After the negotiation between the two parties, the final transaction price was 633,924,900 yuan;

4 The results of this assessment were reviewed by Zhongshui Zhiyuan Assets Appraisal Co., Ltd., issued by Zhongshui Zhiyuan Report [2018] No. 020175.

In summary, when the company sold 100% equity of Xinzhongtai, the valuation value of Xinzhongtai was based on the asset-based method, and it was approved by the State-owned Assets Supervision and Administration Commission of Beijing Haidian District and agreed by the transferee. The pricing was fair and reasonable.

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(3) Accounting treatment According to Article 17 of the "Accounting Standards for Business Enterprises No. 2 – Long-term Equity Investment" (2014 Revision), the difference between the book value of the long-term equity investment and the actual purchase price shall be included in the current period profit and loss. For the long-term equity investment accounted for using the equity method, when the investment is disposed, the same amount of assets or liabilities are directly disposed to be disposed of by the investee, and the portion that is originally included in other comprehensive income is accounted for.



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The 100% equity of Xinqitai held by the issuer has been transferred, and Xinzhongtai will no longer be included in the scope of the consolidated financial statements. The difference between the net assets of the subsidiary and the disposal of the investment will be 144,597,025.22 yuan. For investment income. The accounting entries under the combined calibre are as follows:

Borrow: bank deposits 639,242,900.00 (yuan)

Loan: Long-term equity investment 494,645,874.78 (yuan)

Investment income 144,597,025.22 (yuan)

In summary, the issuer's relevant investment income is confirmed on a sufficient basis, the pricing is fair and reasonable, the accounting treatment is accurate and appropriate, and it complies with the relevant provisions of the Accounting Standards for Business Enterprises.

(II) Combining the impact of 2016 and the large losses in January-September 2018 and the appropriateness of the processing of equity disposal in 2017, explain whether the applicant has three consecutive losses and whether the relevant information disclosure is true, accurate and complete.

1. The issuer's treatment of the proceeds from the disposal of the relevant equity interests of Xinzhongtai is appropriate as follows:

(1) The company has transferred 100% equity of Xinzhongtai to perform asset assessment, state-owned assets approval and filing procedures

In response to the company's transfer of 100% equity interest in Xinzhongtai, Beijing Zhonglin Assets Appraisal Co., Ltd. issued the "Evaluation Report" of Zhonglin Evaluation [2017] No.160, confirming the evaluation value of Xinzhongtai 100% equity of RMB 637,429,900; Based on the results of the assessment, the Beijing Stock Exchange used publicly listed transfer to dispose of the new Zhongtai equity, the price is fair, and the procedure is open.

At the same time, the State-owned Assets Supervision and Administration Commission of Haidian District of Beijing issued Haiguo Zifa [2017] No. 143 "Reply on Approving the Evaluation Results of the Shareholders' Equity Assets of Jiangsu Xinzhongtai Bridge Steel Structure Engineering Co., Ltd." and Haiguo Zifa [2017] No.155 Article "Reply on the approval of Haiguotou's subordinate Zhongtai Bridge Company to transfer 100% equity of Xinzhongtai Co., Ltd., a wholly-owned subsidiary", and evaluate and record the approval results and transfer matters of the transfer of 100% equity of Xinzhongtai by the listed company. .

The company has used the public listing transfer method to transfer 100% equity of Xinzhongtai to perform asset appraisal, state capital approval and filing procedures. The company has obtained the evaluation record of the Beijing Haidian District SASAC according to the above evaluation results as the equity transfer price and its transfer. The approval is approved, the procedure is open, and the price is fair and reasonable.

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(2) The company has fulfilled the necessary procedures for the approval of related party transactions.

On October 16 and 30, 2017, the company held the fourth meeting of the fourth board of directors and the sixth meeting of the fourth board of directors, and reviewed and approved the relevant proposals for the sale of 100% equity of Xinzhongtai. The above transactions constitute connected transactions. The related directors abstained from voting, and the independent directors issued pre-approval opinions and issued independent opinions of consent. On November 15, 2017, the company held the fifth extraordinary shareholders meeting in 2017 to deliberate and approve the above proposal, and the related shareholders abstained from voting.

(3) The company has completed the sale of 100% equity of Xinzhongtai, and the related risks and rewards have been transferred.

According to the above-mentioned "Accounting Standards for Business Enterprises No. 33 - Consolidated Financial Statements" (revised in 2014) on the analysis of the three elements of control, the listed company does not bear the main risks of the new Sino-Thailand operation, and the risks and rewards related to the equity transfer have been transferred. After the sale of 100% equity of Xinzhongtai, it no longer has the control of Xinzhongtai, and the equity transfer has been completed.

The listed company's guarantee to Xinzhongtai is a transitional arrangement made by the issuer when it strips the bridge steel structure business. Xinzhongtai has signed a contract with the relevant party for the above-mentioned projects, and as the contracting party, bears the main body of the contract. Obligations, that is, all obligations related to the construction project, the listed company does not have an important main obligation. As of the end of November 2018, the amount of listed companies may actually need to bear the guarantee responsibility has been reduced to 303 million yuan. Up to now, the listed company has not actually incurred guarantee losses, and the listed company's total guarantee amount for the two projects of Xinzhongtai is 12,724,500 yuan. The guarantee responsibility has been lifted, and the listed company, Badachu Holdings and Xinzhongtai jointly issued the "Commitment Letter", which clarifies the specific timetable and specific measures for releasing or changing the above-mentioned guarantees of the listed company within two months after the commitment is issued. Moreover, Badachu Holdings agrees to provide counter-guarantee to listed companies in the event that the listed



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company cannot cancel the guarantee liability. The above measures further ensure that the listed company does not bear the main risks of the new Zhongtai business, and protects the listed company from occurring or not bearing any guarantee losses.

(4) Relevant accounting treatments comply with the relevant provisions of the Accounting Standards for Business Enterprises

According to the relevant provisions of the "Accounting Standards for Business Enterprises No. 2 - Long-term Equity Investment" (revised in 2014), the issuer's confirmation of the relevant investment income of the disposal of 100% equity of Xinzhongtai is 145,459,700 yuan. The pricing is fair and reasonable, accounting treatment Accurate and appropriate, in line with the relevant provisions of the Accounting Standards for Business Enterprises.

According to the above, the company's accounting treatment of the investment income of Xinzhongtai related equity disposal is appropriate.

2. The issuer does not have a three-year continuous loss situation.

Based on the above analysis, the issuer sells the new Zhongtai 100 in accordance with the relevant provisions of the "Accounting Standards for Business Enterprises No. 33 – Consolidated Financial Statements" (2014 Revision) and "Accounting Standards for Business Enterprises No. 2 – Long-term Equity Investment" (2014 Revision). The equity has been transferred and the new Zhongtai is no longer included in the scope of the consolidated financial statements. The investment income is fully recognized, the accounting treatment is accurate and appropriate, and it complies with the relevant provisions of the accounting standards. In 2016, 2017 and January-September 2018, the issuer's net profit attributable to the parent company's owner

1-65

Don't be -9,627,500 yuan, 23,259,100 yuan and -7,140,100 yuan. There is no three-year continuous loss.

3. Information disclosure The company has announced and disclosed the "Announcement on the Resolutions of the Fourth Meeting of the Fourth Board of Directors of Jiangsu Zhongtai Bridge Steel Structure Co., Ltd." and the Sixth Meeting of the Fourth Board of Directors of Jiangsu Zhongtai Bridge Steel Structure Co., Ltd. The resolutions and the "Announcement of the Resolutions of the Fifth Extraordinary General Meeting of 2017 of Jiangsu Zhongtai Bridge Steel Co., Ltd." disclosed the matters of the sale of the 100% equity and related party transactions of Xinzhongtai and the performance of the review procedures.

The company sold 100% equity of Xinzhongtai, which constitutes a major asset restructuring; the company has issued a notice on the relevant regulatory matters after the implementation of the "Management Measures for Major Assets Restructuring of Listed Companies" and the "Contents and Formats for Information Disclosure of Companies Offering Public Offerings" No. 26—Application Documents for Major Asset Restructuring of Listed Companies requires the company to submit and announce the "Report on the Major Assets Sale and Related Transactions of Jiangsu Zhongtai Bridge Steel Structure Co., Ltd. (Draft)" and "Jiangsu Zhongtai" to the Shenzhen Stock Exchange. Bridge Steel Structure Co., Ltd. Major Assets Sale and Related Party Transaction Report (Draft) (Revised Draft) and other related major asset reorganization documents, fulfilled the relevant information disclosure procedures, and the Shenzhen Stock Exchange legally complies with the relevant documents of the company's asset restructuring. Reviewed.

At the same time, the company has announced the disclosure of the "Prompt Announcement on the Sale of 100% Equity of New Zhongtai by Public Listing" and the "Progress Announcement on the Sale of 100% Equity of Xinzhongtai Company by Wholesale Subsidiary". The assets assessment, state-owned assets approval and filing related procedures that have been performed for the transfer of 100% equity of New Zhongtai were disclosed.

The third meeting of the fourth board of directors of the company, the fourth meeting of the fourth board of directors and the fifth extraordinary general meeting of shareholders reviewed and approved the provision of joint liability guarantee for Xinzhongtai. The company announced the disclosure of "guarantee for wholly-owned subsidiaries". Announcement and "Announcement on Providing Guarantees" and other matters. The Announcement on the Implementation Results of Major Assets Sale and Related Transactions Announced by the Company disclosed the completion of the registration of industrial and commercial changes in the sale of 100% equity of Xinzhongtai. The company has disclosed the accounting treatment of the transfer of 100% equity of New Zhongtai in the "Annual Report 2017".

In this major asset sale and external guarantee, the company has fulfilled the above information disclosure obligations in strict accordance with the requirements of the Shenzhen Stock Exchange Listing Rules and other laws and regulations, and the information disclosure is true, accurate and complete.

(3) Explain whether Zhongjing Building Materials and Xinzhongtai have the ability to counter-guarantee in the event of high asset-liability ratio and loss, which will adversely affect the applicant's production and operation.

For the specific analysis of the counter-guarantee ability of the counter-guarantee party and the impact on the company's production and operation, please refer to the "(2)" reply description of "Question 5" in this feedback.

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(4) Verification opinions of the sponsor institution and the applicant's lawyers and accountants

The sponsor institution, the applicant's lawyer and the applicant's accountant reviewed the documents, announcements, audit reports, evaluation reports, etc. of the issuer's divestiture of the bridge steel structure business, and also consulted the project contract involved in the external guarantee, and the "<equity transaction contract" Supplementary Agreement and Contract Performance Guarantee Agreement, reviewed the financial statements of Xinzhongtai, obtained the "Notes on the Company's Business Plan", and reviewed the sale of Xinzhongtai 100% in accordance with the relevant provisions of the "Accounting Standards for Business Enterprises". The accounting treatment of equity has reviewed the issuer's audit report for the last three years, the third quarterly report for 2018, and information disclosure documents such as major asset sales and external guarantees.

After verification, the sponsors believe that the current profit source of Xinzhongtai is mainly the implementation of the steel structure project contract, Xinzhongtai is gradually transforming the production and sales of building materials, and Zhongjing Building Materials has acquired the asset-based valuation method adopted by Xinzhongtai. Its value does not come from the implementation of the contract for the steel structure project of the bridge; the issuer no longer has the control rights of the new Zhongtai, does not bear the important main obligation, does not bear the main risk of the new Zhongtai business, the new Zhongtai 100% equity transfer has been Upon completion, the investment income is fully recognized, the pricing is fair and reasonable, the accounting treatment is accurate and appropriate, and it complies with the relevant provisions of the Accounting Standards for Business Enterprises; the issuer does not have three consecutive losses, and the relevant information disclosure is true, accurate and complete; The ability to counter-guarantee does not adversely affect the issuer's production and operation.

Upon verification, the applicant's lawyer believes that the counter-guarantee has the ability to counter-guarantee and will not adversely affect the issuer's production and operation.

Upon verification, the applicant accountant believes that the current profit source of Xinzhongtai is mainly the implementation of the steel structure project contract, Xinzhongtai is gradually transforming the production and sales of building materials, and Zhongjing Building Materials has acquired the asset-based valuation method adopted by Xinzhongtai. The value of the contract is not derived from the implementation of the contract for the steel structure project of the bridge; the issuer no longer has the control rights of the new Zhongtai, does not bear the important main obligation, does not bear the main risk of the new Zhongtai operation, and the 100% equity transfer of Xinzhongtai It has been completed, the relevant investment income has sufficient confirmation basis, the pricing is fair and reasonable, the accounting treatment is accurate and appropriate, and it complies with the relevant provisions of the enterprise accounting standards; the issuer does not have three consecutive losses, and the relevant information disclosure is true, accurate and complete.

9. The applicant completed the non-public issuance in 2016, raising funds of 1.725 billion yuan, of which 1.2 billion yuan was used for "high-end education industry investment projects, one investment subsidiary Wenkaixing Construction International School Project", the fundraising project promised The benefits in 2017 and 2018 were -28.91 million yuan and 11,862.20 million yuan respectively. In the last year, the actual realized benefits were -32,081,100 yuan and -31,410,800 yuan. The actual realized benefits were far lower than the expected benefits. Applicants are requested to explain the reasons and reasonableness of the performance of the pre-received project that did not meet expectations. The necessity and rationality of this non-public offering will not be achieved until the benefits of the pre-raised project have not yet reached the expected level. The sponsor institution is requested to issue a verification opinion.

Reply:

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(1) Reasons and rationality of the pre-received performance not meeting the expected benefits

1. Achievements of the previous fundraising projects

According to the feasibility study report of the previous fundraising project, the expected benefits of Wenkaixing in 2017 and 2018 are -2,911,000 yuan and 11,862,200 yuan respectively, and the actual realized benefits in 2017 and the first half of 2018 are -32,281,100 yuan respectively. - 3,101.8 million yuan, failed to achieve the expected benefits.

2. Reasons for the previous fundraising project failing to achieve the expected benefits

(1) The number of students enrolled was not as expected, making the income less than expected

In the feasibility study report of the previous fundraising project, the income of Chaoyang Kevin School in 2017 and 2018 is estimated to be RMB 170,833,300 and RMB 498,360,600 respectively. The actual income in 2017 and the first half of 2018 are RMB 11.47 million and 1,525.56 respectively. Ten thousand yuan, the actual benefits did not reach expectations, mainly because the number of students enrolled did not meet expectations. Chaoyang Kewen School is expected to enroll 1,780 students in the 2017-2018 school year, and the actual enrollment is 248. The main reasons for the difference are:

1 Business policy factors. In order to ensure the quality of teaching, school reputation and long-term development of the school, the school actively adjusts the enrollment strategy, controls the basic quality of primary and secondary school students from the source of students, and guarantees the quality of students. The school mainly focuses on recruiting primary school students in the early stage, making the actual The number of enrolled students is less than expected;

2 Factors affecting regional education policy. The number of high school enrollment is much lower than expected, mainly because the Ministry of Education issued the "Interim Measures for the Administration of International Projects in High Schools" in 2013. The Ministry of Education adopted a tightening policy for the establishment of the International Department of Public High Schools, and the International Department of Public High Schools basically refused approval. The existing International Department has been stripped off. Therefore, the previous evaluation of the benefits of the investment was considered when the high school international department of Tsinghua Fuzhong International Department and Tsinghua High School International School (Ossen Campus) was included in the Chaoyang Kewen School, but ultimately the Beijing area was adopted. The public high school international department retains the status quo policy, resulting in the number of actual high school students in Chaoyang Kewen School is much less than expected;

3 market factors. The school is a new school. After the completion of the school, it will start enrolling students. Due to market propaganda, brand awareness and student trust, it will take time to precipitate, and the number of students enrolled is not up to expectations.

(2) Extra-curricular special training fees and per capita fees are lower than expected

Chaoyang Kevin School did not receive extra-curricular special training fees, which is one of the main reasons why the benefits did not meet expectations. In order to ensure the quality of teaching, the school highlights the professional characteristics of the school's art (dance, art, music) and sports (ice hockey, tennis), etc., the school curriculum is enough to meet the needs of most students, for the improvement of professionalism and further studies. For the students in need, the school entrusted Kai Literature Letter, which specializes in art training, to carry out extra-curricular targeted training, focusing on the school teaching, which ultimately led to less than expected extra-curricular training fees.

Since Chaoyang Kevin School is a new school, the number of primary school students is mostly high, and the tuition fee for the first year of Chaoyang Kewen School is 168,000 yuan/year for primary school, 188,000/year for junior high school, and 218,000/year for high school.

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The per capita fee of Chaoyang Kevin School is less than the expected tuition fee of 200,000/year, and due to the relatively high proportion of primary school students, the student's residence rate is relatively low, which also makes the income of accommodation expenses less than expected.

The feasibility study report of the previous fundraising project predicted Wenkaixing's revenue in 2017 and 2018 to be 96 million yuan and 320 million yuan respectively. However, due to the unexpected enrollment of Chaoyang Kevin School, Wen Kaixing supported The school's long-term development and the school signed a "house lease contract" for schools to use the school for free for one year, and then charge a reasonable rent when the number of students exceeds a certain number.

(3) The amount of cost and expenditure invested during the construction period is large, which makes Wenkaixing's operating profit negative.

Chaoyang Kevin School officially opened in September 2017, and related fixed assets were also completed and put into use. The amount of expenditures for initial preparation and campus operation and maintenance was relatively large. The investment facilities used by Chaoyang Kewen School are large in scale. The original value of buildings and buildings is 1.364 billion yuan, the original value of land use rights is 972 million yuan, and the annual depreciation and amortization amount is 51.833 million yuan. It is the main operation of Chaoyang Kevin School. cost. Wenkaixing's operating cost in the first half of 2018 was RMB 56,333,500. As the number of students in Chaoyang Kewen School is gradually rising, and the breakeven point is not reached, the expenditures for pre-planning, campus operation and maintenance, and the amortization of school fixed assets are greater than the income earned. Wenkaixing is in a phased loss stage.

In addition, due to the small number of students in the first year of Chaoyang Kevin School, the teacher-student ratio is relatively low, so the unit labor cost is relatively high, and other fixed costs such as energy costs for sports venues are higher.

In summary, Wenkaixing is in a phased loss stage due to the preliminary preparations for Chaoyang Kewen School, the expenditure on campus operation and maintenance, and the amortization of school fixed assets.

3. Current situation and expected future situation of the previous fundraising project

Chaoyang Kewen School is a new school. The main students in the initial enrollment stage are junior high school students in elementary school, junior high school and high school. In the future, with the passage of time, the students of the lower grades will be recruited and the grades of the students will increase. The number of students will increase year by year. . With the amortization of fixed assets and the relatively stable operating costs of the school, with the increase in the number of students in the future, Wenkaixing's income and profits will increase steadily, and the income of the previous fundraising projects will gradually improve.

The second year of Chaoyang Kewen School started in September 2018. The number of students in the school increased by 91.53% compared with the first year. It grew rapidly, and with the increase of teaching reputation and brand awareness of Chaoyang Kewen School, multi-channel and multi-content. The promotion is fruitful and it is expected that the third year will be profitable. In the future, the profitability of Chaoyang Kevin School will gradually increase.

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(2) The necessity and rationality of conducting this non-public offering before the pre-raising benefit has not reached the expected level

1. The difference between the previous fundraising project and the fundraising project

Previous fundraising project "High-end education industry investment project - investment subsidiary Wenkaixing Construction International School

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The project is to build a 12-year international school with a full-time basic education covering elementary school, junior high school and high school in Chaoyang District, Beijing, and Chaoyang Kewen School. The project is built for the company to carry out international education business. The project has been completed and put into use.

The fundraising project "Adolescent High Quality Quality Education Platform Project" is a youth quality education center in Tianjin, Beijing, Shijiazhuang and Shanghai, providing one-stop, diversified and multi-disciplinary high school for 4-18 year olds. Comprehensive service of quality and quality education.

There is a big difference between the previous fundraising project and the fundraising project. details as follows:

(1) Different operating modes and profit models

The previous fundraising project was the operation of an international school. Its model is to provide professional services such as rental teaching infrastructure, teaching management consulting, enrollment and market consulting, school operation consulting and intelligent management of campus management to international schools through the construction of campus and company professional and technical capabilities in school operations. A reasonable consideration is charged. Sources of income mainly include rental income, operating management fees and consulting service fees.

This fundraising project is a quality education platform. Its business is mainly to provide quality education and training services, and to obtain training income. On the one hand, the company directly carries out various quality education training courses in the quality education center, recruits students and obtains operating income, which is the most important source of income; on the other hand, the company introduces high-quality third-party education and training institutions in the quality education center. Mainly take the income sharing method to obtain operating income.

(2) Different business characteristics

The previous fundraising project was operated by an international school, and the final client was a primary school, junior high school, and high school teenager who had a clear need to study abroad. The company provides international education services through international schools to prepare for its future adaptation to overseas education. This type of education belongs to academic education, in which elementary and junior high school education is compulsory.

The fundraising project is a quality education project, and the clients are 4-18 year olds. The company provides multi-category quality education services, such as traditional art, physical education, creative arts, scientific thinking, and quality development. This kind of education does not belong to academic education, and it is an off-campus training for the development of sports, art and other aspects other than basic academic education.

(3) Different investment modes

The main construction content of the previous fundraising project is an international school, which is funded by the company to obtain the land use rights required by international schools, and to carry out overall campus construction and invest in heavy assets.

The main construction content of this fundraising project is the quality education center. The company conducts fundraising projects in the form of leased space, does not involve the purchase of land and real estate, and invests in light assets.

(4) Different project implementation locations

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The school that was invested in the previous fundraising project is located in Chaoyang District, Beijing. The main group of its final customers is Beijing-based students.

The fundraising project was launched in Beijing, Tianjin, Shijiazhuang and Shanghai, and its final customer base involved students from the above four cities.

2. The necessity and rationality of this non-public offering

This fundraising project is a high-quality quality education platform for young people. It is committed to providing quality education product training and services for art, sports, scientific thinking and quality development for 4-18 year olds. It is the same as the international school operation project that the

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company is mainly engaged in. It belongs to the education industry, but the former is off-campus training and the latter is intra-school education. There are differences in the business of the two. The proposed fund-raising project can provide the company with new profit growth points.

(1) Quality education has a broad market space and has a good development prospect

Quality education project is an inevitable requirement to conform to the future development trend of China's education. The improvement of comprehensive quality is the core requirement for the development of education in China, and the market space is broad. In September 2017, the Ministry of Education issued the "Guidelines for the Curriculum of Comprehensive Practical Activities in Primary and Secondary Schools". The comprehensive practical activity curriculum for primary and secondary schools is a compulsory course prescribed by compulsory education and general high school curriculum, and is set side by side with the subject curriculum. At the same time, all over the country, such as Zhejiang Province and Shandong Province, as well as universities including Tsinghua University, have clearly linked the comprehensive quality evaluation with the admissions of colleges and universities. The implementation of relevant policies has greatly promoted the rigid demand for quality education.

(2) The company has high quality educational resources and professional advantages

Educational resources are scarce and educational resources are critical to the education and training industry. At present, the company has a large number of high-quality educational resources. Kaiwen Literature cooperates with high-quality educational resources and platforms at home and abroad, introduces professional sports coaches and internationally recognized special physical education courses and education systems, and conducts customized and professional sports training and camp education, youth sports for the society. The event business, to build a leading brand of domestic youth sports training. Sports and art education is the company's characteristics in the field of international schools. After years of hard work and successful practice in the field of quality education in sports and art, the company has established a relatively complete quality education curriculum system, which has laid a foundation for the implementation of fundraising projects. Good professional foundation.

(3) The fundraising project has a good synergy with the company's existing business.

The main business of Kevin School is the basic academic education of elementary school, junior high school and high school. The quality education of sports and art education is the characteristic of Kaiwen School. "Teachers, courses and teaching" are the three pillars of Kevin School. The curriculum of this fundraising project is in line with the courses offered by the company's existing business. The teachers, courses and teaching systems and experience accumulated and precipitated by Kaiwen School in the field of art and sports are all in accordance with international standards. Successful practice, with a standardization and reproducibility basis, has the basis and conditions for the implementation of this fundraising project.

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The fundraising project is in the same education industry chain as the company's existing international education business. The audience age group has a high degree of overlap, which can provide students with statistics, preliminary screening and course experience for the opening and enrollment of international schools. Work is conducive to the expansion of international school business and improve school utilization. At the same time, on the basis of the international school business, the company vigorously develops high-quality quality education business, promotes brand output, management output, and curriculum system output, and extends the educational brand, resources and experience of the school to the outside of school, and the internal and external teaching system interacts with experience. Development will help improve the marginal benefits of quality education resources in international schools, enhance the company's profitability, achieve coordinated development of international education and quality education, and create a strategic layout of the first-class education platform of "international education + quality education".

Through the implementation of this fundraising project, the company intends to give full play to the company's competitive advantages in various educational resources, create a differentiated and high-quality quality education and training system and platform, and deepen the development of high-quality quality education industry to seize market opportunities. To further enhance the company's brand image in the education industry. The benign interaction between international education and quality education in the business system, curriculum development and resource system will contribute to the realization of economies of scale and external economy, so that the two can achieve resource sharing, synergistic symbiosis, system interaction, and industrial resonance.

(4) This fundraising project is a strategic choice of the company and is conducive to coping with policy risks.

At present, the "Implementation Regulations (Draft for Review)" is in the stage of deliberation and has not yet been formally promulgated. According to its relevant regulations, education and teaching activities that promote language quality, art, sports, science and technology, research, etc., which contribute to quality improvement and individuality development, are established. Private training and education institutions can directly apply for legal person registration, which has certain policy advantages compared with other private education and training institutions.

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The fundraising project is a quality education and training business, and does not involve basic education. The company intends to grasp the strategic development period of the quality education market through the implementation of this fundraising project, and actively develop quality education and training business is the company's strategic choice, the future of the company. Development and sustainable management are of great significance and realistic urgency. The quality education and training market has a broad space and has a good development prospect. According to the "13th Five-Year Plan for National Education Development" issued by the State Council in 2017, it is clearly stated that "the quality education will be fully implemented and the socialist core values will be actively cultivated and practiced". The national policy also actively supports the development of the quality education industry. The fundraising project has synergy with the existing international education business, which helps to improve the marginal benefits of existing educational resources and achieve economies of scale and external economy. Therefore, this fundraising project is the existing main business of the company. The important supplements, business optimization and industrial chain extension are important measures for the company to respond to policy risks. The successful implementation and development of the quality education and training business of this fundraising project can cultivate new business growth points for the education industry, optimize the income structure, diversify business risks, stabilize the overall risk resistance of listed companies, and enhance the sustainable profitability of listed companies. And development potential.

In summary, the implementation of this fundraising project is necessary and reasonable.

**(3) Verification opinions of the sponsor institution**

The sponsor institution reviewed the 2016 Non-Public Issuance of Stock Plans (Revised Draft) disclosed by the issuer,

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"Feasibility Study Report on the Use of Raised Funds for Non-public Offering of A Shares in 2016 (Revised Draft)", "Special Report on the Use of Previously Raised Funds", "Special Report on the Deposit and Use of Raised Funds", and "Previous Recruitment" issued by accountants The Funds Use Attestation Report, the "Report on the Collection and Use of Funds Raised", and conducted on-the-spot inspection of the operation of the previous fundraising project; consulted the issuer's financial report for the last three years; The reasons for the unexpected benefits were interviewed by the issuer's senior management personnel; the differences and synergies between the fundraising project and the previous fundraising project were compared and analyzed.

After verification, the sponsor institution believes that the previous fundraising project did not achieve the expected benefits because Chaoyang Kevin School's enrollment was not expected, and the cost of the construction period was large. The fundraising project was to develop quality education business. The implementation of the secondary fundraising project will help to bring into play the company's resource advantages, expand the layout of the education industry, cultivate new profit growth points for the education business, and enhance the company's risk response capabilities. It is necessary and reasonable for the company to carry out this non-public offering.

10. Haidian Kewen School and Chaoyang Kewen School operate for only 1-2 academic years. Applicants can accommodate the number of students in the 2017-2018 school year and the actual number of students in school, teacher strength, school utilization, teacher-student ratio, teachers Remuneration and the proportion of income accounted for a large gap with comparable companies such as Maple Leaf Education, Boschle Education, Concord Education and Chengshi Education. The applicant expects net profit in 2018 to be in the range of -98 million yuan to -85 million yuan. At present, Haidian Kewen School has achieved profitability. Chaoyang Kevin School is expected to achieve profitability in the 2019-2020 school year. Applicants are requested to indicate what effective measures will be taken to improve school utilization, indicating the sustainability of these measures and the associated risks. The sponsor institution is requested to issue a verification opinion.

Reply:

(1) Effective measures for the company to improve the utilization rate of the school and its sustainability and related risks

1. Effective measures for the company to improve school utilization rate

(1) Consolidate the foundation of high-end brands and accumulate brand awareness

The company supports teaching with good teaching venues and hardware facilities. With the professional platform of cooperation with well-known sports brands, the company will continue to increase the development and reserve of quality education resources and strengthen the company's differentiated competitive advantages in sports and art education. At the same time, the school will increase investment in selecting and hiring outstanding teachers, reserve rich teachers, build and improve the curriculum teaching and research teaching system, guarantee the continuity of teaching quality, and consolidate good teaching reputation.

(2) Protect the publicity budget and implement multi-channel and multi-content promotion



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The school will guarantee annual publicity and budget expenditures and expand the promotion and promotion channels. At present, the school regularly publishes and updates graphics and videos through official websites and media, and gradually expands and distributes them.

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Collaboration between the media, portals and video media to increase the opportunities for publicity schools; filming on specific themes and featured teaching in a thematic way, providing material support for school branding and daily reporting; organizing school leadership teams and teaching for schools Disciplinary groups and teachers who have made outstanding contributions to teaching and research conducted interviews with people to enhance the uniqueness of propaganda.

(3) Actively participate in industry activities to attract target groups

1 Participate in various educational exhibitions. In each academic year, Kevin School will participate in international education exhibitions, school-based education exhibitions and other industry events organized by several institutions including Beijing News, Yuanbo, New Oriental and Parents.

2 Participate in industry events and forums. The school leaders participated in media forum activities such as Top Thought, Tencent Education, and Sina Education, and acted as a guest speaker to conduct topical presentations to enhance the school's popularity.

3 docking kindergarten, absorbing students. Relevant personnel of the school visited the kindergartens such as Meihua Caiyuan, American House, and Dewen International Kindergarten, and made timely return visits at the end of the year to maintain close contact with the kindergartens and prepare for the advancement of quality students.

4 cooperate with other parties to drain. The school organizes well-known enterprise employees to participate in the school experience class, and hold special lectures for key customers such as insurance and banks to enhance the awareness of key customers.

(4) Pay attention to promotion details and increase experience conversion rate

Kevin School holds a number of campus open days and enrollment activities every academic year, and formulates and arranges standardized routes for school visits, strengthens the service details and service levels of reception staff, invites potential customers to experience Kaiwen school teaching activities, and distributes admission materials. And campus gifts with school logos, etc., on the premise of ensuring the quality of students, increase the enrollment ratio.

2. Sustainability and related risks of effective measures taken by the company

(1) The effective measures taken by the company are sustainable

Through the above measures, Kevin School has improved the utilization rate of schools. The school administration actively monitors and evaluates the implementation effects of the above measures and continuously improves and optimizes them. It uses the good reputation established by the school to consolidate high-end brands and condenses a group of high-quality and responsible managers. And core employees, and ensure the sustainability of the implemented measures through a stable promotion budget.

The academic committee of the company assists the school in assessing and evaluating the quality of the teaching curriculum, training the teaching staff, etc. The marketing department assists the school in implementing the enrollment promotion and planning, and the development department is the resources for the school to connect external business cooperation. The company assisted the school to continuously track and evaluate school brand publicity, enrollment activities and teaching activities, and provided advice to the school to accumulate the "Kevin" brand to ensure the effectiveness and sustainability of the above measures.

(2) The company faces a certain degree of risk of enrollment less than expected

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At present, Haidian Kewen School and Chaoyang Kevin School have a relatively short start-up period. With the increase of school operation time and the enrollment measures, the number of students in the school is gradually rising. Considering the uncertainty of China's current macroeconomic and educational policies, it may have certain impact on the daily operation of the company. At the same time, with the continuous deepening of the reform of China's education industry, the scale and number of participants in the education service industry have different degrees. Growth, industry competition is also becoming increasingly fierce; in addition, as the company continues to expand the education business up and down the industrial chain, the diversification and complexity of service content and service targets put forward higher requirements for the company's management capabilities, if the company can not cope with macro environmental changes, Consolidate and enhance the core competitive advantages, strengthen management and operation capabilities, and ensure the effective implementation of the above measures, and still face a certain degree of risk of enrollment less than expected.



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The above risks are already in the "Guangzhou Securities Co., Ltd." on Beijing Kaiwen Dexin Education Technology Co., Ltd.

Supplementary disclosures were made in "I. Survey on Issuer Risk Factors" in "Section IV of Issuer Risk Factors and Other Important Events" in the Due Diligence Report on Non-public Issuance of Shares.

**(2) Verification opinions of the sponsor institution**

The sponsors visited the Kevin School on the spot to learn about the school's teaching facilities and teachers, as well as the schooling and educational resources reserve; to obtain the school's brochures and enrollment materials; and to consult the media and network schools about participating in international education exhibitions and school selection. Exhibitions and other activities related to the company's admissions exhibition and brand building; interviews with relevant executives of the issuer.

After verification, the sponsors believe that the company's measures to improve the school's utilization rate are concrete and feasible, and they are sustainable with the company's existing business and resources. Based on the uncertainty of the macro environment and the intensification of industry competition, the company faces certain The degree of enrollment is less than the expected risk.

11. Applicants are expected to invest RMB 208,180,800 in this fundraising project, including 150 million yuan for core model courses, 30.18 million yuan for standardized courses and intelligent learning, and 100 million yuan for online courses. Applicants are requested to indicate whether they have such experience in purchasing large amount of course resources, and to analyze the rationality and fairness of the pricing of these courses in combination with the analysis of comparable companies in the same industry. Is there any risk of interest transfer and related control measures? The sponsor institution, the applicant's lawyer and the accountant are requested to issue verification opinions.

Reply:

**(1) The company's experience in purchasing course resources**

Since the company started its education business, the two Kaiwen schools have opened many courses in the fields of sports, traditional art, creative arts, scientific thinking, quality development, etc. At the same time, the company has also launched a number of sports training services. According to the company's business development, the company has accumulated rich purchasing experience in purchasing the required course resources. The company has been to a number of educational and training institutions, sports clubs, sports organizations.

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And other groups to collect resources, the main partners include Beijing Qiqi Sports Culture Development Co., Ltd., Beijing Jushi Dart Culture Development Co., Ltd., Guo Aolixian (Beijing) Sports Culture Development Co., Ltd., Beijing Xinyi Sports Culture Development Co., Ltd., Beijing Aoyou Sports Culture Development Co., Ltd., Beijing Tianyuge Sports Service Co., Ltd., Beijing Yijie International Children's Culture Communication Co., Ltd., Beijing Yougao Education Technology Co., Ltd., Beijing Aipu International Education Co., Ltd., Manchester City Football Club MLB Major League Baseball, Canada's Govegan Capital People's Ice Hockey Club, IMG Academy - Golf Academy, Beijing China Open Tennis Sports Promotion Co., Ltd., etc. The company's cooperation with the above-mentioned partners is mainly to purchase the course services of each partner, and to pay or divide the revenue according to the period and number of times the partner provides the course services.

**(2) Rationality and fairness of pricing of course resources****1. The situation of purchasing course resources in this fundraising project**

The estimated investment of the company's fundraising project is 208,180,800 yuan, including the procurement of core demonstration courses of RMB 150 million, standardized courses and intelligent learning development of RMB 30,188,000, and online course production of RMB 10,000.

**1 core model course content procurement**

The company plans to invest 1,500 million yuan to purchase core model courses. The current amount of courses signed for the purchase agreement is 93,552,800 yuan, accounting for 62.37% of the planned investment amount. In addition, the company has already negotiated an overall estimated amount of 690 million yuan. The company will purchase the appropriate course content in the alternative course according to the budget.

**A. Courses that have signed an agreement of intent**

Serial number	Intention partner	Course or content to be purchased	Amount (ten thousand yuan)
1	Yang Zaichun Culture and Art Studio (Beijing) Co., Ltd.	Youth calligraphy art education curriculum, including curriculum system, teaching system, material library, etc.	800.00

2	Beijing Meihua Caiyuan Education Technology Co., Ltd.	Youth Safety Education Course; Youth Self-Defense Growth Course; Youth Indoor Fitness, Parent-Child Interaction Course	2,000.00
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3	Beijing Haidian District to St. Guardian Training School	Youth dance, Chinese education, children's musicals and quality development (hosting and thinking cognitive training)	1,865.00
4	Beijing Yifan Excellence Sports Culture Development Co., Ltd.	Dryland indoor ice hockey training course	1,100.00
5	Beijing One Step Future Education Technology Co., Ltd.	Science Enlightenment Courses: Physical Science, Life Sciences, Earth and Space Science, Animals and Nature; Engineering Practice Courses: Electronic Circuits, Mechanical Structures, etc.	1,800.00
6	Geek Bear (Beijing) Technology Co., Ltd.	STEAM courses such as LEGO courses and MCU Maker courses	810.28
7	Beijing Orole Sports Culture Company	Dance classes such as aerobics, Latin dance, and modern dance, as well as shooting and archery classes	980.00
total			9,355.28

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## B. Already negotiated alternative courses

Serial number	Course project	Estimated amount (ten thousand yuan)
1	Folk music: Guzheng, pipa, guitar and other courses	1,000.00
2	Western musical instruments: piano, violin, viola, trumpet, horn, percussion, etc.	2,000.00
3	Fine arts: illustrations, oil paintings, watercolors, prints, picture books for children aged 4-7, etc.	1,800.00
4	Adolescent English 5-12 years old English grade reading, listening and literacy course	1,600.00
5	5-12 years old Chinese painting course	500.00
total		6,900.00

2 The standard system and the relevant system resources that the intelligent learning development company intends to invest in further standardization of curriculum development and intelligent learning programs is RMB 30,188,000, as follows:

Serial number	Course project	Total price (ten thousand yuan)
1	Sports-Intelligent Wearable Devices and Data Analysis System	243.20
2	Music class - smart piano classroom	68.00
3	English-English Online Classroom Voice Assessment Solution	160.00
4	English-Global Children's American Course Resource Library	45.00
5	English-Global Children's American Course Autonomous Learning Platform System	90.00
6	Foundation class - intelligent interactive classroom architecture	105.58
7	Basic class - multiple sets of digital teaching interactive system	799.48
8	Foundation class - immersive VR maker classroom	385.54
9	Foundation Class - Standardization Course R&D Expenditure	1,122.00
total		3,018.80

3 Online course production company has signed a letter of intent with Korean famous special effects production company MOFAC INC., and hired it to make 20 online courses, each course is 20 episodes, each episode is about 25 minutes, totaling 10,000 minutes, 10,000 yuan per minute production cost A total of 100 million yuan. The online course will use 3D animation and post-synthesis technology to complete animation and related creation through sub-shots; integrate rich characters, scenes, integrate animation, video, 3D, text and other digital resources, through fashion, new and leading virtual reality

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technology The approach to making online courses more attractive is to build a differentiated competitive advantage for the company. According to the online inquiry, some of the quotations of the domestic 3D animation course production company are as follows:

Serial number	company name	Make a quote (yuan / sec)
1	Greyhound Movie Animation Studio	98.00
2	Shenzhen Ruichuang Vision Company	350.00
3	Beijing Yao in Lingjing International Technology Culture Co., Ltd.	200.00
4	Bizarre visual film and television animation	500.00

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Note: The above data comes from the pig eight ring network

Comparing the above quotation, the company's online course production fee price is within the range of market quotation, which is reasonable.

## 2. The situation in which comparable companies purchase course resources in the same industry

In recent years, among the listed companies in the same industry, the related fundraising projects implemented by Shengtong and Weichuang are similar to the company's fundraising projects. The specific conditions for using the raised funds to purchase course resources are as follows:

Amount: 10,000 yuan

project name	company name	Total investment	Course resource amount	Proportion
Children's Comprehensive Quality Learning and Development Center Project	Shengtong shares	44,159.39	10,379.69	23.51%
Children's Art Training Center Construction Project	Weichuang shares	120,146.10	39,859.78	33.18%
Mean				28.34%
Youth High Quality Quality Education Platform Project	Kevin Education	115,327.28	28,018.80	24.30%

The amount of course resources purchased by the company's fundraising project is 208,180,800 yuan, accounting for 24.30% of the total investment of the fundraising project. It is similar to the proportion of the total amount of investment in the comparable resources of the listed companies in the same industry, and the procurement of course resources. The amount and the proportion of the total investment are within a reasonable range.

According to the publicly disclosed information of the listed company, the purchases of Weichuang in its children's art training center construction project include dance courses, music courses, drama courses, art courses, etc., and the company plans to invest about 398 million yuan. Yuan purchases more than 50 categories of IP; its content purchase amount is mainly based on market research, price negotiation with major potential IP partners, and the number of courses to be purchased.

The courses to be purchased by the construction project of the Children's Art Training Center of Wei Chuang Shares Investment Project are as follows:

Unit: 10,000 yuan

Serial number	Course direction	Course or content to be purchased	Amount
1	Dance course	Children's ethnic dance, children's Latin dance, children's ballet, dance examination, dance enlightenment	5,000.00
2	Music course	Basic music theory, singing teaching, instrumental music teaching	
3	Drama course	Basic skills, body display, stage performance, script creation	
4	Art course	The series of prints: black and white; ink series: ink five colors; creative production: paper space; graffiti series: yesterday's dream; calligraphy series: horizontal and vertical; sketch series: instant memory; gouache series It: the world of cold and warm; the series of oil paintings: the brush strokes on the cloth; the series of sculptures: the art of the knife	
5	Physical education course	Football Preschool, Taekwondo, Fencing, Chinese Martial Arts, Indoor Swimming, Table Tennis, Badminton Preschool	

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6	Robot education	Building block robot course 4-8 years old; single-chip robot 7-12 years old; humanoid robot over 12 years old	7,000.00
7	Science Thinking Hall	Science Cognition Course, Music Building Course, Chinese Combination Matching	

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Serial number	Course direction	Course or content to be purchased	Amount
		Courses, "Arranged Combination Courses", "Look at Picture Guessing Words Course"	
8	Picture gallery	Program Theme Course, Life Common Sense Field, Natural Ecology Field, Creative Picture Book Field, Mathematical Logic Field, Life American Language Field,	4,609.78
total			16,609.78

The total amount of similar courses to be purchased by the construction project of the Children's Art Training Center of Wei Chuang Shares Investment Project is 166,098,800 yuan. The total amount of core model course procurement and standardization courses and intelligent learning development that the company is investing in this fundraising project is 181,180,800. Yuan, the two are relatively close and comparable.

### 3. The rationality and fairness of the company's purchase of course resources pricing

The estimated investment in the project resources of the company's fundraising project is 208,180,800 yuan, accounting for 24.30% of the total investment in the fundraising project, which is similar to the ratio of the amount of the course resources purchased by the comparable company to the total investment, and is in a reasonable amount range. .

The company expects to invest a total of RMB 180,188,000 in content procurement and standardization courses and intelligent learning development for the core model courses. The purchase amount for each course project is less than 20 million yuan. Due to the scarcity of quality education resources in the market, relevant course content And the choice of purchase price is based on the company's market research and business negotiations.

The content of the course is the cornerstone of the quality education center and the core competitiveness of the company's quality education business. At present, the curriculum resources in the market are mainly built in the following three ways:

(1) Purchase long-term course services. Sign a long-term service contract with the course content provider, and the course content provider will conduct specific course teaching. The quality education center will enroll students, provide teaching venues and daily management, and the quality education center will pay for each course teaching or with the course content. The provider makes a revenue share. The initiative of the course content in this mode is in the hands of the course provider, which is not conducive to the quality education center to manage the course content, and the stability of the business is uncertain.

(2) Self-developed course content. The curriculum development is carried out by the Quality Education Center. After the curriculum development is mature, the curriculum is taught by the teachers of the Quality Education Center. The content of the curriculum is completely controlled by the Quality Education Center. The Quality Education Center can stably teach the course. . However, the curriculum development cycle and R&D cost are higher in this mode. Take the youth fitness and safety defense courses as an example. The curriculum development needs to go through market and industry research, determine teaching objectives and plans, course plans and materials, teaching practice, Teaching feedback correction and other links, the pre-curricular period is about 1-2 years, and it needs to be continuously improved and improved in the follow-up practice teaching, and the total development cost is close to the expenditure of purchasing course resources.

(3) Purchase ownership of course resources. The quality education center buys out the ownership of the course content, the course content provider provides all the curriculum system, teaching system, teaching material resources, etc., as well as the implementation of the curriculum resources and system. The quality education center can carry out the course content, IP and resources. Further development,

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Upgrade, improve. This model enables the curriculum to be implemented more quickly in the quality education center. However, due to the scarcity of quality education resources and the characteristics of long-term development, the cost of purchasing expenditure is relatively high.

In order to make the fundraising project run quickly and stably, the company uses the method of purchasing course resources to build the core curriculum of the quality education center. The curriculum resources that the company intends to purchase are traditional art, sports, thinking development, creative art and quality development. In the related core curriculum, the company will carry out appropriate secondary development of the courses taken abroad to form a training content with competitive advantages.

(3) The company's internal control system for the procurement and pricing of curriculum resources  
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1. The company has formulated and implemented specific management control for the purchase of course resources.

In response to the procurement of course resources, the company has formulated and implemented the "Special Course Resource Purchasing Management Process", which has carefully controlled the internal control system of educational resource procurement content, the management system of educational resource suppliers, and the signing process of educational resource procurement contracts. The main systems and processes are as follows:

(1) Internal control of educational resource procurement content

The business initiating department fully understands the market demand, further clarifies the direction of the educational resources and content to be purchased, and finally determines that the content of the educational resources to be purchased needs to be discussed openly through the internal meetings of the department, and the business executive department will listen.

(2) Management system of educational resource suppliers

In principle, the business sponsoring department plans to purchase a single educational resource category and communicate with no less than five suppliers. Each educational category should, in principle, select no less than three suppliers with clear cooperation intentions, and initiate the department to the supplier. The five dimensions of the number of years of employment, whether it is a wired teaching entity, the size of the business (professionality), the number of employees, and brand awareness (past achievements) are used to score suppliers. The final selected procurement suppliers need to be discussed openly through internal department meetings, and the business execution department will listen.

The business initiation department and the business execution department conduct a preliminary inspection of the course resources to be purchased, and combine the market price interval level to finalize the supplier cooperation, and report to the legal department and the finance department to evaluate the initially determined price and cooperation mode. After the initial procurement plan is formed, it will be submitted to the general manager's office for approval, and the next contract signing process will be fulfilled.

(3) The process of signing the procurement contract for educational resources

The business initiation department initiates and is responsible for signing the contract with the finalized resource supplier. The contract with the final selected supplier is divided into two steps: the intention agreement and the formal contract.

1 signing of the purchase intention contract

The signing of the intention agreement requires at least the following key elements of cooperation: the scope framework of the procurement of educational resources, and the total

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Contract amount, cooperation method and follow-up service mode. If you need to sign a formal contract directly without an agreement, you must be approved by the department head and the general manager's office.

The intention agreement to be signed is initiated by the business sponsoring department, and the department head and the person in charge of the business execution department sign and confirm it, and pass it to the business support department such as the Legal Department, the Finance Department, and the Board of Directors for review and related to the scope of their duties. Confirmation of terms and conditions. The intention agreement and the contract approval form must be finally confirmed by the general manager. After the intention contract is signed, the backup must be kept for the relevant department to save.

2 signing of the purchase formal contract

After the completion of the signing of the intention agreement, a formal contract is signed according to the progress of the project, and the business initiation department and the business execution department participate in the process. The formal contract needs to further clarify the following key elements of cooperation on the basis of the intention agreement: the scope framework of the procurement education resources, the settlement basis or the total contract amount, the cooperation mode and the follow-up service mode. During the formal contract negotiation process, the company's legal department and financial department shall participate in it, and provide opinions and suggestions on the financial and tax matters involved in the contract and the overall legal risk matters.

The business initiation department initiates the process, submits the contract approval form, and passes it to the business support department such as the Legal Department, the Finance Department, and the Board of Directors for review and confirmation of relevant terms and issues within its scope of responsibility, such as the IT technical aspects agreed in the contract. The manpower agreement on marketing, labor contract or employment relationship, the formal contract and contract approval form to be signed also require the approval and review by the company's IT department, marketing department

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and human resources department. The formal contract and the contract approval form must be finally confirmed and approved by the general manager of the company. After the contract is signed, the backup will be kept and saved to the relevant department.

**2. Strictly implement the company system such as the "Administrative Measures on Related Party Transactions"**

In accordance with the principles stipulated in the "Administrative Measures on Related Party Transactions", in the process of purchasing course resources, the company strictly implements the related party avoidance system. For example, there is a relationship between procurement personnel and other participants and suppliers, and must actively report and avoid the purchase. Process. If unreasonable economic exchanges between the purchaser and the supplier are found, they will be dealt with seriously according to the company's internal regulations and relevant laws and regulations. If the suspect is involved in the crime, it will be transferred to the judicial authorities for handling.

In summary, the company has developed and implemented relevant internal control to prevent the risk of interest transmission, and the company has no relationship relationship between the selected course suppliers and the company. There is no interest transfer in the company's curriculum resource procurement.

**(4) Verification opinions of the sponsor institution and the applicant's lawyers and accountants**

The sponsor institution, the applicant's lawyer and the applicant's accountant reviewed the feasibility study report and the course resource procurement agreement of the issuer's fundraising project, and verified the issuer's "special course resource procurement management process" and "related transaction management measures" and In terms of its implementation, interviews were conducted with the relevant executives of the issuer to learn more about the course resources and suppliers that the issuer has purchased, as well as the procurement content and procurement pricing.

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Based on the comparison and analysis of the purchase of curriculum resources of listed companies in the same industry.

After verification, the sponsor institution believes that the issuer has the experience of purchasing curriculum resources, and the pricing of the curriculum resources to be purchased is reasonable and fair. The issuer has formulated and implemented a management system for the procurement of curriculum resources, which can effectively prevent the risk of interest transmission. .

After verification, the applicant's lawyer believes that the issuer has the experience of purchasing course resources, and the pricing of the course resources to be purchased is reasonable and fair. The issuer has formulated and implemented a management system for the procurement of course resources, which can effectively prevent the interest transfer. risk.

After verification, the applicant accountant believes that the issuer has the experience of purchasing course resources, and the pricing of the course resources to be purchased is reasonable and fair. The issuer has formulated and implemented a management system for the procurement of course resources, which can effectively prevent the benefit transfer. risk.

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(There is no text on this page, it is the stamp page of "Reply on the feedback of the application for non-public offering of shares of Beijing Kaiwen Dexin Education Technology Co., Ltd.")

Beijing Kaiwen Dexin Education Technology Co., Ltd.

year month day

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(There is no text on this page, it is the stamp page of "Reply on the feedback of the application for non-public offering of shares of Beijing Kaiwen Dexin Education Technology Co., Ltd.")

Sponsor representative:

Li Xiaojun Yang Chengyun

Sponsor's President:

Zhang Yongheng

Guangzhou Securities Co., Ltd

year month day

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statement

I have carefully read the entire contents of the feedback report of Beijing Kaiwen Dexin Education Technology Co., Ltd., understand the verification process of the report, the core of the company and the risk control process, and confirm that the company performs the verification according to the principle of diligence and conscientiousness. The procedures and feedback reports do not contain false records, misleading statements or major omissions, and bear corresponding legal responsibilities for the authenticity, accuracy, completeness and timeliness of the above documents.

Sponsor's President:

Zhang Yongheng

Guangzhou Securities Co., Ltd

year month day

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